

ZAMBIA ROAD SAFETY TRUST

FINANCIAL STATEMENTS

FOR THE

YEAR ENDED 31 DECEMBER 2021



**P. PONYA AND ASSOCIATES
CHARTERED ACCOUNTANTS OF ZAMBIA
SUITE D 35/37, PERMANENT HOUSE
CAIRO RD, LUSAKA**

ZAMBIA ROAD SAFETY TRUST STATEMENT OF MEMBERS' RESPONSIBILITIES

The NGO Act No. 16 of 2009 requires the Members of the Executive Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or Deficit of the Association for that year. In preparing such financial statements, the Executive Committee is required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the organisation and enable them to ensure that the financial statements comply with the NGO Act No. 16 of 2009. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Executive Committee members confirm that in their opinion:

- (a) The financial statements give a true and fair view of the state of the association's affairs at 31 December 2021 and of its profit and cash flows for the period then ended;
- (b) At the date of this statement there are reasonable grounds to believe that the association will be able to pay its debts as and when these fall due; and
- (c) The financial statements are drawn up in accordance with applicable International Financial Reporting Standards

This statement is made in accordance with a resolution of the Executive Committee.

Signed at Lusaka on 17/03/2023



Chair Person



Treasurer



P. PONYA AND ASSOCIATES

Chartered Accountants of Zambia

Cell: 0977-853329

Permanent House, Cairo Road, Room D 35/37

P.O. Box 36112, Lusaka

Email: Email: p.ponyaandassociates@yahoo.com

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ZAMBIA ROAD SAFETY TRUST

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of **Zambia Road Safety Trust** as set out on pages 6 to 20, which comprise the Statement of Financial Position as at December 31, 2021, and the Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Association as at 31 December 2021, and its financial performance and cash flows for the year then ended and have been prepared in accordance with International Accounting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Zambia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Zambia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

There are no matters in modifying our opinion as regards amounts which may not just be material to the accounts but also pervasive-thereby impacting adversely on the Association's going concern.

Other information

The Executive Committee members are responsible for the other information. The other information comprises the members' Report as required, which we obtained prior to the date of this report. Other information does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Members for the Financial Statements

The Executive Committee members are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting principles on the Accruals basis and in a manner required by generally acceptable accounting principles, and for such internal control as the members determine necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for the 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' 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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company 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.

We communicate with the Executive Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

The **NGO Act No. 16 of 2009**, requires that in carrying out our audit, we consider and report to you on the following matters; we confirm that, in our opinion, the accounting and other records and registers of **Zambia Road Safety Trust** have been properly kept in accordance with the relevant GAAP.

P.PONYA AND ASSOCIATES
Chartered Accountants of Zambia
Permanent House, Ground floor Suite # 36/37
Cairo Road
Lusaka

P.PONYA AND ASSOCIATES
CHARTERED ACCOUNTANTS OF ZAMBIA
P.O. BOX 36112, LUSAKA
CELL: 0977 853329



Philip Ponya

Senior Partner – No. 0001157
AUD/F000027

Date 18/03/2023

ZAMBIA ROAD SAFETY TRUST

STATEMENT OF SUMMARISED COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	NOTE	31.12.2021 ZMW	31.12.2020 ZMW
Income			
Grant income		1,183,485	1,600,177
Other income		-	-
Total		<u>1,183,485</u>	<u>1,600,177</u>
Expenditure			
Administrative expenses		182,400	61,600
Programme expenses		578,670	681,580
Other expenses		15,400	8,500
Total expenditure		<u>776,470</u>	<u>751,680</u>
Surplus/(Deficit) of income over expenditure		<u>407,015</u>	<u>848,497</u>

STATEMENT OF MOVEMENT ON ACCUMULATED FUNDS FOR THE YEAR

	31.12.2021 ZMW	31.12.2020 ZMW
Balance as at 01/01/2021	681,580	-
Net income over expenditure for the year	407,015	681,580
Balance as at 31/12/2021	<u>1,088,595</u>	<u>681,580</u>

ZAMBIA ROAD SAFETY TRUST

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	31.12.2021 ZMW	31.12.2020 ZMW
ASSETS			
Fixed assets	5	33,400	50,100
		<u>33,400</u>	<u>50,100</u>
Current assets			
Debtors & other receivables		-	-
Cash and Bank	4	1,111,195	681,580
		<u>1,111,195</u>	<u>681,580</u>
Total assets		<u><u>1,144,595</u></u>	<u><u>731,680</u></u>
CAPITAL AND LIABILITIES			
Capital and reserves			
Capital Account		-	-
Accumulated Funds		1,088,595	681,580
		<u>1,088,595</u>	<u>681,580</u>
Current liabilities			
Creditors & other payables	6	56,000	50,100
		<u>56,000</u>	<u>50,100</u>
Total Liabilities and Accumulated funds		<u><u>1,144,595</u></u>	<u><u>731,680</u></u>

The financial statements on pages 5 to 12 were approved by the executive Committee

on 17/03/2023 and were signed on its behalf by

.....




} Zambia Road Safety Trust
 Executive Committee
 Members

ZAMBIA ROAD SAFETY TRUST

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	31.12.2021 ZMW	31.12.2020 ZMW
Cash inflow operating activities		
Surplus/deficit before tax	407,015	681,580
Depreciation	<u>16,700</u>	<u>16,700</u>
	423,715	698,280
(Increase) decrease in debtors	-	-
Increase / (decrease) in Creditors	<u>5,900</u>	<u>50,100</u>
	429,615	748,380
Return on investments and servicing of finance:	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Net cash outflow from return on investments and servicing of finance		
Tax paid	-	-
Acquisition of fixed assets	<u>-</u>	<u>(66,800)</u>
	<u>-</u>	<u>(66,800)</u>
Financing activities		
Net inflow / (out flow) from financing activities	<u>-</u>	<u>-</u>
Increase / (decrease) in Cash and Cash Equivalents	429,615	681,580
Cash and Cash Equivalents as at beginning of year	681,580	-
Cash and Cash Equivalents end of year	<u>1,111,195</u>	<u>681,580</u>
Represented by:		
Bank and Cash	<u>1,111,195</u>	<u>681,580</u>
	-	-

Zambia Road Safety Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

1. Principal activity of the Association

The Association's principal activity is to contribute towards creating awareness on the road safety and contributing towards reduction of road traffic injuries and fatalities.

2. Principal accounting policies

The principal accounting policies applied by the Association in the preparation of these financial statements are set out below.

2.1 Basis of presentation

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities' (IFRS and SMEs) and comply with the requirements of the NGO Act No. 16 of 2009. They have been prepared under the historic cost convention. The preparation of financial statements in conformity with the IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies.

2.2 Foreign Currency translation

a. Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Association operates (the 'functional currency'). The financial statements are presented in Zambian kwacha, which is the Association's presentation currency.

b. Transactions and balances

Foreign currency transactions are translated into the functional currency using the rates of exchange prevailing at the dates of transactions. Foreign exchange and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within other (losses) gains-net.'

2.3 Cash and Cash equivalents

Cash on hand and in banks and short term deposits which are held to maturity are stated at nominal value. Cash resources are defined as cash on hand, demand deposits and short term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of the cash flow statement cash and cash equivalents comprise deposits in bank and bank overdraft.

Zambia Road Safety Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

2.4 Trade Receivables

Trade receivables are recognized initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

2.5 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Land & Buildings	2%
Machinery & Equipment	25%
Office Furniture & Equipment	25%
Motor Vehicles	25%

The assets residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is indication of a significant change since the last reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within other gains/ (losses)-net in the statement of comprehensive income.

2.6 Impairment of non-financial assets other than inventories

Assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (CGU's) fair value less costs to sell and value in use. For purposes of assessing impairment, assets are grouped at the

Zambia Road Safety Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

lowest levels for which there are separately identifiable cashflows (CGUs). No-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.7 Income Recognition

Grants, donations and other income are recognized in the period they are received.

2.8 Taxation

The Association is exempt from Taxation under the Income Tax Act, 1996 (As amended).

2.9 Risk Management

Risk is inherent in the Association's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk managements is critical to the Association's continuing viable operations.

a. Price Risk

Currency risk

Certain bank balances are denominated in foreign currencies and therefore lead its existing and future cashflow obligations.

b. Liquidity rate risk

Liquidity risk is the risk that the firm has insufficient funds available to fulfill its existing and future cash flow obligations.

c. Interest rate risk

The Association is exposed to interest rate risk to the extent of the balances of the bank accounts.

d. Credit risk

Credit risk consists mainly of cash deposit, cash equivalents and trade receivables. The Association only deposits cash with major banks with high quality credit rating.

3.0 Amendment to IAS 16 and IAS 38 Clarification of Acceptable methods Depreciation and Amortization

The amendments to IAS 16 prohibits entities from using revenue based depreciation method for items of property, plant and equipment. The amendments to IAS36 introduce a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

- When the intangible asset is expressed as a measure of revenue.
- When it can be demonstrated that revenue and consumption of the economic benefits of the intangible assets are highly correlated.

The amendments apply prospective for annual periods beginning on or after 1 January 2016. The Association uses the straight line method for depreciation and amortization for its property, plant

Zambia Road Safety Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

and equipment, and intangible assets respectively. The Association is convinced that the straight line method is the most appropriate to reflect the consumption of economic benefits inherent in the respective assets. The Association does not expect the amendments to IAS 16 and IAS 18 to have a material impact on the financial statements.

3.1 Capital Commitment

Authorized by the Members
but not Contracted for

31/12/2021
NIL

3.2 Contingent liabilities

There were no contingent liabilities known as at 31 December 2021.

3.3 Surplus/(Deficit) over expenditure is stated after charging up:

	31/12/2021 ZMW	31/12/2021 ZMW
Depreciation	16,700	16,700
Audit fee	12,000	10,000

ZAMBIA ROAD SAFETY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2021

	31.12.2021 ZMW	31.12.2020 ZMW
4 Cash and Bank		
Petty cash	-	-
Bank	1,111,195	681,580
Total	<u>1,111,195</u>	<u>681,580</u>

5 FIXED ASSETS

Owned assets	2021			2020		
	Cost/Valuation ZMW	Accumulated Depreciation ZMW	Carrying Value ZMW	Cost/Valuation ZMW	Accumulated Depreciation ZMW	Carrying Value ZMW
Office Furniture	45,000	(22,500)	22,500	45,000	(11,250)	33,750
Laptop and Printer	21,800	(10,900)	10,900	21,800	(5,450)	16,350
Total	<u>66,800</u>	<u>(33,400)</u>	<u>33,400</u>	<u>66,800</u>	<u>(16,700)</u>	<u>50,100</u>

The carrying amount of property and Equipment can be reconciled as follows

2021	Carrying Value at beginning of the year	Additions	Depreciation	Write back Depreciation	Disposal	Carrying Value at the end of the year
	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW
Owned Assets						
Office Furniture	33,750	-	(11,250)	-	-	22,500
Laptop and Printer	16,350	-	(5,450)	-	-	10,900
Total	<u>50,100</u>	<u>-</u>	<u>(16,700)</u>	<u>-</u>	<u>-</u>	<u>33,400</u>
2020	Carrying Value at beginning of the year	Additions	Depreciation	Write back Depreciation	Disposal	Carrying Value at the end of the year
	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW
Owned Assets						
Office Furniture	-	45,000	(11,250)	-	-	33,750
Laptop and Printer	-	21,800	(5,450)	-	-	16,350
Total	<u>-</u>	<u>66,800</u>	<u>(16,700)</u>	<u>-</u>	<u>-</u>	<u>50,100</u>

	31.12.2021 ZMW	31.12.2020 ZMW
6 Creditors & other payables		
Audit/Accounting fees	12,000	10,000
Payables - Other	44,000	40,100
Total	<u>56,000</u>	<u>50,100</u>

Schedule 1

ZAMBIA ROAD SAFETY TRUST**DETAILED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR****ENDED 31 DECEMBER 2021**

	31.12.2021	Restated 31.12.2020
	ZMW	ZMW
Income		
Grants	1,183,485	1,600,177
Other Income	-	-
Total income	<u>1,183,485</u>	<u>1,600,177</u>
Expenditure		
Audit fees	12,000	10,000
Safe infrastructure for school	430,900	540,630
Printing and Stationery	13,416	50,981
Assorted Utensils	35,200	40,608
Travel expenses	33,400	37,550
Hire of Hall	155,000	38,400
Communication	23,400	42,800
Consultancy fees	10,300	20,708
Bank Charges	922	895
Radio program	61,932	69,225
Total expenditure	<u>776,470</u>	<u>851,797</u>
Net expenditure over income	<u><u>407,015</u></u>	<u><u>748,380</u></u>

ZAMBIA ROAD SAFETY TRUST

CASH ANALYSIS FOR THE YEAR 31 DECEMBER 2021

Schedule 2

	CAPITAL EXPENDITURE ZMW	ADMINISTRATION EXPENSES ZMW	GENERAL EXPENSES ZMW	PROGRAM EXPENSES ZMW	31/12/2021 TOTAL ZMW
RECEIPTS					
Balance b/fwd	-	-	-	-	-
Grants	-	118,348	23,670	1,041,467	1,183,485
Other Income	-	-	-	-	-
TOTAL RECEIPTS	-	118,348	23,670	1,041,467	1,183,485
PAYMENTS					
Audit fees	-	12,000	-	-	12,000
Safe school infrastructure	-	-	-	430,900	430,900
Printing and Stationery	-	-	-	13,416	13,416
Assorted Utensils	-	-	-	35,200	35,200
Travel expenses	-	33,400	-	-	33,400
Office rent	-	-	-	155,000	155,000
Communication	-	17,650	2,250	3,500	23,400
Consultancy fees	-	-	-	10,300	10,300
Bank Charges	-	-	-	922	922
Radio program	-	-	-	61,932	61,932
Office Furniture	-	-	-	-	-
Laptop and Printer	-	-	-	-	-
TOTAL PAYMENTS	-	63,050	2,250	711,170	776,470
BALANCE C/FWD	-	55,298	21,420	330,297	407,015