

ZAMBIA ROAD SAFETY TRUST

FINANCIAL STATEMENTS

FOR THE

YEAR ENDED 31 DECEMBER 2025



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

ZAMBIA ROAD SAFETY TRUST
Financial statements for the year ended 31 December 2025

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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 2025 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 21st May 2020

Chair Person

Treasurer



P. PONYA AND ASSOCIATES

Chartered Accountants of Zambia
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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, 2025, 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 2025, 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
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Lusaka

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

Philip Ponya
Senior Partner – AUD/F000027

Date 21st May 2020

ZAMBIA ROAD SAFETY TRUST

STATEMENT OF SUMMARISED COMPREHENSIVE INCOME FOR THE YEAR
ENDED 31 DECEMBER 2025

	NOTE	31.12.2025 ZMW	31.12.2024 ZMW
Income			
Grants and Donations and Legacies			
Other income		7,212,829	5,300,000
FX Loss		-	-
Total		<u>(1,229,262)</u>	<u>-</u>
		<u>5,983,567</u>	<u>5,300,000</u>
Expenditure			
Administrative expenses		2,573,112	1,717,358
Programme expenses		5,652,018	2,992,530
Other expenses		-	208,335
Total expenditure		<u>8,225,130</u>	<u>4,918,223</u>
Surplus/(Deficit) of income over expenditure		<u>(2,241,563)</u>	<u>381,777</u>

STATEMENT OF MOVEMENT ON ACCUMMULATED FUNDS FOR THE YEAR

	Revaluation Reserve ZMW	Retained Earnings ZMW	31/12/2025 Total ZMW	31/12/2024 ZMW
Balance as at 01/01/2025	-	3,002,275	3,002,275	2,620,498
Movement	195,151	-	195,151	-
Net income over expenditure for the year	-	(2,241,563)	(2,241,563)	381,777
Balance as at 31/12/2025	<u>195,151</u>	<u>760,712</u>	<u>955,863</u>	<u>3,002,275</u>


ZAMBIA ROAD SAFETY TRUST

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	31.12.2025 ZMW	31.12.2024 ZMW
ASSETS			
Fixed assets	5	<u>395,124</u>	<u>791,590</u>
		395,124	791,590
Investment in Subsidiaries			
Investment	8	<u>538,000</u>	<u>-</u>
		538,000	-
Current assets			
Debtors & other receivables	7	536,863	-
Cash and Bank	4	<u>133,876</u>	<u>2,241,563</u>
		670,739	2,241,563
Total assets		<u>1,603,863</u>	<u>3,033,153</u>
Equity & Liabilities			
Revaluation		195,151	-
Accumulated Funds		<u>760,712</u>	<u>3,002,275</u>
		955,863	3,002,275
Current liabilities			
Creditors & other payables	6	<u>648,000</u>	<u>30,878</u>
		648,000	30,878
Total Liabilities and Accumulated funds		<u>1,603,863</u>	<u>3,033,153</u>

The financial statements on pages 5 to 14 were approved by the executive Committee

on 21st May 2026 and were signed on its behalf by

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Zambia Road Safety Trust
 Executive Committee
 Members

ZAMBIA ROAD SAFETY TRUST

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	31.12.2025 ZMW	31.12.2024 ZMW
Cash inflow operating activities		
Surplus/deficit before tax	(2,241,563)	381,777
Depreciation	<u>641,617</u>	<u>250,847</u>
	(1,599,946)	632,624
(Increase) decrease in debtors	(536,863)	511,704
Increase / (decrease) in Creditors	<u>617,122</u>	<u>(7,793)</u>
	(1,519,687)	1,136,535
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	-	-
Investments revaluation	(538,000)	-
Disposal of fixed assets	-	-
Acquisition of fixed assets	<u>(50,000)</u>	<u>(870,000)</u>
	(588,000)	(870,000)
Financing activities		
Net inflow / (out flow) from financing activities	<u>-</u>	<u>-</u>
Increase / (decrease) in Cash and Cash Equivalents	(2,107,687)	266,535
Cash and Cash Equivalents as at beginning of year	2,241,563	1,975,028
Cash and Cash Equivalents end of year	<u>133,876</u>	<u>2,241,563</u>
Represented by:		
Bank and Cash	<u>133,876</u>	<u>2,241,563</u>

Zambia Road Safety Trust
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025

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 2025

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 2025

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 2025

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

31/12/2025
NIL

3.2 Contingent liabilities

There were no contingent liabilities known as at 31 December 2025.

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

	31/12/2025	31/12/2024
	ZMW	ZMW
Depreciation	641,617	250,847
Audit fee	16,000	14,000

ZAMBIA ROAD SAFETY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

5 FIXED ASSETS

	2025		2024		Carrying Value ZMW	Accumulated Depreciation ZMW	Carrying Value ZMW	Accumulated Depreciation ZMW	Carrying Value ZMW
	Cost/Valuation ZMW	Revaluation ZMW	Cost/Valuation ZMW	Write back Depreciation ZMW					
Owned assets									
Motor Vehicles	212,498	100,002	945,078	-	250,000	(62,500)	(211,540)	733,538	
Office Furniture	136,287	95,149	136,287	-	95,470	(135,966)	(101,894)	34,393	
Laptop and Printer	146,019	-	96,019	-	49,654	(96,365)	(72,360)	23,659	
Total	494,804	195,151	1,177,384	-	395,124	(294,831)	(385,794)	791,590	
The carrying amount of property and Equipment can be reconciled as follows									
	2025		2024		Carrying Value at the end of the year ZMW	Disposal ZMW	Carrying Value at the end of the year ZMW		
Owned Assets	Carrying Value at beginning of the year ZMW	Revaluation ZMW	Additions ZMW	Write back Depreciation ZMW					
Motor Vehicles	733,538	100,002	-	-	250,000	-	250,000		
Office Furniture	34,393	95,149	-	-	(34,072)	-	95,470		
Laptop and Printer	23,659	-	50,000	-	(24,005)	-	49,654		
Total	791,590	195,151	50,000	-	(641,617)	-	395,124		
	2024		2025		Carrying Value at beginning of the year ZMW	Disposal ZMW	Carrying Value at the end of the year ZMW		
Owned Assets	Carrying Value at beginning of the year ZMW	Revaluation ZMW	Additions ZMW	Write back Depreciation ZMW					
Motor Vehicles	56,308	-	870,000	-	(192,770)	-	733,538		
Office Furniture	68,465	-	-	-	(34,072)	-	34,393		
Laptop and Printer	47,664	-	-	-	(24,005)	-	23,659		
Total	172,437	-	870,000	-	(250,847)	-	791,590		

* Valuations should generally be conducted by a third party and by a professional valuers. Since it was the considered opinion of the Directors to revalue the assets, no professional valuation was conducted.

ZAMBIA ROAD SAFETY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

	31.12.2025 ZMW	31.12.2024 ZMW
4 Cash and Bank		
Petty cash	-	-
Bank	133,876	2,241,563
Total	<u>133,876</u>	<u>2,241,563</u>
6 Creditors & other payables	31.12.2025 ZMW	31.12.2024 ZMW
Audit/Accounting fees	16,000	14,000
Staff Benefits		
Napsa - Employer Contribution	65,000	-
Napsa - Employee Contribution	65,000	-
ZRA/ PAYE Outstanding	75,000	-
Gratuity Provision - Employees	407,000	-
	612,000	
Payables - Other	20,000	16,878
Total	<u>648,000</u>	<u>30,878</u>
7 Grant & Other Receivables	ZMW	ZMW
Donor Receivables	505,363	-
Other Receivables- Staff Loans	31,500	-
Total	<u>536,863</u>	<u>-</u>
8 Investment in subsidiary	ZMW	ZMW
Investment - Vehicles	460,000	-
Investment - Seed Capital (Cash invested)	78,000	-
Total	<u>538,000</u>	<u>-</u>

Schedule 1

ZAMBIA ROAD SAFETY TRUST**DETAILED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR
ENDED 31 DECEMBER 2025**

	31.12.2025	Restated 31.12.2024
	ZMW	ZMW
Income		
Grants and Donations Legacies	7,212,829	5,300,000
FX Loss	<u>(1,229,262)</u>	<u>-</u>
Total income	<u>5,983,567</u>	<u>5,300,000</u>
Expenditure		
Audit fees	16,000	14,000
School/Road Safety infrastructure	4,950,401	2,936,018
Depreciation	641,617	250,847
Napsa Contributions - Employer	65,000	-
ZRA/PAYE	75,000	-
NHIMA	16,280	-
Employee Gratuity Provision	407,000	-
Security	60,000	-
Printing and Stationery	62,000	55,323
Other Expenses	14,000	11,461
Travel expenses	80,000	72,200
Salaries & wages	1,636,140	963,480
Office rent	168,000	168,000
Communication	20,000	15,008
Bank Charges	13,692	16,877
Total expenditure	<u>8,225,130</u>	<u>4,503,214</u>
Net expenditure over income	<u><u>(2,241,563)</u></u>	<u><u>796,786</u></u>

ZAMBIA ROAD SAFETY TRUST
CASH ANALYSIS FOR THE YEAR 31 DECEMBER 2025

Schedule 2

	CAPITAL EXPENDITURE ZMW	ADMINISTRATION EXPENSES/DONATIONS ZMW	GENERAL EXPENSES ZMW	PROGRAM EXPENSES ZMW	31/12/2025 TOTAL ZMW
RECEIPTS					
Balance b/fwd	-	-	-	-	-
Grants	-	2,573,112	-	4,639,717	7,212,829
FX Loss	-	-	-	(1,229,262)	(1,229,262)
Other Income	-	-	-	-	-
TOTAL RECEIPTS	-	2,573,112	-	3,410,455	5,983,567
PAYMENTS					
Audit fees	-	16,000	-	-	16,000
School/Road Safety infrastructure	-	-	-	5,592,018	5,592,018
Napsa Contributions - Employer	-	65,000	-	-	65,000
ZRA/PAYE	-	75,000	-	-	75,000
NHIMA	-	16,280	-	-	16,280
Employee Gratuity Provision	-	407,000	-	-	407,000
Security	-	-	-	60,000	60,000
Printing and Stationery	-	62,000	-	-	62,000
Other Expenses	-	14,000	-	-	14,000
Travel expenses	-	80,000	-	-	80,000
Salaries & wages	-	1,636,140	-	-	1,636,140
Office rent	-	168,000	-	-	168,000
Communication	-	20,000	-	-	20,000
Professional/Consultancy fees	-	-	-	-	-
Bank Charges	-	13,692	-	-	13,692
Radio program	-	-	-	-	-
Motor Vehicle	-	-	-	-	-
Office Furniture	-	-	-	-	-
Laptop and Printer	-	-	-	-	-
TOTAL PAYMENTS	-	2,573,112	-	5,652,018	8,225,130
BALANCE C/FWD	-	-	-	(2,241,563)	(2,241,563)