ZINARA

Annual Report 2022

Contents

ABBREVIATIONS

Abbreviation	Meaning
DBSA	Development Bank of Southern Africa
RIDA	Rural Infrastructural Development Agency
DoR	Department of Roads
ERRP2	Emergency Road Rehabilitation Program 2
Infralink	Infralink (Private) Limited
Instatoll	Instatoll Zimbabwe (Proprietary) Limited
MOTID	Ministry of Transport and Infrastructural Development
NDS1	National Development Strategy 1
O & M Contract	Toll Operations and Routine Maintenance Contract
Road Authorities	DoR, RIDA, Urban Councils and Rural District Councils
SI	Statutory Instrument
ZINARA	Zimbabwe National Road Administration
ZWL	Zimbabwean Dollar

1.0. CHAIRPERSON'S FOREWORD

Dr. Munyaradzi George Manyaya

I am pleased to present the Zimbabwe National Road Administration Annual Report and Audited Financial Statements for the year ended 31 December 2022.

The Board acknowledges the ever-changing prevailing economic environment that ZINARA has been working in during the year 2022; thus, requiring cutting-edge strategies in real value revenue collection, risk management and subsequent disbursement of real value funds to Road Authorities especially under ERRP2 as we move towards the attainment of Vision 2030.

The Board has thus far demonstrated resilience in directing effective implementation of the mandate notwithstanding the double-barreled besetting setbacks from both economic challenges as well as the erstwhile drag from the legacy issues albatross. The Board's efforts have further been bolstered by the Ministry of Transport and Infrastructure

Development, which has made sure that appropriate and functional Board structures are in place. The Board is balanced on gender as evidenced by the presence of 7 female members and 5 male members. It is also balanced in terms of diversity, skills, geographical representation, and experience.

During the period under review, the Board, through its Audit Committee, Risk Management and Legal Committee and indeed the full Board, considered significant risks affecting the achievement of its objectives and put in place mitigation measures to ensure achievement of both its revenue targets and disbursement mandate target.

I am happy to report that revenue for the year ended 31 December 2022 closed at ZWL$78bn, which was 24% higher than the revised target of ZWL$63 bn in historical terms; while disbursements (*in historical cost terms*) to Road Authorities, Routine Road Maintenance (RRM) and tollgate improvements closed at ZWL$31bn compared to ZWL$10 billion posted in 2021. It is noteworthy that the increase in time for approval of payments due to the requirement for the necessary value for money due diligence processes meant that the pace of uptake of available funds by Road Authorities was affected during the year under review. Group disbursements, which includes DBSA loan disbursements and Toll Road maintenance disbursements for the Plumtree-Forbes Road, closed at ZWL$48 bn 12% higher than the revised target, which was 119% over the original budget.

During the year under review, ZINARA remitted various projects and initiatives aimed at improving its institutional capacity and Corporate Governance image. This included putting the SAP Enterprise Resource Planning system into place, which should help with e-governance and ensure that the financial reports from the Road Fund have the necessary integrity.

The Board also made a significant impact on cross-cutting issues affecting employees and inclusive programs by approving the implementation of a mortgage facility, which is anticipated to significantly improve the socioeconomic circumstances of employees.

The period under review has also seen ZINARA adopting a market-oriented paradigm shift towards building brand equity and corporate governance. This has paid dividends as vouchsafed by various endorsements by the corporate world in form of accolades scooped such as the Director of the Year award from the Institute of Directors in Zimbabwe.

With corporate governance issues that bedeviled ZINARA now a thing of the past, the Board is confident that the Road Fund is now poised towards contributing positively towards infrastructure development, which is an important pillar in economic development and forms critical intervening steps towards vision 2030.

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Dr Munyaradzi George. Manyaya

2.0. CHIEF EXECUTIVE OFFICER'S STATEMENT

2.1. The Business Environment

The financial year 2022 was a year that presented opportunities for growth for ZINARA post COVID-19; yet accompanied with complex risk factors that required adept emergent strategic initiatives to remain on course. The subsistence of the erstwhile exchange rate instability in the economy kept ZINARA on its toes in churning out timely interventions meant to preserve the value of road user fees collected and the disbursements thereof in subsequence.

ZINARA leveraged on supporting legislative framework such as dual pricing in order to ensure loss in value on revenue collected was curbed. Stability in revenue flows was registered in toll fees where 50% motorists with free funds defaulted to making payments in foreign currency. Other revenue heads which remained stable included fuel levy and transit fees which by default are collected in foreign cu

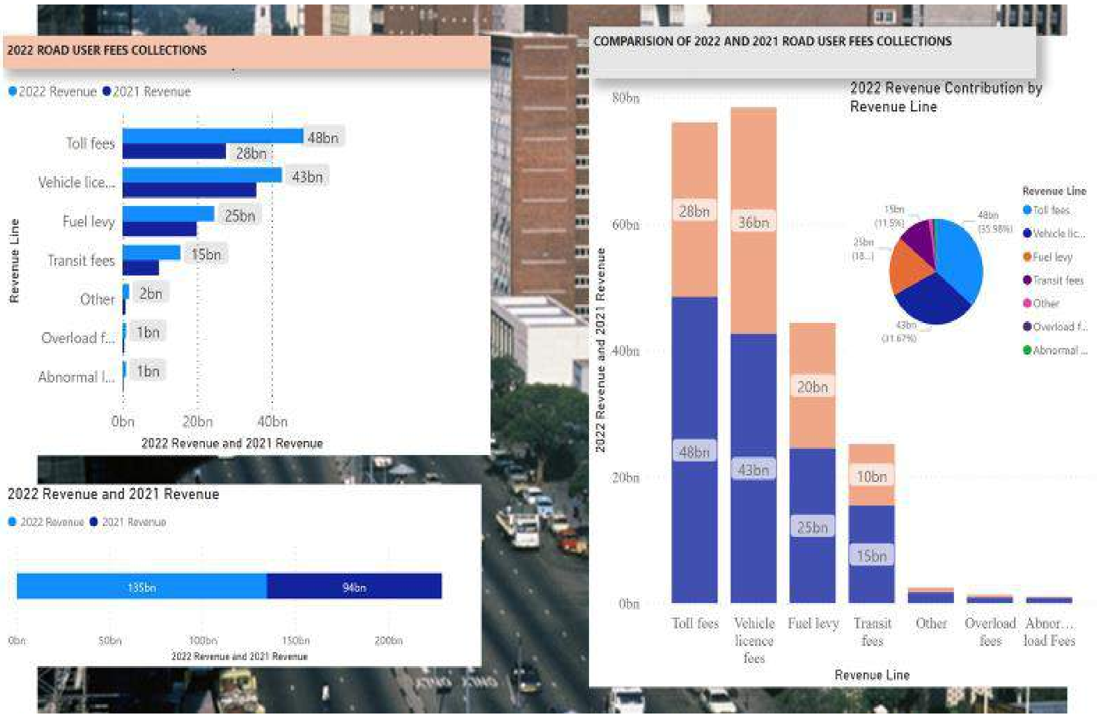
Strategies for cost containment have remained a critical success factor for the Road Fund, and in pursuit of this, the Road Fund managed to replace hired vehicles through procurement of new fleet which has seen the cost of hiring significantly going down.

2.2. Financial Overview

Inflation adjusted collections from road user fees were up 43% from ZW $94.3 billion collected in 2021 to ZW $134.6 billion in 2022, as the business environment provided opportunities for growth post the restraining COVID-19 pandemic era. 36% of total collections was contributed by group tolling (Zimtoll plus InstaToll), followed by vehicle licensing (31.7%) , fuel levy (18.2%) and transit fees(11.5%) in that order; with the remaining 2.6% contributed by overload and abnormal load fees(1,34%) and other income (1,28%).

Disbursements to Road Authorities under ERRP2 closed at ZWL$31bn at historical cost, translating to ZW $55.9 billion inflation adjusted, which was 21% up against prior year inflation adjusted disbursements. This was a great improvement as it constituted 42% of revenue collected, albeit depressed against the prior ratio of 49% as disbursement- acquittal throughput was slow to pick up post.

Figure 1 - Total revenue collection and per line for the 2022 financial year

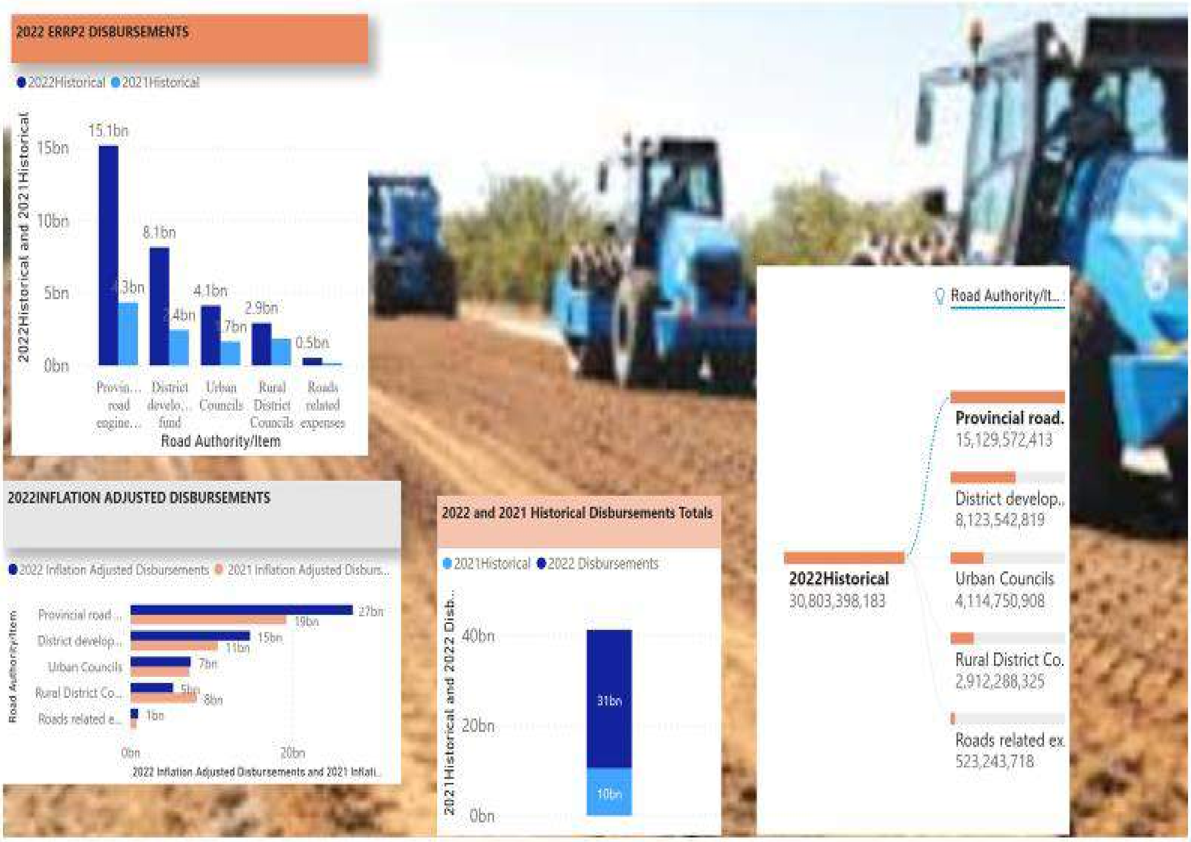


2.3. Infralink Performance

Infralink, a subsidiary of ZINARA, collects toll fees revenue under the Operate & Maintain contract. In 2022 toll revenue from the business unit also responded positively to the opening of the economy in 2022 post COVID-9. Revenue for the business unit increased by 376% in 2022 and closed at ZW $ 14.4 billion at historical cost basis, up from ZWL$3 billion, which was 46% of the total group tolling fees. Inflation adjusted toll fees closed buoyant at ZWL$18.4 billion, up 40% from 2021 prior year.

Cession revenue from ZINARA to Infralink, per the DBSA Facility Loan Agreements, paid to Infralink for purposes of the DBSA Loan repayments closed at ZW $11.8 billion historical, up 157% from funds disbursed to Infralink in 2021. This saw the carrying amount of the US$206 million DBSA loan closed at a carrying value of US$85 million, down from US$137 million, as efforts to extinguish the debt following restructuring of the same, begin to bear fruit.

2.4. 2022 Disbursements



The table below disaggregates the expenditure to give an overview and the extent to which road authorities were able to utilize the funds allocated to them for ERRP2.

Figure 2 – Expenditure per Road Authority

Road Authority/Item	2022 Disbursements	2021 Disbursements
Provincial road engineers	15,129,572,413	4,348,489,695
District development fund	8,123,542,819	2,426,243,060
Urban Councils	4,114,750,908	1,650,829,142
Rural District Councils	2,912,288,325	1,840,370,074
Roads related	523,243,718	170,665,889
Total	30,803,398,183	10,436,597,860

Table 1 - 2022 Growth in disbursements to Road Authorities

Road Authority/Item	2022 Historical	2021 Historical	% Growth
Rural District Councils	2,912,288,325	1,840,370,074	58%
Urban Councils	4,114,750,908	1,650,829,142	149%
Rural Infrastructural Development Agency	8,123,542,819	2,426,243,060	235%
Department of Roads	15,129,572,413	4,348,489,695	248%
Roads related expenses	523,243,718	170,665,889	207%
Total Disbursements	**30,803,398,183**	**10,436,597,859**	**195%**

Monitoring and Evaluation activities were increased (ensure value for money for the funds disbursed. Th processes which were being carried out by the parent M

3.0. OPERATIONS REPORT

3.1. Revenue Operations

Revenue Line	2022 Revenue	2021 Revenue
Toll fees	48,449,765,733	27,566,963,360
Vehicle licence fees	42,645,569,620	35,761,415,090
Fuel levy	24,528,854,317	19,832,129,833
Transit fees	15,478,485,827	9,691,139,602
Other	1,725,205,248	766,940,544
Overload fees	921,072,725	459,549,000
Abnormal load Fees	892,191,796	197,077,062
Total	**134,641,145,266**	**94,275,214,491**

Revenue for the Group increased 43% from prior year 2021 and closed at ZWL$135 billion inflation adjusted.

Table 2 - Revenue for the main revenue lines

Revenue Line	2022 Inflation adjusted	2021 Inflation adjusted	% Growth
Vehicle licence fees	42,645,569,620	35,761,415,090	19%
Toll fees	48,449,765,733	27,566,963,360	76%
Fuel levy	24,528,854,317	19,832,129,833	24%
Transit fees	15,478,485,827	9,691,139,602	60%
Overload fees	921,072,725	459,549,000	100%
Abnormal load Fees	892,191,796	197,077,062	353%
Other	1,725,205,248	766,940,544	125%
Total	**134,641,145,266**	**94,275,214,489**	43%

3.2. Tolling Revenue Operations

Tollgate cash-generating unit points

ZINARA has 29 toll fees collection points as follows:

a. Zimtoll – 20 tollgates

b. Instatoll- 9 tollgates

The Administration, following a profitability analysis recommended cessation of operations at Triangle and Magamba Tollgates in 2022 as part of value cha removing non-value-added processes at ZINARA. The re-ope considered after a thorough study of traffic volume for break e Operations at these tollgates were ceased in terms of SI 219 of

3.3. Revenue Leakage Mitigation Strategies

In 2022, ZINARA deployed strategies in form of ICT solutions targeted at plugging and optimizing revenue collection. The following strategies were implemented:

- ✓ CCTVs were installed at all the tollgates with a control room located at Dunromin more real-time footage-based fraud detection interventions by CCTV Operators, additionally there is monitoring at all supervisory levels at the tolling sites.
- ✓ Procured Power AI licenses for revenue data analysis for harnessing big data for descriptive, diagnostic, predictive and prescriptive decision-making objectives.
- ✓ The installation of Automatic Number Plate Recognition Cameras along the Plumtree-Mutare route tollgates was a game changer at reducing too much human intervention and moral hazard at tollgates.

✓ Systems for continued analysis of variances and tolling site performance per shift and individual performance using exception reports remained handy during the period under review.

3.4. Licensing Revenue Operations

The organisation administers vehicle licensing fees collection as guided by the **Vehicle Registration and Licensing Act [Chapter 13:14]**. Through the deployment of e-collection systems, vehicle licensing revenue has evidently grown over the years and is one of the top revenue streams. The provisional offices have greatly increased the capacity to collect our own revenue thereby reducing commission costs. Accessibility has improved in remote areas allowing motorists in those areas to remain compliant and, also benefit from occasional penalty waiver discounts offered strictly by ZINARA offices.

During the year 2022 a total of ZW$ 23.5 billion at historical cost was generated from vehicle licensing, which was 191% up against 2021 performance of ZWL$8.1billion.
ZINARA deployed various revenue enhancement strategies during the year that include the following:

- ✓ Joint blitz operations with law enforcement age

- ✓ Tolling Enforcement- Unlicensed vehicles asked to pay off before allowed passage at Tollgates.
- ✓ Partner Enforcement Agencies (Zimbabwe Revenue Authority (ZIMRA), VID, Zimpost, City Councils etc.)-set up counters at ZIMRA and Central Vehicle Registry to make sure all newly registered vehicles are encouraged to comply at source. City Councils was requested to clamp unlicensed vehicles.
- ✓ Licensing promotions - During ZITF and Agricultural Shows blanked penalty waiver promotions were held to attract all motorists with huge balances.

3.5. Bridge toll fees, transit fees, fuel levy and overload/abnormal fees

In 2022 total revenue collected at New Limpopo Bridge (Private) Limited was USD9 801 870.80 compared to USD8,876,642.76 collected in 2021 converting to a commission of USD1 470 280.62 and USD1,331,496.41 respectively. This represented an increase of 10.42% when compared to 2021. The increase was mainly due to a rise in traffic volume due to the relaxation of COVID-19 travel restrictions in the sub-region. Furthermore, the improvement was associated with an enactment of Statutory Instrument 184 of 2022 towards the end of that year that addressed exchange losses by allowing the use of the prevailing exchange rate to come up with the ZAR tariff.

However, using 2019 as the base year since it was not affected by travel restrictions, traffic in 2022 did not reach its potential growth due to the introduction of the Border Access Fee which to a greater extent led to the skyrocketing of transit costs leading to some transporters opting to use the One Stop Kazungula Border Post which had been opened in May 2021.

The table below shows the total Beitbridge Border Post in 2022 as compared to 2021.

Table 3 - 2022 Bridge Fees Revenue Collections

BRIDGE FEES	REVENUE	BUDGET	VARIANCE
Q1	2,047,008	2,578,699	-21%
Q2	2,331,362	2,578,699	-10%

Q3	2,519,334	2,578,699	-2%
Q4	2,904,166	2,578,699	13%
TOTAL	**9,801,870**	**10,314,796**	**-5%**

Table 4 - 2022 Bridge Toll Traffic Statistics

	2021	2022	2022 Budget	2021-2022 Variance
Class 1	53	216	85	**308%**
Class 2	142784	345442	223,051	**142%**
Class 3	347156	320,671	355,125	**-8%**
Total	**489,993**	**666,329**	**578,261**	**36%**

December 2022 saw the beginning of a decline in regular light vehicle traffic after the introduction of the Border Access Fee on light vehicles as the new state of the art Beitbridge Border Post opened to traffic.

Table 5 - Transit Fees, Fuel Levy, Overload and Abnormal Fees Operations

2022 TRANSIT STATISTICS COMPARISONS				
YEAR	REVENUE USD	BUS TRAFFIC COUNT	RIGID COUNT	MULTIPLE AXLE COUNT
2020	25,865,048	12,046	16,170	261,226
2021	25,062,410	11,269	14,724	242,200
2022	23,039,510	20,198	11,988	215,389
2020-2021	**-3%**	**-6%**	**-9%**	**-7%**
2021-2022	**-8%**	**79%**	**-19%**	**-11%**
2020-2022	**-11%**	**68%**	**-26%**	**-18%**

- Fuel levy and transit revenue collection increased by 38% and 23% above target respectively.
- Abnormal load and overload collections also increased by 94% and 253% above target respectively, in response to the Statutory instruments for Overload and Abnormal Load fees for locally registered vehicles now fixing the fees using USD basis.
- Transit statistics show that since 2020 there has been a decline in multiple Axle and Rigid Axle traffic which closed depressed 19% and 11% respectively in 2022; partly due to the opening of the Kazungula Bridge and use of substitute routes by big trucking companies like Zalawi and Kazembe.

4.0. RISK UPDATE AND RISK ASSURANCE STRUCTURES

ZINARA implements an enterprise-wide risk management system that involves all tiers of the organization in inculcating a risk awareness culture in all employees including the Board. In its Board Committee meetings and indeed the full board, ZINARA has been considering the significant risks that affect the achievement of its strategic objectives. The Risk and Loss Control department leads in the risk management process assisting departments in identifying risks and recommending internal controls for mitigating those risks. To assist in tracking significant risks for ZINARA, the organisation maintained a risk register that tracked how the various risks are being treated assessing the impact and probability of such risks on the Road Fund.

Risk & Loss Control function has remained a key control element as it has buttressed a control environment that shuns fraud at revenue collection points. Through processes under proactive Risk Management, Data & Fraud Analytics; Internal Investigations, Reporting & Recoveries and Corporate Security Risk Management & Crime Intelligence; the Road Fund was able to put in place detective systems that deter fraud s
the Zimtoll.

Using this competency in risk management, ZINARA was able to effectively provide corrective responses on issues raised in the Grant Thornton Forensic Audit and the Parliamentary Public Accounts Committee Reports.

During the period under review, ZINARA has also maintained an Internal Audit department which is accountable to the Audit Committee and reports directly to the CEO but independent of executive management.

The internal audit department has been seized with assessing the effectiveness of internal controls set by management and requesting management to come up with watertight internal controls for purposes of reducing the risk exposure and probability of the risk factor; for efficiency and effectiveness of operations for ZINARA, for effective Internal financial control and for Compliance with laws and regulations.

4.1. Regulatory, Litigation and Contractual Inadequacy Risks

In 2022 ZINARA maintained a Legal Services department comprising of qualified and professional team mandated to identify and manage the regulatory/legislative risk, litigation risk as well as contractual inadequacy risk. The department actively supported the operations of the entity by ensuring that timely legal guidance is shared. The Corporate and Legal Services Department remained committed to rendering legal advisory support services across all departments as and when required to do so. The Department also continues to work on establishing a systematic and functional organizational regulatory compliance system.

This is to make sure that the ultimate responsibility for legal and regulatory compliance is fully delivered as the department is charged with overseeing, reviewing and ensuring the effectiveness of the ZINARA Compliance system.

Continuous efforts are made to improve the contracts management system which process is done together with the Procurement Management Unit. This is a key compliance milestone as required under the Public Procurement and Disposal of Public Assets Act.

Sound contract management systems are a key factor to achieve a robust organizational system with minimum leakages and sustainable procurement cycles.

4.2. Data Security and Cyber Security Risks

ZINARA has remained alive to the global trending threat to business in the form of Cyber security and has moved swiftly to deploy protection strategies against cyber security risk.

In our continued efforts to ensure ZINARA's information and computer equipment is protected the Administration replaced old firewall devices with new and modern Sophos firewall devices.

4.3. Image Building- A paradigm shift towards market orientation

During the 2022, ZINARA set its Public Relations and Marketing functions on a transformational path typified by the acceleration of marketing activities whose ultimate objective was to market ZINARA products and to build a good corporate image for the organization. The department employed an array of strategies to meet these strategic objectives which are also anchored on achieving the Government's targets on National Development Strategy 1 (NDS1 2021-2025) and Vision 2030.

This was enabled through various activities that include exhibitions and events, Corporate Social Responsibility initiatives, media engagement and management, promotions, and stakeholder engagements. The deployment of interactive digital platforms for improved customer service delivery and engagement paid dividends for ZINARA during the period under review.

During the year, ZINARA managed to create additional social media platforms namely LinkedIn, Instagram, and YouTube in addition to Twitter and Facebook to reach out to a wider audience. Engagements continued via the online interactive platforms which include Zinara website, Twitter, Facebook, LinkedIn and marketing@zinara.co.zw and during the year Twitter(now X) followership increased from 3,500 in January to 9,564 as of 31

December 2022. This was because of increased frequency in informative posts, updates, and job adverts.

In order to encourage customer feedback, 22 suggestion boxes were deployed and mounted to all Zimtoll tollgates to enable collection of customer feedback to enhance service delivery.

Social media in addition to other philanthropic initiatives allowed ZINARA to achieve various goals including the following:

- ✓ Reputation Recovery
- ✓ Brand awareness
- ✓ Stakeholder engagement
- ✓ Social Impact
- ✓ Improved Customer service.

Picture 1 - Multi-stakeholder activities during 2022

4.4. Towards a Market-oriented Paradigm Shift

4.4.1. Happy Hour Promotions

The organization partnered 14 corporates for the Happy Hour promotion throughout the year across all sectors including Banking, non-governmental organisation , Fast Foods, Distribution and Wholesale. Revenue of ZWL$27 160 000.00 and USD 2000.00 was realized from these activations. This promotions serves to aide congestion management at tollgates, while providing corporates with a captive audience of travelers passing through tolling points. The property is proving to be an effective direct marketing channel and the participation fo corporates is also an endorsement for the ZINARA brand.

4.4.2. Exhibitions and Events

Zimbabwe International Trade Fair – 26-30 April 2022

During the ZITF, ZINARA offered incentives to promote compliance which included licensing penalty discount promotion, small prizes such as coupons, while advancing its payment platforms such as CBZ- ZINARA prefunded tolling card and ZINARA prepaid card; which realized incremental revenue of $500 million.

Mine Entra - 20-22 July

ZINARA participated at the 2022 edition of the Mining, Engineering and Transport Expo from 20 to 22 July under the theme "Vision 2023: Opportunities for Expansion, Exploration and Investment." Where the Road Fund took the opportunity to market the Administration's products to more than 250 exhibitors as follows;

- Frequent Traveler Express Pass in tolling
- Online licensing
- Prepaid card
- One stop shop office for registering and licensing vehicles at CVR, ZIMPOST and ZIMRA offices
- Happy Hour promotion

Picture 3 – ZINARA Mine-Entra Stand

Picture 4 - Marketing activities during the year

4.4.3. Excellence Recognition Awards

As ZINARA positioned itself as an organization that anticipates and responds swiftly to customer and stakeholder needs, the market response led to the recognition of ZINARA through various accolades as follows:

Buy Zimbabwe Procurement Awards

- Awarded top 10 companies adhering to procurement procedures.

Zimbabwe Institute of Management Awards

- Excellence in Leadership and Management Awards Public Sector in recognition of contribution and dedication to developing and promoting best practices in Management and Leadership.

IoDZ Awards

- Our CEO Mr Nkosinathi Ncube was awarded the 2021 Director of the year – State owned enterprise and parastatals: Environment, Social and Governance for *Greater Transparency and Sustainability*.

Zimbabwe CEO's Network awards

- Our Corporate Secretary, Human Resources Services, Procurement Management Unit and Legal Services Managers were awarded recognition of excellency in their various fields of expertise.

ZIST Awards

- CEO Mr. Ncube was recognized with a Strategic and Leadership Excellence Award on 15 September 2022.

Beitbridge Expo Awards

- Best Government Department Exhibitor and
- Best Exhibitor 2nd Runner up

Africonfex Awards

- Gold winner Best Exhibitor

Picture 5 – Some Awards Received in 2022

4.5. Stakeholder Relations

During the year under review ZINARA participated in various multi-stakeholder activities as it nurtured its stakeholder relationships, as follows:

- ZANU PF Business Expo
- Africa Infrastructure and Built Environment Confex (AfriConfex)
- Airport Company Golf Tournament and Exhibition
- Inaugural International African Marketing Confederation Conference
- Stakeholder engagement activities (Participated at the following events)
- Zimbabwe Institute of Strategic Thinking Conference (ZIST)

- Institute of Directors Zimbabwe (IoDZ) 2022 annual dinner
- Institute of Public Relations and Communication Conference (IPRCZ)
- The Association of Rural District Councils of Zimbabwe Conference (ARDCZ)
- Ministry of Transport and Infrastructural Development) MOTID) Strategic Planning Workshop
- Media Familiarization Tour and Workshop

Picture 6 - Media familiarization tour of the Harare- Beitbridge road

4.6. Strategic Partnerships

ZINARA was engaged in various marketing activities with key partners such as Insurance companies, Regulatory enforcement agencies, Banks and Mobile Network Operators during the year.

ZIMPOST Partnership at Zimbabwe Agricultural Show

The Administration partnered ZIMPOST as they promoted their POST Insurance brand during the 2022 Agricultural Show edition. The exhibition was highly successful translating to ZWL$ 1,057,598,917.00 incremental revenue being realized from the promotion while 11 prefunded prepaid cards were issued to the loyal licensers.

Picture 7 – ZINARA Stand at the Agricultural Show

4.7. Supporting Operations through efficient physical structures

The year 2022 saw ZINARA resolving to improve operational efficiency through refurbishment of structures and value-adding through removal of non -value added obsolete equipment, fleet, and structures.

One such project was the drilling and servicing of boreholes which subsisted for the whole year covering all toll sites under ZINARA. Booths and back-offices installations were also carried out during the year where the following tollgates had booths and back-office structures installed: Mashava, Hwange, Esigodini and Mushagashe.

During the year under review, ZINARA successfully replaced obsolete fleet that was contributing to high operational costs through high maintenance costs, and further replaced all hired vehicles to cut on hiring costs.

These initiatives saw ZINARA, not only improving operational efficiency, but also improving health and safety issues of employees working at the tollgates through provision of clean water and safe and reliable transport to and from work.

Picture 8 – Administrative projects done

5.0. PEOPLE-EMPLOYEE WELFARE

The year 2022 saw the implementation of the new structure adopted by the Board at its full swing, with conclusion of interviews for Head ICT, Head PMU, Head Corporate Communications and Marketing, with Government vetting ongoing by close of year. These strategic placements are expected to prop good governance structures that have been set since the new board came in office.

Staff morale remained high during the year with no incident of industrial job action. Notching system was implemented and paid in July 2022. Two Collective Bargaining Agreements were penned during the year under review. A **50%** salary increase for the 1st half was implemented. During the 2nd Half, a salary value preservation model for NEC graded employees was implemented, with Management and Executive being awarded **176%** and **160%,** salary increase respectively.

In order continuously link performance to remuneration, the Road fund implemented performance appraisal system based on Integrated Result Based Management (annual) and OGSM for tracking of quarterly performance. Rewarding performance has remained key in maintaining staff morale and retention of talent, and this saw ZINARA paying performance bonuses during the year under review.

Capacitation of employees for work was one aspect that ZINARA excelled in the year as twenty-one Operational vehicles for some middle managers were procured and distributed during the year.

6.0. SUSTAINABILITY (ENVIRONMENT AND CORPORATE SOCIAL RESPONSIBILITY)

During the year under review, ZINARA has continued to align its corporate strategy with the tenets of sustainability directing its strategic initiatives and activities towards human, social, economic, governance and environmental sustainability pillars, thus gradually aligning itself to emerging issues on Global Reporting Initiatives.

In 2022 acquitted itself well in philanthropic and force for good deeds to the society including the following:

- ✓ Donated towards medical bills of all the 70 surviving victims of the fatal bus accident that happened during the Easter Holidays in Chimanimani.

- ✓ 200 copies were donated to marginalized secondary schools in 4 provinces.
- ✓ Donated at Angel of Hope Fundraising dinner.

6.1 Environmental impact

As part of looking for the environment, ZINARA has been religiously participating in the National Cleanup campaign targeting its workplaces and public places.

Picture 9 - National Cleanup at various ZINARA offices

6.2. Training and Development Interventions

ZINARA has remained a learning organization that provides opportunities for learning and growth for its workforce. This has remained key in maintaining a skilled workforce that can quicky adapt to the ever changing business ecosystem, further contributing to the workforce's professional continuous development requirements.

Table 6 Training and Development Interventions

TRAINING PROGRAM	DEPARTMENT	TARGET	ACTUAL	VARIANCE	DATES
Client Care & Relationship Management Training	Various Workstation	371	400	-29	18/03/2022
Leave Management & E-Recruitment	Human Resources	8	8	0	17 & 22/06/ 2022
Job Grading	Selected Committee	27	24	-3	10/03/2022
Basic Fire Fighting Training	Various	110	110	0	09/04/2022
SAP Training	Procurement	3	-	-3	21/6/2022
	Finance	2	3	+1	20/6/2022
	Stores	3	4	+1	20/6/2022
	Transport	4	4	0	20/6/2022
	Admin	3	0	-3	21/6/2022
	Projects	3	0	-3	20/6/2022
	Human Resources	8	8	0	20/6/2022
	ICT	3	4	+1	20/6/2022
	ICT, Finance, Admin, PMU	22	22	0	18-27 July 2022
Team Building	Finance	30	25	5	24-25/6/22
Workers Committee Conference	Workers Committee Members	10	10	0	23/9/22

6.3. Occupational Safety Health and Environment Inspections

ZINARA has thrived to create a safe working environment through introduction of internal processes underpinning best practice and health and safety regulations of the country. The engagement of a Safety, Health Environment and Quality officer (SHEQ officer) and medical doctor for the organization are such structures that have ensured a safe working environment during the year under review. SHEQ inspections were conducted for identification hazards and risks and tracking compliance as depicted below.

- The frequency and severity of third-party property damage at tollgates cases was too high notwithstanding a significant decline in the number of property damage cases reported, from **115** in 2021 to **67** in 2022. This was due to general negligence of drivers of heavy vehicles as they approach tollgates.
- Haulage trucks striking tollgate infrastructure are the main sources of tollgate property damages; these close calls raise the possibility of fatal accidents. The current plans to roll out state of the art toll plazas will go a long way in reducing these accidents.

Table 7 - Accident Statistics-2022

No.	KPI	Unity Of Measurement	Q1	Q2	Q3	Q4	Target 2022	Comments
1	Fatalities	#	0	0	0	0	0	No fatality recorded
2	Lost Time Accident/ injury	Lost Time Injury	2	2	0	0	0	All injured employees received medical attention.
3	Road Traffic Accidents	Road Traffic Accidents.	8	9	6	5	0	Three **(3)** major road traffic accidents were recorded in 2022. Drivers without valid defensive drivers training to
4	Property Damage	#	11	24	20	15	0	**70** property damage cases recorded. Main causes were structures being hit with trucks. Technical is engaging DOR to improve tolling infrastructure.

6.4. General Outlook For the Year

Business environment and growth prospects post Covid-19 era look thus far very positive. ZINARA is geared to run on this positive environment to implement its strategies under NDS1(2021-2025) pillar of Infrastructure and Utilities, for furtherance of vision 2030. The Road Fund expects to optimize revenue collection and increase disbursements to road authorities for rehabilitation of roads that continue to be exposed to ravaging climate change. Digital transformation will be embraced across all value chain points of the organization including the Road Fund-Road-Authority interface to ensure seamless flow of information and eradication of efficiency deficiencies and gaps. Optimization of smart detective and deterrent technologies such as CCTV at revenue centers will be taken a gear up to rid the organization of the culture of fraudulent tendencies and revenue leakages at tollgates and other revenue collection points.

…………………………..
Chief Executive Officer

7.0. CORPORATE GOVERNANCE

7.1. Board Of Directors

The Organization remained committed to achieving high standards of corporate governance and continues to work towards full compliance with the provisions of the Public Entities Corporate Governance Act [Chapter 10:31] (PECG Act). This is the key legislation that underpins the corporate governance system within the organization. As at the close of the financial year 2022, ZINARA was in full compliance with the PECG Act at least in form and complied with corporate governance principles during the year. ZINARA will continue making efforts to ensure continuous improvement towards all facets of corporate governance structures and compliance.

The composition of the Board remained fully compliant with the provisions of section 8 of the Roads Act [Chapter 13:18] following the appointment of new Board members during the period under review. Suffice to add that the Board structure has embraced diversity and gender balance as reflected by over 50% female representation in line with gender equity principles and considerations.
The Board met regularly during the year to consider strategic issues, performance of the organization and consider significant risks for the organization.

The Board has been walking the tenets of corporate governance principles of board leadership and Administration's purpose, division of responsibilities of Board Chair and CEO, composition, succession and evaluation, Audit, risk and internal control and remuneration; through institution of board committees where these various matters were considered, and resolutions made. The Board thus, maintained its independency receiving support from the Ministry of Transport as and when necessary. The Chief Executive Officer played his role as the Executive Director being responsible for the day-to-day management of the Administration.

To ensure effectiveness and that it complies with the tenets of good governance, the Board Charter and Committees Terms of References were developed during the year. The Charter and the Terms of Reference provided a framework within which the Board and Committee should operate and clearly define the roles, responsibilities and authorities of the Board and management in setting the direction, the management and control of the organization.

7.2 ZINARA Board Members

The organization has a Board structure as provided for in section 8 of the Roads Act [Chapter 13:08]. The Board met during the period under review to monitor the performance of ZINARA and to provide direction and guidance as required.
The composition of the Board ensured a well-balanced team with a broad range of business and industry expertise. The Board had eleven (12) non-Executive members, with six (6) females and six (6) males.

Table 8 - ZINARA non-executive directors

Name	Position	Date of Appointment	Date of Retirement
1. Dr Munyaradzi George Manyaya	Board Chairperson	30 December 2021	29 December 2024
2. Ms. Lizwe F. Bunu	Vice Board Chairperson and Public Relations and Marketing Committee Chairperson	13 January 2022 (*re-appointment*)	12 January 2025
3. Alderman Naason Mudzara	Human Resources Committee Chairperson	13 January 2022 (*re-appointment*)	12 January 2025

4. Ms. Irene Zindi	Infralink Board Chairperson	13 July 2020	12 July 2023
5. Mr. Reeds Dube	Member	13 July 2020	12 July 2023
6. Ms. Rumbidzai Grace Mutamba	Audit Committee Chairperson	13 July 2020	12 July 2023
7. Ms. Angeline Matopodzi	Finance and Procurement Committee Chairperson	11 January 2022	10 January 2025
8. Advocate Kingston Magaya	Risk Management and Legal Committee Chairperson	11 January 2022	10 January 2025
9. Ms. Sitshengisiwe Nhliziyo	Member	11 January 2022	10 January 2025
10. Mr. Shepherd Femayi	Member	25 June 2019	5 September 2022
11. Eng. E. Shenje	Operations and Technical Committee Chairperson	25 June 2019	5 September 2022
12. Eng. Amos Amos	Member	5 September 2022	4 September 2025
13. Councilor Monica Ngwenya	Member	5 September 2022	4 September 2025
14. Ms. Khonzani Ncube	Member	5 September 2022	4 September 2025

7.3 Infralink Board Members

In 2022, the (Board members) comprised of the following members**:**

Table 9 - Infralink non-executive directors

Name	Position	Date of Appointment	Date of Retirement
1. Ms. I. Zindi	Board Chairperson	1 April 2021	12 July 2023
1. Mr. N. Mudzara	Member	13 September 2019	12 January 2025
2. Ms. L. Bunu	Member	13 September 2019	12 January 2025
3. Eng. E. Shenje	Member	15 June 2022	5 September 2022

7.4 Board Resignations and New Appointments

i. Mr. Christopher Shumba's term of office as a board member ended on the 14th of January 2022 as he was appointed Permanent Secretary for the District Development Fund.
ii. Mr. Malcolm Seremwe's tenure ended on the 14th of January 2022.
iii. Mr. Shepherd Femayi's tenure as a member ended on the 5th of September 2022.
iv. Eng. Ernest Shenje resigned as a member of the ZINARA and Infralink Board's on the 5th of September 2022.

The following were new appointments made in the year 2022:

i. Eng. Amos Amos was appointed a member of the ZINARA Board member on the 5th of September 2022.
ii. Councilor Monica Ngwenya was appointed a member of the ZINARA Board member on the 5th of September 2022.
iii. Ms. Khonzani Ncube was appointed a member of the ZINARA Board on the 5th of September 2022.

7.5 Board Meetings

The Board Committees were chaired by non-Executive directors and governed by specific terms of reference. The following committee meetings were held in 2022:

Table 10 - Main Board Meeting Attendances

Member	No. of scheduled meetings held	Attendance	No. of a special meetings held	Attendance	Corporate Governance meeting with the Minister	Attendance
1. Dr. M. Manyaya	4	4	2	2	1	1
2. Ms. L. Bunu	4	4	2	2	1	0
3. Ms. S. Nhliziyo	4	4	2	2	1	1

4. Adv. K. Magaya	4	2	2	2	1	1
5. Mr. N. Mudzara	4	4	2	2	1	1
6. Ms. K. Ncube	4	3	2	1	1	1
7. Ms. M. Ngwenya	4	4	2	2	1	1
8. Ms. I. Zindi	4	4	2	2	1	0
9. Mr. R. Dube	4	4	2	2	1	1
10. Ms. R. G. Mutamba	4	3	2	2	1	1
11. Ms. A. Matopodzi	4	4	2	1	1	1
12. Eng. A. Amos	4	4	2	1	1	1
13. Eng. E. Shenje	2	2	2	2	-	-
14. Mr. S. Femayi	2	2	2	2	-	-

Table 11 - ZINARA Board Committees and Infralink Board Meeting Attendances

MEMBER	Human Resources	*Attendance*	Special HR	*Attendance*	Audit	*Attendance*	Special Audit	*Attendance*	Finance	*Attendance*	Special Finance	*Attendance*	Operations & Technical	*Attendance*	Risk and Legal	*Attendance*	PR& Marketing	*Attendance*	Infralink Board	*Attendance*	Special Infralink	*Attendance*
1. Dr. M.G Manyaya	4	4	1	1													4	3	1	1		
2. L.F Bunu													4	4			4	4	4	3	1	1
3. S.B Nhliziyo	4	4	1	1	4	4	2	2							4	4						
4. K. Magaya									4	3	2	0	2	1	4	3						
5. Alderman N. Mudzara	4	4	1	1											4	4			4	3	1	1
6. Eng. E. Shenje					4	3	1	0					4	3					1	1	1	1
7. S. Femayi					4	3	1	1									4	3				
8. I. Zindi	4	2	1	1					4	3	2	2							4	4	1	1
9. R. Dube									2	1	1	1			4	3	4	4				
10. R. G. Mutamba					4	4	2	2					4	4			2	2				
11. A. Matopodzi									4	4	2	1	4	3								
12. Eng A Amos					2	2							1	1					1	1		
13. K. Ncube					2	1	1	1					2	1								
14. M. Ngwenya					2	1									2	1	2	1				

7.6 Remuneration for non-executive directors

Board members received stipulated remunerations for Quarterly retainer fees, Board fees and Committee sitting fees as directed by the Corporate Governance Unit on the 14th of March 2022. ZINARA was categorized under size 10 profit-making category.

During the period under review, the Corporate Governance Unit also reviewed Travel & Subsistence rates for Government inclusive of State Enterprises & Parastatals with effect from 8 February 2022. The same rates were applicable to non-executive directors and ZINARA employees.

7.7 Board Evaluation

To ensure that the board and the members are accountable and effective in executing their mandate, a board evaluation exercises for 2022 was done during the first quarter of 2023, and recommendations were noted for improvement.

7.8 Board Training and Other Activities Attended by the Board Members

In 2022, the following activities were held for / attended by Board & Executive members:

- ✓ Board induction training at Troutbeck Inn 22 – 25 February.
- ✓ Parliamentarians Portfolio Committee on transport tour with Board and Executive 20-23 April.
- ✓ ZITF in Bulawayo 25 – 30 April 2022.
- ✓ ZINARA Annual General Meeting on 4 May at Monomotapa Hotel.
- ✓ Corporate Governance Meeting with the Honorable Minister and Strategic Meeting with the Ministry of Transport 4 – 6 May.
- ✓ Appearance before Public Accounts Committee – 19 September.
- ✓ Strategic Planning Workshop – 27 – 30 September.
- ✓ Corporate Governance Meeting with the Honorable Minister and Strategic Meeting with the Ministry of Transport 15 – 18 November.

Picture 10 Achievements in Good Corporate Governance Performance

7.9 Independent status of the Internal audit function

In 2022 the Board and Executive maintained the Internal audit function as an independent function in the corporate governance structures to ensure independence and effectiveness by making it report to the Audit Committee functionally and to the CEO for administrative reasons.

The Internal Audit department reviewed the processes for the following internal departments:

- Revenue Operations-Tolling processes,
- Licensing processes,
- Human Resources-Payroll & Head Count,
- Administration-Fuel Management and
- Stores Management processes.

External audits were carried out for the following:

- Instatoll,
- 10 Road Authorities,
- ICE cash top-up process and
- Vehicle Inspection Department.

Major audit findings from the Road Authorities can be summarised as follows:

- ✓ Failure to maintain Road Fund dedicated account.
- ✓ Non-Acquittal of Travel & Subsistence Advances for Road Related Workshop
- ✓ Road Fund Assets not recorded in the Assets Register.
- ✓ Payments without supporting documents.
- ✓ Fuel control deficiencies.
- ✓ Incurring non-road related expenses using road funds.

Engagements were done with the Road Authorities, Ministry of Local Government and Public Works and Ministry of Transport and Infrastructural Development to ensure that the audit findings are addressed.

7.10 Executive Management

In 2022, the following formed the Executive Management:

- Chief Executive Officer : Nkosinathi Ncube
- Finance Director : Adam Zvandasara
- Human Resources & Administration Director: Gilfern Moyo
- Technical Director : Eng. Moses Chigonyati
- Corporate Secretary : View Muzite
- Audit Manager : Garikai Mbanda

7.11 Assurance Process Frameworks

The following internal tools were developed or were in existence to improve assurance to the Board:

a. Board Charter,

b. Board Committees Terms of Reference,
c. Code of Ethics,
d. Policies,
e. Manuals,
f. Audit Charter,
g. 2022 Audit Plan,
h. Audit Code of Ethics and
i. Departmental Standard Operating Procedures.

ZINARA has been on a transformation journey considering various legacy issues that had been reported in the Grant Thornton Forensic Audit Report. Appreciation is passed to all the stakeholders that is working with ZINARA to improve its efficiency and funding Road Authorities for improved road maintenance. The Ministry of Transport had given unwavering support towards the ZINARA's rebranding journey.

…………………………………………….

Corporate Secretary

2022 Audited Financial Statements

All communication should be addressed to:
The Auditor-General
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Telephone 263-242-793611/3/4
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OAG ZIMBABWE
Office of the Auditor-General

OFFICE OF THE AUDITOR-GENERAL
5th Floor, Burroughs House,
48 George Silundika Avenue,
Harare

Ref: **SB 91**

REPORT OF THE AUDITOR-GENERAL

TO

THE MINISTER OF TRANSPORT AND INFRASTRUCTURAL DEVELOPMENT

AND

THE BOARD OF DIRECTORS

IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE

ZIMBABWE NATIONAL ROAD ADMINISTRATION

FOR THE YEAR ENDED DECEMBER 31, 2022

Report on the audit of the Financial Statements

Qualified opinion on the Consolidated Financial Statements

I have audited the accompanying financial statements of the Zimbabwe National Road Administration (ZINARA) and its subsidiary, "Infralink (Private) Limited" as set out on pages 9 to 48, which comprise the statement of financial position as at December 31, 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in reserves and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion on the Consolidated Financial Statements

Basis for Qualified Opinion

i. Non-compliance with International Financial Reporting Standard (IFRS) 13 - "Fair Value Measurements"

The Group engaged an external professional valuer to determine fair values of its Property, plant and equipment as at December 31, 2022. The asset valuation was performed in United States Dollar (USD), using USD denominated inputs, subject to certain assumptions, bases of valuation and using the market approach. The Group converted the USD values to ZWL using the Reserve Bank of Zimbabwe auction exchange rate as at December 31, 2022. Whereas the determined USD values are reflective of fair value in that currency, the conversion to ZWL, for purposes of reporting in the Group's functional currency, is not in compliance with International Financial Reporting Standard (IFRS) 13 – "Fair Value Measurement "as they may not reflect the assumptions that market participants would apply in valuing similar items of property, plant and equipment in ZWL. IFRS -13 "Fair Value Measurement" requires a fair value to be determined using the assumptions that market participants would use when pricing the asset, assuming market participants act in their economic best interests and that the fair value must reflect the price that would be received to sell the asset in an orderly transaction in the principal market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In the current environment, it is not likely that the ZWL price derived from translating the USD value at the Reserve Bank of Zimbabwe auction exchange rate would be the price at which ZWL denominated transactions would occur.

I was therefore unable to obtain sufficient appropriate evidence to support the appropriateness of applying the closing Reserve Bank of Zimbabwe (RBZ) auction exchange rate in determining the ZWL fair value of property, plant and equipment, without any further adjustments to reflect how the economic conditions within the country as at that measurement date would impact the assumptions that market participants would use in pricing the items of property, plant and equipment in ZWL.

Accordingly, I was unable to determine whether adjustments to the carrying amounts of property, plant and equipment and revaluation surplus were appropriate in these circumstances.

Qualified Opinion on the Road Administration's Financial Statements

In my opinion, except for the effects of the matter described in the basis for Qualified Opinion section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of the Zimbabwe National Road Administration as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

i. Non-compliance with International Financial Reporting Standard (IFRS) 13 - "Fair Value Measurements"

The Administration engaged an external professional valuer to determine fair values of its Property, plant and equipment as at December 31, 2022. The asset valuation was performed in United States Dollar (USD), using USD denominated inputs, subject to certain assumptions, bases of valuation and using the market approach. The Administration converted the USD values to ZWL using the Reserve Bank of Zimbabwe auction exchange rate as at December 31, 2022. Whereas the determined USD values are reflective of fair value in that currency, the conversion to ZWL, for purposes of reporting in the Administration's functional currency, is not in compliance with International Financial Reporting Standard (IFRS) 13 – "Fair Value Measurement "as they may not reflect the assumptions that market participants would apply in valuing similar items of property, plant and equipment in ZWL. IFRS -13 "Fair Value Measurement" requires a fair value to be determined using the assumptions that market participants would use when pricing the asset, assuming market participants act in their economic best interests and that the fair value must reflect the price that would be received to sell the asset in an orderly transaction in the principal market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In the current environment, it is not likely that the ZWL price derived from translating the USD value at the Reserve Bank of Zimbabwe auction exchange rate would be the price at which a ZWL denominated transactions would occur.

I was therefore unable to obtain sufficient appropriate evidence to support the appropriateness of applying the closing Reserve Bank of Zimbabwe (RBZ) auction exchange rate in determining the ZWL fair value of property, plant and equipment, without any further adjustments to reflect how the economic conditions within the country as at that measurement date would impact the assumptions that market participants would use in pricing the items of property, plant and equipment in ZWL.

Accordingly, I was unable to determine whether adjustments to the carrying amounts of property, plant and equipment and revaluation surplus were appropriate in these circumstances.

I conducted my audit in accordance with International Standards on Auditing (ISAs) and 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 the Road Administration in accordance with the ethical requirements that are relevant to my audit of the financial statements in Zimbabwe, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Material uncertainty related to going concern

I draw attention to the fact that the Group had negative equity position of ZWL$ 55,2 billion (2021:11,3 billion). The Group incurred significant losses mainly due to the exchange rate losses arising from the translation of the United States dollar denominated DBSA loan balance to Zimbabwean dollars. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Emphasis of matter

Potential litigation

I draw attention to note 28 to the consolidated financial statements which indicates that the Group is facing potential litigation from a third party who is claiming an amount of US$5,3 million for services rendered in respect of the 2021 and 2022 financial years arising from the Investor Agreement entered into by the Group and another party ("the original party") in 2010. The original party to the Investor Agreement subsequently ceded their rights to the above-referred third party effective from 2015. Management accrued US$2 145 000 (ZWL$ 1 476 787 051) of the claim as disclosed in note 14 which reflects management's best estimate of the Group's exposure in respect of the claim. Management is of the view that the Group does not owe all the claimed amounts and management intended to contest the claim should the third party proceed through arbitration or through the Courts of law. As a result, no provision was made in the financial statements for any potential liabilities and losses that may arise should the matter proceed to litigation and an unfavourable judgement be passed against the Group.

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 of the Zimbabwe National Road Administration for the year ended December 31, 2022. These matters were addressed in the context of my audit of the Road Administration's financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section, I have determined the matters described below to be the key audit matters to be communicated in my report.

Key Audit Matter	How my audit addressed the Key Audit Matter
Valuation of trade and other receivables. Refer to note 9 and 2.8.3 of the financial statements	The audit procedures that I performed to address the risk of material misstatement relating to valuation of loans and advances receivables included:

Key Audit Matter	How my audit addressed the Key Audit Matter
The Road Administration estimated the recoverable amount of trade and other receivables to be ZWL$ 6,5 billion as at December 31, 2022 with an allowance for credit losses of ZWL$ 1,7 billion. With significant amounts of trade and other receivables overdue for payment and considering current economic environment characterised by liquidity challenges, allowance for credit losses is an area requiring management to make significant judgement. The expected credit loss (ECL) model in determining allowance for credit losses involves management judgment. Accordingly, the estimation of the recoverable amount of trade and other receivables is therefore considered a key audit matter.	• Tested the Road Administration's policies in calculating the allowance for credit losses. • Obtained and analysed the allowance for credit losses model, ascertain if the model is in compliance with IFRS 9. • Considered the nature and suitability of any historical data used to support the judgments and assumptions made in estimating the allowance for credit losses. • Verified the mathematical accuracy of the computations of the expected credit losses and confirmed that the approaches used are consistent with IFRS. • Assessed whether the appropriate disclosures have been included and presentation requirements have been properly done. • Recomputed the inflation adjusted figures from the historical cost figures to confirm if they were adjusted in line with the requirements of IAS 29. I found the valuation of trade and other receivables and the related disclosures to be appropriate.
Revenue recognition **Refer to note 17 and 3.6 of the financial statements.** The Group recognised revenue amounting to ZWL$78,3 billion (2021: ZWL$21,3 billion) during the year ended 31 December 2022. The Group focuses on revenue as a key performance measure which may create an incentive for revenue to be recognised before the group has met the revenue recognition requirements of IFRS 15 Revenue from Contracts with Customers. The Group revenue comprised of multiple	**The audit procedures that I performed to address the risk of material misstatement relating to revenue recognition included:** • Assessed the revenue recognition policies against IFRS; Specific requirements of key/ new contracts in the period and the specific revenue recognition criteria; • Assessed and tested of design and implementation of the controls over revenue recognition procedures • Performed analytical procedures to evaluate management assumptions on revenue recognition. • Re-computed and analysed revenue streams and the collections.

Key Audit Matter	How my audit addressed the Key Audit Matter
revenue streams with varied multiple performance obligations. Particular focus was given to revenue from vehicle licence fees which were recognized over time during the periods covered by the license. There were significant judgements and estimations that were used in coming up with vehicle licencing revenue given that the motor vehicle data base used in the recognition of motor vehicle licensing revenue is not up to date. There is a presumed risk of misstatement in the timing of receipts from customers (prepayments) and the possible pressure to present amounts higher than what was generated, given that administration are linked to revenue collected hence the pressure to spend within 2.5% of the revenue collected. Due to the nature of these sources and the related transactions and susceptibility to fraud and incorrect recognition, I considered revenue recognition to be a key audit matter.	• Obtained an understanding on the formula needed on determination of revenue from vehicle licensing and test reasonableness of it. • Recomputed the inflation adjusted figures from the historical cost figures to confirm if they were adjusted in line with the requirements of IAS 29. Based on the work performed and evidence obtained, management's revenue recognition criteria were appropriate.

Other Information

The directors are responsible for the Other Information. The Other Information comprises all the information in the Zimbabwe National Road Administration 2022 annual report other than the consolidated financial statements and my auditor's report thereon ("the Other Information").

My opinion on the consolidated financial statements does not cover the other Information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the Road Administration's consolidated financial statements, my responsibility is to read the Other Information and, in doing so consider whether the Other Information is materially inconsistent with the Road Administration's consolidated financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.

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

The Road Administration's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Road Act *[Chapter 13:18]* and for such internal controls as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with ISAs and ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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 going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated 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.

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

Report on Other Legal and Regulatory Requirements

In my opinion, the consolidated financial statements of Zimbabwe National Road Administration have, in all material respects, been properly prepared in compliance with the disclosure requirements of the Road Act *[Chapter 13:18]*, the Public Finance Management Act *[Chapter 22:19]*, the Companies and other Business Entities Act *[Chapter 24:31]* and other relevant Statutory Instruments except for section 15 (d) of the Roads Act which states that the Road Administration shall use the Road Fund in meeting any salaries, allowances and other expenses of the Road Administration provided that expenditure of this purpose shall not exceed two point five percentum (2.5%) of the revenue of the Road Fund in any financial year. The Road Administration utilized 8.1% which is 5.6% above the percentage specified in the Roads Act.

12 December, 2023.

R. KUJINGA,
ACTING AUDITOR – GENERAL.

ZIMBABWE NATIONAL ROAD ADMINISTRATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at December 31, 2022

	Notes	Inflation adjusted				Historical cost			
		Group Dec-22 ZWL $	Group Dec-21 ZWL $	Administration Dec-22 ZWL $	Administration Dec-21 ZWL $	Group Dec-22 ZWL $	Group Dec-21 ZWL $	Administration Dec-22 ZWL $	Administration Dec-21 ZWL $
ASSETS									
Non current assets		38 757 071 929	36 881 513 334	9 553 751 546	5 394 186 054	11 454 409 771	2 000 298 473	9 368 840 367	1 557 774 828
Property, plant and equipment	4	9 643 190 965	6 309 715 729	7 683 142 503	5 270 751 235	9 643 190 964	1 835 500 926	7 683 142 503	1 533 265 394
Right of use asset	5	318 658 543	116 729 783	318 658 543	116 729 783	133 747 364	22 558 934	133 747 364	22 558 934
Intangible assets	6	27 243 271 921	30 448 362 786	-	-	125 520 943	140 288 113	-	-
Financial assets	7	1 551 950 500	6 705 036	1 551 950 500	6 705 036	1 551 950 500	1 950 500	1 551 950 500	1 950 500
CURRENT ASSETS		27 776 264 575	14 715 308 669	21 834 095 906	11 366 683 313	27 221 289 374	4 239 315 405	21 323 080 224	3 280 931 618
Inventory	8	1 149 785 284	392 145 821	1 149 785 284	392 145 821	638 769 602	88 430 625	638 769 602	88 430 625
Trade and other receivables	9	6 469 336 635	4 681 643 770	5 054 255 437	3 649 135 694	6 469 336 635	1 388 088 235	5 054 255 437	1 081 536 246
Cash and cash equivalents	10	18 873 512 194	8 745 013 160	15 421 756 863	7 197 722 277	18 873 512 194	2 543 930 732	15 421 756 863	2 093 822 681
Prepayments	11	1 283 630 462	896 505 918	208 298 322	127 679 521	1 239 670 943	218 865 813	208 298 322	37 142 066
TOTAL ASSETS		66 533 336 504	51 596 822 003	31 387 847 452	16 760 869 367	38 675 699 145	6 239 613 878	30 691 920 591	4 838 706 446
RESERVES AND LIABILITIES									
Reserves		(27 605 664 123)	(8 900 461 811)	18 161 462 827	7 058 895 112	(55 224 978 717)	(11 367 964 259)	17 703 815 067	2 033 709 856
Capital reserve		1 328 075 822	1 328 075 822	1 328 075 821	1 328 075 821	7 950 857	7 950 857	7 950 857	7 950 857
Revaluation reserve		5 774 162 080	4 226 126 229	4 260 817 515	3 622 443 320	8 431 431 254	1 595 565 255	6 505 175 744	1 335 753 544
Retained earnings/ (loss)		(34 707 902 026)	(14 454 663 861)	12 572 569 491	2 108 375 971	(63 664 360 827)	(12 971 480 371)	11 190 688 466	690 005 455
Non-current liabilities		68 612 038 392	71 786 120	373 899 974	71 786 120	68 422 271 256	14 955 313	184 132 838	14 955 313
Long term borrowing	12.1	68 238 138 418	-	-	-	68 238 138 418	-	-	-
Medium term borrowings	12.2	166 666 666	-	166 666 666	-	166 666 666	-	166 666 666	-
Lease liability	5.1	207 233 308	71 786 120	207 233 308	71 786 120	17 466 172	14 955 313	17 466 172	14 955 313
Current liabilities		25 526 962 235	60 425 497 693	12 852 484 650	9 630 188 134	25 478 406 606	17 592 622 825	12 803 972 686	2 790 041 277
Current portion of long term borrowings	12.1	7 573 488 308	51 881 581 142	-	-	7 573 488 308	15 092 397 678	-	-
Trade and other payables	13	2 891 619 095	1 305 642 086	8 401 489 329	7 287 790 740	2 891 575 430	379 811 510	8 401 489 329	2 120 023 663
Construction payables	14	10 610 859 511	4 895 879 476	-	2 406	10 610 859 511	1 450 396 724	-	700
Contract liabilities	15	3 229 888 184	1 316 296 762	3 229 888 184	1 316 296 762	3 229 888 184	382 911 691	3 229 888 184	382 911 692
Current portion of lease liability	5.1	169 791 878	126 654 430	169 791 878	126 654 430	121 279 913	25 456 363	121 279 913	25 456 363
Provisions	16	1 051 315 260	899 443 797	1 051 315 260	899 443 796	1 051 315 260	261 648 859	1 051 315 260	261 648 859
TOTAL RESERVES AND LIABILITIES		66 533 336 504	51 596 822 003	31 387 847 452	16 760 869 367	38 675 699 145	6 239 613 878	30 691 920 591	4 838 706 446

6/12/, 2023

A. Zvandasara,
Bacc(UZ),MBL(UNISA), CA(Z).
(Finance Director).

06/12, 2023

N. Ncube,
(Chief Executive Officer).

06/12, 2023

PP

M.G. Manyaya,
(Board Chairman).

ZIMBABWE NATIONAL ROAD ADMINISTRATION

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended December 31, 2022

		Inflation adjusted				Historical cost			
	Notes	Group 22-Dec ZWL $	Group Dec-21 ZWL $	Administration Dec-22 ZWL $	Administration Dec-21 ZWL $	Group Dec-22 ZWL $	Group Dec-21 ZWL $	Administration Dec-22 ZWL $	Administration Dec-21 ZWL $
Revenue									
Road user charges	17	113 083 195 034	94 275 214 489	108 135 193 736	81 171 608 178	78 385 205 264	21 323 469 696	64 006 891 465	18 304 558 341
Less cost of collection	18	(35 554 990 439)	(29 903 610 123)	(23 559 943 656)	(20 046 363 565)	(24 081 350 360)	(5 999 163 423)	(18 183 619 399)	(4 505 332 061)
Gross contribution		77 528 204 594	64 371 604 367	84 575 250 080	61 125 244 614	54 303 854 904	15 324 306 273	45 823 272 066	13 799 226 280
Add other income	19	10 912 665 822	13 956 198 830	12 014 844 534	13 897 677 704	5 879 573 529	3 147 170 838	5 701 822 441	3 133 988 078
Total income		88 440 870 416	78 327 803 197	96 590 094 614	75 022 922 318	60 183 428 433	18 471 477 111	51 525 094 507	16 933 214 358
Expenses		(15 231 748 634)	(11 965 969 661)	(13 268 618 943)	(10 198 265 030)	(11 287 832 974)	(2 885 328 246)	(9 109 818 569)	(2 505 194 274)
Administration expenses	20	9 754 269 529	8 411 725 410	8 151 488 401	6 778 887 309	7 375 325 586	2 097 328 403	5 197 696 900	1 718 897 402
Other operating expenses	21.1	858 133 002	292 010 803	497 784 439	157 144 273	366 636 925	37 139 703	366 251 206	35 436 732
Employment costs	22.1	4 619 346 104	3 262 233 448	4 619 346 104	3 262 233 448	3 545 870 462	750 860 140	3 545 870 462	750 860 140
Disbursement for periodic and routine maintenance	23	(43 784 643 998)	(46 281 118 418)	(59 561 726 860)	(66 414 476 610)	(30 803 398 183)	(10 438 597 859)	(42 824 758 214)	(15 042 530 892)
Rural District Councils	23.1	4 223 222 916	8 161 125 538	4 223 222 916	8 161 125 538	2 912 288 325	1 840 370 074	2 912 288 325	1 840 370 074
Urban Councils	23.2	5 689 413 132	7 320 605 816	5 689 413 132	7 320 605 816	4 114 750 908	1 650 829 142	4 114 750 908	1 650 829 142
District development fund	23.3	9 187 925 393	10 759 180 710	9 187 925 393	10 759 180 710	8 123 542 819	2 426 243 060	8 123 542 819	2 426 243 060
Provincial road engineers	23.4	23 875 569 863	19 283 388 056	23 875 569 863	19 283 388 056	15 129 572 413	4 348 489 695	15 129 572 413	4 348 489 695
Roads related expenses	23.5	808 512 694	756 818 298	808 512 694	756 818 298	523 243 718	170 665 889	523 243 718	170 665 889
Cession for loan guarantee	23.6	-	-	15 777 082 862	20 133 358 192	-	-	11 821 360 032	4 605 933 033
Net operating surplus/(deficit)		29 424 477 784	20 080 715 118	23 759 748 811	(1 589 819 322)	18 092 197 276	5 149 551 006	(209 482 276)	(614 510 808)
Finance costs	21	(5 825 139 272)	(4 891 067 323)	(175 252 235)	(105 056 748)	(4 259 438 656)	(1 105 152 638)	(153 066 745)	(23 690 764)
Profit/ (loss) on exchange	24	(124 592 584 661)	(9 115 152 568)	14 440 198 615	753 166 380	(64 304 996 888)	(2 712 786 291)	10 836 227 876	219 096 651
Monetary gain/loss		80 949 848 532	25 469 242 953	(27 560 501 672)	(2 677 159 694)				
Surplus/(deficit) before tax		(20 043 397 617)	31 543 738 180	10 464 193 520	(3 618 869 384)	(50 472 238 247)	1 331 612 078	10 473 678 855	(419 104 920)
Income tax expense	26	(247 646 365)	-	-	-	(247 646 365)	-	-	-
Surplus/deficit after tax		(20 291 043 982)	31 543 738 180	10 464 193 520	(3 618 869 384)	(50 719 884 612)	1 331 612 078	10 473 678 855	(419 104 920)
Other comprehensive income									
Revaluation on property, plant and equipment		1 585 841 669	1 017 914 754	638 374 196	966 828 614	6 862 870 154	849 522 582	5 196 426 355	722 694 928
Total comprehensive profit/loss for the year		(18 705 202 313)	32 561 652 933	11 102 567 715	(2 652 040 770)	(43 609 368 092)	2 181 134 660	15 670 105 211	303 590 008

ZIMBABWE NATIONAL ROAD ADMINISTRATION

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

for the year ended December 31, 2022

INFLATION ADJUSTED

Group	Revaluation reserve ZWL $	Capital reserve ZWL $	Retained income/(loss) ZWL $	Non-controlling interest ZWL $	Total ZWL $
Balance as at January 1, 2021	3 208 211 475	1 328 075 822	(33 517 195 505)	(12 481 206 536)	(41 462 114 745)
Surplus for the year	-	-	31 543 738 180	-	31 543 738 180
Revaluation surplus on property, plant and equipment	1 017 914 754	-	-	-	1 017 914 754
Acquisition of non- controlling interest	-	-	(12 481 206 536)	12 481 206 536	-
Balance as at December 31, 2021	4 226 126 229	1 328 075 822	(14 454 663 861)	-	(8 900 461 811)
Balance as at January 1, 2022	4 226 126 229	1 328 075 822	(14 454 663 861)	-	(8 900 461 811)
Deficit for the year	-	-	(20 291 043 982)	-	(20 291 043 982)
Revaluation surplus on property, plant and equipment	1 565 841 669	-	-	-	1 585 841 669
Revaluation on dispossed assets	(37 805 818)		37 805 818	-	-
Balance as at December 31, 2022	5 774 162 080	1 328 075 822	(34 707 902 028)	-	(27 605 664 124)

HISTORICAL COST

Group	Revaluation reserve ZWL $	Capital reserve ZWL $	Retained income/(loss) ZWL $	Non-controlling interest ZWL $	Total ZWL $
Balance as at January 1, 2021	746 042 672	7 950 857	(9718 643 153)	(4584 449 295)	(13 549 098 919)
Surplus for the year	-	-	1 331 612 078	-	1 331 612 078
Revaluation surplus on property, plant and equipment	849 522 582	-	-	-	849 522 582
Acquisition of non- controlling interest	-	-	(4 584 449 295)	4 584 449 295	-
Balance as at December 31, 2021	1 595 565 255	7 950 857	(12 971 480 371)	-	(11 367 964 259)
Balance as at January 1, 2022	1 595 565 255	7 950 857	(12 971 480 371)	-	(11 367 964 259)
Deficit for the year	-	-	(50 719 884 612)	-	(50 719 884 612)
Revaluation surplus on property, plant and equipment	6 862 870 154	-	-	-	6 862 870 154
Revaluation on dispossed assets	(27 004 155)		27,004,155.40		
Balance as at December 31, 2022	8 431 431 254	7 950 857	(63 664 360 827)	-	(55 224 978 717)

ZIMBABWE NATIONAL ROAD ADMINISTRATION

STATEMENT OF CHANGES IN RESERVES

for the year ended December 31, 2022

INFLATION ADJUSTED

Administration	Revaluation reserve ZWL$	Capital reserve ZWL$	Retained income/(loss) ZWL$	Total ZWL$
Balance as at January 1, 2021	2 655 614 706	1 328 075 821	5 727 245 356	9 710 935 883
Deficit for the year	-	-	(3 618 869 384)	(3 618 869 384)
Revaluation surplus on property, plant and equipment	966 828 614	-	-	966 828 614
Balance as at December 31, 2021	**3 622 443 320**	**1 328 075 821**	**2 108 375 971**	**7 058 895 112**
Balance as at January 1, 2022	3 622 443 320	1 328 075 821	2 108 375 971	7 058 895 112
Surplus for the year			10 464 193 520	10 464 193 520
Revaluation surplus on property, plant and equipment	638 374 196		-	638 374 196
Revaluation on disposed assets	(37 805 818)		37 805 818	-
Balance as at December 31, 2022	**4 260 817 515**	**1 328 075 821**	**12 572 569 491**	**18 161 462 827**

HISTORICAL COST

Administration	Revaluation reserve ZWL$	Capital reserve ZWL$	Retained income/(loss) ZWL$	Total ZWL$
Balance as at January 1, 2021	613 058 616	7 950 857	1 109 110 375	1 730 119 848
Deficit for the year	-	-	(419 104 920)	(419 104 920)
Revaluation surplus on property, plant and equipment	722 694 928	-	-	722 694 928
Balance as at December 31, 2021	**1 335 753 544**	**7 950 857**	**690 005 455**	**2 033 709 856**
Balance as at January 1, 2022	1 335 753 544	7 950 857	690 005 455	2 033 709 856
Surplus for the year	-	-	10 473 678 855	10 473 678 855
Revaluation surplus on property, plant and equipment	5 196 426 355	-	-	5 196 426 355
Revaluation on disposed assets	(27 004 155)		27 004 155	-
Balance as at December 31, 2022	**6 505 175 744**	**7 950 857**	**11 190 688 466**	**17 703 815 067**

ZIMBABWE NATIONAL ROAD ADMINISTRATION

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended December 31, 2022

	Notes	Inflation adjusted				Historical cost			
		Group Dec-22 ZWL$	Group Dec-21 ZWL $	Administration Dec-22 ZWL $	Administration Dec-21 ZWL $	Group Dec-22 ZWL $	Group Dec-21 ZWL $	Administration Dec-22 ZWL $	Administration Dec-21 ZWL $
OPERATING ACTIVITIES:									
Deficit /surplus for the year		(20 291 043 982)	31 543 738 180	10 484 193 520	(3 618 869 384)	(50 719 884 612)	1 331 612 078	10 473 678 855	(419 104 920)
Adjustments for :		(71 651 870 762)	(16 445 906 458)	28 465 076 864	3 425 656 906	5 295 750 338	1 357 478 375	1 324 239 775	245 899 999
Depreciation on property, plant and equipment	4	406 284 959	432 196 950	307 915 438	363 353 340	248 555 378	97 462 333	219 939 598	81 937 793
Right of use depreciation	5	267 952 075	55 437 399	267 952 075	55 437 399	147 542 977	12 501 380	147 542 977	12 501 380
Amortisation charge for the year	19	3 205 090 865	3 425 187 126	-	-	14 676 170	15 781 244	-	-
Loss on disposal of property, plant and equipment	20	32 325 080	-	32 325 080	-	32 012 971	-	32 012 971	-
Finance income	18	(590 283 734)	(271 900 834)	(30 741 099)	(286 702 682)	(195 740 005)	(61 331 922)	(17 988 917)	(60 142 640)
Finance costs	21	5 825 139 272	4 891 067 323	175 252 235	105 056 748	4 259 438 656	1 105 152 638	153 066 745	23 690 764
Increase in provisions		151 871 463	491 348 531	151 871 464	491 352 407	789 666 400	187 912 703	789 666 401	187 912 703
Taxation paid		(402 210)	-	-		(402 210)	-	-	
Monetary gain / (lose)		(80 949 848 532)	(25 469 242 953)	27 560 501 672	2 677 159 694	-	-	-	-
		(91 942 914 745)	15 097 831 722	67 394 347 248	(193 212 479)	(45 424 134 274)	2 689 090 453	13 122 158 406	(173 204 921)
WORKING CAPITAL CHANGES:		6 282 493 803	(10 119 762 699)	783 912 003	2 868 820 862	7 867 212 902	(1 641 631 447)	4 414 227 733	1 007 972 054
Increase in payables		1 586 379 219	864 213 206	1 113 698 589	5 569 890 027	2 512 188 131	300 052 966	6 281 465 666	1 809 627 033
Increase in receivables		(1 787 692 866)	(2 765 628 598)	(1 405 119 743)	(1 877 298 098)	(5 081 248 400)	(1 029 239 269)	(3 992 719 192)	(741 394 100)
Increase/(decrease) in Contract liabilities		1 913 591 421	(575 909 018)	1 913 591 421	(575 909 017)	2 846 976 492	41 020 979	2 846 976 492	41 020 980
Increase in prepayments		(367 124 544)	462 531 614	(80 618 801)	(32 073 411)	(1 020 805 130)	(9 762)	(171 158 256)	(19 867 602)
Increase in amounts due from related parties		5 714 980 035	(7 867 181 264)	-	-	9 160 462 787	(871 942 105)	-	-
Increase in inventory		(757 639 463)	(217 785 639)	(757 639 463)	(217 788 639)	(550 338 977)	(81 414 256)	(550 338 977)	(81 414 256)
Cash flow from operating activities		(85 660 420 942)	4 978 069 023	68 178 259 251	2 673 608 383	(37 556 921 372)	1 047 459 006	17 536 386 139	834 767 133
INVESTING ACTIVITIES:									
Cash flow from investing activities		685 937 908	1 097 876 117	(3 671 997 115)	(1 097 876 117)	(2 775 388 931)	(247 575 943)	(2 755 404 021)	(247 575 943)
Purchase of Property, plant and equipment	4	2 214 960 519	1 097 876 117	(2 142 974 504)	(1 097 876 117)	(1 236 976 687)	(247 575 943)	(1 216 991 777)	(247 575 943)
Purchase of financial assets		(1 545 245 464)	-	(1 545 245 464)	-	(1 550 000 000)	-	(1 550 000 000)	-
Proceeds on sale of assets		16 222 853	-	16 222 853	-	11 587 755	-	11 587 755	-
FINANCING ACTIVITIES:									
Cash flow from financing activities		18 570 560 513	(31 193 947 550)	(269 140 669)	43 453 187	56 661 891 766	(142 959 816)	(128 808 160)	19 988 431
Net movement in long term borrowing	12.1	23 930 045 584	(26 442 738 380)	-	-	60 719 229 048	917 324 343	-	-
Repayment of ZINARA bond	12.2	(333 333 334)	(108 403 075)	(333 333 334)	(108 403 075)	(333 333 334)	(19 586 667)	(333 333 334)	(19 586 667)
Issue of new medium term borrowing	12.2	500 000 000		500 000 000	-	500 000 000	-	500 000 000	-
Lease payments		(291 296 199)	(23 639 605)	(291 296 199)	(23 639 605)	(160 396 998)	(6 876 778)	(160 396 998)	(6 876 778)
Finance income		590 283 734	271 900 834	30 741 099	286 702 682	195 740 005	60 142 640	17 988 917	60 142 640
Finance costs		(5 825 139 272)	(4 891 067 323)	(175 252 235)	(91 205 815)	(4 259 346 955)	(1 100 840 132)	(153 066 745)	(13 690 764)
Effect on of inflation on cash and cash equivalents		76 532 421 555	23 419 861 695	(27 548 010 017)	3 185 041 498	-	-	-	-
Increase /(decrease) in cash and cash equivalents during the yea		10 128 499 034	(1 698 140 515)	36 689 111 451	4 804 228 951	16 329 581 463	657 023 247	14 652 173 958	607 179 621
Cash and cash equivalents at the beginning of the year		8 745 013 160	10 443 153 675	7 197 722 277	2 393 495 325	2 543 930 732	1 886 907 485	2 093 822 681	1 486 643 059
Cash and cash equivalents at end of the year	10	18 873 512 194	8 745 013 160	43 886 833 727	7 197 722 277	18 873 512 194	2 543 930 732	16 745 996 638	2 093 822 681

1. REPORTING ENTITY NATURE OF BUSINESS

The Zimbabwe National Road Administration was established in 2001 by the Roads Act *[Chapter 13:18]* to administer the fixing, collection, management, and disbursement of road Administrations. The Administration consists of road user charges collected. The funds are disbursed to Local Authorities, Department of Roads, and District Development Administration for the purpose of road maintenance, rehabilitation, and construction.

2. BASIS OF PREPARATION

2.1. Statement of compliance

The consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) and are presented in ZWL which is the administration's functional currency.

2.2. Basis of measurement

The consolidated financial statements are based on the statutory records that are maintained under the historical cost basis, except for, property, plant and equipment which is measured at revalued amounts.

2.2.1. Hyperinflation Accounting

The financial statements are prepared from books and records maintained under the historical cost convention and are restated to take account the effects of inflation in accordance with International Accounting Standard 29 "IAS 29"(Financial Reporting in Hyperinflationary Economies). The historical cost financial information has been restated for changes in the general purchasing power of the Zimbabwe Dollar (ZWL). Accordingly, the inflation adjusted financial statements are the primary financial statements of the Institute. Historical cost financial statements have been provided by way of supplementary information.

International accounting standard 29 requires that the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date and that the corresponding figures for the comparative periods be stated in the same terms. The financial statements and the corresponding figures for the previous year have been restated to take account of the changes in the general purchasing power of the Zimbabwe dollar. The restatement is based on conversion factors derived from the Zimbabwe Consumer Price Index (CPI) compiled by the Reserve Bank of Zimbabwe from the figures provided by ZIMSTATS.

The conversion factors used to restate the financial statements as of December 31, 2021 and 2022 are as follows:

Conversion factors

Month	Year	CPI	Conversion factor
December	2021	3,977.46	3.44
January	2022	4,189.97	3.26
February	2022	4,483.06	3.05
March	2022	4,766.10	2.87
April	2022	5,507.11	2.48
May	2022	6,662.17	2.05
June	2022	8,707.35	1.57
July	2022	10,932.83	1.25
August	2022	12,286.26	1.11
September	2022	12,713.12	1.08
October	2022	13,113.95	1.04
November	2022	13,349.42	1.02
December	2022	13,672.91	1.00

The application of the International accounting standard 29 restatement procedures has the following effect:
The main considerations and procedures applied for the above-mentioned restatement are as follows:

- financial statements are stated in terms of a measuring unit current at the balance sheet date
- the corresponding figures for the previous period are restated to the measuring unit current at the balance sheet date.
- monetary assets and liabilities that are carried at amounts current at the balance sheet date are not restated because they are already expressed, in the monetary unit current at the balance sheet date.
- the non-monetary assets and liabilities that are not carried at amounts current at the balance sheet date and reserves are restated by applying the relevant conversion factors from the date of the transaction to the balance sheet date.
- comparative financial statements are restated using general inflation indices in terms of the measuring unit current at the balance sheet date.
- all items in the statement of comprehensive income are restated by applying the relevant monthly conversion factors.
- the effect of inflation on the net monetary position of the Administration is included in the Administration's statement of comprehensive income as a gain or loss on net monetary position;

and items in the cashflow statement are expressed in terms of the measuring unit current at the balance sheet date.

Monetary gain or loss

One of the objectives of International Accounting Standards 29 is to account for the financial gain or loss that arises from holding monetary assets or liabilities during a reporting period (the monetary gain or loss). All monetary assets and liabilities (net monetary position) held during the year are represented in the financial statements, either by non-monetary assets and liabilities recognized on the balance sheet, or by transactions recorded in comprehensive income or directly in equity.

The gain or loss on net monetary position can be calculated as the difference between the historical cost amounts and the result from the restatement of non-monetary items, shareholders' equity, items in the statement of comprehensive income and the adjustment of index-linked items to year end purchasing power. The gain or loss on the net monetary position is included in profit or loss.

Monetary gain/loss treatment on statement of cash flows

The statement of cash flows shall be compiled from the restated figures.
There are two specific features of the cash flow statement to be considered:

- Net income before tax is adjusted for the monetary gain or loss for the period; and
- The monetary gain or loss on cash and cash equivalents is presented separately. Monetary gain or loss on cash and cash equivalents represents the effects of inflation on cash and cash equivalents.

2.3. Basis for consolidation

The Group's financial statements consolidate those of the Administration and its subsidiary (Infralink (Private) Limited) as of December 31, 2022. The subsidiary has a reporting date of December 31. All transactions and balances between Group entities are eliminated on consolidation, including unrealised gains and losses on transactions between Group entities. Amounts reported in the financial statements of subsidiary have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

2.4. Subsidiary

A subsidiary is an entity controlled by the parent (ZINARA). Control is achieved when the ZINARA has power over the investee, is exposed or has rights, to variable returns from its involvement with the investee and can use its power to affect its returns. The Administration reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. The subsidiary is fully consolidated from the date control commences until the date such control ceases. Intra-administration balances, and any unrealized gains and losses or income and expenses arising from intra-administration transactions, are eliminated in preparing the consolidated financial statements.

2.5. Loss of control

If a parent loses control of a subsidiary, the parent shall account for all amounts previously recognised in other comprehensive income in relation to that subsidiary on the same basis as would be required if the parent had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the parent shall reclassify the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses control of the subsidiary. If a revaluation surplus previously recognised in other comprehensive income would be transferred directly to retained earnings on the disposal of the asset, the parent shall transfer the revaluation surplus directly to retained earnings when it loses control of the subsidiary.

2.6. Functional and presentation currency

These consolidated financial statements are presented in Zimbabwe (ZWL$) as prescribed under statutory instrument 33 of 2019 and in compliance with local laws as well as relevant guidance provided by the public Accountants Board on March 21, 2019.The administration adopted the ZW$ as the functional and presentation currency.

i. Currency development in Zimbabwe

In October 2018, the Government, through RBZ exchange control issued directive RT120/2018 which separated foreign currency accounts (FCA) based on the source of funds. In line with this directive, foreign currency from offshore or foreign currency cash deposits was classified as Nostro FCA. RTGS or mobile money transfers or bond notes or coins deposit was classified as RTGS FCA.

In February 2019, the Government of Zimbabwe issued Statutory Instrument (S.I.) 33 of 2019, which among other things, prescribed parity between the US dollar and local mediums of exchange as of February 22, 2019. S.I. 33 of 2019 also prescribed the way certain balances were to be treated because of the recognition of the RTGS dollar / ZW dollar as currency in Zimbabwe. Based on the guidance issued by the Public Accountants and Auditors Board (PAAB), the change in functional currency translation guidelines was prescribed by S.I. 33 of 2019 and adopted in preparing the consolidated financial statements for prior years which was contrary to the provisions of International Accounting standard 21.

ii. Foreign currency transactions and balances

The Administration's consolidated financial statements are presented in Zimbabwe dollars (ZW$), which is also the administration's functional currency. For each entity the Administration determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in currencies other than Administration entity's functional currency (foreign currencies) are initially recorded by the Administration's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

iii. Determination of exchange rate

The weekly foreign exchange auction system, overseen by the Reserve Bank of Zimbabwe (RBZ), was in operation during the year. The economy is still, however, witnessing alternative foreign currency exchange rates that are divergent from the auction determined exchange rate. The management resolved to use the auctions rate as its spot rate.

iv. Justification for using RBZ auction rates.

a) Some revenue streams for the Administration are being priced using the auction determined exchange rate. In line with SI 32 of 2021, there is convertibility in tolling collections as toll fees are paged in USD payable at the prevailing foreign currency conversion rate.

b) The Administration sold foreign currency at the RBZ foreign currency auction rate during the year under review. As per Exchange Control Directive RV176 of 2020, With effect from August 21, 2020, 20% of the foreign currency receipts of providers of goods and services shall be liquidated at the point of depositing in the Domestic FCAs, at the prevailing auction rate to support the foreign exchange auction system from domestic resources. The forex sales are being done through 20% RBZ mandatory sales.

c) The administration does not trade in alternative forex markets.

The Administration shall continue to use the auction rate as its transactions are entirely based on the same exchange rate. There is no sound reason for the administration to apply alternative rates.

2.7. Critical accounting judgments, assumptions, and estimates

In preparing the consolidated financial statements, management has considered estimates and assumptions that affect the amounts presented in the financial statements and related disclosures. Use of available infomation and the application of judgment are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant judgments include the following:

2.7.1. Useful lives and residual values of property, plant, and equipment

The group assesses useful lives and residual values of property, plant, and equipment each year considering experience and technology changes and no changes in useful lives have been considered necessary during the year. The depreciation rates are set out in note 3.1.1. Management has set residual values for all classes of property, plant, and equipment at zero.

2.7.2. Impairment and provision policies

At each statement of financial position date, the Administration reviews the carrying amount of its assets to determine whether there is an indication that those assets suffered any impairment. If any such indication exists, the recoverable amount of the assets is estimated to determine the extent of the impairment (if any). If the recoverable amount of an asset is estimated to be less than it is carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment is treated as a revaluation decrease.

In the event that, in the subsequent period, an asset that has been subject to an impairment loss is no longer considered to be impaired, the value is restored, and the gain is recognised in the statement of comprehensive income. The restoration is limited to the value which would have been recorded had the impairment adjustment not taken place.

2.7.3. Allowances for credit losses

The group estimates the allowance for credit losses based on management's assessment of collection indicators to determine the rate applied. Judgement is required on key concepts such as significant increases in credit risk, measurement of lifetime expected credit losses and forward-looking assumptions on determining the probability of default.

2.7.4. Valuation of intangible assets

The group assesses useful lives of its Intangible assets annually, considering experience and technology changes and no changes in useful lives have been considered necessary during the year. The amortization rates are set out in note 3.5.1.1

2.7.5. Fair value measurement

A number of assets and liabilities included in the Administration's financial statements require measurement at, and/or disclosure of, fair value. A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
A fair value measurement assumes that a financial or non-financial liability or an entity's own equity instrument (eg equity interests issued as consideration in a business combination) is transferred to a market participant at the measurement date. The transfer of a liability or an entity's own equity instrument assumes the following:

a) A liability would remain outstanding, and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date.

b) An entity's own equity instrument would remain outstanding, and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

IFRIC 22 Foreign Currency Transactions and Advance Consideration

This amendment addresses foreign currency transactions or parts of transactions where:

- there is consideration that is denominated or priced in a foreign currency.
- the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and
- the prepayment asset or deferred income liability is non-monetary.

2.8. Application of new and revised Standards and Interpretations

2.8.1. New and amended IFRS standards that are effective for the current year

i. International accounting standard 16 - "Property, plant and equipment" - proceeds before intended use

IAS 16 requires that the cost of an asset includes any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. One of those costs is testing whether the asset is functioning properly.

The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of property, plant, and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such samples, together with the costs of producing them, are now recognized in profit or loss. An entity will use IAS 2, 'Inventories', to measure the cost of those items. Cost will not include depreciation of the asset being tested because it is not ready for its intended use. This amendment does not have an impact to the Administration.

ii. International accounting standard 37- "Provisions, contingent liabilities and contingent assets - Onerous contracts – cost of fulfilling a contract."

IAS 37 defines an onerous contract as one in which the unavoidable costs of meeting the entity's obligations exceed the economic benefits to be received under that contract. Unavoidable costs are the lower of the net cost of exiting the contract and the costs to full the contract. The amendment clarifies the meaning of 'costs to full a contract'.

The amendment explains that the direct cost of fulfilling a contract comprises:

- The incremental costs of fulfilling that contract (for example, direct labour and materials); and
- An allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of the depreciation charge for an item of PP&E used to full the contract).

The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract. This amendment does not have an impact on the Administration.

iii. Amendments to IFRS 9, IAS 39 and IFRS 7 Interest rate benchmark reform.

Amendments to IFRS 9, IAS 39 and IFRS 7 have now been issued to address uncertainties related to the ongoing reform of interbank offered rates (IBOR). The amendments provide targeted relief for financial instruments qualifying for hedge accounting in the lead up to IBOR reform. The amendments address issues affecting financial reporting in the period leading up to IBOR reform, are mandatory and apply to all hedging relationships directly affected by uncertainties related to IBOR reform. This amendment does not have an impact to the Administration.

2.8.2. New standards, interpretations and amendments issued but not yet effective.

a) International accounting standard 1 - "Presentation of financial statements".

The International Accounting Standards Board issued two amendments to the standard the application of which shall be on 1 January 2023 although early adoption is permitted. The two amendments are as follows:

- Classification of Liabilities as Current or Non-current,
- Disclosure of Accounting Policies,
- IFRS Practice Statement 2 Making Materiality Judgements.

b) International accounting standard 8- "Accounting policies, changes in accounting estimates and errors".

The International Accounting Standards Board issued a new amendment to the standard the application of which shall be on 1 January 2023 although early adoption is permitted. The amendment is as follows:

- Definition of Accounting Estimates issued in February 2021. An entity shall apply the amendments to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the first annual reporting period in which it applies the amendments.

The Administration has not yet adopted the amendment and wishes to do so on the effective date of the amendment.

3.0 ACCOUNTING POLICIES

The accounting policies applied in the preparation of these financial statements have been consistent to those applied in the financial statements for the year ended December 31, 2021.

3.1 Property, plant and equipment

Property, plant and equipment held for use in the supply of services or for administrative purposes, are stated at cost less accumulated depreciation plus net increase or decrease from the revaluation.

3.1.1 Depreciation

Depreciation, which is calculated on the straight-line basis, is provided to write off the cost to a zero-residual value of fixed assets over their estimated useful lives. The Road Administration assesses useful life of property, plant and equipment each year.

The rates applied per annum are as follows:

Asset class	Rate
Furniture fixtures and fittings	10%
Office equipment	10%
Plant and Machinery	7%
Computer equipment	33.33%
Motor vehicles	20%
Buildings	2%

Where the items of property, plant and equipment are revalued, depreciation is based on the gross replacement cost.

3.1.2 Revaluation of property, plant, and equipment

Property, plant, and equipment is initially recognized at cost. Property, plant and equipment are measured at fair value less accumulated depreciation and impairment losses recognized at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate major components of property, plant and equipment. A revaluation surplus is recorded in other comprehensive income (OCI). However, to the extent that it reverses a revaluation deficit of the same asset previously recognized in profit or loss, the increase is recognized in profit and loss. A revaluation deficit is recognized in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

Accumulated depreciation, as at the revaluation date, is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being disposed of is transferred to retained earnings. An item of property, plant and equipment is derecognized upon disposal or loss when no future economic benefits are expected from its use or disposal. Any gain or loss arising from de-recognition of the asset is included in the profit and loss section of the statement of profit or loss and other comprehensive income in the year the asset is derecognized.

3.2 Intangible assets

The rehabilitation of the Plumtree-Harare-Mutare highway was completed at the end of the 2014 financial year and the construction of toll plazas thereon. ZINARA makes a non-cash payment for the construction and rehabilitation services by giving the operator an intangible asset in the form of the contractual right to receive future toll revenue from the Plumtree1Harare-Mutare highway in exchange for the construction and rehabilitation services rendered. As this is an exchange of dissimilar goods and services, in accordance with IFRS 15 Revenue, revenue has been recognized on the transaction, and the contra for the recognition of revenue will be the initial recognition of a financial asset or an intangible asset works as contemplated in IFRIC 12 Service Concessions Arrangements.

3.3 Inventory

Inventory consist of transit coupons and stationery. They are measured at the lower of cost and net realizable value. The cost of inventory is based on the weighted average method and includes expenditure incurred in acquiring the inventory.

3.4 Borrowing costs

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

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement are computed using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

3.5 Financial instruments

Financial instruments are contracts that give rise to financial assets or financial liabilities. Financial assets and financial liabilities are recognized on the Road Administration's statement of financial position when the Road Administration becomes a party to the contractual provisions of the instrument. These instruments are generally carried at their estimated carrying values.

Non-derivative financial instruments carried in the statement of financial position comprise cash and cash equivalents, trade and other receivables, trade and other payables. These instruments are recognized initially at fair value plus any directly attributable transaction costs.

3.5.1 Classification of financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity. Financial assets and financial liabilities are recognized on the Administration's statement of financial position when the Administration becomes part to the contractual provisions of the instrument. Non derivative financial instruments carried in the statement of financial position comprise of cash and cash equivalents, trade and other receivables, trade and other payables.

The Administration has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Cash and cash equivalents	Financial asset measured at fair value
Trade receivables	Financial asset measured at amortised
Investments	Financial asset measured at cost

3.5.1.1 Financial assets

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the Administration elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of comprehensive. The Administration's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

3.5.1.2 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

3.5.1.3 Financial liabilities

The Administration has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Long term borrowings	Financial liability measured at amortised cost
Short term borrowings	Financial liability measured at amortised cost

ZINARA Bond short term	Financial liability measured at amortised cost

3.6 Revenue from contracts with customers

Revenue from customers with contracts is recognized when the control of the goods or services are transferred to the customer (that is when the administration delivers its performance obligation under the contract) at an amount that reflects the consideration to which the Administration expects the consideration to which the Administration expects to be entitled in exchange for those goods and services. There is no requirement to disclose information about remaining performance obligations as all contractual arrangements have an expected duration of less than one year. The Administration recognizes revenue from the following major sources:

a) Fuel levy

Fuel levy comprises levy charged on fuel imports and is collected at points of entry. Fuel levy is determined by using gazetted tariffs for every litre of fuel imported into the country. Revenue is recognised at the point in time when the fuel enters into the country.

b) Transit fees

Transit fees are determined on gazetted tariffs for truckers who are transiting Zimbabwe via the national borders to neighboring countries or foreign registered truckers coming into Zimbabwe. Revenue is recognised at the point in time when the truck enters into the country at the point of entry.

c) Toll fees

Toll fees comprise fees paid by road users for the use of major highways and are determined on gazetted tariffs for a particular class of motor vehicles. Toll fees are recognised at the point in time when a motor vehicle passes through a tolling point.

d) Vehicle License fees

Vehicle license fees are paid by road users for registered motor vehicles and are determined on gazetted tariffs for a particular class of motor vehicles. Vehicle licensing fees are recognized over time during the periods covered by the license.

e) New Limpopo Bridge commission

New Limpopo Bridge commission comprises of commission charged to the New Limpopo Bridge commission for the collection of toll fees collected on its behalf. The commission is recognised at a point in time when the Toll fees are collected.

f) ZBC Car Radio License commission

ZBC car radio licensee is commission received from the Zimbabwe Broadcasting Corporation for radio license fees collected by ZINARA on its behalf. The Commission is recognised at a point in time when the radio license fees are collected.

g) Rendering of services

Fees are recognised as revenue in the accounting period in which performance obligation is satisfied.

h) Interest income

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is that rate that exactly discounts estimated future cash receipts through the expected life of the financial asset's net carry amount on initial recognition.

3.7 Leases

IFRS 16 Leases replaced IAS 17 for reporting periods after 1 January 2019 with an option for early adoption. The Road Administration adopted IFRS 16 for periods beginning January 1, 2019.

3.7.1 Identifying a lease

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Road Administration assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Road Administration.
- The Road Administration has the right to obtain substantially all the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Road Administration has the right to direct the use of the identified asset throughout the period of use. The Road Administration assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

3.7.2 Measurement and recognition of leases as a lessee

At lease commencement date, the Road Administration recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Road Administration, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Road Administration depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Road Administration also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Road Administration measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Road Administration's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Road Administration has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in the liabilities.

ZIMBABWE NATIONAL ROAD ADMINISTRATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2022

4 Property, plant and equipment (Group)

	Inflation adjusted								
	LAND	BUILDINGS	PLANT & MACHINERY	MOTOR VEHICLES	FURNITURE & FITTINGS	COMPUTER EQUIPMENT	OFFICE EQUIPMENT	TOTALS Dec-22	TOTALS Dec-21
	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Opening Carrying amount	**285 765 833**	**586 473 670**	**3 086 532 662**	**1 614 675 125**	**155 532 068**	**403 279 900**	197 456 471	**6 309 715 729**	4 626 121 808
Gross carrying amount	285 765 833	602 471 054	3 439 352 846	1 719 447 062	191 105 842	641 153 451	231 755 223	7 111 051 312	4 995 260 441
Accumulated depreciation		(15 997 384)	(372 820 184)	(104 771 938)	(35 573 774)	(237 873 551)	(34 298 752)	(801 335 583)	(369 138 633)
Additions for the year	-	45 943 296	618 421 672	940 912 904	77 272 515	509 311 383	23 098 749	2 214 960 519	1 097 876 117
Disposal at carrying amount	-	-	-	**(60 748 331)**	-	**(293 663)**	-	**(61 041 994)**	-
Gross carrying amount	-	-	-	(84 543 424)	-	(1 345 092)	-	(85 888 516)	-
Accumulated depreciation	-	-	-	23 795 093	-	1 051 429	-	24 846 522	-
Revaluation surplus	378 985 853	476 983 816	1 213 215 885	(332 605 705)	113 723 290	(333 193 351)	68 731 881	1 585 841 669	1 017 914 754
Depreciation charge for the year	-	(5 149 336)	(148 791 124)	(137 519 096)	(12 398 702)	(88 573 620)	(13 853 080)	(406 284 959)	(432 196 950)
Closing carrying amount	**664 751 685**	**1 104 251 446**	**4 749 379 095**	**2 024 714 896**	**334 129 171**	**490 530 550**	**275 434 022**	**9 643 180 965**	6 309 715 729
Gross carrying amount	664 751 685	1 125 398 166	5 270 990 404	2 243 210 836	382 101 647	815 926 391	323 585 854	10 825 964 984	7 111 051 312
Accumulated depreciation	-	(21 146 720)	(521 611 309)	(218 495 941)	(47 972 477)	(325 395 742)	(48 151 832)	(1182 774 020)	(801 335 583)

4 Property, plant and equipment (Group)

					Historical cost				
	LAND	BUILDINGS	PLANT & MACHINERY	MOTOR VEHICLES	FURNITURE & FITTINGS	COMPUTER EQUIPMENT	OFFICE EQUIPMENT	TOTALS Dec-22	TOTALS Dec-21
	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Opening Carrying amount	**83 129 490**	**170 605 620**	**892 056 597**	**469 710 176**	**45 244 394**	**120 667 040**	**54 087 609**	**1 835 500 926**	**835 864 733**
Gross carrying amount	83 129 490	173 952 179	965 401 878	492 438 415	52 072 843	171 545 920	60 324 708	1 998 865 433	901 766 907
Accumulated depreciation	-	(3 346 559)	(73 345 281)	(22 728 239)	(6 828 449)	(50 878 879)	(6 237 098)	(163 364 507)	(65 902 174)
Additions for the year	-	34 440 252	402 597 348	472 820 555	36 382 690	278 400 364	12 335 478	1 236 976 687	247 575 943
Disposal at carrying amount	-	-	-	**(43 391 665)**	-	**(209 759)**	-	**(43 601 424)**	-
Gross carrying amount	-	-	-	(60 388 160)	-	(960 780)	-	(61 348 940)	-
Accumulated depreciation	-	-	-	16 996 495	-	751 021	-	17 747 516	-
Revaluation surplus	581 622 195	902 883 671	3 530 405 814	1 223 803 755	259 370 144	148 833 981	215 950 593	6 862 870 154	849 522 582
Depreciation charge for the year	-	(3 878 097)	(75 680 664)	(98 227 926)	(6 868 056)	(57 160 977)	(6 939 658)	(248 555 378)	(97 462 333)
Closing carrying amount	**664 751 685**	**1 104 251 446**	**4 749 379 095**	**2 024 714 898**	**334 129 171**	**490 530 650**	**275 434 022**	**9 643 190 964**	**1 835 500 926**
Gross carrying amount	664 751 685	1 111 276 102	4 898 405 040	2 128 674 565	347 825 676	597 819 485	288 610 778	10 037 363 334	1 998 865 433
Accumulated depreciation	-	(7 024 656)	(149 025 945)	(103 959 670)	(13 696 506)	(107 288 836)	(13 176 756)	(394 172 369)	(163 364 507)

ZIMBABWE NATIONAL ROAD ADMINISTRATION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2022

4 Property ,plant and equipment (Administration)

Inflation adjusted

	LAND	BUILDINGS	PLANT & MACHINERY	MOTOR VEHICLES	FURNITURE & FITTINGS	COMPUTER EQUIPMENT	OFFICE EQUIPMENT	TOTALS Dec-22	TOTALS Dec-21
	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Opening Carrying amount	285 765 833	586 473 670	2 130 311 439	1 614 675 124	121 624 179	385 962 433	145 938 557	5 270 751 235	3 569 399 844
Gross carrying amount	285 765 833	602 471 054	2 270 094 819	1 719 447 062	142 559 411	603 268 437	157 933 707	5 781 540 323	3 716 835 592
Accumulated depreciation		(15 997 384)	(139 783 380)	(104 771 938)	(20 935 232)	(217 306 004)	(11 995 150)	(510 789 087)	(147 435 747)
Additions for the year	-	455 30 013	604 912 438	895 947 680	60 670 908	521 665 693	14 247 772	2 142 974 504	1 097 876 117
Disposal at carrying amount	-	-	-	(60 748 331)	-	(293 663)	-	(61 041 994)	-
Gross carrying amount	-	-	-	(84 543 424)	-	(1 345 092)	-	(85 888 516)	-
Accumulated depreciation	-	-	-	23 795 093	-	1 051 429	-	24 846 522	-
Revaluation surplus	378 985 853	477 397 099	340 255 081	(287 640 482)	101 325 975	(418 558 073)	46 608 742	638 374 196	966 828 614
Depreciation charge for the year	-	(5 149 336)	(76 519 497)	(137 519 096)	(7 702 834)	(74 152 003)	(6 872 671)	(307 915 438)	(363 353 340)
Closing carrying amount	664 751 685	1 104 251 446	2 898 959 461	2 024 714 895	275 918 228	414 624 388	199 922 401	7 683 142 503	5 270 751 235
Gross carrying amount	664 751 685	1 125 398 166	3 215 262 338	2 243 210 836	304 556 294	705 030 965	218 790 221	8 477 000 506	5 781 540 323
Accumulated depreciation	-	(21 146 720)	(216 302 877)	(218 495 941)	(28 638 067)	(290 406 578)	(18 867 821)	(793 858 003)	(510 789 087)

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for the year ended December 31, 2022

4 Property ,plant and equipment (Administration)

Historical cost

	LAND	BUILDINGS	PLANT & MACHINERY	MOTOR VEHICLES	FURNITURE & FITTINGS	COMPUTER EQUIPMENT	OFFICE EQUIPMENT	TOTALS Dec-22	TOTALS Dec-21
	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Opening Carrying amount	83 129 490	170 605 620	619 709 158	469 710 176	35 380 563	112 276 754	42 453 633	1 533 265 394	644 932 316
Gross carrying amount	83 129 490	173 952 179	648 595 935	492 438 415	39 740 882	158 960 767	45 024 753	1 641 842 421	671 571 550
Accumulated depreciation	-	(3 346 559)	(28 886 777)	(22 728 239)	(4 360 319)	(46 684 012)	(2 571 119)	(108 577 027)	(26 639 234)
Additions for the year	-	34 440 252	394 588 174	472 820 555	32 101 010	271 305 228	11 756 558	1 216 991 777	247 575 943
Disposal at carrying amount	-	-	-	(43 391 665)	-	(209 759)	-	(43 601 424)	-
Gross carrying amount	-	-	-	(60 388 160)	-	(960 780)	-	(61 348 940)	-
Accumulated depreciation	-	-	-	16 996 495	-	751 021	-	17 747 516	-
Revaluation surplus	581 622 195	902 883 671	2 039 338 913	1 223 803 755	213 938 680	84 217 880	150 621 260	5 196 426 355	722 694 928
Depreciation for the year	-	(3 676 097)	(54 656 784)	(98 227 926)	(5 502 024)	(52 965 716)	(4 909 051)	(219 939 598)	(81 937 793)
Closing carrying amount	664 751 685	1 104 251 446	2 998 959 461	2 024 714 895	275 918 228	414 624 388	199 922 400	7 683 142 503	1 533 265 394
Gross carrying amount	664 751 685	1 111 276 102	3 082 503 022	2 128 674 565	285 780 571	513 523 095	207 402 570	7 993 911 613	1 641 842 421
Accumulated depreciation	-	(7 024 656)	(83 543 561)	(103 959 670)	(9 862 344)	(98 898 708)	(7 480 170)	(310 769 109)	(108 577 027)

5 Leases

5 Right of use asset	Inflation adjusted Group Dec-22 ZWL $	Inflation adjusted Group Dec-21 ZWL $	Inflation adjusted Administration Dec-22 ZWL $	Inflation adjusted Administration Dec-21 ZWL $	Historical cost Group Dec-22 ZWL $	Historical cost Group Dec-21 ZWL $	Historical cost Administration Dec-22 ZWL $	Historical cost Administration Dec-21 ZWL $
Opening balance	116 729 783	83 982 301	116 729 783	83 982 301	22 558 934	15 174 232	22 558 934	15 174 232
Adjustment for remeasurement	469 880 835	88 184 881	469 880 835	88 184 881	258 731 407	19 886 082	258 731 407	19 886 082
Depreciation charge for the year	(287 952 075)	(55 437 399)	(267 952 075)	(55 437 399)	(147 542 977)	(12 501 380)	(147 542 977)	(12 501 380)
Closing balance	318 658 543	116 729 783	318 658 543	116 729 783	133 747 364	22 558 934	133 747 364	22 558 934

A right-of use asset is an asset that represents a lessee's privilege to use a leased item over the duration of an agreed-upon lease term. At lease commencement, the road administration recognizes a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the road administration, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date. There are nine properties where the administration is a lessee and the characteristics of the lease agreements qualify for application of IFRS 16.

5.1 Lease liability

	Inflation adjusted Group Dec-22	Inflation adjusted Group Dec-21	Inflation adjusted Administration Dec-22	Inflation adjusted Administration Dec-21	Historical cost Group Dec-22	Historical cost Group Dec-21	Historical cost Administration Dec-22	Historical cost Administration Dec-21
Opening balance	198 440 550	96 314 017	198 440 550	96 314 017	40 411 676	17 402 372	40 411 676	17 402 372
Adjustment for reassessments	469 880 835	68 360 373	469 880 835	68 360 373	258 731 407	19 886 082	258 731 407	19 886 082
Interest accrued	15 935 340	102 442 801	15 935 340	102 442 801	8 774 508	23 101 307	8 774 508	23 101 307
Interest payment	(15 935 340)	(45 037 035)	(15 935 340)	(45 037 035)	(8 774 508)	(13 101 307)	(8 774 508)	(13 101 307)
lease payments	(291 296 199)	(23 639 605)	(291 296 199)	(23 639 605)	(160 396 998)	(6 876 778)	(160 396 998)	(6 876 778)
Closing balance	377 025 186	198 440 550	377 025 186	198 440 550	138 746 085	40 411 676	138 746 085	40 411 676
Analysis								
Non current portion of lease liability	207 233 308	71 786 120	207 233 308	71 786 120	17 466 172	14 955 313	17 466 172	14 955 313
Current portion of lease liability	169 791 878	126 654 430	169 791 878	126 654 430	121 279 913	25 456 363	121 279 913	25 456 363
	377 025 186	198 440 550	377 025 186	198 440 550	138 746 085	40 411 676	138 746 085	40 411 676

A lease liability is the financial obligation for the payments required by a lease, discounted to present value. The administration recognises a right- of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less and without any renewal option).

6 Intangible assets

	Inflation adjusted Group Dec-22	Inflation adjusted Group Dec-21	Inflation adjusted Administration Dec-22	Inflation adjusted Administration Dec-21	Historical cost Group Dec-22	Historical cost Group Dec-21	Historical cost Administration Dec-22	Historical cost Administration Dec-21
Carrying amount at beginning of the year	30 448 362 786	33 873 549 912	-	-	140 288 113	156 069 357	-	-
Additions								
Amortisation	(3 205 090 865)	(3 425 187 126)	-	-	(14 767 170)	(15 781 244)	-	-
Carrying amount at end of year	27 243 271 921	30 448 362 786	-	-	125 520 943	140 288 113	-	-

The intangible asset represents the right to receive future toll revenue from the Plumtree-Harare-Mutare highway in exchange for the construction and rehabilitation services rendered to ZINARA. As this is an exchange of dissimilar goods and services in accordance with IAS 18 Revenue, revenue has been recognised on the transaction. The amortisation recorded during the year relates to the usage of the right to collect toll fees from the nine toll gates that were in operation during the year.

7 Financial assets

	Inflation adjusted Group Dec-22	Inflation adjusted Group Dec-21	Inflation adjusted Administration Dec-22	Inflation adjusted Administration Dec-21	Historical cost Group Dec-22	Historical cost Group Dec-21	Historical cost Administration Dec-22	Historical cost Administration Dec-21
CBZ	1 950 500	6 705 036	1 950 500	6 705 036	1 950 500	1 950 500	1 950 500	1 950 500
NBS	1 550 000 000	-	1 550 000 000	-	1 550 000 000	-	1 550 000 000	-
	1 551 950 500	6 705 036	1 551 950 500	6 705 036	1 551 950 500	1 950 500	1 551 950 500	1 950 500

Financial assets consist of housing investments. The investment was liquidity support to enable ZINARA staff members to access mortgages from the bank.

	Inflation adjusted				Historical cost			
	Group	Group	Adminstration	Adminstration	Group	Group	Adminstration	Adminstration
	Dec -22	Dec -21	Dec -22	Dec -21	Dec -22	Dec -21	Dec -22	Dec -21
	ZWL $	ZWL $	ZWL $	ZWL $	ZWL $	ZWL $	ZWL $	ZWL $
8 Inventory								
Inventory	1 149 785 284	392 145 821	1 149 785 284	392 145 821	638 769 602	88 430 625	638 769 602	88 430 625
	1 149 785 284	392 145 821	1 149 785 284	392 145 821	638 769 602	88 430 625	638 769 602	88 430 625
9 Trade and other receivables								
Trade and other receivables								
Trade debtors	7 918 607 114	7 409 306 931	6 503 525 916	6 376 948 490	7 918 607 114	2 181 567 446	6 503 525 916	1 855 058 985
Pre-paid statutory payments	-	3 141 778	-	3 141 778	-	913 946	-	913 946
Staff debtors	122 516 099	118 327 751	122 516 099	118 327 751	122 516 099	34 421 629	122 516 099	34 421 629
Staff advances	63 713 228	27 616 393	63 713 228	27 616 393	63 713 228	8 033 629	63 713 228	8 033 629
Other receivables	29 033 097	33 827 853	29 033 097	33 678 217	29 033 097	9 840 547	29 033 097	9 797 018
Allowance for credit losses	(1 664 532 904)	(2910 576 936)	(1 664 532 904)	(2 910 576 936)	(1 664 532 904)	(846 688 962)	(1 664 532 904)	(846 688 962)
	6 469 336 635	4 681 643 770	5 054 255 437	3 649 135 694	6 469 336 635	1 388 088 235	5 054 255 437	1 061 536 246

Trade receivables consist of vehicle licensing and fuel levy receivables.

Vehicle licensing receivables relate to vehicle licensing revenue recognized on unlicensed vehicles.Vehicle license receivables are governed by statute and if vehicles are in default for 24 months and above they are deregistered. The Group applies IFRS 9 simplified model of recognising lifetime expected credit losses on vehicle licenses receivables. Receivables have been grouped based on the days past due. The expected credit loss rates are based on payment , non compliance , write off of vehicle and vehicle licencing exemptions trend in previous years as these have affected collection patterns.

NOIC collects fuel levy revenue on behalf of ZINARA, and it remits the funds to ZINARA by the 7th of the following month. As a result, NOIC's debtor at year end is made up entirely of December collections.

Staff debtors and advance refer to receivables that ZINARA is owed by its staff in the form of loans and T and S advances. The Group assessed risk profiles as lower and applied IFRS 9 separately on them. Allowance for credit losses were based on the amount that ZINARA is owed by its former employees and an additional of 1% of staff debtor was provided for employees who may leave ZINARA while owing to the administration.The advances are reconciled and any potential loses are recovered from payroll on termination of the employee.

	Group Dec -22	Group Dec -21	Adminstration Dec -22	Adminstration Dec -21	Group Dec -22	Group Dec -21	Adminstration Dec -22	Adminstration Dec -21
10 Cash and cash equivalents								
Cash and bank balances	18 873 512 194	8 745 013 160	15 421 756 863	7 197 722 277	18 873 512 194	2 543 930 732	15 421 756 863	2 093 822 681
	18 873 512 194	8 745 013 160	15 421 756 863	7 197 722 277	18 873 512 194	2 543 930 732	15 421 756 863	2 093 822 681

Cash and cash equivalents represents cash at hand and demand deposits maintained at various banks.

	Group Dec -22	Group Dec -21	Adminstration Dec -22	Adminstration Dec -21	Group Dec -22	Group Dec -21	Adminstration Dec -22	Adminstration Dec -21
11 Prepayments	1 283 630 462	896 505 918	208 298 322	127 679 521	1 239 670 943	218 865 813	208 298 322	37 142 066
	1 283 630 462	896 505 918	208 298 322	127 679 521	1 239 670 943	218 865 813	208 298 322	37 142 066

Prepayments consist of CIMAS Medical Aid, which operates on a prepayment basis, as well as other suppliers who require payment upfront. The advances were duly approved as per the requirements of the ZINARA finance policy. The utilization of these advances will be tracked in line with the prepayment standard operating procedures.

The prepayments also include DBSA upfront fees.DBSA upfront fees also includes fees that were charged to the borrower to compensate the lender for origination activities and other fees that relate directly to the loan origination process. The upfront fees of 0.0175% of the loan principal amount was paid and is being amortised for the loan period ending year 2022. ECIC which Insurance is in respect of the annual loan cover paid in advance and amortised over the year.

12.1

	Inflation adjusted				Historical cost			
	Group Dec-22 ZWL $	Group Dec-21 ZWL $	Administration Dec-22 ZWL $	Administration Dec-21 ZWL $	Group Dec-22 ZWL $	Group Dec-21 ZWL	Administration Dec-22 ZWL $	Administration Dec-20 ZWL $
Long term borrowings - **Made up as follows:**								
Long- term portion	68 238 138 418	-	-	-	68 238 138 418	-	-	-
Short term portion	7 573 488 308	51 881 581 142	-	-	7 573 488 308	15 092 397 678	-	-
Total	75 811 626 726	51 881 581 142	-	-	75 811 626 726	15 092 397 678	-	-
USD analysis	USD	USD	USD	USD		USD	USD	USD
Long- term portion	99 715 105		-	-	99 715 105	-	-	-
Short term portion	11 066 525	138 887 946	-	-	11 066 525	138 887 946	-	-
	110 781 630	138 887 946	-	-	110 781 630	138 887 946	-	-

On May 11, 2011, the Group secured a US$206 600 000 long-term loan facility from the Development Bank of Southern Africa Limited (DBSA). This loan was renegotiated effective from 1 April 2021 and attracts interest at a floating rate, levied at the rate of 1-month SOFR (Secured Overnight Financing Rate) plus a margin of 5% based on the Group's repayment performance. The loan was used exclusively for payments or reimbursements of amounts due to be paid by the Group under the design-and build contract with its main contractor, Group Five Construction (Proprietary) Limited, including payments to all professional advisors in respect of the project.

The Export Credit Insurance Corporation (ECIC) facility was consolidated with the main loan account effective from April 1, 2021 under the same terms and conditions.

The DBSA borrowings contain a number of covenants, representations, and events of default typical of borrowings of this size and nature, including financial covenants listed below:

i) Ceded Revenue include Transit fees and Fuel levies collected by ZINARA

ii) Bank account agreements for ceded revenue funds deposits.

iii) Bank account agreements only accept ZINARA payments to DBSA unless a waiver is obtained from the lender.

Restructure of loan agreement

On 30 March 2022, the Company signed a loan restatement agreement ("LRA") with DBSA effective from 1 April 2021. Under the LRA, the loan tenure was extended by fifteen (15) years ending in 2036, and the interest rate will be
reviewed downwards in line with repayments performance to 5%, over a 36-month period, from the previous 6.182%. In addition, the previously required Maintenance Reserve Account (MRA), and the Debt Redemption Reserve Account (DSRA), were scraped.

Loan interest calculation will be based on SOFR (Secured Overnight Financing Rate) which replaces LIBOR rate which was in use since 2011.

The effect of the LRA was, amongst other things, to regularise the loan with the outstanding amount (including arrear capital and arrear interest) becoming current and not subject to the penalty interest rate.

To support the loan repayments under the LRA, the fuel levy and transit fees from ZINARA's foreign currency receipts have now been ring-fenced for purposes of meeting the loan repayments exclusively.

12.2 **Loans and Borrowings**

Medium term borrowings-Financial liabilities at amortised cost

Inflation adjusted

Medium term borrowings-Financial liabilities at amortised cost								Dec-22 Group	Dec-21 Group	Dec-22 Administration	Dec-21 Administration
Financier	Opening balance	Opening accrued interest	Additions	Interest arrears	Current year interest and bank charges	Capital repayments	Interest repayments	Total debt 2022	Total debt 2021	Total debt 2022	Total debt 2021
	ZWL $		ZWL $	ZWL $	ZWL $	ZWL $	ZWL $	ZWL $	ZWL $	ZWL $	ZWL $
ZB	-		500 000 000	-	144 292 237	333 333 334	144 292 237	166 666 666	-	166 666 666	-
Balance	-		500 000 000	-	144 292 237	333 333 334	144 292 237	166 666 666	-	166 666 666	-

Medium term borrowings-Financial liabilities at amortised cost

Historical cost

								Group	Group	Administration	Administration
Financier	Opening balance	Opening accrued interest	Additions	Interest arrears	Current year interest and bank charges	Capital repayments	Interest repayments	Total debt 2022	Total debt 2021	Total debt 2022	Total debt 2021
	ZWL $		ZWL $	ZWL	ZWL $	ZWL	ZWL $	ZWL $	ZWL $	ZWL $	ZWL $
ZB	-		500 000 000	-	144 292 237	333 333 334	144 292 237	166 666 666		166 666 666	-
											-
										-	-
Balance	-		500 000 000	-	144 292 237	333 333 334	144 292 237	166 666 666		166 666 666	-

In 2022, Zinara was issued a one-year tenor loan. The loan was fully authorized and guaranteed by the Government of Zimbabwe. The proceeds of the loans were used to meet emergency road rehabilitation needs.

	Inflation adjusted				Historical cost			
	Group Dec-22 ZWL $	Group Dec 2021 ZWL $	Administration Dec 2022 ZWL $	Administration Dec 2021 ZWL $	Group Dec 2022 ZWL $	Group Dec 2021 ZWL $	Administration Dec 2022 ZWL $	Administration Dec 2021 ZWL $
13 Trade and other payables								
Pay as You Earn payable	688 253 743	338 348 643	688 253 743	338 348 643	688 253 743	98 425 868	688 253 743	98 425 868
ZIMRA	265 690 669	22 092 941	18 446 514	22 092 941	265 690 669	6 426 853	18 446 514	6 426 853
Other payables	34 659 609	218 442 756	34 659 609	206 382 236	34 659 609	63 545 160	34 659 609	60 036 744
Creditors	1 903 015 074	726 757 745	7 660 129 463	6 720 966 920	1 902 971 409	211 413 629	7 660 129 463	1 955 134 199
	2 891 619 095	1 305 642 086	8 401 489 329	7 287 790 741	2 891 575 430	379 811 510	8 401 489 329	21 200 23 663

Administration creditors include intercompany balances of ZWL 6 098 500 613.58 and supplier payables totaling ZWL 1 561 628 850. Pay as you earn (PAYE) liability is for December 2022. Administration ZIMRA liability consists of VAT obligations as of December 31, 2022. Group's ZIMRA liability is made up of subsidiary income tax and Administration VAT obligations.

	Group Dec-22 ZWL $	Group Dec 2021 ZWL $	Administration Dec 2022 ZWL $	Administration Dec 2021 ZWL $	Group Dec 2022 ZWL $	Group Dec 2021 ZWL $	Administration Dec 2022 ZWL $	Administration Dec 2021 ZWL $
14 Construction payables								
Infralink	-	-	-	2 406	-	-	-	700
Golden roads	1 476 787 051		-	-	1 476 787 051	-	-	-
Due to Group Five International Limited	9 134 072 460	4 895 879 476	-	-	9 134 072 460	1 450 396 724	-	-
	10 610 859 511	4 895 879 476	-	2 406	10 610 859 511	1 450 396 724	-	700

The Group Five liability arises from a settlement agreement arrived at between the Group and Group Five in respect of transactions conducted in prior periods between the two entities.

	Group Dec-22 ZWL $	Group Dec 2021 ZWL $	Administration Dec 2022 ZWL $	Administration Dec 2021 ZWL $	Group Dec 2022 ZWL $	Group Dec 2021 ZWL $	Administration Dec 2022 ZWL $	Administration Dec 2021 ZWL $
15 Contract liabilities								
Vehicle licencing	2 904 846 694	1 314 314 689	2 904 846 694	1314 314 689	2 904 846 694	382 335 106	2 904 846 694	382 335 106
Tolling	256 603 200	1 982 073	256 603 200	1 982 073	256 603 200	576 586	256 603 200	576 586
Transit	68 438 289	-	68 438 289	-	68 438 289	-	68 438 289	-
	3 229 888 184	1 316 296 762	3 229 888 184	1316 296 762	3229 888 184	382 911 692	3 229 888 184	382 911 692

The Administration receives cash and prepayments from its main revenue streams, which include vehicle licensing, transit, fuel levy, abnormal load, and tolling. Under vehicle licensing, revenue for the period is recognized when a term license disk has been issued to the client. A term license may cover a period that extends into the following accounting year. In line with the accrual concept, income received in the current year but related to a future period is treated as contract liabilites. The service provider supplies database computations of the relevant revenue. Tolling deferred income relates to receipts for prepaid tolling not yet utilized by clients. Transit-deferred income relates to prepaid transit not yet utilized.

	Group Dec-22 ZWL $	Group Dec 2021 ZWL $	Administration Dec 2022 ZWL $	Administration Dec 2021 ZWL $	Group Dec 2022 ZWL $	Group Dec 2021 ZWL $	Administration Dec 2022 ZWL $	Administration Dec 2021 ZWL $
16 Provisions								
Leave pay provision	640 054 217	697 465 146	640 054 217	697 465 146	640 054 217	202 893 122	640 054 217	202 893 122
Provision for court cases	411 261 043	201 978 650	411 261 043	201 978 650	411 261 043	58 755 737	411 261 043	58 755 737
	1 051 315 260	899 443 797	1 051 315 260	899 443 796	1 051 315 260	261 648 859	1051 315 260	261 648 859

	Group Dec-22 ZWL $	Group Dec 2021 ZWL $	Administration Dec 2022 ZWL $	Administration Dec 2021 ZWL $	Group Dec 2022 ZWL $	Group Dec 2021 ZWL $	Administration Dec 2022 ZWL $	Administration Dec 2021 ZWL $
17 Road user charges								
Abnormal load Fees	603 177 917	197 077 062	603 177 917	197 077 062	491 269 321	44 441 753	491 269 321	44 441 753
Fuel levy	18 236 973 873	19 832 129 833	18 236 973 873	19 832 129 833	13 506 371 231	4 472 233 404	13 506 371 231	4 472 233 404
Insurance commision	2 138 035	7 430 842	2 138 035	7 430 842	820 918	1 675 688	820 918	1 675 688
New Limpopo Bridge commision	666 335 950	448 469 864	666 335 950	448 469 864	523 860 278	101 131 947	523 860 278	101 131 947
Overload fees	613 183 273	459 549 000	613 183 273	459 549 000	507 172 084	103 630 341	507 172 084	103 630 341
Presumptive Tax	571 441	661 873	571 441	661 873	175 288	149 255	175 288	149 255
Toll fees	48 449 765 733	27 566 963 360	43 501 764 435	14 463 357 049	30 925 476 661	6 280 462 639	16 547 162 862	3 261 551 284
Transit fees	11 082 472 510	9 691 139 602	11 082 472 510	9 691 139 602	8 522 949 053	2 185 395 044	8 522 949 053	2 185 395 044
Vehicle licence fees	32 537 393 358	35 761 415 090	32 537 393 358	35 761 415 090	23 482 013 761	8 064 358 013	23 482 013 761	8 064 358 013
ZBC Car Radio license commision	891 182 946	310 377 985	891 182 946	310 377 965	425 096 670	69 991 610	425 096 670	69 991 610
	113 083 195 034	94 276 214 489	108 135 193 736	81 171 608 178	78 385 205 264	21 323 469 696	64 006 891 465	18 304 558 341

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for the year ended December 31, 2022

	Inflation adjusted				Historical cost			
	Group	Group	Administration	Administration	Group	Group	Administration	Administration
	Dec-22	Dec-21	Dec-22	Dec-21	Dec-22	Dec-21	Dec-22	Dec-21
	ZWL $	ZWL $	ZWL $	ZWL $	ZWL $	ZWL $	ZWL $	ZWL $
18 Cost of collection								
Agency fees	15 006 900 482	14 262 590 664	15 006 900 482	14 262 590 664	12 108 450 045	3 216 275 317	12 108 450 045	3 216 275 317
Fuels and oils for operations	830 052 194	403 915 159	830 052 194	403 915 158	487 063 682	91 084 663	487 063 682	91 084 663
Law enforcement : ZRP	412 874 083	9 117 988	412 874 083	9 117 988	248 169 701	2 056 142	248 169 701	2 056 142
Printing - CRC	932 929 083	138 408 746	932 929 083	138 408 746	465 760 439	31 211 788	465 760 439	31 211 788
Toll repairs	38 531 651	-	38 531 651	-	14 882 241	-	14 882 241	-
Toll plaza amortisation	3 205 090 865	3 425 187 126	-	-	14 676 170	15 781 244	-	-
Toll gate operation and maintenance costs	6 789 955 918	6 432 059 432	-	-	5 863 054 791	1 478 050 118	-	-
Direct employment costs	6 084 516 726	4 634 666 566	6 084 516 726	4 634 666 566	4 670 554 587	1 029 925 904	4 670 554 587	1 029 925 904
Vehicle hire : Tollgates	256 139 437	597 674 459	256 139 437	597 674 459	188 738 704	134 778 246	188 738 704	134 778 246
	35 554 990 439	29 903 610 123	23 559 943 656	20 046 363 565	24 081 350 360	5 999 163 423	18 183 619 399	4 505 332 061
19 Other income								
Sale of facevalue documents	466 447 442	337 701 251	333 961 926	337 701 251	256 840 871	78 153 133	256 840 871	78 153 133
Interest received	590 283 734	271 900 834	30 741 099	266 702 682	195 740 005	61 331 922	17 988 917	60 142 640
Grants income	9 308 856 662	13 270 728 147	11 348 871 178	13 270 728 147	5 125 754 028	2 892 608 167	5 125 754 028	2 892 608 167
Other Income	547 077 984	75 868 598	303 270 331	22 545 624	301 238 625	17 077 616	301 238 625	5 084 138
	10 912 665 822	13 956 198 830	12 014 844 534	13 897 677 704	5 879 573 529	3 147 170 838	5 701 822 441	3 133 988 078
20 Administration expenses								
Audit fees	74 715 347	32 676 331	30 844 380	21 418 954	46 082 371	7 362 095	28 299 090	4 830 069
Increase to allowance for credit losses	1 664 532 904	2 908 853 008	1 684 532 904	2 906 853 008	817 843 942	846 187 470	817 843 942	846 187 470
Bank charges	161 707 684	166 081 671	74 178 228	127 641 053	115 354 026	37 204 486	48 846 099	28 783 625
Board expenses	131 832 291	33 638 215	91 038 765	30 031 991	74 699 217	7 811 066	69 380 106	6 772 347
Buildings repairs and maintenance	91 038 765	20 785 868	7 971 862	20 785 868	4 435 379	4 687 306	4 435 379	4 687 306
Cleaning expenses	7 971 862	106 730 949	26 594 573	106 730 949	12 998 448	24 068 303	12 998 448	24 068 303
Computer accessories	26 594 573	16 688 709	446 739 904	16 898 709	352 999 462	3 782 927	352 999 462	3 782 927
Donations	446 739 904	11 515 404	44 420 959	11 515 404	29 608 322	2 596 775	29 608 322	2 596 775
Depreciation	408 284 959	432 198 950	307 915 438	363 353 340	248 555 378	97 462 333	219 939 598	81 937 793
Depreciation : Lease hold	267 952 075	55 437 399	267 952 075	55 437 399	147 542 977	12 501 380	147 542 977	12 501 380
Electricity and water	57 800 333	24 206 032	57 800 333	24 206 032	43 841 421	5 458 566	43 841 421	5 458 566
Entertainment	9 470 771	151 206 507	9 470 771	151 206 507	8 042 837	34 097 739	8 042 837	34 097 739
ECIC Insurance	737 548 740	1 167 386 364	-	-	625 185 939	261 389 245	-	-
Exhibition expenses	30 218 827	22 657 259	30 218 827	22 657 258	22 882 260	5 109 312	22 882 260	5 109 312
Furniture and equipment repairs	-	1 219 970	-	1 219 970	-	275 109	-	275 109
Insurance and licensing	202 380 646	109 513 701	202 380 646	109 513 701	146 147 708	24 695 826	146 147 709	24 695 826
Intermediary tax	569 839 802	415 244 505	569 839 802	415 244 505	429 180 527	93 639 481	429 180 527	93 639 481
Legal expenses	758 172 581	318 782 698	1 217 340 521	277 217 157	436 694 368	70 626 452	391 688 214	82 513 701
Licenses	16 464 426	136 837 984	15 464 426	136 837 984	14 341 946	30 812 473	14 341 946	30 812 473
Loss on disposal of PPE	32 325 080	-	32 325 080	-	32 012 971	-	32 012 971	-
Miscellenous expense	-	2 098 469	-	2 098 469	-	473 214	-	473 214
Office provisions	197 873 078	121 397 506	197 873 078	121 397 506	143 858 998	27 375 677	143 858 998	27 375 677
Obsolete Inventory written off	10 156 700	-	10 156 700	-	10 156 700	-	10 156 700	-
Postage And Delivery	61 858 609	50 799 882	61 858 609	50 799 882	43 614 066	11 455 554	43 614 066	11 455 554
Printing And Stationery	95 612 099	83 984 662	95 612 099	83 984 662	92 362 891	18 938 915	92 362 891	18 938 915
Promotional expenses	88 137 998	20 732 968	88 137 998	20 732 968	70 793 345	4 675 376	70 793 345	4 675 376
Protective clothing and corporate wear	44 854 479	201 213 927	44 854 479	201 213 927	33 429 722	45 374 835	33 429 722	45 374 835
Rent and rates	69 717 471	64 877 508	69 717 471	64 877 508	37 619 121	14 630 166	37 619 121	14 630 166
Repairs and maintenance	212 270 259	103 766 169	212 270 259	103 756 169	155 162 709	23 398 732	155 162 709	23 398 732
Other admin expenses	1 488 531 226	303 540 368	-	-	1 487 210 494	81 412 878	-	-
Secretariat advertising	126 900 778	81 291 881	180 564 667	81 291 881	126 900 778	18 331 680	126 900 778	18 331 680
Security services	586 813 086	522 109 767	722 099 882	522 109 767	586 813 086	117 736 073	586 813 086	117 738 073
Subscriptions	39 602 910	21 887 560	51 763 783	21 887 560	39 802 910	4 935 742	39 802 910	4 935 742
Telephone and internet expense	273 773 985	223 379 995	355 307 263	223 379 995	273 773 985	50 373 181	273 773 985	50 373 181
Training	24 135 271	10 924 768	30 827 167	10 924 768	24 135 271	2 463 584	24 135 271	2 463 584
Travelling and subsistence	367 461 246	190 835 774	443 099 398	190 835 774	397 461 246	43 034 315	397 461 246	43 034 315
Vehicles maintenance	226 295 172	195 629 194	309 512 268	195 629 194	226 295 172	44 115 253	226 295 172	44 115 253
Workshops and seminars	137 685 593	83 599 689	180 805 795	83 599 689	137 685 593	18 852 101	137 685 593	18 852 101
	9 754 269 529	8 411 725 410	8 151 488 401	6 778 887 309	7 375 325 586	2 097 328 403	5 197 696 900	1 718 897 402

	Inflation adjusted				Historical cost			
	Administration Dec-22 ZWL $	Group Dec-21 ZWL $	Administration Dec-22 ZWL $	Administration Dec-21 ZWL $	Group Dec-22 ZWL $	Group Dec-21 ZWL $	Administration Dec-22 ZWL $	Administration Dec-21 ZWL $
21 Finance cost								
Interest	5 809 203 932	4 788 624 522	159 316 895	2 613 947	4 250 664 148	1 082 051 331	144 292 237	589 457
Lease Interest	15 935 340	102 442 801	15 935 340	102 442 801	8 774 508	23 101 307	8 774 508	23 101 307
	5 825 139 272	4 891 067 323	175 252 235	105 056 748	4 259 438 656	1 105 152 638	153 066 745	23 690 764
21.1 Other operating expenses								
Consulting fees	137 146 508	38 361 352	137 146 508	38 361 352	105 597 465	8 650 655	105 597 465	8 650 655
DBSA upfront fees	71 337 804	71 337 371	-	-	328 682	328 681	-	-
Equipment rentals	69 717 471	1 133 502	69 717 471	1 133 502	22 534 427	255 610	22 534 427	255 610
Other operating expenses	1 065 975	-	1 065 975	-	349 500	-	349 500	-
POS Commission	289 388 549	112 775 610	289 388 549	112 775 610	237 471 889	25 431 401	237 471 889	25 431 401
Transportation	289 388 549	4 873 808	465 936	4 873 808	297 925	1 099 065	297 925	1 099 065
Withholding tax on non-resident fees expense	88 146	6 629 757	-	-	57 037	1 374 290	-	-
	858 133 002	292 010 803	497 784 439	157 144 273	366 636 925	37 139 703	366 251 206	35 436 732

ERRP bank charges, ERRP IMT, and ERRP travel and subsistence previously reported under operating expenses were reclassified to disbursements.

	Inflation adjusted				Historical cost			
	Administration Dec-22 ZWL $	Group Dec-21 ZWL $	Administration Dec-22 ZWL $	Administration Dec-21 ZWL $	Group Dec-22 ZWL $	Group Dec-21 ZWL $	Administration Dec-22 ZWL $	Administration Dec-21 ZWL $
22 Employment costs								
Acting Allowance	33 953 399	47 065 237	33 953 399	47 065 237	25 750 786	10 504 505	25 750 786	10 613 420
Bonus	764 394 066	177 579 701	764 394 066	177 579 701	620 575 302	39 965 911	620 575 302	40 045 012
Cost of living allowances	1 142 946 538	128 859 060	1 142 946 538	128 859 060	1 016 055 113	28 794 045	1 016 055 113	29 058 291
Covid allowances	399 779 400	432 657 476	399 779 400	432 657 476	254 777 929	96 936 964	254 777 929	97 566 183
leave provision	470 131 078	747 707 382	470 131 078	747 707 382	617 127 665	168 611 337	617 127 665	168 611 337
Disturbance allowance	2 509 520	7 485 562	2 509 520	7 485 562	1 253 255	1 603 598	1 253 255	1 688 027
Educational assistance	202 227 440	73 737 345	202 227 440	73 737 345	133 883 588	16 628 099	133 883 588	16 628 099
Funeral policy	74 116 039	73 760 635	74 116 039	73 760 635	48 648 647	16 633 351	48 648 647	16 633 351
Field allowances	363 017 139	177 796 272	363 017 139	177 796 272	264 592 583	40 093 849	264 592 583	40 093 849
Holiday allowance	75 170 299	43 814 567	75 170 299	43 814 567	67 536 518	9 880 380	67 536 518	9 880 380
Housing allowance	553 432 064	313 575 243	553 432 064	313 575 243	425 727 599	70 183 418	425 727 599	70 712 611
Medical aid expenses	725 256 454	446 925 333	725 256 454	446 925 333	542 536 060	100 783 649	542 536 060	100 783 649
Medical assistance	3 403 304	3 057 628	3 403 304	3 057 628	1 859 410	689 509	1 859 410	689 509
NSSA contrubutions	141 442 976	58 961 576	141 442 976	58 961 576	108 466 333	13 296 097	108 466 333	13 296 097
Night allowances	247 019 837	227 099 404	247 019 837	227 099 404	185 179 364	51 032 892	185 179 364	51 211 925
Responsibility allowance	4 484 643	4 657 263	4 484 643	4 657 263	3 479 997	1 050 233	3 479 997	1 050 233
Overtime	543 469 565	414 310 159	543 469 565	414 310 159	374 378 710	92 623 088	374 378 710	93 428 782
Pension contribution expense	323 090 482	219 701 631	323 090 482	219 701 631	167 130 830	49 543 694	167 130 830	49 543 694
Salaries and wages	3 984 173 205	3 809 579 944	3 984 173 205	3 809 579 944	2 881 679 434	861 713 546	2 861 679 434	859 077 206
Standard development levy	21 342 347	20 687 842	21 342 347	20 687 842	14 131 610	4 665 200	14 131 610	4 665 200
Staff welfare	185 183 668	113 370 531	185 183 668	113 370 531	141 436 243	25 565 558	141 436 243	25 565 558
Transport allowance	333 728 609	287 154 228	333 728 609	287 154 228	257 943 438	64 678 043	257 943 438	64 754 554
Wages - contract workers	1 532 512	3 217 538	1 532 512	3 217 538	1 491 617	725 569	1 491 617	725 569
ZIMDEF levy	108 058 246	64 138 456	108 058 246	64 138 456	80 783 018	14 463 507	80 783 018	14 463 507
	10 703 862 829	7 896 900 014	10 703 862 829	7 896 900 014	8 216 425 050	1 780 786 044	8 216 425 050	1 780 786 044
22.1 Analysis of employment cost	10 703 862 829	7 896 900 014	10 703 862 829	7 896 900 014	8 216 425 050	1 780 786 044	8 216 425 050	1 780 786 044
Cost of revenue collection	6 084 516 726	4 634 666 566	6 084 516 726	4 634 666 566	4 670 554 587	1 029 925 904	4 670 554 587	1 029 925 904
Admin employment costs	4 619 346 104	3 262 233 448	4 619 346 104	3 262 233 448	3 545 870 462	750 860 140	3 545 870 462	750 860 140

The Group apportions employment costs, which are associated with staff working at revenue collection points, to the cost of revenue collection.

	Inflation adjusted				Historical cost			
	Group Dec 2021 ZWL $	Group Dec 2021 ZWL $	Adminstration Dec 2022 ZWL $	Adminstration Dec 2021 ZWL $	Group Dec 2022 ZWL $	Group Dec 2021 ZWL $	Adminstration Dec 2022 ZWL $	Adminstration Dec 2021 ZWL $
23.1 Disbursements for periodic and routine maintenance to Rural District Councils								
Beitbridge Rural District Council	66 100 301	27 121 372	66 100 301	27 121 372	55 566 290	6 115 990	55 566 290	6 115 990
Bikita Rural District Council	51 786 899	132 649 020	51 786 899	132 649 020	44 457 501	29 912 943	44 457 501	29 912 943
Bindura Rural District Council	29 713 853	220 665 833	29 713 853	220 665 833	20 927 588	49 761 126	20 927 588	49 761 126
Binga Rural District Council	102 156 112	61 548 844	102 156 112	61 548 844	46 785 336	13 879 538	46 785 336	13 879 538
Bubi Rural District Council	53 347 876	108 166 880	53 347 876	108 166 880	33 723 627	24 392 112	33 723 627	24 392 112
Buhera Rural District Council	64 195 363	102 429 173	64 195 363	102 429 173	56 408 416	23 098 234	56 408 416	23 098 234
Bulilima Rural District Council	48 901 701	54 303 908	48 901 701	54 303 908	30 625 380	12 245 773	30 625 380	12 245 773
Chaminuka Rural District Council	60 795 176	56 382 233	60 795 176	56 382 233	37 364 958	12 714 444	37 364 958	12 714 444
Chegutu Rural District Council	73 832 373	731 167 382	73 832 373	731 167 382	56 456 558	164 881 494	56 456 558	164 881 494
Chikomba Rural District Council	113 243 275	23 854 193	113 243 275	23 854 193	80 062 170	5 379 227	80 062 170	5 379 227
Chimanimani Rural District Council	115 606 324	208 222 821	115 606 324	208 222 821	70 416 804	46 955 171	70 416 804	46 955 171
Chipinge Rural District Council	66 433 217	148 497 922	66 433 217	148 497 922	46 778 239	33 486 941	46 778 239	33 486 941
Chiredzi Rural District Council	70 258 472	101 485 523	70 258 472	101 485 523	55 737 098	22 885 437	55 737 098	22 885 437
Chirumhanzi Rural District Council	15 310 921	197 231 240	15 310 921	197 231 240	10 383 372	44 476 521	10 383 372	44 476 521
Chivi Rural District Council	47 159 319	114 533 763	47 159 319	114 533 763	38 702 721	25 827 872	38 702 721	25 827 872
Gokwe North Rural District Council	50 727 750	39 637 064	50 727 750	39 637 064	26 971 714	8 938 334	26 971 714	8 938 334
Gokwe South Rural District Council	87 305 250	25 772 086	87 305 250	25 772 086	78 763 586	5 811 720	78 763 586	5 811 720
Goromonzi Rural District Council	50 757 673	108 597 559	50 757 673	108 597 559	41 966 426	24 489 232	41 966 426	24 489 232
Guruve Rural District Council	98 008 916	87 457 641	98 008 916	87 457 641	80 089 703	19 722 087	80 089 703	19 722 087
Gutu Rural District Council	84 930 615	121 934 895	84 930 615	121 934 895	80 104 333	27 496 881	80 104 333	27 496 881
Gwanda Rural District Council	61 191 238	61 287 773	61 191 238	61 287 773	55 834 914	13 820 665	55 834 914	13 820 665
Hurungwe Rural District Council	99 196 131	320 630 543	99 196 131	320 630 543	81 584 217	72 303 612	81 584 217	72 303 612
Hwange Rural District Council	63 059 804	298 139 732	63 059 804	298 139 732	22 570 905	67 231 834	22 570 905	67 231 834
Hwedza Rural District Council	41 605 373	116 081 274	41 805 373	116 081 274	26 500 237	26 176 843	26 500 237	26 176 843
Insiza Rural District Council	46 989 495	124 036 327	46 989 495	124 036 327	33 063 907	27 970 743	33 063 907	27 970 743
Kusile Rural District Council	56 165 251	142 494 588	56 165 251	142 494 588	42 978 846	32 133 163	42 978 846	32 133 163
Makonde Rural District Council	163 844 641	12 733 549	163 844 641	12 733 549	81 325 172	2 871 472	81 325 172	2 871 472
Makoni Rural District Council	18 858 337	152 872 327	18 858 337	152 872 327	12 243 831	34 473 389	12 243 831	34 473 389
Mangwe Rural District Council	77 594 269	42 131 866	77 594 269	42 131 866	47 769 336	9 500 923	47 769 336	9 500 923
Manyame Rural District Council	62 228 392	94 285 165	62 228 392	94 285 165	44 798 426	21 261 724	44 798 426	21 261 724
Marondera Rural District Council	52 633 820	56 842 569	52 633 820	56 842 569	47 312 585	12 818 252	47 312 585	12 818 252
Masvingo Rural District Council	40 712 517	235 180 943	40 712 517	235 180 943	35 922 363	53 034 348	35 922 363	53 034 348
Matobo Rural District Council	101 389 936	98 419 011	101 389 936	98 419 011	60 197 076	22 193 924	60 197 076	22 193 924
Mazowe Rural District Council	95 414 135	200 347 237	95 414 135	200 347 237	80 105 982	45 179 192	80 105 982	45 179 192
Mberengwa Rural District Council	131 987 743	216 858 980	131 987 743	216 858 980	59 764 989	48 902 664	59 764 989	48 902 664
Mbire Rural District Council	9 103 486	75 085 128	9 103 486	75 085 128	4 440 725	16 932 030	4 440 725	16 932 030
Mhondoro Ngezi Rural District Council	16 928 731	132 164 465	16 928 731	132 164 465	10 700 000	29 803 674	10 700 000	29 803 674
Mudzi Rural District Council	59 391 248	142 069 765	59 391 248	142 069 765	44 670 533	32 037 363	44 670 533	32 037 363
Murehwa Rural District Council	112 666 009	111 126 779	112 666 009	111 126 779	80 158 466	25 059 582	80 158 466	25 059 582
Mutare Rural District Council	68 583 426	180 358 322	68 583 426	180 358 322	44 392 583	40 671 603	44 392 583	40 671 603
Mutasa Rural District Council	52 338 723	143 742 488	52 338 723	143 742 488	25 261 721	32 414 570	25 261 721	32 414 570
Mutoko Rural District Council	83 370 941	75 031 781	83 370 941	75 031 781	53 752 480	16 920 000	53 752 480	16 920 000
Muzarabani Rural District Council	62 636 898	81 644 965	62 636 898	81 644 965	32 407 376	18 411 302	32 407 376	18 411 302
Mwenezi Rural District Council	94 646 570	80 331 084	94 646 570	80 331 084	39 554 315	18 115 016	39 554 315	18 115 016
Nkayi Rural District Council	39 321 615	220 661 930	39 321 615	220 661 930	27 057 683	49 760 246	27 057 683	49 760 246
Nyaminyami Rural District Council	131 995 181	190 316 424	131 995 181	190 316 424	79 369 358	42 917 199	79 369 358	42 917 199
Nyanga Rural District Council	78 253 792	157 402 504	78 253 792	157 402 504	55 813 761	35 494 984	55 813 761	35 494 984
Pfura Rural District Council	40 022 272	206 321 273	40 022 272	206 321 273	32 510 888	46 526 364	32 510 888	46 526 364
Runde Rural District Council	55 966 233	131 535 461	55 966 233	131 535 461	51 363 185	29 661 831	51 363 185	29 661 831
Rushinga Rural District Council	63 042 880	112 267 404	63 042 880	112 267 404	55 739 562	25 316 799	55 739 562	25 316 799
Sanyati Rural District Council	85 335 255	33 942 378	85 335 255	33 942 378	80 143 570	7 654 157	80 143 570	7 654 157
Tongogara Rural District Council	86 147 309	203 531 730	86 147 309	203 531 730	43 577 896	45 897 309	43 577 896	45 897 309
Tsholotsho Rural District Council	43 208 544	52 160 130	43 208 544	52 160 130	17 989 752	11 762 341	17 989 752	11 762 341
Umguza Rural District Council	99 757 757	260 224 553	99 757 757	260 224 553	70 889 804	58 681 793	70 889 804	58 681 793
Umzingwane Rural District Council	51 999 132	81 928 111	51 999 132	81 928 111	42 042 738	18 475 153	42 042 738	18 475 153
Uzumba Maramba Rural District Council	76 529 879	221 865 852	76 529 879	221 865 852	43 699 746	50 031 735	43 699 746	50 031 735
Vungu Rural District Council	100 632 900	154 018 816	100 632 900	154 018 816	69 975 957	34 731 927	69 975 957	34 731 927
Zaka Rural District Council	49 282 395	92 344 078	49 282 395	92 344 078	44 454 623	20 824 000	44 454 623	20 824 000
Zibagwe Rural District Council	88 206 687	157 118 932	88 206 687	157 118 932	78 914 465	35 431 017	78 914 465	35 431 017
Zvimba Rural District Council	110 412 586	19 929 953	110 412 586	19 929 953	59 142 533	4 494 293	59 142 533	4 494 293
	4 223 222 916	8 161 125 538	4 223 222 916	8 161 125 538	2 912 288 325	1 840 370 074	2 912 288 325	1 840 370 074

	Inflation adjusted				Historical cost			
	Dec 2022 Group ZWL $	Dec 2021 Group ZWL $	Dec-22 Adminstration ZWL $	Dec-21 Adminstration ZWL $	Dec-22 Group ZWL $	Dec-21 Group ZWL $	Dec-22 Adminstration ZWL $	Dec-21 Adminstration ZWL $
23.2 Disbursements for periodic and routine maintenance to Urban Councils								
Banket LB	6 687 656	-	6 687 656	-	3 262 271	-	3 262 271	-
Beitbridge Town Council	140 865 151	105 891 164	140 865 151	105 891 164	107 017 847	23 878 928	107 017 847	23 878 928
Bindura Town Council	116 603 916	200 842 625	116 603 916	200 842 625	107 811 569	45 290 904	107 811 569	45 290 904
Bulawayo City Council	509 199 633	639 619 606	509 199 633	639 619 606	266 119 990	144 237 063	266 119 990	144 237 063
Chegutu Municipality	152 019 358	268 291 855	152 019 358	268 291 855	71 201 061	60 501 005	71 201 061	60 501 005
Chinhoyi Municipality	187 960 486	326 449 271	187 960 486	326 449 271	80 360 531	73 615 761	80 360 531	73 615 761
Chipinge Town Council	111 712 107	72 280 131	111 712 107	72 280 131	88 747 103	16 299 491	88 747 103	16 299 491
Chiredzi Town Council	108 450 958	240 816 794	108 450 958	240 816 794	60 014 904	54 305 257	60 014 904	54 305 257
Chirundu Local Board	11 739 853	177 280 788	11 739 853	177 280 788	7 589 148	39 977 605	7 589 148	39 977 605
Chitungwiza Municipality	223 077 692	232 965 951	223 077 692	232 965 951	199 109 292	52 534 857	199 109 292	52 534 857
Epworth Local Board	97 978 656	117 866 312	97 978 656	117 866 312	68 683 005	26 579 377	68 683 005	26 579 377
Gokwe Town Council	152 188 145	42 583 090	152 188 145	42 583 090	93 826 587	9 602 676	93 826 587	9 602 676
Gwanda Town Council	84 198 527	133 016 933	84 198 527	133 016 933	40 173 980	29 995 909	40 173 980	29 995 909
Gweru City Council	109 270 137	114 286 389	109 270 137	114 286 389	60 559 069	25 772 089	60 559 069	25 772 089
Harare City Council	1 673 598 051	882 458 832	1 673 598 051	882 458 832	1 431 259 166	198 998 388	1 431 259 166	198 998 388
Hwange Local Board	48 664 731	44 071 832	48 664 731	44 071 832	24 613 393	9 938 394	24 613 393	9 938 394
Kadoma City Council	117 146 980	125 274 721	117 146 980	125 274 721	67 543 509	28 250 006	67 543 509	28 250 006
Kariba Municipality	196 705 563	196 519 510	196 705 563	196 519 510	100 392 363	44 318 023	100 392 363	44 318 023
Karoi Town Council	10 291 000	222 717 897	10 291 000	222 717 897	5 020 000	50 223 876	5 020 000	50 223 876
Kwekwe City Council	345 312 252	148 564 211	345 312 252	148 564 211	129 983 626	33 501 890	129 983 626	33 501 890
Lupane Local Board	33 124 440	141 426 741	33 124 440	141 426 741	15 510 530	31 892 359	15 510 530	31 892 359
Marondera Municipality	94 073 163	312 207 579	94 073 163	312 207 579	157 101 784	70 404 196	157 101 784	70 404 196
Masvingo City Council	106 424 954	733 841 667	106 424 954	733 841 667	70 795 068	165 484 557	70 795 068	165 484 557
Mutare City Council	226 125 032	170 523 573	226 125 032	170 523 573	175 355 149	38 453 823	175 355 149	38 453 823
Mvurwi Town Council	44 949 652	374 989 690	44 949 652	374 989 690	32 411 698	84 561 841	32 411 698	84 561 841
Norton Municipality	235 621 314	73 271 570	235 621 314	73 271 570	192 898 540	16 523 065	192 898 540	16 523 065
Plumtree Town Council	101 687 480	87 318 392	101 687 480	87 318 392	77 984 815	19 690 686	77 984 815	19 690 686
Redcliff Town Council	11 472 975	99 803 503	11 472 975	99 803 503	5 596 573	22 506 133	5 596 573	22 506 133
Rusape Municipality	52 552 821	127 408 270	52 552 821	127 408 270	32 172 207	28 731 131	32 172 207	28 731 131
Ruwa Local Board	42 175 764	238 999 189	42 175 764	238 999 189	38 044 168	53 895 379	38 044 168	53 895 379
Shurugwi Town Council	97 240 090	101 122 843	97 240 090	101 122 843	87 045 185	22 803 651	87 045 185	22 803 651
Victoria Falls Municipality	138 988 754	302 441 412	138 988 754	302 441 412	120 817 429	68 201 882	120 817 429	68 201 882
Zvishavane Town Council	101 305 840	265 453 472	101 305 840	265 453 472	95 729 346	59 860 938	95 729 346	59 860 938
	5 689 413 132	7 320 605 816	5 689 413 132	7 320 605 816	4 114 750 908	1 650 829 142	4 114 750 908	1 650 829 142
23.3 District Development Fund	9 187 925 393	10 759 180 710	9 187 925 393	10 759 180 710	8 123 542 819	2 426 243 060	8 123 542 819	2 426 243 060
23.4 Disbursements for periodic and routine maintenance to Provincial Road Engineers								
Department of Roads	23 875 569 863	19 283 388 056	23 875 569 863	19 283 388 056	15 129 572 413	4 348 489 695	15 129 572 413	4 348 489 695
	23 875 569 863	19 283 388 056	23 875 569 863	19 283 388 056	15 129 572 413	4 348 489 695	15 129 572 413	4 348 489 695
23.5 Other Road-related expenses								
ERRP bank charges	13 176 723	8 367 253	13 176 723	8 367 253	9 660 749	1 886 653	9 660 749	1 886 653
ERRP IMTT	508 799 211	533 484 515	508 799 211	533 484 515	327 516 906	120 303 129	327 516 906	120 303 129
ERRP travelling and subsistence	240 561 438	195 597 316	240 561 438	195 597 316	160 750 581	44 108 064	160 750 581	44 108 064
Road related projects	45 975 321	19 369 215	45 975 321	19 369 215	25 315 481	4 367 844	25 315 481	4 367 844
	808 512 694	756 818 298	808 512 694	756 818 298	523 243 718	170 665 889	523 243 718	170 665 889

ERRP bank charges, ERRP IMT, and ERRP travel and subsistence previously reported under operating expenses were reclassified to other road-related expenses

23.6 Cession for loan guarantee arrangement								
Cession paid	-	-	15 777 082 862	20 133 358 192	-	-	11 821 360 032	4 605 933 033
Total Cession at year end	-	-	15 777 082 862	20 133 358 192	-	-	11 821 360 032	4 605 933 033

	Inflation adjusted				Historical cost			
24 Foreign currency exchange loss/gain	Group Dec-22 ZWL $	Group Dec-21 ZWL $	Adminstration Dec-22 ZWL $	Adminstration Dec-21 ZWL $	Group Dec-22 ZWL $	Group Dec-21 ZWL $	Adminstration Dec-22 ZWL $	Administration Dec-21 ZWL $
ZINARA net foreign currency gain	14 440 198 615	753 166 380	14 440 198 615	753 166 380	10 836 227 876	219 096 651	10 836 227 876	219 096 651
Infralink net foregn currency loss	(139 032 783 276)	(9 868 318 948)	-	-	(75 141 224 744)	(2 931 882 942)	-	-
	(124 592 584 661)	(9 115 152 568)	14 440 198 615	753 166 380	(64 304 996 868)	(2 712 786 291)	10 836 227 876	219 096 651

The subsidiary (Infralink Pvt Ltd)incurred an inflation-adjusted exchange loss of ZWL 139 billion, which wiped out the administration exchange gain, resulting in the group incurring a ZWL 119 billion exchange loss. The infralink exchange loss was entirely driven by the restatement of the USD-denominated DBSA loan.

25 Related parties

The Ministry of Transport and Infrastructural Development is the parent Ministry of the Administration. The main transactions between the Administration and the Ministry were mainly through disbursements made by ZINARA to the Department of Roads during the year ended December 31, 2022. Other transactions were between the Administration and the board, management and employees as follows:

25.1 Administration disbursements

Disbursements to Department of Roads	23 875 569 863	19 283 388 056	23 875 569 863	19 283 388 056	15 129 572 413	4 348 489 695	15 129 572 413	4 348 489 695
	23 875 569 863	19 283 388 056	23 875 569 863	19 283 388 056	15 129 572 413	4 348 489 695	15 129 572 413	4 348 489 695

25.2 Administration Non-executive members

The board of directors consisted of twelve (12) members. Gross sitting allowances and board fees for the directors for the year ended December 31, 2022 were as follows:

Board fees and allowances	131 832 291	166 081 671	91 036 765	30 031 991	74 699 217	7 811 068	69 380 106	6 771 895

25.3 Administration key management and staff

The Administration's key management consisted of four (4) executive directors and departmental managers. Remuneration of key management staff of the Administration comprise of an annual basic salary, annual bonus, social security contribution, pension contribution and other benefits. The remuneration of key management staff for the year ended December 31, 2022 was as follows:

Execuitve Directors	442 945 786	107 252 007	442 945 786	107 252 007	314 145 947	31 199 687	314 145 947	31 199 687
Management	1 552 734 558	621 624 063	1 552 734 558	621 624 063	1 035 156 372	180 830 895	1 035 156 372	180 830 895
	1 995 680 344	728 876 071	1 995 680 344	728 876 071	1 349 302 319	212 030 583	1 349 302 319	212 030 583

26 Taxation

Charge for the year								
Current income tax	3 686 241	-	-	-	3 686 241	-	-	-
Withholding tax	243 960 124	-	-	-	243 960 124	-	-	-
	247 646 365	-	-	-	247 646 365	-	-	-

26.1 Reconciliation of tax

Notional (Credit) /charge based on (loss)/profit for the year at preset tax rates	(15 065 830 708)	8 692 196 590	-	-	(15 065 830 708)	432 777 242	-	-
Additional (savings) taxation resulting from:								
Permanent differences	(25 523 466)	(7185 189 470)	-	-	(25 523 466)	5 612 605	-	-
Deferred tax assets / (liabilities) not accrued for	15 095 039 801	(1507 007 120)	-	-	15 095 039 801	(438 389 847)	-	-
Withholding tax	243 960 124	-	-	-	243 960 124	-	-	-
	247 645 751	-	-	-	247 645 751	-	-	-

27.0 Financial risk management

The Group is exposed to financial risk through its financial assets and financial liabilities. The most important components of financial risk are interest rate risk, foreign currency risk, credit risk and liquidity risk.

The Adminstration's risk management policies are established to identify and analyse the risks faced by the Administration, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Administration's activities. The Administration does not use financial instruments in its management of foreign currency. Derivative financial instruments are not held or issued for trading purposes.

27.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group invests in money market instruments which are subject to changes in interest rates on the local money market. The Group's policy is to adopt a non-speculative approach to managing interest rate risk and to only invest in instruments that are approved by the Board of Directors. Approved funding instruments include banker's acceptances, call loans, overdrafts, foreign loans and where appropriate, long-term loans.

As disclosed in note 12.1, the group is exposed to significant interest rate risk on a United States denominated loan disclosed

27.2 Foreign currency risk

Foreign exchange risk is the risk that arises from adverse changes in foreign exchange rates and emanates from a mismatch between foreign currency inflows and outflows.At the date of the statement of financial position the carrying amounts of cash and bank balances, accounts receivables and accounts payable approximated their fair values due to the short-term maturities of these assets and liabilities.

The Group is exposed to significant foreign currency risk arising from its borrowing arrangements and commitments to the DBSA. The Group relies on toll collections and ceded revenue (transit fees and fuel levy).

27.3 Credit risk

Credit risk is the risk of financial loss to the administration if a customer or counterpart to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk on trade and other receivables and cash and cash equivalents. Credit risk exposure arising on cash and cash equivalents is managed by the administration through dealing with well-established financial institutions. Trade receivables do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses using the simplified approach.

27.4 Liquidity risk

The Group is exposed to liquidity risk which is the risk that financial resources may not be available to meet its obligations when due.The Administration's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses.

27.5 Fair values

At the date of the statement of financial position the carrying amounts of cash and bank balances, accounts receivables and accounts payable approximated their fair values due to the short-term maturities of these assets and liabilities.

28 Contigent liability

There are pending labor-related lawsuits where former employees are claiming a total of US$2.3 million. The claims are before the courts and legal counsel advised that these cases are likely to ruled in ZINARA's favour.

The Group also received a claim of US$5.3 million in respect of loan administration services rendered on the DBSA loan facility in September 2022. The claim relates to financial periods up to the 2022 financial year. The claim is being disputed by management and management have indicated their intention to contest the claim should the claimant proceed with same through arbitration or the Courts of Law. Management accrued US$2 145 000 (ZWL$ 1 476 787 051) of the claim as disclosed in note 14 which reflects management's best estimate of the Group's exposure in respect of the claim.

29 Events after the reporting period

There are no subsquent events.

29 Tax status of the subsidiary

On December 31, 2015, the Zimbabwe Revenue Authority (ZIMRA) formally advised that the subsidiary company, Infralink Pvt Ltd was a tax-paying entity. Consequently, for purposes of these financial statements, the subsidiary was deemed to be a fully taxable entity.

Against this background, ZIMRA assessed Infralink Pvt Ltd for value added tax and income taxes for the period January 01, 2010 and December31, 2015 and levied a liability of US$46 977 476 in respect thereof. No assessments were performed by the tax authorities in current year and the previous four years. The assessed tax liability was paid off in 2022.

The subsidiary, Infralink (Pvt) Ltd has formally applied for a tax status review to the Ministry of Finance and Economic Development as well as ZIMRA. The Group is seeking to be exempted from all taxes on toll fees and from ceded road funds from the nine toll plazas received from ZINARA. Assessments done on behalf of the Group, for period 2017 to 2022, by tax professionals estimate an exposure of ZW$ 247 646 365 in total, with ZW$ 243 960 124 being VAT, and ZW$ 3 686 241 being income taxes. No provision has been made in respect of deferred taxes.

The Directors are of the opinion that their request for tax exemption will succeed as road user charges are generally exempt from VAT. However, engagements with the relevant authorities are ongoing, which could result in Infralink (Pvt) Ltd being exempted from paying all forms of taxes.The Administration (ZINARA) is exempt from income tax.

30 Going Concern

The management has assessed the ability of the group to continue operating as a going concern and believe that the preparation of the financial statements on a going concern basis is appropriate.

The Group has been and continues to meet its liabilities as they fall due. In addition, the Government of Zimbabwe's continued support in reviewing user fees guarantees the Group's going concern.

31 Post employment benefits

These are employment benefits other than termination benefits and short-term employee benefits that are payable after the completion of employment. Plans providing these benefits are classified as either defined contribution plans or defined benefit plans, depending on the economic substance of the plan as derived from its principal terms and conditions. The Group subscribed to a defined contribution plan through the Old Mutual Pension Fund.

Contributions by the employer, currently at 7.5% of pensionable income are charged to the Statement of profit and loss and during the year under review these amounted to ZWL 167 130 830.

32 National Social Security (NSSA)

The National Social Security Authority was introduced on October 1, 1994 and with effect from that date all employees are members of the scheme, to which both the company and its employees contribute as follows:

Employees : 4.5% of the monthly basic salary

Company : 4.5% of the monthly basic salary

The amount charged through the statement of profit or loss and comphrehensive income during the period under review amounted to ZW$ 108 466 333.

33 Prior period error

In the prior year, the administration erroneously classified payroll costs for staff working at revenue collection points as administration costs instead of revenue collection costs. In addition, the administration classified ERRP bank charges, ERRP intermediary tax, and ERRP travel and substance expenses as operating costs instead of disbursements. The administration also presented lease payments under operating activities instead of financing activities.

These errors were corrected retrospectively, and the effect of the adjustment is shown below:

	2021 ZWL
Effects on Statement of profit or loss account	
Cost of collection increased	4 670 554 587
Employment costs (admin) decreased	(4 670 554 587)
Other operating expenses decreased	(513 582 969)
Road related expenses	513 582 969
Net effect	-
Statement of financial position	
No effect	-
Statement of Cash flows	
Cash from operating activities increases	6 876 778
Cashflow from financing activities	(6 876 778)
Net effect	-

34.0 Segment financial position analysis

Year end 2022	Historical costs					
	Administration Dec-22 ZWL $	Administration Dec-21 ZWL $	Infralink Dec-22 ZWL $	Infralink Dec-21 ZWL $	Consolidated Dec-22 ZWL $	Consolidated 45 281 ZWL $
ASSETS						
Non current assets	9 368 840 367	1 557 774 828	2 085 569 404	442 523 645	11 454 409 771	2 000 298 473
Current assets	21 323 080 224	3 280 931 618	5 898 209 149	958 383 786	27 221 289 374	4 239 315 405
Inter company receivables	-	-	6 098 544 140	1 574 543 806	-	-
Total asset	30 691 920 591	4 838 706 446	14 082 322 693	2 975 451 237	38 675 699 145	6 239 613 878
Reserves and Liabilities						
Reserves	17 703 815 067	2 033 709 856	(72 928 793 785)	(13 401 674 115)	(55 224 978 717)	(11 367 964 259)
Liabilities						
Non current liabilities	184 132 838	14 955 313	68 238 138 418	(169 177 525)	68 422 271 256	14 955 313
Current liabilities	12 803 972 686	2 790 041 277	18 772 978 060	16 546 302 877	25 478 406 606	17 592 622 825
	30 691 920 591	4 838 706 446	14 082 322 693	2 975 451 237	38 675 699 145	6 239 613 878

34.1 Segment financial position analysis

	Inflation adjusted					
	Administration Dec-22 ZWL $	Administration Dec-21 ZWL $	Infralink Dec-22 ZWL $	Infralink Dec-21 ZWL $	Consolidated Dec-22 ZWL $	Consolidated Dec-21 ZWL $
ASSETS						
Non current assets	9 553 751 546	5 394 186 054	29 203 320 382	31 487 327 281	38 757 071 929	36 881 513 334
Current assets	21 834 095 906	11 366 683 313	5 942 168 669	3 348 625 356	27 776 264 575	14 715 308 669
Inter company receivables	-	-	6 098 544 141	1 574 543 806	-	-
Total asset	31 387 847 452	16 760 869 367	41 244 033 193	36 410 496 443	66 533 336 504	51 596 822 004
Reserves and Liabilities						
Reserves	18 161 462 827	7 058 895 112	(45 767 126 950)	(16 959 356 924)	(27 605 664 123)	(8 900 461 811)
Liabilities						
Non current liabilities	373 899 974	71 786 120	68 238 138 418		68 612 038 392	71 786 120
Current liabilities	12 852 484 650	9 630 188 134	18 773 021 725	52 369 853 366	25 526 962 235	60 425 497 693
	31 387 847 452	16 760 869 367	41 244 033 193	36 410 496 442	66 533 336 504	51 596 822 003

During consolidation, intercompany receivables and payables were eliminated. The Administration had a historical positive debt-to-asset ratio of 42%. Infralink Pvt. Ltd. had a negative debt-to-asset ratio of 600%, which resulted in the group having a negative debt-to-asset ratio of 243%. The Infralink's poor financial position was a result of the translation of the DBSA USD-denominated loan. The accelerated loan repayments will mitigate similar exchange rate impacts going forward.

34.2 Segment cashflow analysis

	Historical costs					
	Administration Dec-22 ZWL $	Administration Dec-21 ZWL $	Infralink Dec-22 ZWL $	Infralink Dec-21 ZWL $	Consolidated Dec-22 ZWL $	Consolidated Dec-21 ZWL $
Cash and cash equivalents	15 421 756 863	2 093 822 681	3 451 755 331	450 108 051	18 873 512 194	2 543 930 732

34.3 Segment cashflow analysis

	Inflation adjusted					
	Administration Dec-22 ZWL $	Administration Dec-21 ZWL $	Infralink Dec-22 ZWL $	Infralink Dec-21 ZWL $	Consolidated Dec-22 ZWL $	Consolidated Dec-21 ZWL $
Cash and cash equivalents	15 421 756 863	7 197 722 277	3 451 755 331	1 547 290 883	18 873 512 194	8 745 013 160

The Group closed with a cash balance of ZWL 18.8 billion, made up of ZWL 3.4 billion (Infralink) and ZWL 15.4 billion (Administration), bulk of which was available for disbursements to road authorities as at year end.

34.4 Segment financial performance analysis

Historical costs

Year end 2022	Administration Dec-22 ZWL $	Administration Dec-21 ZWL $	Infralink Dec-22 ZWL $	Infralink Dec-21 ZWL $	Consolidated Dec-22 ZWL $	Consolidated 21-Dec ZWL $
Revenue	64 006 891 465	18 304 558 341	14 378 313 799	3 018 911 355	78 385 205 264	21 323 469 696
Cession revenue	-		11 821 360 032	4 605 933 033	-	-
Other income	5 701 822 441	3 133 988 078	177 751 088	13 182 760	5 879 573 529	3 147 170 838
	69 708 713 906	21 438 546 419	26 377 424 919	7 638 027 148	84 264 778 793	24 470 640 534
Less						
Costs of collection	(18 183 619 399)	(4 505 332 061)	(5 897 730 961)	(1 493 831 362)	(24 081 350 360)	(5 999 163 423)
Administration expenses	(9 109 818 569)	(2 505 194 274)	(2 178 014 405)	(380 133 972)	(11 287 832 974)	(2 885 328 246)
Disbursements	(30 803 398 182)	(10 436 597 859)	-	-	(30 803 398 183)	(10 436 597 859)
Cession for loan guarantee	(11 821 360 032)	(4 605 933 033)	-	-	-	-
Surplus/ deficit before finance costs	(209 482 276)	(614 510 808)	18 301 679 553	5 764 061 814	18 092 197 276	5 149 551 006
Finance costs	(153 066 745)	(23 690 764)	(4 106 371 911)	(1 081 461 874)	(4 259 438 656)	(1 105 152 638)
Exchange gain or loss	10 836 227 876	219 096 651	(75 141 224 744)	(2 931 882 942)	(64 304 996 868)	(2 712 786 291)
Surplus/ deficit before tax	10 473 678 855	(419 104 920)	(60 945 917 102)	3 913 640 746	(50 472 238 247)	1 331 612 078
Taxation	-		(247 646 365)	-	(247 646 365)	-
Surplus/ deficit before tax	10 473 678 855	(419 104 920)	(60 698 270 737)	3 913 640 746	(50 719 884 612)	1 331 612 078

34.5 Segment financial performance analysis

Inflation adjusted

	Administration Dec-22 ZWL	Administration Dec-21 ZWL	Infralink Dec-22 ZWL	Infralink Dec-21 ZWL	Consolidated Dec-22 ZWL	Consolidated 21-Dec ZWL
Revenue	108 135 193 736	81 171 608 178	4 948 001 297	13 103 606 311	113 083 195 034	94 275 214 489
Cession revenue	-		16 735 087 376	20 133 358 192		
Other income	12 014 844 534	13 897 677 704	(1 102 178 712)	58 521 126	10 912 665 822	13 956 198 830
	120 150 038 270	95 069 285 883	20 580 909 962	33 295 485 629	123 995 860 856	108 231 413 320
Less						
Costs of collection	(23 559 843 656)	(20 046 363 565)	(11 995 046 783)	(9 857 246 558)	(35 554 990 439)	(29 903 610 123)
Administration expenses	(13 268 618 943)	(10 198 265 030)	(1 963 129 691)	(1 767 704 631)	(15 231 748 634)	(11 965 969 661)
Disbursements	(42 826 639 484)	(46 281 118 418)	-	-	(43 784 643 998)	(46 281 118 418)
Cession for loan guarantee	(16 735 087 376)	(20 133 358 192)	-	-		
Surplus/ deficit before finance costs	23 759 748 811	(1 589 819 322)	6 622 733 487	44 920 436 818	29 424 477 784	20 080 715 118
Finance costs	(175 252 235)	(105 056 748)	(5 649 867 038)	(4 786 010 575)	(5 825 139 272)	(4 891 067 323)
Exchange gain or loss	14 440 198 615	753 166 380	(139 032 783 276)	(9 868 318 948)	(124 592 584 661)	(9 115 152 568)
Monetary gain or loss	(27 560 501 672)	(2 677 159 694)	92 911 160 221	28 146 402 647	80 949 848 532	25 469 242 953
Surplus/ deficit before tax	10 464 193 520	(3 618 869 384)	(45 148 776 606)	67 984 531 092	(20 043 397 617)	31 543 738 180
Taxation	-	-	(247 646 365)	-	(247 646 365)	-
Surplus/ deficit before tax	10 464 193 520	(3 618 869 384)	(45 396 422 971)	67 984 531 092	(20 291 043 982)	31 543 738 180

During consolidation, intercompany transactions were eliminated. The Administration had a historical surplus of ZWL 10.4 billion, which was however affected upon consolidation of the subsidiary's net loss, entirely as a result of the exchange losses emanating from the year end restatement of the DBSA loan. As a result, the group has a consolidated loss of ZWL 50.7 billion

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