

Independent Auditor's Report

TO
THE OFFICE OF PRESIDENT AND CABINET
AND
THE BOARD OF DIRECTORS
IN RESPECT OF THE FINANCIAL STATEMENTS FOR THE
RADIATION PROTECTION AUTHORITY OF ZIMBABWE
FOR THE YEAR ENDED DECEMBER 31, 2022

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of the Radiation Protection Authority of Zimbabwe "the Authority," as set out on pages 6 to 26, which comprise the statement of financial position as at December 31, 2022, and the statement of profit or loss and other comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Radiation Protection Authority of Zimbabwe 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 Opinion

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 Radiation Protection Authority of Zimbabwe 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 opinion.

RADIATION PROTECTION AUTHORITY OF ZIMBABWE
AUDIT REPORT IN RESPECT OF THE FINANCIAL STATEMENTS
for the year ended December 31, 2022

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 Radiation Protection Authority of Zimbabwe for the year ended December 31, 2022. These matters were addressed in the context of my audit of the Radiation Protection Authority of Zimbabwe financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined the matters described below to be audit matters;

| Key Audit Matter | How my audit addressed the Key Audit Matter |
|---|--|
| <p>Valuation and impairment of property, plant and equipment. Refer to note 2.8, 3.1 and note 4 to the financial statements.</p> <p>The Authority held property, plant and equipment with revalued carrying amount of ZWL1.4 billion as at December 31, 2022. The assets were revalued in accordance with IAS 16 and Authority's accounting policy.</p> <p>The valuation of Property, plant and equipment was dependent on the valuation methodology adopted. This method also takes into account unobservable inputs and therefore requires significant judgement in determining the fair value of the assets.</p> <p>The useful life and residual values are also reviewed annually by management with reference to current, forecast and relevant technical factors. This involves a significant degree of management judgement and assumptions.</p> <p>As a result, valuation of property, plant and equipment were considered to be a key audit matter.</p> | <p>The audit procedures that I performed to address the risk of material misstatement relating to the valuation of property, plant and equipment included:</p> <ul style="list-style-type: none"> • Assessed the competence and independence of the external valuer. • Analysed and tested management's assumptions used to determine the recoverable amounts in testing for impairment. • Evaluated management's estimates regarding useful lives and residual values of these assets in relation to the Authority's historical experience, industry practice and future operating plans. • Critically evaluated the methodology and assumptions used by the Authority when performing the valuation. • Inspected documentary evidence of the state of property, plant and equipment. <p>Based on evidence gathered, I found the management's assumptions in relation to useful lives and the revalued carrying amounts of property, plant and equipment reasonable.</p> |
| <p>Valuation of trade receivables, refer to notes 3.7.4.1 and 6 of the financial statements.</p> <p>Management has estimated the recoverable amount of trade receivables for the Authority to be ZWL121 Million as at December 31, 2022</p> | <p>The audit procedures that I performed to address the risk of material misstatement relating to valuation of trade receivables included:</p> <ul style="list-style-type: none"> • Assessed the recoverability of long outstanding receivables by making |

RADIATION PROTECTION AUTHORITY OF ZIMBABWE
AUDIT REPORT IN RESPECT OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2022

| Key Audit Matter | How my audit addressed the Key Audit Matter |
|--|---|
| <p>with an allowance for credit losses of ZWL5 Million.</p> <p>The management used the simplified approach of the Expected Credit loss model to determine the allowance for credit loss.</p> <p>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.</p> <p>The determination of recoverability of the receivables and the allowance for credit losses involves significant judgement by management.</p> <p>The level of judgement required in calculating the loss default increases the risk that allowances may not be appropriately determined.</p> <p>As a result, the valuation of receivables was significant to my audit and therefore considered a key audit matter.</p> | <p>comparison of the rate of collection in the current year and prior year.</p> <ul style="list-style-type: none"> • Analysed the debtors' age analysis for the long outstanding amounts and reasonability of provision for irrecoverable amounts. • Evaluated the assumptions used in establishing loss default considering the nature and suitability of any historic data used to support these assumptions. • Evaluated the reasonability of management judgements and recalculating the allowance for credit losses assumptions made in estimating the allowance for credit losses. <p>Based on the evidence gathered, I found the valuation of the Authority's trade receivables to be reasonable.</p> |

Other Information in the Annual Report

The Authority's management are responsible for the Other Information. The other Information comprises all the information in the Radiation Protection Authority of Zimbabwe's 2022 annual report other than the financial statements and my auditor's report thereon ("the Other Information").

My opinion on the Authority's 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 Authority's financial statements, my responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the Authority's 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.

RADIATION PROTECTION AUTHORITY OF ZIMBABWE
AUDIT REPORT IN RESPECT OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2022

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

The Authority's management are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Radiation Protection Act [Chapter 15:15] and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority'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 Authority or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 is not a guarantee that an audit conducted in accordance with ISAs and ISSAIs 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 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 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 the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority'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

RADIATION PROTECTION AUTHORITY OF ZIMBABWE
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audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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 financial statements have, in all material respects, been properly prepared in compliance with the disclosure requirements of the Radiation Protection Act [Chapter 15:15], and other relevant Statutory Instruments.

17 November, 2023.



R. KUJINGA,
ACTING AUDITOR - GENERAL.

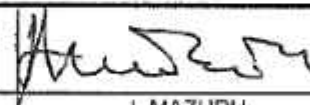
RADIATION PROTECTION AUTHORITY OF ZIMBABWE

STATEMENT OF FINANCIAL POSITION

as at December 31, 2022

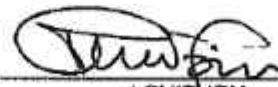
| | Note | INFLATION ADJUSTED | | HISTORICAL COST | |
|---------------------------------------|------|----------------------|--------------------|----------------------|--------------------|
| | | 2022 | 2021 | 2022 | 2021 |
| | | ZWL | ZWL | ZWL | ZWL |
| Assets | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 4 | 1 402 312 945 | 761 766 921 | 1 402 312 945 | 221 598 555 |
| Right of use asset | 5 | - | 4 841 476 | - | 1 408 389 |
| Current assets | | | | | |
| Trade and other receivables | 6 | 119 593 657 | 30 769 535 | 119 593 657 | 8 950 880 |
| Prepayments | | 28 360 397 | 33 858 475 | 28 360 397 | 9 791 275 |
| Cash and cash equivalents | 7 | 157 519 693 | 91 191 685 | 157 519 693 | 26 527 728 |
| Total assets | | 1 707 786 692 | 917 386 616 | 1 707 786 692 | 266 868 438 |
| Reserves and liabilities | | | | | |
| Reserves | | | | | |
| Non-distributable reserve | | 597 295 332 | 282 519 466 | 1 217 957 725 | 170 801 903 |
| Retained earnings | | 246 635 029 | 350 941 627 | 176 197 477 | 7 654 378 |
| Liabilities | | | | | |
| Non-current liabilities | | | | | |
| Deferred income | 8 | 760 811 120 | 238 897 725 | 214 883 583 | 69 495 523 |
| Security deposit | 9 | 17 794 329 | 13 382 971 | 17 794 329 | 3 893 116 |
| Current liabilities | | | | | |
| Trade and other payables | 10 | 58 406 284 | 18 829 750 | 58 406 284 | 5 477 588 |
| Deferred income | 8 | 8 558 424 | 7 082 110 | 4 261 120 | 2 060 191 |
| Provisions | 11 | 18 286 174 | 19 279 126 | 18 286 174 | 5 608 312 |
| Lease liability | 12 | - | 6 453 841 | - | 1 877 427 |
| Total reserves and liabilities | | 1 707 786 692 | 917 386 616 | 1 707 786 692 | 266 868 438 |

13 NOVEMBER, 2023.



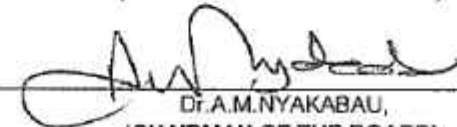
L. MAZURU
(CHIEF FINANCE OFFICER).

13 November, 2023.



J. CHIPURU,
(CHIEF EXECUTIVE OFFICER).

13 November, 2023.



Dr. A.M. NYAKABAU,
(CHAIRMAN OF THE BOARD).

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended December 31, 2022

| | Note | INFLATION ADJUSTED | | HISTORICAL COST | |
|---------------------------------------|------|------------------------|----------------------|----------------------|----------------------|
| | | 2022 ZWL | 2021 ZWL | 2022 ZWL | 2021 ZWL |
| Income | | | | | |
| Revenue | 13 | 2 115 802 097 | 497 789 427 | 807 054 534 | 144 807 309 |
| Other income | 14 | 168 675 238 | 46 015 704 | 88 706 021 | 13 386 002 |
| | | 2 284 477 335 | 543 805 131 | 895 760 555 | 158 193 311 |
| Expenditure | | (2,022,994,603) | (548 240 343) | (727 217 456) | (155 739 413) |
| Administration expenses | 15 | (1,083,379,224) | (299 639 357) | (391 640 535) | (83 421 204) |
| Other expenses | 16 | (939 615 379) | (248 600 986) | (335 576 921) | (72 318 209) |
| Monetary gain/(loss) | | (365 789 330) | 337 499 675 | - | - |
| (Deficit)/surplus for the year | | (104 306 598) | 333 064 463 | 168 543 099 | 2 453 898 |
| Other comprehensive income | | 334 775 866 | (120 851 497) | 1 047 155 822 | 59 279 009 |
| Revaluation gain/ loss | | 334 775 866 | (120 851 497) | 1 047 155 822 | 59 279 009 |
| Total comprehensive income | | 230 469 268 | 212 212 966 | 1 215 698 921 | 61 732 907 |

STATEMENT OF CHANGES IN RESERVES

for the year ended December 31, 2022

| | INFLATION ADJUSTED | | |
|--|---------------------------------------|-----------------------------|----------------------|
| | Non Distributable reserve ZWL | Retained earnings ZWL | Total ZWL |
| | Balance as at January 01, 2021 | 383 370 963 | 17 877 164 |
| Revaluation loss | (120 851 497) | - | (120 851 497) |
| Surplus for the year | - | 333 064 463 | 333 064 463 |
| Balance as at December 31, 2021 | 262 519 466 | 350 941 627 | 613 461 093 |
| Balance as at January 1, 2022 | 262 519 466 | 350 941 627 | 613 461 093 |
| Revaluation surplus | 334 775 866 | - | 334 775 866 |
| Deficit for the year | - | (104 306 598) | (104 306 598) |
| Balance as at December 31, 2022 | 597 295 332 | 246 635 029 | 843 930 361 |
| | | | |
| | HISTORICAL COST | | |
| | Non Distributable reserve ZWL | Retained earnings ZWL | Total ZWL |
| | Balance as at January 01, 2021 | 111 522 894 | 5 200 480 |
| Revaluation surplus | 59 279 009 | - | 59 279 009 |
| Surplus for the year | - | 2 453 898 | 2 453 898 |
| Balance as at December 31, 2021 | 170 801 903 | 7 654 378 | 178 456 281 |
| Balance as at January 1, 2022 | 170 801 903 | 7 654 378 | 178 456 281 |
| Revaluation surplus | 1 047 155 822 | - | 1 047 155 822 |
| Surplus for the year | - | 168 543 099 | 168 543 099 |
| Balance as at December 31, 2022 | 1 217 957 725 | 176 197 477 | 1 394 155 202 |

STATEMENT OF CASH FLOWS

for the year ended December 31, 2022

| | Note | INFLATION ADJUSTED | | HISTORICAL COST | |
|--|------|----------------------|----------------------|----------------------|---------------------|
| | | 2022 ZWL | 2021 ZWL | 2022 ZWL | 2021 ZWL |
| Cash flows from operating activities | | 280 847 286 | 96 951 537 | 136 208 959 | 4 645 205 |
| (Deficit)/surplus for the year | | (104 306 598) | 333 064 463 | 168 543 099 | 2 453 898 |
| <i>Adjusted for non cash items:</i> | | | | | |
| Depreciation charge for the year-property, plant and equipment | 4 | 63 790 900 | 60 782 374 | 22 782 464 | 13 937 533 |
| Depreciation charge for the year - Right of use | 5 | 11 830 468 | 9 682 953 | 1 408 389 | 2 816 778 |
| Deferred income amortised | | (8 558 424) | (7 082 110) | (4 261 120) | (2 060 191) |
| Allowance for credit losses | | (11 057 669) | 13 046 072 | 398 082 | 3 795 112 |
| Profit on disposal of non-current assets | | - | (581 222) | - | (169 078) |
| Interest earned | | (7 167 286) | (2 279 286) | (2 559 745) | (663 046) |
| Monetary gain/ (loss) | | 365 789 330 | (256 516 488) | - | - |
| Operating surplus before working capital changes | | 310 320 721 | 150 116 756 | 186 311 169 | 20 111 006 |
| Working capital changes | | (29 473 435) | (53 165 219) | (50 102 210) | (15 465 801) |
| Increase in trade and other receivables | 6 | (77 766 453) | (34 832 576) | (111 040 859) | (10 132 822) |
| Decrease/ (increase) in prepayments | | 5 298 078 | (33 658 475) | (18 569 122) | (9 791 275) |
| Increase in security deposit | 9 | 4 411 358 | 11 018 855 | 13 901 213 | 3 205 393 |
| Increase/(decrease) in trade and other payables | 10 | 39 576 534 | (7 203 234) | 52 928 696 | (2 095 426) |
| Provision for leave pay | 11 | (992 952) | 11 510 211 | 12 677 862 | 3 348 329 |
| Cash generated from operations | | 280 847 286 | 96 951 537 | 136 208 959 | 4 645 205 |
| Net cash out flow from investing activities | | (362 641 851) | (259 046 580) | (153 339 567) | (51 798 772) |
| Purchase of property, plant and equipment | 4 | (369 809 137) | (262 947 073) | (155 899 312) | (52 933 428) |
| Proceeds from sale of property, plant and equipment | | - | 1 621 207 | - | 471 610 |
| Interest received | | 7 167 286 | 2 279 286 | 2 559 745 | 663 046 |
| Net cash inflows from financing activities | | 148 122 573 | 232 905 086 | 148 122 573 | 67 752 260 |
| Finance lease | | (1 877 427) | (8 070 588) | (1 877 427) | (2 347 740) |
| Government grants | | 150 000 000 | 240 975 674 | 150 000 000 | 70 100 000 |
| Net increase in cash and cash equivalents | | 66 328 008 | 70 810 043 | 130 991 965 | 20 598 693 |
| Cash and cash equivalents at beginning of year | | 91 191 685 | 20 381 642 | 26 527 728 | 5 929 035 |
| Cash and cash equivalents at end of year | 7 | 157 519 693 | 91 191 685 | 157 519 693 | 26 527 728 |

RADIATION PROTECTION AUTHORITY OF ZIMBABWE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2022

1. NATURE OF BUSINESS

Radiation Protection Authority of Zimbabwe (RPAZ) was established on July 1, 2005 and is constituted in terms of the Radiation Protection Act [Chapter 15:15]. Its core business is the protection of the public and workers from dangers resulting from the use or abuse of equipment, devices or materials capable of producing ionizing radiation and to provide for matters connected or incidental to the foregoing. RPAZ collect revenue from licence fees and is funded by the Government of Zimbabwe through grants.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in conformity with International Financial Reporting Standards (IFRSs), promulgated by the International Accounting Standards Board (IASB), which include standards and interpretations approved by the IASB, as well as International Accounting Standards and IFRS Interpretations Committee (IFRIC) interpretations.

2.2 Going concern

The directors assess the ability of the Authority to continue in operation in the foreseeable future at each reporting date. As at December 31, 2022 the directors have assessed the Authority's ability to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is appropriate.

2.3 Basis of measurement

The financial statements are prepared under the historical cost convention and property, plant and equipment are shown at revalued amounts.

2.4 Functional and presentation currency

These financial statements are presented in Zimbabwe Dollars (ZWL) currency as prescribed under Statutory Instrument 33 of 2019 dated 22nd February 2019 and in Statutory Instrument 142 of 2019 dated 24th June 2019. The Authority adopted the Zimbabwe Dollar (ZWL) as the functional and presentation currency following the above developments during the year. Most of the Authority's transactions are in this currency and the same is used for the reporting.

2.5 Inflation Accounting

The financial statements have been prepared under the current costs basis in line with the provisions of International Accounting Standards (IAS) 29 – Financial Reporting in Hyperinflationary economies. The Public Accountants and Auditors Board (PAAB) pronounced that the economy is trading under conditions of hyperinflation in line with IAS 29. Management have applied the guidelines provided by PAAB. Management made various assumptions to produce the inflation adjusted financial information. The conversion factors have been computed from the consumer price index (CPI) data as

RADIATION PROTECTION AUTHORITY OF ZIMBABWE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2022

provided by Zimbabwe Statistical Agency (ZIMSTATS) on their website and also as circulated by PAAB.

The indices and conversion factors used to restate these financial statements are as follows:

| Month Index | Conversion Factor | |
|--------------------|--------------------------|------|
| December 31, 2021 | 3,977.46 | 1.00 |
| January 31, 2022 | 4,189.97 | 3.26 |
| February 28, 2022 | 4,483.06 | 3.05 |
| March 31, 2022 | 4,766.10 | 2.87 |
| April 30, 2022 | 5,507.11 | 2.48 |
| May 31, 2022 | 6,662.17 | 2.05 |
| June 30, 2022 | 8,707.35 | 1.57 |
| July 31, 2022 | 10,932.83 | 1.25 |
| August 31, 2022 | 12,286.26 | 1.11 |
| September 30, 2022 | 12,713.12 | 1.08 |
| October 31, 2022 | 13,113.95 | 1.04 |
| November 30, 2022 | 13,349.42 | 1.02 |
| December 31, 2022 | 13,672.91 | 1.00 |

Transactions and balances were restated as follows

- All comparative balances for the year ended 31 December 2021 were restated by applying the change in the index over 2022.
- Any revaluation surplus which from prior periods was eliminated
- Current year monetary assets and liabilities were not restated as they are already stated in the measuring unit as at financial position date.
- Current year non-monetary assets and liabilities were restated by applying the change in the index from the more recent of the date of transaction and the date of their most recent revaluation as at December 31, 2022.
- Items recognised in the current income statement have been restated by applying the change in the general price index from the dates when the transactions were initially accrued by applying the monthly index for the year ended December 31, 2022.
- Monetary gain/ (loss) from the net inflation adjustments is included in the statement of comprehensive income.
- All items in the statement of cash flows are presented in the general price index at December 31, 2022.

Historical financial statements have been presented only to allow comparability during the transitional period in applying this standard.

2.6 Foreign currency transaction and balances

While the Authority records are maintained in Zimbabwe Dollars (ZWL), some of its transactions are conducted in other major foreign currencies which include the United States Dollar, South African Rand, Botswana Pula, British Pound and Euros. Transactions in foreign currencies are translated to the Zimbabwe Dollar at rates of exchange ruling at the time of the transactions. Transaction and translation gains and

RADIATION PROTECTION AUTHORITY OF ZIMBABWE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2022

losses arising on conversion or settlement are dealt with in the statement of comprehensive income in determination of the operating income.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Cash flows arising from transactions in a foreign currency are recorded in the local currency by applying to the exchange rate at the date of the cash flow.

2.7 Critical accounting judgments, assumptions and estimates

In preparing the financial statements, management is required to make judgements, estimates and assumptions that affect the amounts presented in the financial statements and related disclosures. Use of available information 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 recognised in the period in which the estimates are revised and in any future periods affected. Significant judgments include the following:

2.8 Impairment and provisioning policies

At each statement of financial position date, the Authority 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 its 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.

2.8.1 Useful lives and residual values of property, plant and equipment

The Authority assesses useful lives and residual values of property, plant and equipment each year taking into account past experience and technology changes. The depreciation rates are set out in note 3.1 and changes to useful lives have been considered necessary during the year. Management has set residual values for all classes of property, plant and equipment at zero.

RADIATION PROTECTION AUTHORITY OF ZIMBABWE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2022

2.8.2 Fair value measurement

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset

Or

- In the absence of a principal market, in the most advantageous market for the asset.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset, assuming that market participants act in their economic best interest.

External valuers are involved for valuation of land and buildings. Selection criteria for external valuers include market knowledge, reputation, independence and whether professional standards are maintained.

2.8.3 Expected credit loss

The Authority 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.

2.9 New and revised standards and interpretations

2.9.1 New standards, amendments and interpretations issued and effective for the financial years beginning on or after January 1, 2022

New and amended standards and interpretations IAS 8.28. The Authority applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2022. The Authority has not yet early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- (i) **Amendments to International Financial Reporting Standard (IFRS) 7, IFRS 9 and International Accounting Standard (IAS) 39 interest rate benchmark reform effective for annual periods beginning on or after January 1, 2022.**

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Authority as it does not have any interest rate hedge relationships.

- (ii) **IAS 16-Property, plant and equipment effective for annual periods beginning on or after January 1, 2022.**

IAS 16 "Property, Plant and Equipment" outlines the accounting treatment for most types of property, plant and equipment. Property, plant and equipment is initially

RADIATION PROTECTION AUTHORITY OF ZIMBABWE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2022

measured at its cost, subsequently measured either using a cost or revaluation model, and depreciated so that its depreciable amount is allocated on a systematic basis over its useful life.

(iii) Amendments to International Financial Reporting Standard (IFRS) 16- "Covid-19 related rent concessions beyond June 30, 2021".

28 May 28, 2020, the IASB issued Covid-19-related rent concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the financial statements of the Authority.

(iv) International Accounting Standard (IAS) 37- "Provisions, Contingent Liabilities and Contingent Assets", effective for annual periods beginning on or after January 1, 2022.

IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" outlines the accounting for provisions (liabilities of uncertain timing or amount), together with contingent assets (possible assets) and contingent liabilities (possible obligations and present obligations that are not probable or not reliably measurable).

2.9.2 Standards issued but not yet effective

2.9.2.1 Amendments to International Accounting Standard (IAS) 1- "Presentation of financial statements", and International Financial Reporting Standard (IFRS) Practice Statement 2. Disclosure of Accounting Policies amendments to IAS 1 and IFRS Practice Statement 2)

The amendments require that the Authority discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how the Authority can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2. The standard is effective for the periods beginning on or after January 1, 2023.

2.9.2.2 International Accounting Standard (IAS) 8- "Accounting Policies, Changes in Accounting Estimates and Errors".

IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information. Changes in accounting policies and corrections of errors are generally

RADIATION PROTECTION AUTHORITY OF ZIMBABWE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2022

retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis. The standard is effective for the periods beginning on or after January 1, 2023.

2.9.2.3 International Financial Reporting Standard (IFRS) 16- "Leases"

IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Lessor accounting however remains largely unchanged from IAS 17 and the distinction between operating and finance leases is retained. The standard is effective for the periods beginning on or after January 1, 2024.

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2022

3. ACCOUNTING POLICIES

The accounting policies applied in the preparation of these financial statements are consistent with those applied in the financial statements for the year ended December 31, 2021. The only major change is the reporting which now recognises hyperinflation in the economy hence financial statements have been adjusted for inflation.

3.1 Property, plant and equipment

3.1.1 Recognition and measurement

Property, plant and equipment held for use in the supply of services or for administrative purposes, are initially stated at cost less accumulated depreciation and impairment losses and subsequently using revaluation model, and depreciated so that its depreciable amount is allocated on a systematic basis over its useful life.

Property, plant and equipment are measured at fair value less accumulated depreciation and impairment losses recognised at the date of revaluation. This is a change in accounting policy, refer to note 4.

3.1.2 Measurement

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 OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised 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 is transferred to retained earnings.

3.1.3 Derecognition

An item of property, plant and equipment is derecognised upon disposal or loss when no future economic benefits are expected from its use or disposal. Any gain or loss arising on 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 derecognised.

RADIATION PROTECTION AUTHORITY OF ZIMBABWE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2022

3.1.4 Depreciation

Provision for depreciation is based on straight line basis over the asset's expected useful life. Land and work in progress are not depreciated. The depreciation rates are set out below. A review of useful lives for assets across the classes were carried out during the year. This had the effect of extending useful lives for specific assets after a fair assessment of their usefulness to the Authority going forward. The reviews had the effect of extending lives and the rates of depreciation remained as set out below. The annual rates used for this purpose are:

| | |
|-------------------------|-----|
| Furniture and fixtures | 15% |
| Motor vehicles | 20% |
| Computer equipment | 30% |
| Communication equipment | 50% |
| Technical equipment | 10% |

3.2 Assets held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less cost to sale. Impairment losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the profit or loss. Once classified as held for sale, the non-current assets are no longer depreciated.

3.3 Revenue grants and donations

Revenue grant is recognised as income during the year in which it is received. Donations are recorded as income when received.

3.4 Capital grants and donations

Capital grant is recorded as deferred income in the statement of financial position when it becomes receivable and is then recognised as income on a systematic basis over the period necessary to match the grant with the related costs which they are intended to compensate. Grant amortised is credited to the income statement over the expected useful lives of the respective assets, on a straight line basis.

3.5 Employee benefits

i. Short term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Authority has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plan

Obligations for contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

RADIATION PROTECTION AUTHORITY OF ZIMBABWE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2022

Payments to National Social Security are dealt with as defined contribution plans where the Authority's obligation under the scheme is equivalent to those arising in a defined contribution retirement benefit plan.

iii. Termination benefits

Termination benefits are expensed at the earlier of when the Authority can no longer withdraw the offer of those benefits and when the Authority recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

3.6 Provisions and contingencies

Provisions are recognised when:

- the Authority has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the Authority settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised.

3.7 IFRS 9 Financial Instruments

The Authority has fully complied with the IFRS 9. From a classification and measurement perspective the standard requires that all financial instruments' assessment be based on the Authority's business model of managing the financial instruments and the cash flow characteristics of the same, except for derivatives and equity instruments.

3.7.1 Business model assessment

The Authority determines its business model at the level that best reflects how it manages its financial assets to achieve its business objectives. The Authority's financial assets comprise cash, trade and other receivables, loans and advances to staff which are categorised as financial assets held at amortised cost. As a result, the Authority's business model will be to hold the financial assets (loans and advances) to

RADIATION PROTECTION AUTHORITY OF ZIMBABWE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2022

collect contractual cash flows in form of interest. The entity does not have any other instruments.

3.7.2 Measurement

The Authority classified all its financial assets based on the business model for managing the assets and the asset's contractual terms measured at either;

- Amortised cost
- Fair value through other comprehensive income (FVOIC)
- Fair value through Profit and Loss (FVPL)

The Authority measures loans and advances to staff, money market investments and mortgage investments at amortised cost if both of the following conditions are met;

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI).

3.7.3 Impairment of financial assets

The expected credit loss model applies to debt instruments recorded at amortised cost or at fair value through other comprehensive income.

3.7.4 Classification of financial assets and liabilities

The Authority classifies its financial assets and liabilities as follows;

3.7.4.1 Financial assets held at amortised cost

These include loans and advances to staff and trade advance payments.

3.7.4.2 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and bank balances and investments with up to 90 days maturity.

3.7.4.3 Financial Liabilities

All loans and borrowings which are measured at initial recognition at fair value less directly attributable transactional costs. After initial recognition interest bearing loans are measured at amortised costs.

3.7.5 De-recognition of financial assets

A financial asset is derecognised when the rights to receive cash flows from the financial asset have expired.

3.7.6 De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

RADIATION PROTECTION AUTHORITY OF ZIMBABWE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2022

3.7.7 Security deposits

These are classified as long term liabilities.

3.8 Risk management

3.8.1 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 the unforeseen changes in interest rates. The Authority's exposure to the risk of change in market interest rates relates primarily to the held to maturity investments

Exposure to interest rate risk is managed at management level on a proactive basis. Management mitigates interest rate risks by investing in shorter maturity securities.

3.9 Taxation

The Authority's receipts and payments are exempt from income tax in terms of the third schedule to the Income Tax Act [Chapter 23:04]. The Authority is liable to Value Added Tax (VAT).

3.10 Revenue

Revenue from license fees, registration fees, application fees, dosimetry fees and import licence fees is recognized at a point in time, when performance obligation giving rise to them have occurred. Licence fees are earned based on a calendar year in terms of the Radiation Protection Act [Chapter 15:15] of 2004.

The Authority follows IFRS 15's five-step model when recognizing revenue through:

Step 1 Identify the contract(s) with a customer.

Step 2 Identify the performance obligations in the contract.

Step 3 Determine the transaction price.

Step 4 Allocate the transaction price to the performance obligations in the contract.

Step 5 Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue from license fees, registration fees, application fees, dosimetry fees and import licence fees is recognized when actual transactions giving rise to them have occurred. Those fees are considered to be from the year the transaction has occurred. All Authority revenue is recognized at a point in time as each transaction will result in the service transferred to the respective customers at the transaction time.

3.11 Development costs

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically feasible, future economic benefits are probable and the Authority intends to and has sufficient resources to complete development and to use the asset. Otherwise expenditure is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any impairment losses.

RADIATION PROTECTION AUTHORITY OF ZIMBABWE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2022

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the profit or loss as incurred.

Any expenditure capitalised is normally amortised over three years.

3.12 Leases

The Authority adopted IFRS 16 for the purposes of managing and reporting leases. The Authority applied the standard from its mandatory date of 1 January 2019. The simplified transition approach was adopted and did not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases was measured on transition as if the new rules had always been applied. All other right-of-use assets were measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses). As the lessee, the Authority recognized a "right of use asset" and a lease liability. The right of use asset was treated similarly to other non-financial assets and depreciated accordingly.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

3.12.1 Short-term and low value assets leases

The Authority recognised leases that were less than 12 months old at the reporting date and related to leasing of small items which have a value of less than ZWL5 000. Obligations incurred on these leases were charged to the statement of comprehensive income in equal instalments over the period of the lease, except when the alternative method is more representative of the time pattern from which benefits are derived.

for the year ended

4 Property, plant and equipment

| Details | Land ZWL | Motor vehicles ZWL | Computer equipment ZWL | C |
|-----------------------------------|---------------------|-----------------------------------|---------------------------------------|----------|
| Opening carrying amount | 112 065 033 | 169 236 876 | 21 350 070 | |
| Gross carrying amount | 112 065 033 | 169 236 876 | 21 350 070 | |
| Accumulated depreciation | - | - | - | |
| Additions | - | 64 492 626 | 17 585 906 | |
| Additions -grants | - | - | - | |
| Revaluation surplus | 223 254 968 | 61 391 228 | (7 999 946) | |
| Disposals | - | - | - | |
| Gross carrying amount | - | - | - | |
| Accumulated depreciation | - | - | - | |
| Depreciation charge for the year | - | (35 689 748) | (5 782 482) | |
| Accumulated depreciation reversal | - | 35 689 748 | 5 782 482 | |
| Closing carrying amount | 335 320 001 | 259 430 982 | 25 153 548 | |
| Gross carrying amount | 335 320 001 | 259 430 982 | 25 153 548 | |
| Accumulated depreciation | - | - | - | |
| Details | Land ZWL | Motor vehicles ZWL | Computer equipment ZWL | C |
| Opening carrying amount | 32 599 800 | 49 231 131 | 6 210 751 | |
| Gross carrying amount | 32 599 800 | 49 231 131 | 6 210 751 | |
| Accumulated depreciation | - | - | - | |
| Additions | - | 31 424 260 | 7 083 174 | |
| Additions - grants | - | - | - | |
| Revaluation surplus | 302 720 200 | 191 521 929 | 13 924 795 | |
| Disposals | - | - | - | |
| Gross carrying amount | - | - | - | |
| Accumulated depreciation | - | - | - | |
| Depreciation charge for the year | - | (12 746 339) | (2 065 172) | |
| Accumulated depreciation reversal | - | 12 746 339 | 2 065 172 | |
| Closing carrying amount | 335 320 000 | 259 430 981 | 25 153 548 | |
| Gross carrying amount | 335 320 000 | 259 430 981 | 25 153 548 | |
| Accumulated depreciation | - | - | - | |

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December 31, 2022

| Communication equipment ZWL | Fixtures and fittings ZWL | Technical equipment ZWL | Work in progress ZWL | INFLATION ADJUSTED | |
|--------------------------------|------------------------------|----------------------------|-------------------------|----------------------|----------------------|
| | | | | TOTAL 2022 ZWL | TOTAL 2021 ZWL |
| 7 371 490 | 20 653 887 | 154 677 160 | 271 570 929 | 756 925 445 | 676 931 604 |
| 7 371 490 | 20 653 887 | 154 677 160 | 271 570 929 | 756 925 445 | 676 931 604 |
| - | - | - | - | - | - |
| 9 211 650 | 3 596 949 | 21 874 450 | 253 047 556 | 369 809 137 | 262 947 073 |
| - | - | 4 593 397 | - | 4 593 397 | - |
| 2 980 731 | 10 983 180 | 76 744 190 | (32 578 485) | 334 775 866 | (120 851 497) |
| - | - | - | - | - | (1 319 361) |
| - | - | - | - | - | (1 695 207) |
| - | - | - | - | - | 375 846 |
| (4 824 861) | (1 788 373) | (15 705 436) | - | (63 790 900) | (60 782 374) |
| 4 824 861 | 1 788 373 | 15 705 436 | - | 63 790 900 | 60 782 374 |
| 14 739 010 | 33 445 643 | 242 183 761 | 492 040 000 | 1 402 312 945 | 756 925 445 |
| 14 739 010 | 33 445 643 | 242 183 761 | 492 040 000 | 1 402 312 945 | 756 925 445 |
| - | - | - | - | - | - |

| Communication equipment ZWL | Fixtures and fittings ZWL | Technical equipment ZWL | Work in progress ZWL | HISTORICAL COST | |
|--------------------------------|------------------------------|----------------------------|-------------------------|----------------------|----------------------|
| | | | | TOTAL 2022 ZWL | TOTAL 2021 ZWL |
| 2 144 372 | 6 008 231 | 44 995 699 | 79 000 182 | 220 190 166 | 122 217 794 |
| 2 144 372 | 6 008 231 | 44 995 699 | 79 000 182 | 220 190 166 | 122 217 794 |
| - | - | - | - | - | - |
| 3 020 305 | 1 752 626 | 13 930 358 | 98 688 589 | 155 899 312 | 52 933 428 |
| - | - | 1 850 109 | - | 1 850 109 | - |
| 11 297 499 | 26 323 490 | 187 016 680 | 314 351 229 | 1 047 155 822 | 59 279 009 |
| - | - | - | - | - | (302 532) |
| - | - | - | - | - | (388 715) |
| - | - | - | - | - | 86 183 |
| (1 723 165) | (638 704) | (5 609 084) | - | (22 782 464) | (13 937 533) |
| 1 723 165 | 638 704 | 5 609 084 | - | 22 782 464 | 13 937 533 |
| 14 739 011 | 33 445 643 | 242 183 762 | 492 040 000 | 1 402 312 945 | 220 190 166 |
| 14 739 011 | 33 445 643 | 242 183 762 | 492 040 000 | 1 402 312 945 | 220 190 166 |
| - | - | - | - | - | - |

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2022

| | INFLATION ADJUSTED | | HISTORICAL COST | |
|--------------------------------------|--------------------|--------------------|--------------------|-------------------|
| | 2022 ZWL | 2021 ZWL | 2022 ZWL | 2021 ZWL |
| 5 Right of use asset | | | | |
| Opening balance | 11 830 468 | 14 524 429 | 1 408 389 | 4 225 167 |
| Depreciation charge for the year | (11 830 468) | (9 682 953) | (1 408 389) | (2 816 778) |
| Closing balance | - | 4 841 476 | - | 1 408 389 |
| 6 Trade and other receivables | 98 584 470 | 11 554 729 | 98 584 470 | 3 361 279 |
| Trade receivables | 103 682 157 | 27 710 085 | 103 682 157 | 8 060 884 |
| Allowance for credit losses | (5 097 687) | (16 155 356) | (5 097 687) | (4 699 605) |
| Other receivables | 21 009 187 | 19 214 806 | 21 009 187 | 5 589 601 |
| Rent deposit | 43 406 | 149 212 | 43 406 | 43 406 |
| Staff debtors | 20 965 781 | 19 065 594 | 20 965 781 | 5 546 195 |
| | 119 593 657 | 30 769 535 | 119 593 657 | 8 950 880 |
| 7 Cash and cash equivalents | | | | |
| Cash at bank | 157 519 693 | 91 191 685 | 157 519 693 | 26 527 728 |
| | 157 519 693 | 91 191 685 | 157 519 693 | 26 527 728 |
| 8 Deferred income | | | | |
| Opening carrying amount | 245 979 835 | 12 086 271 | 71 555 714 | 3 515 905 |
| Capital grant | 255 824 719 | 14 849 045 | 74 419 598 | 4 319 598 |
| Accumulated amortisation | (9 844 884) | (2 762 774) | (2 863 884) | (803 693) |
| Additions | 150 000 000 | 240 975 674 | 151 850 109 | 70 100 000 |
| Amortisation | (8 558 424) | (7 082 110) | (4 261 120) | (2 060 191) |
| Closing carrying amount | 387 421 411 | 245 979 835 | 219 144 703 | 71 555 714 |
| Capital grant | 405 824 719 | 255 824 719 | 226 269 707 | 74 419 598 |
| Accumulated amortisation | (18 403 308) | (9 844 884) | (7 125 004) | (2 863 884) |
| Carrying amount analysis | 769 369 544 | 245 979 835 | 219 144 703 | 71 555 714 |
| Non current | 760 811 120 | 238 897 725 | 214 883 583 | 69 495 523 |
| Current | 8 558 424 | 7 082 110 | 4 261 120 | 2 060 191 |
| 9 Security deposit | | | | |
| Trust funds | 17 794 329 | 13 382 971 | 17 794 329 | 3 893 116 |
| | 17 794 329 | 13 382 971 | 17 794 329 | 3 893 116 |

These are trust funds held in respect of personnel monitoring badges, the deposit is refunded on return of the badge.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2022

| | INFLATION ADJUSTED | | HISTORICAL COST | |
|--|----------------------|--------------------|--------------------|--------------------|
| | 2022 ZWL | 2021 ZWL | 2022 ZWL | 2021 ZWL |
| 10 Trade and other payables | | | | |
| Board fees | - | 31 423 | - | 9 141 |
| Other payables | 27 049 445 | 157 129 | 27 049 445 | 45 709 |
| Payroll payables | 4 768 192 | 241 | 4 768 192 | 70 |
| Trade payables | 26 588 647 | 18 640 957 | 26 588 647 | 5 422 668 |
| | 58 406 284 | 18 829 750 | 58 406 284 | 5 477 588 |
| 11 Provisions | | | | |
| Provision for leave pay | 18 286 174 | 19 279 126 | 18 286 174 | 5 608 312 |
| | 18 286 174 | 19 279 126 | 18 286 174 | 5 608 312 |
| 12 Lease liability | | | | |
| Opening balance | 1 877 427 | - | 1 877 427 | - |
| Present value of lease | - | 14 524 429 | - | 4 225 167 |
| Lease payment | (1 877 427) | (8 070 588) | (1 877 427) | (2 347 740) |
| Closing balance | - | 6 453 841 | - | 1 877 427 |
| Carrying amount analysis | - | 6 453 841 | - | 1 877 427 |
| Long term portion | - | - | - | - |
| Short term portion | - | 6 453 841 | - | 1 877 427 |
| <p>The Authority entered into two year leases in 2021 with Zimbabwe International Trade Fair Company and Mikes computers for office premises at Zimbabwe International Trade Fair and Beitbridge border post. The leases were valued for two years with a net present value of ZWL4 225 167 at an incremental borrowing cost of 36%.</p> | | | | |
| 13 Revenue | | | | |
| Licence fees | 1 503 723 815 | 288 354 327 | 589 725 478 | 96 667 204 |
| Technical services | 612 078 282 | 209 435 100 | 217 329 056 | 48 140 105 |
| | 2 115 802 097 | 497 789 427 | 807 054 534 | 144 807 309 |
| 14 Other income | | | | |
| Deferred income amortised | 11 931 136 | 7 082 110 | 4 261 120 | 2 060 191 |
| Decrease in allowances for credit losses | 11 057 669 | - | - | - |
| Fines | - | 219 147 | - | 63 750 |
| Foreign exchange gain | 59 391 302 | 16 959 318 | 53 505 677 | 4 933 478 |
| Government grant | 56 000 000 | 17 187 994 | 20 000 000 | 5 000 000 |
| Interest received | 7 167 286 | 2 279 286 | 2 559 745 | 663 046 |
| Profit on disposal of non-current assets | - | 581 222 | - | 169 078 |
| Sundry income | 23 127 845 | 1 706 627 | 8 379 479 | 496 459 |
| | 168 675 238 | 46 015 704 | 88 706 021 | 13 386 002 |

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2022

| | INFLATION ADJUSTED | | HISTORICAL COST | |
|-----------------------------------|----------------------|--------------------|--------------------|-------------------|
| | 2022 ZWL | 2021 ZWL | 2022 ZWL | 2021 ZWL |
| 15 Administration expenses | | | | |
| Audit fees | 4 541 600 | 3 375 722 | 1 622 000 | 982 000 |
| Board expenses | 113 794 438 | 15 538 390 | 40 640 871 | 4 520 129 |
| Consultancy fees | 9 295 328 | 3 109 325 | 3 319 760 | 904 505 |
| Courier and postage | 5 933 593 | 802 191 | 2 119 140 | 233 358 |
| Depreciation charge for the year | 63 790 900 | 60 782 374 | 22 782 464 | 13 937 533 |
| Depreciation charge for the year | 11 830 468 | 9 682 953 | 1 408 389 | 2 816 778 |
| Fuel and oils | 138 932 732 | 20 656 277 | 49 618 833 | 6 008 926 |
| General expenses | 91 665 630 | 13 631 946 | 34 484 719 | 3 965 543 |
| Bad debts | 8 386 136 | - | 8 386 136 | - |
| Insurance | 35 083 521 | 23 982 731 | 12 529 829 | 6 976 594 |
| Internet and telephone | 23 467 302 | 7 622 583 | 8 381 179 | 2 217 415 |
| Licencing charges | 11 847 176 | 5 100 523 | 4 231 134 | 1 483 746 |
| Allowances for credit losses | - | 13 046 072 | 398 082 | 3 795 112 |
| Printing and stationery | 14 949 501 | 6 252 903 | 5 339 107 | 1 818 974 |
| Promotions and publicity | 44 288 313 | 7 635 680 | 15 817 255 | 2 221 225 |
| Rentals | 23 905 272 | 3 136 187 | 8 537 597 | 912 319 |
| Repairs and maintenance | 101 911 256 | 29 580 335 | 36 396 877 | 8 604 941 |
| Sanitary and cleaning | 3 354 321 | 2 769 020 | 1 197 972 | 805 510 |
| Security | 6 894 763 | 1 988 115 | 2 462 415 | 578 344 |
| Protective wear | 4 675 866 | 6 705 714 | 1 669 952 | 1 950 697 |
| Staff training | 9 316 598 | 2 729 120 | 3 327 356 | 793 903 |
| Transaction charges | 64 330 056 | 13 661 100 | 22 975 020 | 3 974 024 |
| Finance costs | 1 994 429 | 831 837 | 712 296 | 241 982 |
| Travel expenses | 230 465 673 | 31 631 467 | 82 309 169 | 9 201 617 |
| Workshops | 58 724 352 | 15 386 792 | 20 972 983 | 4 476 029 |
| | 1 083 379 224 | 299 639 357 | 391 640 535 | 83 421 204 |
| 16 Other expenses | | | | |
| 16.1 Employment expenses | | | | |
| Salaries and wages | 821 174 186 | 217 253 559 | 293 276 495 | 63 199 220 |
| Allowances | 118 441 193 | 31 347 427 | 42 300 426 | 9 118 989 |
| | 939 615 379 | 248 600 986 | 335 576 921 | 72 318 209 |

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2022

| | INFLATION ADJUSTED | | HISTORICAL COST | |
|---|--------------------|--------------------|--------------------|-------------------|
| | 2022 ZWL | 2021 ZWL | 2022 ZWL | 2021 ZWL |
| 17 Related party transactions | | | | |
| Compensation of key management personnel | | | | |
| The remuneration of directors and other members of key management during the year was as follows: | | | | |
| Key management salaries and benefits | 280 695 911 | 59 436 787 | 100 248 540 | 17 290 205 |
| Board fees | 46 571 536 | 9 053 501 | 16 632 691 | 2 633 670 |
| Board expenses | 67 222 902 | 6 484 889 | 24 008 179 | 1 886 459 |
| | 394 490 349 | 74 975 177 | 140 889 410 | 21 810 334 |
| 18 Pension arrangement | | | | |
| 18.1 National Social Security Authority (NSSA) scheme | | | | |
| Employees are members of the National Social Security Authority (NSSA) scheme | | | | |
| Contribution to the fund is as follows: | | | | |
| Employees : 4.5% of gross salary per month | 11 035 091 | 1 563 355 | 3 941 104 | 454 781 |
| Company : 4.5% of gross salary per month | 11 035 091 | 1 563 355 | 3 941 104 | 454 781 |
| 19 Government grants | | | | |
| Recurrent expenditure | 56 000 000 | 17 187 994 | 20 000 000 | 5 000 000 |
| Capital expenditure | 150 000 000 | 240 975 674 | 150 000 000 | 70 100 000 |
| | 206 000 000 | 258 163 668 | 170 000 000 | 75 100 000 |
| The Authority receives government grants annually for recurrent and current expenditure. | | | | |
| 20 Going concern | | | | |
| The financial statements have been prepared on a going-concern basis. Thus the Authority will continue to operate into the foreseeable future. As at December 31, 2022, the Authority had an accumulated surplus of ZWL186 million and license fees will be reviewed in line with the prevailing hyperinflationary economic environment. The government made a provision of ZWL164.5 million in the 2022 national budget for financial assistance. Including measures put in place by the directors and new revenue streams, preparation of the financial statements on the going concern basis is appropriate. | | | | |