



ZIMRA 2024 ANNUAL REPORT

INTEGRITY | TRANSPARENCY | FAIRNESS
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THIS REPORT

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Executive Summary

Key Achievements


 Successfully implemented the Tax and Revenue Management System (TaRMS)


 Enhanced tax administration efficiency


 Improved taxpayer experience through streamlined processes

Revenue collected **ZWG 116.47 billion**


 Target surpassed by 10.26%

Revenue Performance

Major Revenue contributions



Intermediated Money Transfer Tax Growth




Mining Royalties & Excise Duties

Underperformed due to declining global commodity prices and shifts in consumer preferences towards low-cost smuggled alternatives respectively.

Strategic Priorities

100,000
New taxpayers in 2025



Leveraging technology to improve service delivery,



Fostering partnerships for data sharing



Implementing robust compliance measures to mitigate revenue leakages.

To optimize operations through ISO certification

Challenges

① Tax Evasion

② Non-Compliance In The Informal Sector

③ Currency Volatility

④ Resource Constraints

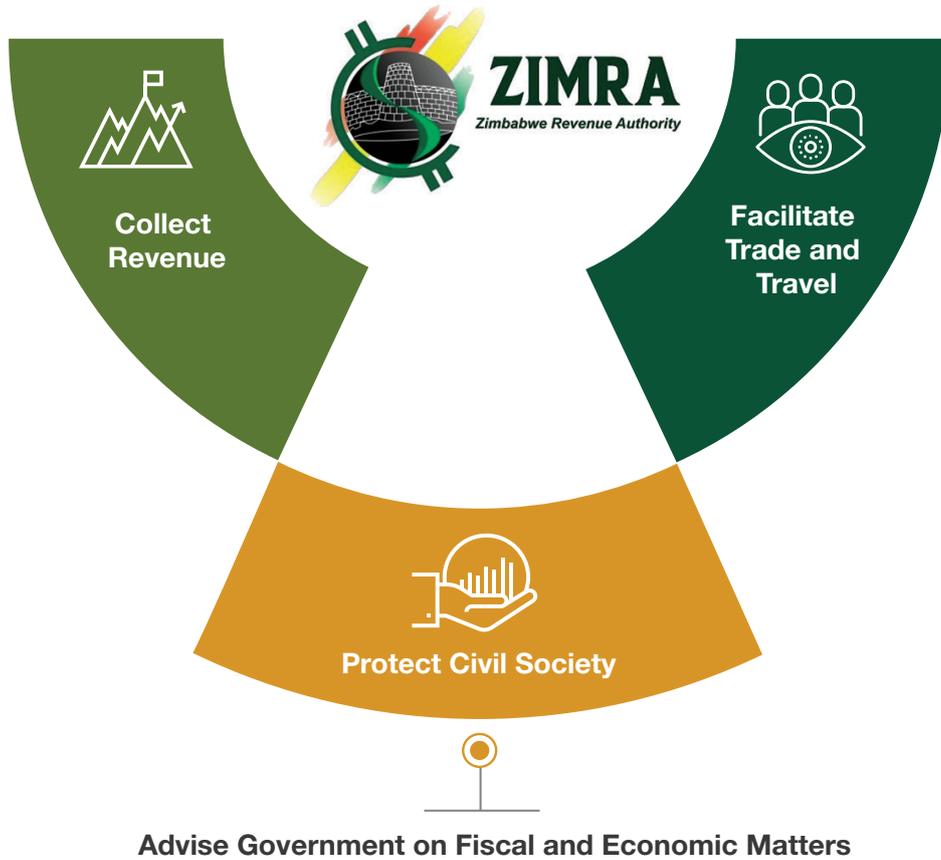
⑤ Over-Dependence On A Few Economic Sectors

Outlook

As we approach 2025, ZIMRA is optimistic about meeting its revenue targets, supported by government-led macroeconomic interventions and improved taxpayer services. Domestic economic growth, projected at 5.5%, and targeted fiscal policies will directly strengthen revenue collection. ZIMRA remains focused on navigating challenges such as inflation and external economic pressures, ensuring sustainability and effective governance in its operations to secure strengthened revenue collection.

ZIMRA's commitment to innovation, strategic partnerships, and enhanced compliance measures positions it well for continued success in revenue collection and service delivery, ultimately positively contributing to Zimbabwe's economic development.

Mandate, Vision, Mission and Values



List of Acronyms

AGM	Annual General Meeting
ASYCUDA	Automated Systems for Customs Data
ATAF	African Tax Administration Forum
BMS	Block Management System
CBN	Collective Bargaining Negotiations
CGT	Capital Gains Tax
CGWT	Capital Gains Withholding Tax
CID	Criminal Investigations Department
CVR	Central Vehicle Registry
DFIR	Dividends, Fees, Interest and Remittances
ERM	Enterprise Risk Management
GDP	Gross Domestic Product
IAS	International Accounting Standards
ICT	Information Communication Technology
IFRSs	International Financial Reporting Standards
IMF	International Monetary Fund
IPMZ	Institute of People Management of Zimbabwe
IPSAs	International Public Sector Accounting Standards
IRBM	Integrated Results Based Management
KPI	Key Performance Indicator
MoFED&IP	Ministry of Finance and Economic Development & Investment Promotion
MOU	Memorandum of Understanding
NDS1	National Development Strategy 1
NGOs	Non-Governmental Organisations
NPA	National Prosecuting Authority
OECD	Organisation for Economic Co-operation and Development
OPC	Office of the President and Cabinet
OSBP	One-Stop Border Post
PAYE	Pay As You Earn
PECOG	Public Entities Corporate Governance Act [Chapter 10:31]
PCA	Post Clearance Audit
PMU	Procurement Management Unit
PPPs	Public-Private Partnerships
PRAZ	Procurement Regulatory Authority of Zimbabwe
RBZ	Reserve Bank of Zimbabwe
RIB	Removal in Bond
RTGS	Real Time Gross Settlement
SADC	Southern African Development Community
SAP	Systems Application and Product
SI	Statutory Instrument
TaRMS	Tax and Revenue Management System
TIP	Temporary Import Permit
UNCTAD	United Nations Conference on Trade and Development
USA	United States of America
USAID	United States Agency for International Development
VAT	Value Added Tax
WHT	Withholding Tax
WTO	World Trade Organisation
ZACC	Zimbabwe Anti-Corruption Commission
ZIMRA	Zimbabwe Revenue Authority
ZINARA	Zimbabwe National Roads Administration
ZNA	Zimbabwe National Army
ZRP	Zimbabwe Republic Police

Board Chairman's Foreword

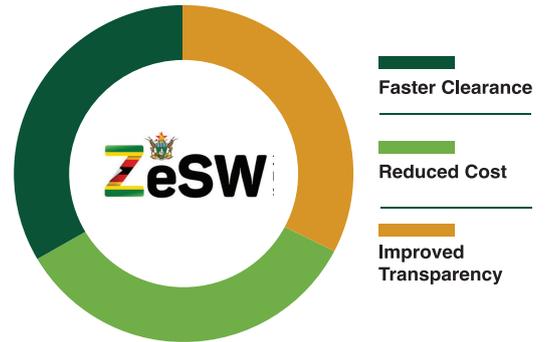
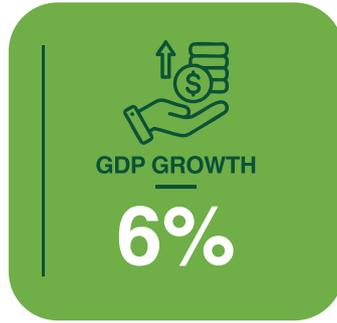
On behalf of the Board, I have the honour to reflect on ZIMRA's ardent pursuit of impactful changes as outlined in the 2021–2025 Strategy. This year has been marked by significant advancements in the Authority's digital transformation agenda and a steadfast commitment to enhancing service delivery. Moreover, this report provides an important opportunity to review the final phase of our five-year strategic journey, which began in 2021 and will be concluded in 2025.

The 2021–2025 Strategy, anchored on the Integrated Results-Based Management System, is aligned with the Government's National Development Strategy 1 (NDS1), which seeks to catalyse inclusive economic growth, industrialisation, and governance reform. ZIMRA's contribution to NDS1 has been evident in its efforts to mobilise domestic resources, promote voluntary compliance, and facilitate trade through modernised border management systems.

Throughout 2024, ZIMRA delivered considerable progress, including the implementation of the Tax and Revenue Management System (TaRMS) and the Fiscalisation Data Management System (FDMS). These projects significantly enhanced transparency, efficiency, and taxpayer experience in the Domestic Taxes domain, laying the groundwork for smarter, data-driven administration.

“Throughout 2024, ZIMRA delivered considerable progress, including the implementation of the Tax and Revenue Management System (TaRMS) and the Fiscalisation Data Management System (FDMS).”





As we pivot to 2025, ZIMRA's strategic focus intensifies around automation of Customs processes, which forms the core pillar of our strategy for the final year of the plan. Projects such as the Zimbabwe Electronic Single Window (ZeSW), Drone Surveillance, and the ASYCUDA World upgrade are being scaled up to modernise border management, improve trade facilitation, and bolster compliance through intelligent risk profiling and automated decision-making.

At the same time, 2025 will see the consolidation and winding up of our transformative domestic tax digitisation projects, TaRMS and FDMS. With these now operational, focus shifts to optimisation, user adoption, and integration with third-party platforms to enhance compliance oversight and analytical capability. These developments underscore ZIMRA's commitment to innovation, institutional resilience, and improved service delivery.

The Authority is unwavering in its determination to meet the 2025 revenue target of \$7.2 billion USD equivalent. This target will be pursued through expanded audit coverage, targeted sector interventions, formalisation of the informal sector, and intensified taxpayer education and enforcement. A projected GDP growth of 6% and stabilising macroeconomic indicators further strengthen the outlook for revenue mobilisation.

We remain proud of the strategic partnerships forged across government agencies, financial institutions, and development partners, which have enhanced operational synergy and facilitated integrated service delivery. These collaborations are essential as we transition into the next planning cycle post-2025.

Gratitude

In closing, I wish to express my deepest gratitude to the ZIMRA Board, Management, and Staff for their relentless commitment to service excellence. I also extend heartfelt appreciation to the Minister of Finance, Economic Development and Investment Promotion, Honourable Professor M. Ncube, Deputy Minister Honourable D.K. Mhangagwa, the Permanent Secretary Mr. G.T. Guvamatanga, and the Ministry staff for their steadfast support and policy guidance.

Lastly, to our valued taxpayers—your compliance is the cornerstone of our national development agenda. Together, we will continue building a fiscally sound Zimbabwe in pursuit of Vision 2030.

Thank you.



Mr. A. Mandiwanza
ZIMRA Board Chairman

Commissioner General's Statement

It is with great honour to present this report of ZIMRA's operational performance for the year ended 31 December 2024. The review outlines the Authority's efforts in implementing the 2021–2025 Strategy—a comprehensive framework designed to strengthen operational effectiveness and contribute meaningfully to national development, particularly within the scope of the National Development Strategy 1 (NDS1).

Operational Performance Highlights

In 2024, ZIMRA made significant strides in operational transformation, underscored by the rollout of high-impact projects including the Tax and Revenue Management System (TaRMS), Fiscalisation Data Management System (FDMS), the Zimbabwe Electronic Single Window (ZeSW), and the Drone Surveillance Project. These initiatives have collectively improved revenue collection, border surveillance, trade facilitation, and compliance oversight—strengthening ZIMRA's operational footprint.

The implementation of TaRMS marked a turning point in tax administration. TaRMS addressed long-standing inefficiencies in taxpayer service delivery by automating core processes such as tax clearance issuance and payment reconciliation. The improved system has significantly enhanced the client experience, driving voluntary compliance and operational efficiency.

“TaRMS addressed long-standing inefficiencies in taxpayer service delivery by automating core processes such as tax clearance issuance and payment reconciliation.”



Revenue Performance

ZIMRA surpassed its 2024 net revenue target, collecting ZWG 116.47 billion against a target of ZWG 105.63 billion, achieving a 10.26% positive variance. This outcome is a testament to the efficacy of the Authority's revenue mobilisation strategies and the steadfast dedication of staff in navigating a complex and often volatile economic environment.

Revenue Composition and Growth Trends

The following tax types were the primary contributors to 2024 collections:

Tax Type	% Contribution	% Real Growth
VAT	31.21%	39.46%
PAYE	19.38%	56.50%
Excise Duty	11.90%	20.72%
Corporate Income Tax	13.40%	85.29%
Customs Duty	6.09%	-6.83%
IMTT	5.71%	83.37%
Mining Royalties	3.26%	62.89%
Other Taxes	7.67%	239.21%

This performance reflects broad-based growth across multiple tax heads, including a notable surge in Intermediated Money Transfer Tax (IMTT) due to increased digital transactions, and a solid performance in PAYE and CIT, largely driven by inflation-linked salary adjustments and profit declarations across sectors.

Organisational Efficiency and Quality Assurance

The pursuit of ISO 9001:2015 certification remained a critical pillar of ZIMRA's operational reforms in 2024. Progress in internal audits, quality awareness training, and systems documentation positions the Authority favourably for certification in 2025. This milestone will entrench quality management principles and institutionalise service excellence across the organisation.

Acknowledgements

I extend my sincere appreciation to the Honourable Minister of Finance, Economic Development and Investment Promotion, Professor M. Ncube, Deputy

Minister Honourable D.K. Mhangagwa, and Permanent Secretary Mr. G.T. Guvamatanga for their consistent guidance and support.

I also wish to commend the ZIMRA Board for its robust strategic oversight, and express my deepest gratitude to ZIMRA staff across all departments for their resilience, professionalism, and unwavering commitment to our mandate.

Lastly, I thank our compliant taxpayers, whose diligence and responsibility underpin the Authority's efforts and Zimbabwe's developmental agenda.

Together, we are building a revenue administration that is modern, trusted, and resilient—fully aligned with national priorities and global best practices.



Ms. R. Chinamasa
Commissioner General

2024 Operating Environment and 2025 Outlook

“Zimbabwe’s economic growth moderated to approximately 1.8% in 2024, down from 5.3% in 2023, primarily due to the severe impact of El Niño-induced drought conditions on agricultural output.”

Global Operating Environment

The global economy grew by 3.2% in 2024 from the 3.3% growth registered in 2023, with advanced economies such as the USA, Europe and Japan registering real growth of 2.8%, 0.8% and -0.2% respectively. Emerging economies like China and Russia recorded respective growth of 4.8% and 3.8%. Global economic growth in 2024 was on account of economic expansion in the USA, economic resilience in China and Russia as well as declining global interest rates.

Persistent geopolitical tensions, particularly the ongoing effects of the Russia-Ukraine conflict and tensions in the Middle East, continue to create a volatile environment, affecting global trade, energy prices, and supply chain stability. Negative effects of La Nina on agriculture and slower than anticipated growth in China affected the demand for commodities, particularly metals, negatively impacting on the performance of the mining sector, particularly mining royalties revenue. Additionally, the year recorded a significant push towards renewable energy, with solar and battery technology playing a key role in reshaping global energy systems. This, coupled with the increasing advocacy for clean energy, suggests that the demand for fossil fuels such as coal, may decrease in the coming years, while opportunities for lithium use are likely to expand. However, the falling global prices of lithium will continue to negatively affect the performance of mining royalties revenue. Conversely, beneficiation of lithium presents opportunities for growth in lithium mining, and subsequent revenue gains in the form of domestic taxes.

Regional Operating Environment

Economic performance within the Southern African Development Community (SADC) showed substantial improvements, with regional growth rising to approximately 3.2%, up from 1.6% in 2023. The performance was largely driven by increasing

trade volumes and declining inflation. However, risks such as elevated debt levels, insufficient fiscal space, and subdued investment inflows continued to constrain various countries within the region, Zimbabwe included. This has increased pressure on domestic resource mobilisation, calling for ZIMRA to collect more revenue, particularly from the informal sector and digital platforms.

The Sub-Saharan Africa registered an estimated growth of 3.5% in 2024. Inflation eased from approximately 7.1% in December 2023 to around 5.8% by the end of 2024, supported by prudent monetary policies across various economies. Zimbabwe, through strict monetary policies, managed to stabilise inflation, with month-on-month inflation closing the year at 3.7% for the ZWG and 0.6% for USD inflation, creating a conducive operating environment for business. Nevertheless, external shocks, including commodity price volatility and adverse climatic phenomena like El Niño, posed threats, complicating policy responses and resource allocation. Additionally, high public debt and increasing debt service costs are limiting resources available for development spending, exerting pressure on Governments to rely more on tax revenue.

Tropical cyclones and storms have continued to disrupt economic activities in sectors like agriculture, tourism, and mining across African countries. Additionally, ongoing conflict in the Democratic Republic of Congo (DRC) has adversely impacted African economies, as resources that were originally designated for development have been redirected towards peacekeeping efforts and humanitarian aid. Disturbances in Mozambique also disrupted trade and increased the cost of imports as importers had to use alternative ports.

Domestic Operating Environment

Zimbabwe's economic growth moderated to approximately 1.8% in 2024, down from 5.3% in 2023, primarily due to the severe impact of El Niño-induced drought conditions on agricultural output. Agricultural sector productivity declined significantly, necessitating increased food imports, thereby exerting additional pressure on the country's balance

of payments. Despite the downward revision of GDP, some sectors experienced substantial growth in 2024, and these include Information and Communication (11.3%), and Construction (5.7%). Mining and Quarrying on the other hand, grew by 9.7% in 2024, up from 5.3% in 2023. Accommodation and Food Services went down to 1.5% from the projected 12% on account of unanticipated decline in bed occupancy. Although gold prices were firm during the year, PGM and lithium prices remained depressed, negatively impacting on the performance of the mining sector.

The interbank exchange rate closed the year at ZWG25.80 from ZWG13.56 in April against the USD. The foreign exchange rate arbitrage continued to distort the pricing system, between the ZWG and the USD.

The Government's fiscal strategy continued to emphasize on revenue mobilization through targeted taxation, including adjustments in taxes and customs duties. However, the taxation of the informal sector

ZWG month on month inflation

▲ 50% at the beginning of the year.

▼ 3.7% by year-end

remains a challenge, creating unfair competition against formal businesses. As a result, formal businesses, particularly those in the retail sector, downsized while other operators opted for the corporate rescue route, leading to a tax base contraction.

On the other hand, measures were undertaken to manage currency stability and control inflation through the introduction of the ZWG. Consequently, ZWG monthly inflation toned-down to 3.7% by year-end from levels exceeding 50% at the beginning of the year.

Energy infrastructure showed notable improvement, with an additional 600 Megawatts capacity at the Hwange Power Station easing some electricity supply constraints. Nonetheless, erratic power supply remained a challenge, adversely affecting industrial production and overall economic competitiveness. Industry capacity utilisation declined to 52.1% in 2024

from 53.2% registered in 2023, pointing to reduced economic activities and profitability of companies. This resulted in corporate income tax performing below expectations in 2024.

2025 Outlook

Global Outlook

The global economy is projected to grow to 3.3% in 2025, from 3.2% in 2024. In this instance, indications are pointing to better economic performance in 2025 as compared to 2024, with global trade in goods and services set to expand by 3.4%. Recent developments in the USA trade and foreign policies, marked by increased tariffs, heightened protectionism and aid cuts, present potential challenges for developing economies, Zimbabwe included. Rising global trade barriers could disrupt commodity exports and reduce foreign direct investments, negatively impacting on revenue collection and fiscal policy environment, particularly in developing countries.

Regional Outlook

Economic performance in the Sub-Saharan Africa is anticipated to improve from a growth of 3.5% in 2024 to 3.9% in 2025. Although many countries in the region are among the fastest-growing economies globally, resource-dependent nations, especially oil exporters, continue to face challenges with lower growth rates.

The SADC economy is projected to stabilise further and grow by 4.1%, driven by progressive fiscal reforms and prudent monetary policies across member states. Within the Southern African region, projected economic growth for 2025 is expected to vary as follows: South Africa (1.3%), Botswana (4.3%), Zambia (6.1%), Mozambique (5.0%) and Namibia (3.6%). However, risks persist, notably the DRC conflict and geopolitical uncertainties influencing global trade dynamics.

Domestic Outlook

In 2025, the domestic economy is expected to grow by 6%, indicating higher anticipated growth from 2024. The anticipated growth exceeds the averages of 3.3% for SADC and 3.5% for Sub-Saharan Africa.

The manufacturing sector is projected to grow by 2.4%,

following a growth rate of 2% in 2024, with the growth expected to be driven by subsectors such as foodstuffs, drinks and beverages, metals and metal products. In this regard, the sub-sectors are expected to contribute significantly to tax revenue in 2025.

In addition, the mining and quarrying sector is anticipated to register a growth of 2.9% due to rising gold prices on the global market and increasing local production. As a result, revenue from the sector is likely to improve, in particular, mining royalties from gold and other domestic taxes. There are opportunities for revenue growth in lithium mining as the world shifts towards clean energy sources like solar power and lithium batteries.

Furthermore, the agriculture sector is estimated to expand by 21.1%, supported by an improvement in the agricultural season. Despite the sector having tax concessions, the growth will have a positive impact on downstream industries and subsequently lead to enhanced revenue collections. The transition from plastic to more sustainable alternatives like cotton and bamboo is expected to drive higher demand, creating opportunities in the agriculture sector.

Industry capacity utilisation is forecasted to grow from 52.1% in 2024 to 54% in 2025. High capacity utilisation is expected in sub-sectors such as drinks, tobacco and beverages (59%), foodstuffs (56%), metals and metal products (54%) and non-metallic mineral products (53%). Furthermore, the introduction of tax on fast foods is expected to enhance revenue in 2025

Conversely, the withdrawal of funding from USAID will have a negative impact on the operations of several NGOs, leading to job cuts and subsequently constrained PAYE revenue. The demand for revenue will increase as the Government takes over expenditure that was previously handled by the donor community.

The implementation of targeted fiscal policies and continued infrastructural investments is expected to foster a more stable economic environment. However, resilience to climate-induced shocks and global economic fluctuations will be critical to achieving sustained growth.

Organisational Overview

The ZIMRA Board



Mr. Anthony S Mandiwanza
Board Chairperson



Mrs. Josephine Matambo
Vice Board Chairperson



Dr. Grace Muradzikwa
Finance & Admin.
Committee Chair



Mr. George Guvamatanga
Permanent Secretary Ministry of
Finance, Economic Development
& Investment Promotion



Dr. Ruth Ncube
Risk Committee Chair



Mr. Isaac Kwesu
Audit Committee Chair



Mr. Memory Nguwi
Human Resources
Committee Chair



Ms. Mutsa Remba
Operations Committee Chair



Dr. Bongani Khumalo
Board Member



Dr. Paradza Paradza
ICT Committee Chair



Mr. John Sai Dewah
Board Member



Ms. Regina Chinamasa
Commissioner General

Organisational Overview

Executive Management



Ms. Regina Chinamasa
Commissioner General



Mr. Misheck Govha
Commissioner - Domestic
Taxes



Mr. Batsirai D. Chadzingwa
Commissioner - Customs
and Excise



Mrs. Constance Shumbayawonda
Commissioner - Revenue
Assurance



Mrs. Cynthia T. Mugwira-Jowa
Director - Legal Services



Mr. Phillip L. Vanhuvaone
Director - Human Capital



Mr. Shami Moyo
Director - Information
Communication Technology



Mr. Zabron Marowero
Director - Internal Audit



Mrs. Ethel Chitanda
Director - Finance,
Administration and
Infrastructure, Procurement
Management



Mr. Tapiwa Manyika
Director - Loss Control



Mr. Ernest Masvavike
Director - Strategy,
Research and Innovation



Mr. Tonderai Shonhiwa
Director - Procurement



Ms. Ropafadzai Majaja
Corporate Secretary



Mr. Gladman Njanji
Corporate Affairs Executive



Mr. Tinashe Makambaire
Acting Corporate Risk and
Compliance Executive

Corporate Governance, Risk Management & Audit Assurance

“ZIMRA’s performance and accountability is driven by robust frameworks, structured processes, and a culture of transparency.”

Board Mandate

The Board derives its mandate from the Revenue Authority Act [Chapter 23:11]. This report offers an insider’s look at the unwavering commitment to sound governance, strategic oversight, and uncompromising ethics demonstrated by the dynamic ZIMRA Board.

ZIMRA’s performance and accountability is driven by robust frameworks, structured processes, and a culture of transparency. From the meticulous appointment process of Board Members to the vigilant execution of duties, every facet of the Board’s work is designed to uphold the highest standards and deliver lasting value for stakeholders.

The Board’s key activities, outcomes and the principles guiding decision-making are highlighted in this report.

Board Composition and Structure

Diverse membership: The ZIMRA Board consists of twelve (12) members, comprising seven (7) males and five (5) females. Ten (10) are Non-Executive Directors, with the Commissioner General and the Permanent Secretary for Finance, Economic Development & Investment Promotion serving as Ex-Officio members.

Expertise mix: The Board features a diverse skills mix including Accounting, ICT, Law, Business Management, Risk Management, Economics and Human Resources Management.

Committees structure: The Board operated with seven (7) Committees established under the Revenue Authority Act [Chapter 23:11] and Part V of the Public Entities Corporate Governance Regulations, 2018. All Committees were chaired by Non-Executive Directors. While the Committees had specific responsibilities, the Board retained overall oversight of the Authority’s affairs. Committees’ activities were reported to the Board on a quarterly basis, ensuring comprehensive governance.

ZIMRA BOARD COMMITTEES



Board Meetings

The Board and its Committees held various meetings throughout the year in accordance with Section 33 of the PECO Act [Chapter 10:31]. These included quarterly scheduled meetings, special meetings, statutory meetings with the Minister, and the Annual General Meeting. Special meetings were primarily convened by the Human Resources Committee for human capital issues and by the ICT Committee and Operations Committee, mainly to oversee the TaRMS project and other strategic issues.

2024 – Board & Committee meetings attendance statistics

Name of Board Member	Board Meeting		Integrity Committee		Human Resources Committee		Audit Committee		Risk Committee		Finance & Administration Committee		ICT Committee		Operations Committee		Special Committee	
	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended
Anthony Mandiwanza (Chairman)	15	15	6	6	11	11	4	*	4	*	7	*	5	*	8	*	1	*
Josephine Matambo (Vice-Chairman)	15	15	6	6	11	*	4	4	4	*	7	*	5	5	8	*	1	*
Memory Nguwi	15	14	6	*	11	11	4	*	4	*	7	7	5	*	8	*	1	*
Isaac. Kwesu	15	6	6	*	11	*	4	4	4	1	7	*	5	*	8	*	1	*
Paradza Paradza	15	15	6	*	11	*	4	*	4	4	7	*	5	5	8	8	1	1
Ruth B. Ncube	15	14	6	*	11	*	4	*	4	4	7	7	5	*	8	8	1	1
Mutsa M. J. Remba	15	11	6	*	11	*	4	4	4	*	7	*	5	*	8	8	1	1
Grace Muradzikwa	15	11	6	*	11	9	4	*	4	4	7	7	5	*	8	*	1	1
George. Guvamatanga	15	6	6	*	11	*	4	1	4	*	7	*	5	*	8	-	1	*
Johnsai Dewah	15	15	6	6	11	11	4	*	4	*	7	*	5	5	8	*	1	*
Bongani Khumalo	15	15	6	*	11	*	4	4	4	*	7	7	5	5	8	8	1	1
Regina Chinamasa	15	15	6	6	11	11	4	*	4	4	7	7	5	5	8	8	1	*

Key

* not a member.

-did not attend and an apology was noted

The collective % attendance for 2024 was 94.74%

Annual Board evaluation

An external Consultant coordinated the 2023 Annual Board Evaluation Exercise, identifying strengths and areas for improvement. The outcomes informed development programs for the Board for 2024.

Board fees and allowances

These were paid in accordance with the remuneration framework set by the Office of the President and Cabinet, Corporate Governance Unit, ensuring compliance with national governance standards.

Executive Leadership and Management

The ZIMRA Executive Management, led by the Commissioner General, was responsible for day-to-day operations and strategy execution. Various Management Committees ensured focused attention to different operational matters. While the Executive Management handled daily operations, the Board maintained its oversight role, ensuring alignment with strategic objectives and compliance with governance requirements.

Transparency and Disclosure

ZIMRA upheld principles of transparency and disclosure, with performance regularly communicated to the public. Revenue Performance Reports were published in the Press and posted on the ZIMRA Website. Key governance documents made available on the Authority’s website included the 2021-2025 Strategic Plan, 2023 Annual Report and Audited Financial Statements, the Board Charter, Code of Ethics, Governing Legislation, and the Clients’ Charter. Board resolutions were submitted to the Minister and to the Office of the President and Cabinet, Corporate Governance Unit as required by law.

Enterprise Risk Management

The Authority experienced a transformative year in 2024, marked by notable improvements in risk assessment methodologies, regulatory

adherence and proactive compliance enforcement, all of which contributed to a more structured and data-driven approach to risk management. Commitment to proactive risk management has fortified the resilience of the Authority to the changing environment. ZIMRA successfully navigated challenges, minimised threats, and capitalised on opportunities to enhance operational efficiency through strategic initiatives, innovative solutions, and a culture of continuous improvement.

Strategic Enhancement in Risk Management

A major highlight of the year 2024 was the successful rollout of the 5x5 Risk Matrix in the first quarter, replacing the previous 3x3 framework. This transition introduced a more detailed classification of risk likelihood and impact, enabling more precise decision-making. The enhanced matrix ensures a structured, data-driven approach to risk prioritisation, optimising resource allocation and improving mitigation strategies. The 5x5 matrix in use is as shown below;

Likelihood	1	2	3	4	5
	2	4	6	8	10
	3	6	9	12	15
	4	8	12	16	20
	5	10	15	20	25

Impact

1 - 4	5 - 7	8-10	11-15	16-20	21-25
Very Low	Low	Medium Low	Medium High	High	Critical

Navigating an Evolving Risk Landscape

Risk Index

Operating in an increasingly dynamic and complex environment, the Authority demonstrated strategic agility and foresight in managing emerging risks throughout the year 2024. The Authority effectively mitigated key operational risks by implementing proactive risk assessments, strengthening governance frameworks, and enhancing compliance mechanisms. Resultantly, the overall Risk Index declined significantly from 13.56 in 2023 to 10.94 in 2024, surpassing the target of 11.

RISK INDEX TREND

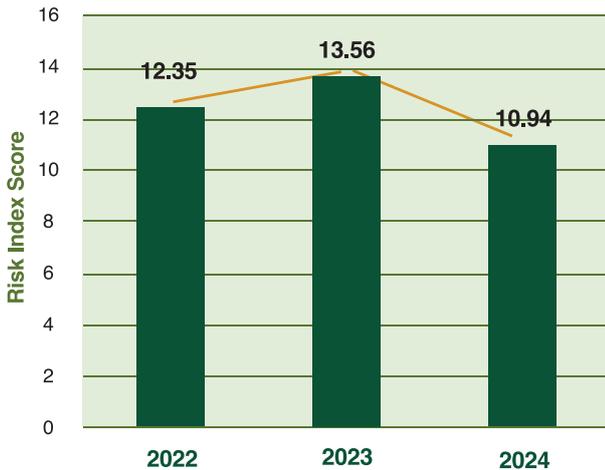


Figure 1: Risk Trend Analysis

This achievement highlights the Authority’s unwavering commitment to operational excellence, fiscal integrity, and sustainable revenue growth, strengthening public trust and stakeholder confidence. By lowering the risk profile, the Authority has not only reinforced internal controls and minimised financial vulnerabilities but also created a foundation for greater efficiency, innovation, and resilience in tax administration.

Compliance Index

The Authority’s ongoing commitment to strengthening compliance oversight saw a significant expansion in the tracking of regulatory compliance obligations, enabling the identification and monitoring of a broader spectrum of compliance risks. The compliance index, for 2024 was 3.78 compared to 3.61 in 2023. While the index remained below the target of 4, it was within an acceptable variance and signified a strong upward trajectory in regulatory adherence.

ANNUAL COMPLIANCE INDEX TREND

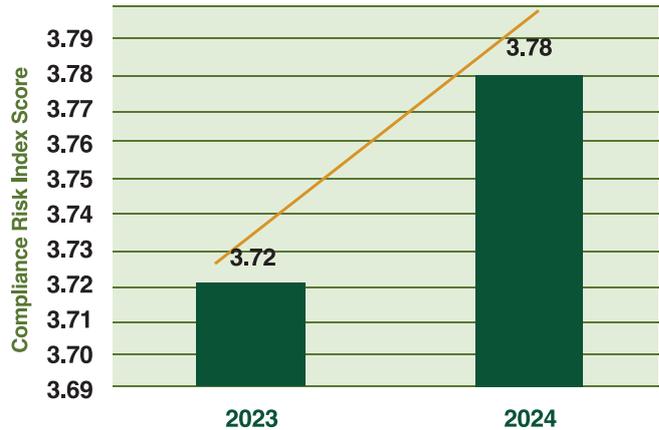


Figure 2: Compliance Risk Index

Cyber and Data Protection

One of the critical regulatory shifts in 2024 was the promulgation of Statutory Instrument 155 of 2024, which introduced licensing requirements for Data Controllers and the appointment of Data Protection Officers under the Cyber and Data Protection Act [Chapter 12:07] which ZIMRA complied with. The Authority enhanced its privacy policies, clearly outlining the data collection and processing mechanisms for all digital platforms. Organisation wide training initiatives were launched to enhance awareness and compliance.

ISO 9001:2015 Quality Management System Certification

The Authority maintained a steadfast commitment to embedding quality management principles, ensuring that processes were aligned with international best practices. ZIMRA continued on the ISO certification journey in 2024. This is meant to enhance operational efficiency, standardise procedures, and elevate service delivery, solidifying the Authority’s position as a benchmark institution in tax administration.

The progress made in 2024, that is, ISO Awareness, Auditing Training and conducting of Internal Audits marks a significant step towards the successful completion of the ISO certification process. With the Standards Association of Zimbabwe Audits 1 and 2 scheduled for Q1 2025, the Authority is on track to achieve certification.

Audit Assurance

The Authority has an independent Internal Audit function that functionally reports to the Audit Committee and administratively to the Commissioner General. The Internal Audit function provided crucial audit assurance by executing the 2024 Risk-Based Audit Plan, spot checks, and ad - hoc assignments. In carrying out its mandate, the Internal Audit Function was guided by the Internal Audit Charter and adhered to international standards on auditing, notably the Institute of Internal Auditors’ standards.

Control Environment

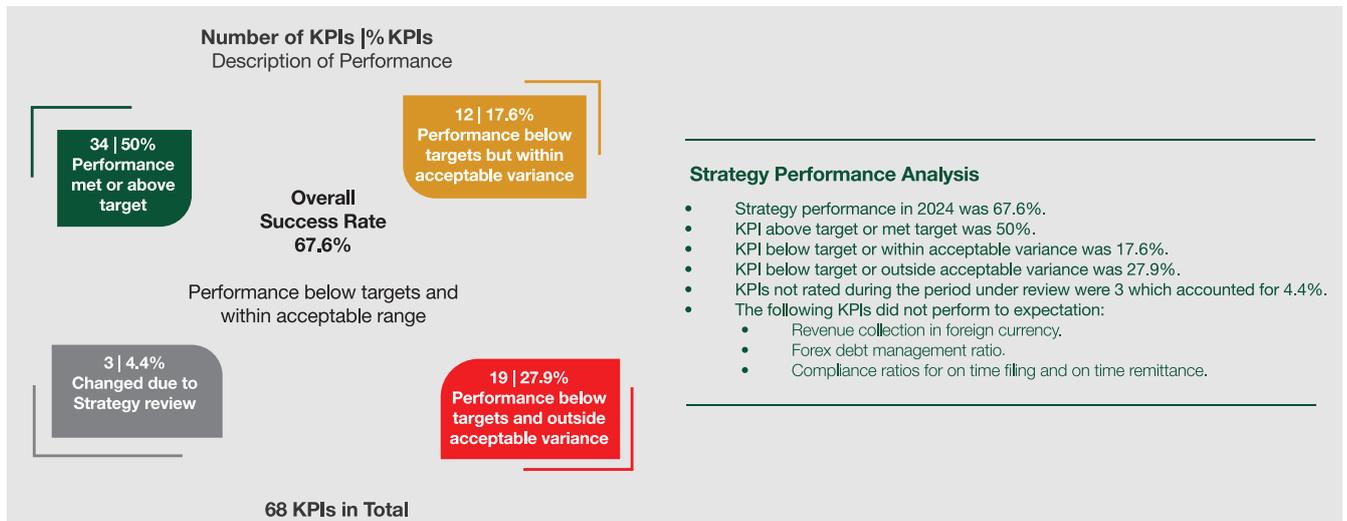
The Internal Audit Function reviewed the Authority’s Control Environment, identified some internal control gaps and improved the effectiveness of internal controls and the efficiency of processes by proffering value-adding audit recommendations. The Audit Committee provided quarterly reviews and guidance.

In addition, the Internal Audit function continued with due diligence and Value for Money (VFM) validations to ensure financial prudence.

Overall, the internal control environment was generally sound. However, control weaknesses highlighted in the various audit reports during the period under review, needed to be addressed in order to improve the effectiveness of the internal controls and the whole control environment.

Strategic Goals and Achievements

Strategy Performance Evaluation



Strategic Outcome 1: Improved Revenue Collection

Revenue collections registered a positive performance, achieving net collections of ZWG116.47 billion, and exceeding the target of ZWG105.63 billion by 10.26% in 2024. The performance was driven by strong results on tax types such as PAYE, Corporate Income Tax, VAT on Local Sales, CGT & CGT Withholding, IMTT, Tobacco Levy, Carbon Tax and Customs Duty which exceeded respective targets. The table below provides a detailed breakdown of 2024 revenue collections by tax type, compared to corresponding targets and 2023 collections.

Table 1: 2024 Revenue Collections against Targets and 2023 Collections

Tax Type	2024 Target	2024 Actual	% Variance	2023 Actual	2024 Real Revenue	2023 Real Revenue	Nominal Growth	Real Growth
PAYE	16,058,626,901.58	22,571,495,345.13	40.56%	13,147,395,025.69	33,211,758,313.79	21,222,117,591.92	71.68%	56.50%
Corporate Income Tax	11,892,473,559.94	15,613,218,784.96	31.29%	7,680,933,502.17	22,973,331,667.12	12,398,324,814.93	103.27%	85.29%
Gross VAT Local Sales	16,174,572,339.68	29,509,883,872.29	82.45%	12,399,809,530.11	43,420,921,655.78	20,621,460,054.47	137.99%	110.56%
Less VAT Refunds	4,105,283,637.21	5,966,029,930.03	45.33%	2,553,170,370.94	8,778,432,314.71	-	133.67%	
Net VAT Local Sales	12,069,288,702.47	23,543,853,942.26	95.07%	9,846,639,159.16	34,642,489,341.07	20,621,460,054.47	139.11%	67.99%
VAT on Imports	17,004,458,000.08	12,811,128,870.60	-24.66%	10,665,247,644.47	18,850,329,110.74	17,736,802,951.48	20.12%	6.28%
Gross Customs Duty	3,994,052,050.48	7,125,852,470.07	78.41%	6,754,490,225.78	10,484,998,286.42	11,233,031,446.25	5.50%	-6.66%
Less Customs Refunds	24,704,531.80	32,658,382.62	32.20%	18,791,306.00	48,053,631.09	31,250,816.61	73.80%	53.77%
Net Customs Duty	3,969,347,518.68	7,093,194,087.45	78.70%	6,735,698,919.78	10,436,944,655.33	11,201,780,629.64	5.31%	-6.83%
Excise Duty	18,937,843,796.79	13,862,711,564.58	-26.80%	10,159,907,638.56	20,397,630,684.94	16,896,399,014.60	36.45%	20.72%
Mining Royalties	4,786,598,195.77	3,799,256,494.43	-20.63%	2,065,319,073.24	5,590,236,115.76	3,431,904,769.54	83.95%	62.89%
WHT on Contracts	975,172,426.71	829,586,308.13	-14.93%	735,623,343.86	1,220,655,501.32	1,223,375,840.07	12.77%	-0.22%
IMTT	2,650,068,268.74	6,655,977,656.89	151.16%	3,211,483,300.78	9,793,623,235.97	5,340,846,118.80	107.26%	83.37%
Other Taxes	12,576,007,718.10	7,119,488,349.47	-43.39%	4,408,435,038.02	10,475,634,102.44	3,088,208,365.65	61.50%	239.21%
CGT & CGT Withholding	443,078,073.24	936,079,363.17	111.27%	407,821,461.91	1,377,349,665.89	678,226,061.92	129.53%	103.08%
Other Indirect Taxes	12,129,976,580.52	5,993,679,012.99	-50.59%	3,880,955,723.29	8,819,115,248.96	2,210,985,728.33	54.44%	298.88%
Tobacco Levy	2,953,064.34	189,729,973.31	6324.85%	119,657,852.82	279,169,187.60	198,996,575.40	58.56%	40.29%
Carbon Tax	1,416,242,464.00	1,588,826,751.24	12.19%	1,052,094,687.80	2,337,803,909.65	1,749,682,406.44	51.02%	33.61%
DFIR	3,298,369,537.84	984,545,415.36	-70.15%	699,196,363.82	1,448,662,744.05	1,162,796,077.78	40.81%	24.58%
Total Net Revenue	105,634,497,090.71	116,473,283,570.49	10.26%	70,407,973,697.36	171,379,099,382.18	116,073,698,635.33	65.43%	47.65%
Total Gross Revenue	105,634,497,090.71	122,471,971,883.14	15.94%	72,979,935,374.30	180,205,585,327.98	116,104,949,451.94	67.82%	55.21%

2024 Revenue Collections against Targets

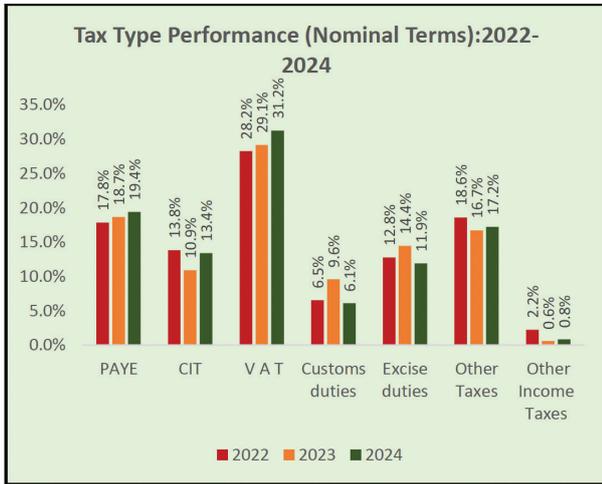
Table 2: IPSAS Compliant Revenue Report

Assessments	142,230,165,528.70
Less refunds	5,999,328,502.77
Less outstanding debt	19,757,553,454.44
Net Collections	116,473,283,570.49

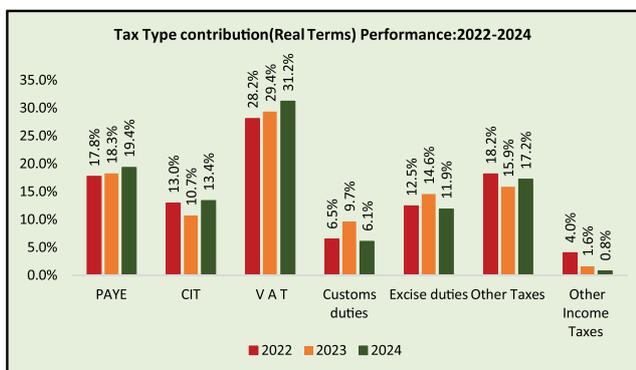
Nominal and Real Revenue Tax Types

The figures below show tax head percentage contribution to total annual revenue in each year. Revenue collections for the years 2022 to 2024 show variations in trend. However, the trends exhibited are almost consistent both in real and nominal terms. PAYE indicated a general upward trend over the period in nominal terms on account of mainly upward adjustments in salaries each year and recruitment of new employees. CIT showed a decline in contribution in 2023 in both nominal and real terms on account of several economic challenges that have bedeviled the corporate sector over the years. VAT has generally been on an upward progression in nominal terms.

Tax Type Performance in Nominal Terms



Revenue Performance in Real Terms



2024 Revenue Contribution by Tax Type

VAT, PAYE, Excise Duties and Corporate Income Tax were the highest contributors to 2024 revenue, contributing a combined 75.90% of total tax

collections. Contributions by tax type to total revenue are shown in the figure below;

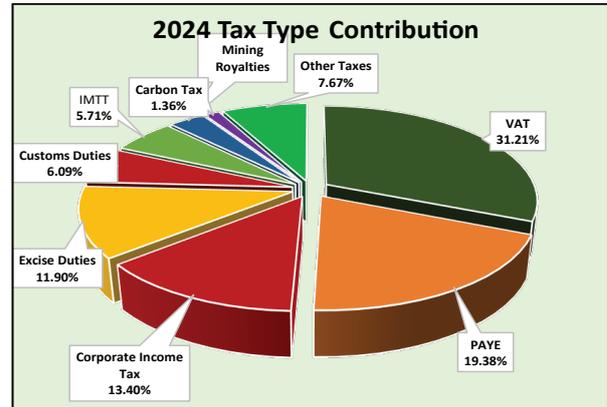


Figure 3: 2024 Tax Type Contribution to Total Tax Revenue

2024 Revenue Analysis by Tax Type

Value Added Tax (VAT)

VAT remained the highest contributor to total tax revenue, with a contribution of 31.21%, up from 29.13% registered in 2023. VAT on local sales contributed 64.76% to total VAT revenue, with the remaining 35.24% coming from VAT on Imports. This outturn was driven by sustained consumer demand and inflationary price increases, which increased nominal transaction values. The widespread adoption of electronic payments and Fiscalisation Data Management System (FDMS) also aided compliance and facilitated more efficient monitoring of VAT obligations. Additionally, the downward review of the VAT threshold widened the tax base for VAT, resulting in VAT contributing more to total revenue. A project on VAT on imported services also enhanced revenue during the period under review.

Pay as You Earn (PAYE)

PAYE revenue exceeded the target by 40.56%, and constituted 19.38% of total revenue, indicating an increase from 18.72% contributed in 2023. This shows some consistency in contributions to total revenue. The positive performance reflects remuneration reviews necessitated by exchange rate fluctuations and improved tax compliance across the public and private sectors.

Corporate Income Tax (CIT)

The tax type registered a positive performance,

surpassing the target by 31.29%. CIT contributed 13.40% to revenue, up from 10.87% contribution in 2023. Despite rising operating costs and currency volatility, most companies recorded profits, leading to the tax head performing above expectations.

Excise Duties

Excise Duties contributed 11.90% to total revenue, despite underperforming by 26.80% against the target. The highest contributors to Excise revenue were fuel and airtime, with contributions of 71.68% and 11.48% respectively. Shifts in consumer preferences towards low-cost smuggled alternatives, contributed to low consumption volumes of excisable goods from the formal market. While anti-smuggling initiatives were implemented including border surveillance and stricter enforcement. they were insufficient to fully mitigate the loss in formal sector volumes.

Customs Duty

Revenue collections from Customs Duty were 78.70% above the target, with a contribution of 6.09% to total revenue. The performance was supported by increased trade volumes and enhanced enforcement measures at border posts. The use of drones, scanners and K9 units significantly strengthened border surveillance and compliance efforts.

Intermediated Money Transfer Tax (IMTT)

IMTT recorded a positive performance of 151.16% above the set target. The tax type contributed 5.71% to total revenue, up from a 4.56% contribution in 2023. This was driven by the broadening of the IMTT base through the introduction of outbound IMTT and reinstatement of foreign currency IMTT from 1% to 2%. Furthermore, increased use of mobile and electronic money platforms further contributed to the positive performance.

Mining Royalties

The tax type contributed 3.26% to total revenue, an increase from 2.93% contributed in 2023. Mining royalties revenue was 20.63% short of the target due to global commodity price volatility and local power supply disruptions which negatively impacted on production and overall sector profitability

Other Indirect Taxes

Other Indirect Taxes contributed 5.15% to total revenue, with collections of ZWG5.99 billion, missing the ZWG12.13 billion target by 50.59%.

The table below shows tax types that are reported under other indirect taxes, with other taxes, fees, licences and fines being composed of stamp duties, value chain withholding tax, tax on dairy products, ECTS fines, demutualisation levy, state warehouse rent and withholding tax on bookmakers.

Table 3: Disaggregation of Other Indirect Taxes

Tax Type	2024 MOF Target ZWG	2024 Actual ZWG	Variance	% Contribution
Presumptive Tax	3,628,134,141.98	64,979,151.35	-98.21%	1.08%
Strategic Reserve Levy	5,267,816,027.02	5,330,386,981.11	1.19%	88.93%
Other taxes, licenses, fees, fines	3,234,026,411.52	598,312,880.53	-81.50%	9.98%
Total	12,129,976,580.52	5,993,679,012.99	-50.59%	100%

Tax Type and Sectoral Contribution

Table 4: Tax Type vs Sectoral Performance (2024)

Tax Type	Real 2023–24 Revenue Growth	Key Sectors (2024 Growth)	Link / Comment
PAYE	56.5%	Public Admin & Defence (+5.5%), Education (+4.2%), Human Health & Social Work (+4.0%), Information & Communication (+11.3%)	Expanded public-sector recruitment and ICT growth mainly drove payroll withholdings.
Corporate Income Tax	85.29%	Agriculture (–16.0%), Mining & Quarrying (+9.3%), Manufacturing (+1.5%), Financial & Insurance (+3.2%)	Mining gains and financial-sector strength offset the agricultural downturn, yielding moderate corporate-tax growth.
VAT on Local Sales	67.99%	Wholesale & Retail Trade (+4.3%), Information & Communication (+11.3%), Electricity (+18.4%), Water Supply & Waste Management (+5.9%), Accommodation & Food (+1.5%)	Surge in domestic consumption, high digital-service usage, and increased utility billing powered local VAT.
VAT on Imports	6.28%	Construction (+5.7%), Wholesale & Retail Trade (+4.3%)	Forex restrictions and shifts in import composition led to a steep drop in import-VAT collections.
Customs Duty	-6.83%	Construction (+5.7%), Wholesale & Retail Trade (+4.3%)	Ongoing import constraints and altered trade patterns reduced customs-duty receipts.
Excise Duty	20.72%	Agriculture/Tobacco (–16.0%), Wholesale & Retail Trade (+4.3%), Manufacturing (+1.5%),	Manufacturing and Wholesale and retail growth drove excise duty collection up. Tobacco excise fell sharply but the weighted position was positive
Mining Royalties	62.89%	Mining & Quarrying (+9.3%)	Stronger gold and chrome output driven by price increases underpinned a large rise in royalty payments.
Capital Gains Taxes	103.08%	Real Estate (+2.9%), Mining & Quarrying (+9.3%), Financial & Insurance (+3.2%)	Although the real estate sector growth was positive, capital gains taxes withholding mainly from the stock exchanges performed poorly.

Policy Interventions

Various taxes that were introduced in 2024 contributed ZWG951.34 million to total revenue. The table below shows revenue collected from new tax types.

Revenue from New Tax Types

Table: 5

Revenue Head	2024 Actual ZWG	Date of Implementation
Special Capital Gains Tax on Disposal of Mining Rights	3,425,170.65	1-Jan-24
Special Surtax on sugar content	870,128,138.11	1-Jan-24
Mineral Export Levy	49,764,218.66	1-Jan-24
Value Chain Withholding Tax	21,214,104.16	27-Feb-24
1% levy on specific minerals	6,810,060.13	1-Jan-24
Total	951,341,691.71	

Revenue Trend Analysis

Annual revenue collections from 2022 to 2024 depict a positive trajectory, registering growth rates of 14.55% in 2023 and 15.73% in 2024. For consistency and comparability across the years, revenue figures were converted to their USD equivalents. The comparative performance is illustrated in the figure below.

2022-2024 Revenue Trend (USD Equivalence)



Figure 4: USD Equivalence Revenue Trend

2024 Refunds (ZWG)

Refunds for the year amounted to ZWG6 billion, composed of ZWG3.38 billion paid refunds and ZWG2.62 billion outstanding refunds. VAT refunds constituted 99.44% of total refunds.

Table 6: 2024 Refunds

Refunds	
VAT	5,966,029,930.03
Duty	32,658,382.62
Other Refunds	640,190.12
Total	5,999,328,502.77

2024 Debt Position

The table below summarises the debt position as at 31 December 2024.

Table 7: 2024 Debt Position

Tax Head	31-Dec-23	31-Dec-24	Increase/Decrease \$	% Increase / Decrease
VAT	189,213,926.22	7,538,053,485.01	7,348,839,558.79	3783.88%
Individuals	85,835,488.69	1,609,848,867.54	1,524,013,378.84	1675.50%
Companies	88,587,209.86	6,396,597,802.30	6,308,010,592.44	7020.68%
WHT/CGT/PTAX/ Other	49,098,753.10	1,848,458,232.53	1,799,359,479.43	3564.78%
Customs	98,874,840.07	2,364,595,067.06	2,265,720,227.00	2191.50%
Total	511,610,217.94	19,757,553,454.44	19,245,943,236.49	3661.84%
Debt to Revenue Ratio	0.44%	11.53%		

Enhanced Debt Management Strategies

ZIMRA has intensified efforts to recover outstanding taxes by implementing strategies such as sending of reminders, negotiated payment plans, garnish orders, stakeholder engagement; and taxpayer education and awareness. These measures aim to expedite debt recovery and improve compliance amongst taxpayers.

Recovered Revenue from Enforcement Activities

Table 8

Strategy	ZWG		USD	
	Total Annual Collections	% of collections per strategy	Total Annual Collections	% of collections per strategy
Debt prioritisation where current debt is given priority	34,250,177.98	0.34%	15,303,862.84	0.92%
Follow ups	7,544,163,751.50	75.28%	1,221,733,388.14	73.70%
Sending of reminders	2,021,581,133.91	20.17%	281,390,279.21	16.97%
Taxpayer engagement	46,467,061.48	0.46%	28,681,988.96	1.73%
Garnish orders (excl. banks)	246,836,466.90	2.46%	50,138,137.99	3.02%
Garnish orders	7,380,964.81	0.07%	11,065,177.80	0.67%
Payment plans	107,569,050.45	1.07%	41,071,279.08	2.48%
Refunds setoff	193,376.89	0.00%	3,320,272.44	0.20%
Client visits	7,150,504.62	0.07%	2,143,682.66	0.13%
Expedited Procedure	5,621,735.68	0.06%	2,965,210.86	0.18%
Total	10,021,214,224.24	100.00%	1,657,813,279.99	100.00%

Tax Reforms

A total of two (2) fiscal legislative reform papers were done during the year; for the Mid Term National Budget and the 2025 National Budget., where a total of seventeen (17) fiscal legislative reform proposals were adopted for the 2024 Mid Term Budget and 2025 fiscal year. The submissions are part of the execution of ZIMRA's advisory role in fiscal reform.

Revenue Collection Challenges

Tax Evasion and Non-Compliance: A significant number of individuals and businesses engaged in tax evasion

through underreporting income, falsifying records, and failing to file tax returns. The informal sector is a major perpetrator to this issue, as many businesses avoid registering and paying taxes.

Informal Economy: A large portion of Zimbabwe's economy operates informally, making it difficult for ZIMRA to track and collect taxes from these entities. Many small businesses, vendors, and agricultural producers operate without formal registration, reducing the tax base and creating an uneven playing field between formal and informal sectors.

Smuggling and Cross-Border Trade: Zimbabwe shares borders with several countries, and cross-border trade is a significant source of revenue. However, smuggling and illegal trade practices often bypass ZIMRA's customs enforcement, leading to revenue loss. Smuggled goods include Fuels, tobacco and luxury goods.

Dependence on a Few Sectors: Zimbabwe's economy is heavily reliant on a few sectors, such as mining and agriculture, for revenue generation. Fluctuations in global commodity prices and poor harvests due to climate change can negatively impact revenue collection. The over-reliance on a limited number of revenue sources makes revenue collection vulnerable to economic shocks.

Currency and Exchange Rate Volatility: Fluctuations in the value of the local currency, along with frequent shifts in the exchange rate, make it difficult for ZIMRA to assess the value of goods and services accurately. This can result in under-collection of taxes, particularly for imports and exports, as the real value of transactions becomes complicated to determine.

Limited Capacity for Audits and Investigations: Resource constraints particularly funding restricts ZIMRA's ability to conduct comprehensive audits and investigations.

Non-Cooperative Taxpayers: Some taxpayers remained unwilling to comply with tax regulations and as a result, this increased case finalisation turnaround times and delayed revenue realisation.

Security Concerns for Tax Officers: Some Officers encountered threats and harassment from hostile taxpayers during the course of their duties. These incidents pose a serious risk to the safety and well-being of tax officials and may deter effective enforcement.

Strategic Outcome 2: Increased Voluntary Compliance

Plugging Revenue Leakages

While ZIMRA is mandated to collect all revenue from all eligible taxpayers, there remain some who either choose not to comply or fail to fully meet their tax obligations. Revenue can leak due to tax evasion, fraud, non-compliance, corruption, underreporting, smuggling, or inefficiencies. These leakages pose a significant threat to the financial health of the country.

Compliance Pyramid

The compliance pyramid defines the approach used to enforce compliance. It seeks to have taxpayers operating at its base and voluntarily willing to comply receive assistance from the Authority. Those that decide not to comply and are found at the top of the pyramid are investigated and where necessary, prosecuted. The compliance pyramid also seek to encourage voluntary compliance from taxpayers as well constant engagement between then and the Authority.

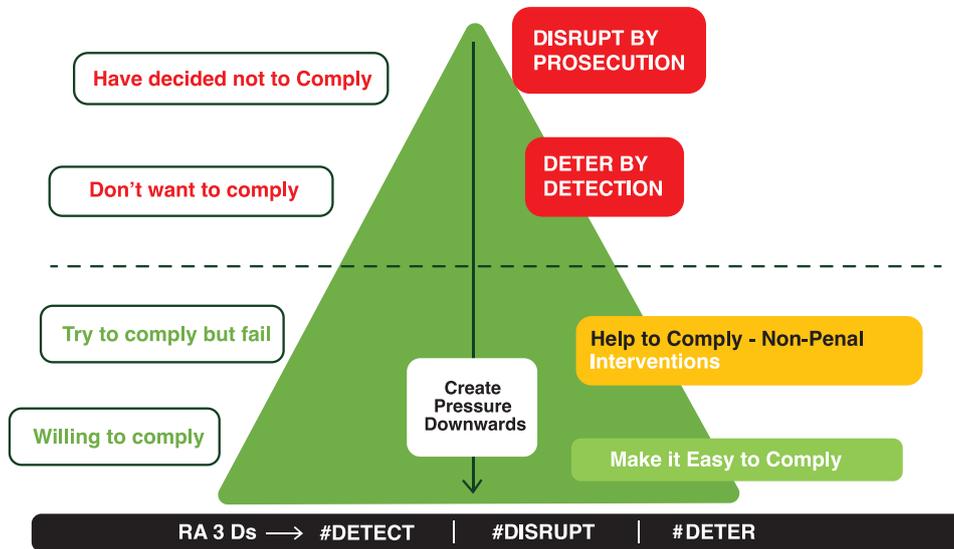


Figure 5

In-depth investigations and audits that were carried out (mainly for the top echelons of the pyramid) uncovered hidden layers of tax evasion and non-compliance that were not immediately visible. This was done to increase voluntary compliance and to recover the revenue that had not been declared. There was an increase in recovery of undeclared revenue as exhibited by the increased revenue collection from investigations and audit cases. Recovered revenue was targeted to be 3.3% of the total collections for 2024, and actual performance was 8.67% from investigations and audit cases.

A total of 4,243 audits were conducted during the tax year against 120 234 active registered taxpayers giving an audit coverage percentage of 3.53%. Total revenue collected from audit activities amounted to ZWG 100,852,187.30 and US\$81,003,809.77 against raised assessments of ZWG 420,992,645.22 and US\$157,045,549.62. The table below shows the audit coverage from 2022 to 2024.

Year	Audits Completed	Active Registered Taxpayers	Audit Coverage
2022	3,029	129,101	2.35%
2023	2,197	72,486	3.03%
2024	4,243	120,234	3.53%

The strategies employed to plug revenue leakages include:

Integrity | Transparency | Fairness | Commitment | Innovativeness

Sector Based Investigations & Audits

The teaming up of Auditors, Sector Specialists and Investigations Specialists meant that audits and investigations work was conducted effectively as risks were viewed from both the technical taxation and business operational perspectives. Notable growth was recorded as a result of targeted sector-based and intelligence driven investigations and audits conducted in 2024. Revenue collections grew in the targeted sectors after investigations and engagements were carried out. The Tourism Sector growth was achieved through enhanced taxpayer engagement initiatives, including breakfast meetings and public notices. Energy Sector focused efforts to address revenue leaks through transit fraud, smuggling, and underhand dealings led to increased revenue contributions. Below is the USD equivalence collections, year-on-year trend, for some of the targeted sectors comparing 2023 and 2024:

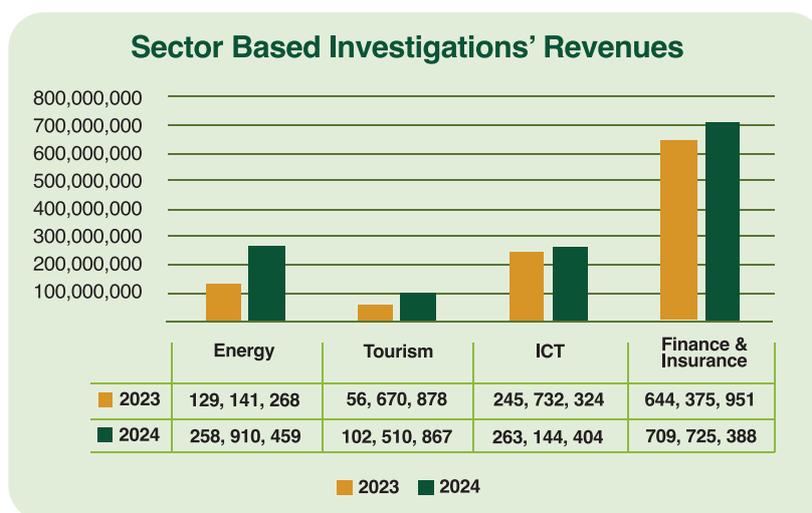


Figure 6

Audit Yield

Total audit yield	US\$ 82,035,575.36	ZWG 115,815,284.39
Audit yield from comprehensive audits	US\$ 5,618,772.12	ZWG 5,396,002.09
Audit yield from issue audits	US\$ 33,080,774.60	ZWG 23,943,025.01
Audit yield from desk audits	US\$ 17,112,757.62	ZWG 18,523,494.50
Audit yield from other audits	US\$ 26,223,271.02	ZWG 67,952,762.79

Prosecution of tax offenders

During the year, the Authority actively pursued tax offenders, demonstrating a firm stance on non-compliance. A total of one hundred and ninety-two (192) offenders were successfully prosecuted after investigations and audits, demonstrating the Authority’s thrust to fight tax evasion. The prosecutions highlight the Authority’s zero tolerance to tax evasion and taking a firm stance against tax offences and upholding the country’s tax laws. Some of the identified offenses include non-filing, smuggling, transit fraud, illicit financial flows, and money laundering.

Intelligence

ZIMRA also employed intelligence gathering as a tool for plugging revenue leakages and enhancing compliance, reducing fraud and improving revenue collection efficiency. Sector-based intelligence was gathered and disseminated for investigations and audits where risks of non-compliance was detected. The use of advanced data analytics tools and skills was employed in the analysis of data in coming up with intelligence reports were used in some revenue enhancement projects. The intelligence reports identified risks arising from the operating environment where leakages were identified.

Whistleblowing

Despite the indefinite suspension of the reward for information legislation, the Authority still received tip-offs on tax evasion and corruption from good corporate citizens through various channels that include the whistleblowing email, physical visits, telephonically, online portal, and other digital platforms. Confidentiality and anonymity of the whistleblowers was guaranteed through the reduction of face-to-face interaction. The whistleblower cases are managed from one central office, and Officers are bound by the Oaths of Secrecy. The online portal for whistleblowing can be accessed using the following url:

<https://whistleblower.zimra.co.zw/>

whistleblowing@zimra.co.zw

Throughout the year, Public notices were issued to remind citizens that avenues for reporting tax malpractices to the Authority remain open

Taxpayer registrations

The Authority managed to increase the tax base by registering 66,210 new taxpayers in 2024 compared to 30,689 in 2023. This was enhanced by BMS, Stakeholder engagements and TaRMS. TaRMS played a significant role in simplifying taxpayer registration process. With TaRMS now fully functioning, 100,000 taxpayers are targeted to be registered in 2025 to further expand the taxpayer base. The following compliance initiatives were also done during the year:

2024 Taxpayer Enforcement and Compliance Initiatives

Enforcement & Compliance Initiatives	Quantity
Prosecutions	192
Taxpayer Education Workshops	444
Stakeholder Engagements	334
Taxman's Articles and Public Notices	105

Returns Filing Compliance

The submission rate improved due to TaRMS, which provides for a simplified filing process, timely reminders and notifications, enhanced accessibility around due dates, and greater transparency and tracking of pending returns by taxpayers. A total of 944,110 returns were received against expected returns of 1,182,890, giving a returns submission compliance rate of 79.81% compared to the 2023 rate of 33.60%. Of the returns submitted, 311,206 returns were submitted on time, giving an on-time filing rate of 26.31%, an improvement from the 10% on-time submission rate in 2023.

Payment/Remittance Compliance

TaRMS played a significant role in improving payment compliance; 75.44% (892,409) out of expected payments of 1,182,890 were received. This was a notable improvement from 248,710 (31%), which was realised in 2023. The payment process was automated through integration of all commercial banks with TaRMS. TaRMS provided taxpayers with faster, cheaper, more secure and user-friendly payment platform (single account) which ensures compliance and offering valuable insights into customer satisfaction and ultimately increased transaction volumes and growth in remittance rates.

Strategic Outcome 3: Enhanced Trade Facilitation and Protection of Civil Society

Trade Facilitation



ZIMRA continued to play its part in facilitating trade and protecting the civil society as it endeavours to ensure efficient movement of goods across borders. The Authority focused on Border efficiency reforms and modernisation initiatives that simplify Customs and Excise processes.

Trade Statistics

Trade statistics provide valuable insights into import and export patterns, helping the Authority to fulfill its regulatory and revenue collection roles effectively. They are also essential for understanding and managing international trade activities.

Trading Partners

The main trading partner for Zimbabwe for the year 2024 was South Africa. South Africa has maintained its dominance as the main Zimbabwean trading partner in terms of total value of imports from the rest of the World.

2024 Imports per Trade Agreement

Most imports under trade agreements were imported under the SADC (South Africa) Trade Agreement. Botswana Trade Agreement accounted for the least imports in 2024.

Table 9: 2024 Imports per Trade Agreement

Trade Agreement	Trade Agreement Code	Import Value 2024 ZWL	Import Value 2024 ZWG	Import Value 2024 USD
SADC (ZA)	SDC	2,850,212,487,407.20	13,087,461,422.03	402,375,311.71
SADC (Diff Offer)	SADC	705,592,008,228.68	1,995,855,391.59	53,295,905.25
COMESA	CSA	666,836,338,113.11	1,952,052,675.26	72,157,208.37
Economic Partnership Agreement	EPA	89,677,485,197.16	252,835,103.25	12,991,323.75
Trade Economic Group	TAG	19,688,440,033.81	75,025,286.78	7,723,973.33
Mozambique Bilateral	MZA	5,224,556,410.89	11,206,677.51	10,945,180.24
Bilateral Economic Partnership Agreement	BEPA	-	974,753.75	4,078.15
Botswana Agreement	BWAG	-	399,126.68	-
Grand Total		4,337,231,315,390.85	17,375,810,436.85	559,492,980.80

ZWL and ZWG columns represent the periods before the currency change and another one after the currency change respectively.

2024 Imports by Trade Agreements per Country

South Africa under SDC Trade agreement was the highest trading partner for Zimbabwe. Zambia topped as the best trading partners for Zimbabwe in value terms under COMESA and SADC (Differentiated offer) whilst Botswana and Namibia were at the top under TAG. Germany topped the list as the best trading partner under EPA.

Table 10: Imports under All Trade Agreements per Country by Value

Country Name	Import Value ZWL	Import Value ZWG	Import Value USD
South Africa	2,850,212,487,407.20	13,114,953,121.35	402,634,302.21
Zambia	817,907,667,294.38	2,079,109,317.87	56,777,567.17
Egypt	50,915,035,508.41	208,098,519.81	25,581,977.00
Mozambique	55,241,925,834.13	149,359,202.39	20,437,954.31
Swaziland	164,998,321,949.63	580,149,370.54	12,805,656.99

Border Efficiency Reforms

The Authority's digitalisation drive has led to several border efficiency reforms aimed at enhancing operational effectiveness. As a result, the average turnaround time for correct declarations improved by 86 minutes, going down from 3 hours and 58 minutes in 2023 to 2 hours and 32 minutes. Furthermore, 24-hour operations commenced at Forbes Border Post in January 2024 and in April 2024 the Kariba Border Post was reopened for vehicle imports, primarily from Tanzania, facilitating trade and commerce.

e-Tariff Tool

In an endeavour to improve compliance and streamline business operations, the e-Tariff Tool and the e-Tariff book were launched in 2024. The tool enhances convenience for importing and exporting clients by enabling easy access to commodity classification and duty estimation, thereby enhancing convenience for users. The platform can be easily accessed on <https://etariff.zimra.co.zw>

Figure 7: Benefits of the e-Tariff Tool



Figure 8

Data Exchange

The data exchange initiative establishes a Customs-to-Customs network that promotes the seamless movement of goods through secure international trade supply chains. It enhances a paperless transactional data exchange on imports, transit and export declarations. The initiative on cross-border clearance between Zimbabwe and Zambia was expanded after the pilot run at Victoria Falls in 2023 to include Chirundu and Kariba border posts, thereby improving customs clearance efficiency and facilitating paperless transactions for import and export declarations. The Data Exchange initiative improves efficiency in declaration processing and enhances compliance levels as it adopts the concept of Your Export My Import (YEMI).

Authorized Economic Operators (AEO)

The Authority continued to implement the Authorized Economic Operator (AEO) Facility, allowing accredited operators to benefit from expedited customs clearances in accordance with the World Trade Organization’s Trade Facilitation Agreement. This initiative helps reduce the cost of doing business. The AEO program recognizes traders who demonstrate compliance with Customs regulations and procedures. In 2024, an additional three (3) traders received accreditation at the National Level, bringing the total to fifteen (15) accredited traders (AEOs).

Drones

Border surveillance and monitoring drone flight operations commenced in 2024 at Beitbridge Border Post after all the regulatory and security requirements had been met. Interventions to strengthen enforcement activities resulted in the expansion of the drones project to Forbes and Plumtree Border Posts towards the end of the year. Revenue recovered from 255 interceptions as a result of drone activities amounted to ZWG10,684,162.11 and USD577,174.76.



The Honourable Minister Professor Mthuli Ncube commissions drones at Beitbridge Border Post

Anti-Smuggling

Most smuggling occurred through illegal crossing points along the porous borders. The primary items smuggled included alcoholic beverages, clothing,

washing powder, blankets, and various groceries. In an endeavor to reduce smuggling, an anti-smuggling blitz was conducted in December 2024 and resulted in the issuance of 157 Notices of Seizure and 191 Receipts of Items Held, realizing a total of ZWG29,314,759.57 and USD149,736.09.



The image illustrates a truck that was intercepted loaded with clothing items that were smuggled through the Zambezi River.

Electronic Cargo Tracking System (ECTS)

The Authority acquired 3,000 new electronic seals towards the end of the year to enhance the operations of the Electronic Cargo Tracking System (ECTS). This initiative is expected to significantly increase the sealing rate of high-risk transit cargo and reduce revenue leakages through transit fraud in 2025 and beyond.

Protection of Civil Society

ZIMRA has continued to implement border and inland initiatives aimed at curbing the smuggling of prohibited, harmful, and illegal goods to protect civil society. However, challenges persist, particularly in combating drug smuggling, exacerbated by the porous nature of the borders.

K9 Unit

The Authority acquired an additional 24 pedigree canines to reinforce the use of the K9 Unit at the ports of entry. In 2024, a total of 118 detections of contraband comprising prohibited pharmaceuticals, cannabis, alcohol, and skin lightening creams worth USD382,095.00 were seized. This includes seizures of 479.7kg of marijuana consignments and 2,682 bottles of cough syrup.



65 kg of dagga (marijuana) with an estimated consignment value of US\$32,827.00 was seized at the Kazungula border post

were scanned, achieving a scan rate of 65%. This represents a notable increase compared to 2023, where 166,685 commercial cargo items were scanned, resulting in a high-risk cargo scan rate of 51.84%. The remarkable increase of 13.16% can be attributed to the installation of high-speed scanners at major ports of entry in 2023. One major hit of high-risk cargo included a significant seizure of 249.6 kg of dagga (marijuana), which was detected by scanners in a truck transporting relief maize.



Non-Intrusive Inspection Equipment (Scanners)

In 2024, a total of 243,687 commercial cargo items against a target of 376,734 commercial cargo items



ZIMRA representative Mr Tamuka Kapondo during the WCO Customs Laboratory Programme

Strategic Outcome 4: Enhanced Service Delivery

Self Service Kiosks

The Authority operated Self Service Kiosks at most stations from 08:00 to 20:00hrs. This improved compliance in return submission and taxpayer registrations through reduced cost on taxpayer and improved efficiency.

Tax Disputes Resolution.

Tax dispute resolution as provided for in legislation is the process of resolving disagreements between taxpayers and the tax authority over tax assessments and liabilities. ZIMRA strives to resolve disputes effectively, reducing the need for litigation while promoting the fair and consistent application of tax laws. The table below illustrates the resolution of tax matters in 2024:

Table:11

	Objections	Appeals at Fiscal & Special Court	Advance Tax Rulings
Opening balances 01.01.2024	17	43	1
Add New Cases	84	33	1
Less Finalised Cases	73	18	2
Less: Withdrawn/claim for discharge/invalid	13	11	0
Closing balances as at 31.12.2024	15	47	0

Digital Transformation (Innovations)

ZIMRA advanced its digitalisation agenda under the theme “Transforming Taxation Through Digital Innovations for Growth” to drive National

Development Strategy 1 (NDS1), strongly emphasising implementing key digital transformation projects. These included the Tax and Revenue Management Systems (TaRMS), Fiscalisation Data Management System (FDMS), Border Surveillance Management using Drones, the Zimbabwe Electronic Single Window (ZeSW) system, and enhancements to the Electronic Cargo Tracking System (ECTS), ASYCUDA upgrade and e-Tariff Application. In 2024, the strategic focus shifted to monetising the systems launched in 2023, ensuring the realisation of benefits in enhanced revenue collection and improved compliance. These initiatives are integral to strengthening operational efficiency, providing a more robust and transparent tax ecosystem, and driving long-term business growth.



Figure 9

	2024 Focus	Benefits	Impact of the Digitalisation
TaRMS	In 2024, the strategic priority was monetising TaRMS modules launched in 2023 alongside system enhancements to ensure seamless alignment with new legislative mandates, reinforcing compliance, efficiency, and revenue optimisation.	Revenues from New Taxpayers Efficiency & Transparent	<ul style="list-style-type: none"> » Revenue collected from new registrants in 2024 » 116% increase in taxpayer registrations (2023 → 30,689; 2024: →66,210) » Filing rate increased from 33.6% → 79.81% » On-time return filing improved from 10% → 26.31%. » Automated ITF263 (Tax Clearance Certificates) » Remittances/ Payment rate increased from 31% → 79.44%. » Return submitted against expected increased from 33.6% → 79.8% / » 100% online submissions; No manual returns required.
	In line with our digital transformation agenda, 2024 was a pivotal year marked by the launch of the Tax Agent Management Module in March 2024.	Improved Compliance	<ul style="list-style-type: none"> » Total number of Tax Agents registered by end of 2024 → 637 » Total number of Taxpayers managed by these Tax Agents → 5,099
	In 2024, TaRMS Release 3 was launched with new back-office modules for Debt, Compliance, Case Management, and Revenue Forecasting.	Improved Debt & Case Management Enhanced User Experience	<ul style="list-style-type: none"> » 24/7 access to accounts & ledgers for taxpayers. » Taxpayers can amend returns independently, and Real-time refund status updates improve transparency. » 131 cases were being managed through the TaRMS Case Management Module by the end of 2024. » Centralised data storage reduces operational costs » Automated audits standardise procedures. » Payments are updated in real-time, ensuring revenue reporting accuracy.
	Additionally, in 2024, TaRMS was fully integrated with all banking institutions, automating the tax collection process, which was previously reliant on manual interventions.	Operational Excellence	<ul style="list-style-type: none"> » Centralized data storage reduces operational costs » Automated audits standardise procedures. » Payments are updated in real-time, ensuring revenue reporting accuracy
FDMS	The FDMS Backend solution was finalised in 2024 to allow end-to-end management of taxpayer fiscal devices and management of reported VAT fraudulent cases.	Total VAT registered on FDMS	<ul style="list-style-type: none"> » 65% of the registered VAT taxpayers were on boarded onto FDMS by the end of 2024
	The other focus in 2024 was the development of the ZIMRA FDMS User Portal, which allows taxpayers to manage their fiscal devices online.	LCO Taxpayers VAT Registered on FDMS	<ul style="list-style-type: none"> » By the end of 2024, 90% of Large Clients—who contribute approximately 80% of total tax revenue—had been successfully on-boarded onto the FDMS platform.
	The invoice validation online portal was also launched in 2024. This portal allows taxpayers to validate invoices coming from their suppliers to check compliance.	Improved Compliance	<ul style="list-style-type: none"> » Validation functionality reduces fraudulent VAT claims. » FDMS also improved the VAT compliance rate.

	2024 Focus	Benefits	Impact of Digitalisation
DRONES	The year 2024 focused on operationalising Drones at Plumtree and Forbes Border Post.	Revenue recovered Reduction in Smuggling	» A Total of US\$577, 174 and ZWG 10.68 million was recovered due to seizures from Drones operations. » The surveillance and monitoring through drones operations reduces smuggling.
ZeSW	The focus of 2024 on ZeSW was the rollout of the Port Health Portal to various Ports of entry. The Radiation Authority of Zimbabwe Portal was also developed, launched, and rolled out.	Improved turnaround (Ease of Doing Business)	» Enhanced Efficiency & Streamlined Processes » Increased Transparency & Risk Management » Improved and enhanced Trade Facilitation
ASYCUDA WORLD	The ASYCUDA servers were upgraded to enhance processing performance and optimize data throughput.	Improve service delivery New improved ASYCUDA functionality	» Faster transaction processing reduces delays in customs clearance. » Reduced system downtimes ensure continuous tax administration operations. » Enhanced system efficiency allows for real-time tracking and enforcement of tax regulations. » Improved User Experience for Tax officers and traders. » Valuation Module – Designed to automate the determination of Value for Duty, thereby enhancing turnaround times and minimizing instances of under-declaration. » Offenses Module – To improve management of offenses.
National Surveillance and Monitoring Command Centre CCTV Project	The ASYCUDA application was upgraded from the old version (4.1) to the latest version (4.4)	Improved turnaround (Ease of Doing Business)	» Enhanced Efficiency & Streamlined Processes. » Increased Transparency & Risk Management. » Improved and enhanced Trade Facilitation (ease of doing business).
	ZIMRA advanced trade facilitation, security, and anti-corruption efforts by deploying CCTV and Biometric Access Control at key Ports of Entry in 2024. Major installations were completed at Robert Gabriel Mugabe International Airport, Prince Charles Airport, and the Command Centre at ZB Centre, thereby enhancing surveillance and operational integrity.	Reduced fraud, and corruption and detected smuggling.	» Enhanced Revenue Collection – Improves monitoring of customs operations, reducing fraud and revenue leakages. » Corruption Prevention – Strengthens accountability by deterring illicit activities and enforcing compliance. » Enhanced Border Security – Strengthens the detection and prevention of smuggling, misdeclarations, and other illicit activities.

ZIMRA's NIST Cybersecurity Maturity Level

In a rapidly evolving threat landscape marked by a surge in ransomware attacks affecting organisations across Zimbabwe, ZIMRA has made significant strides in fortifying its cybersecurity posture. The Authority's NIST Cybersecurity Maturity rating has improved from 75 in 2023 to 78.6 in 2024 against a target of 80, demonstrating a strengthened defence framework, enhanced threat intelligence capabilities, and a proactive approach to risk mitigation. Key initiatives included a comprehensive cybersecurity awareness program ensuring that personnel across all ZIMRA are equipped with the knowledge to detect and prevent cyber threats.

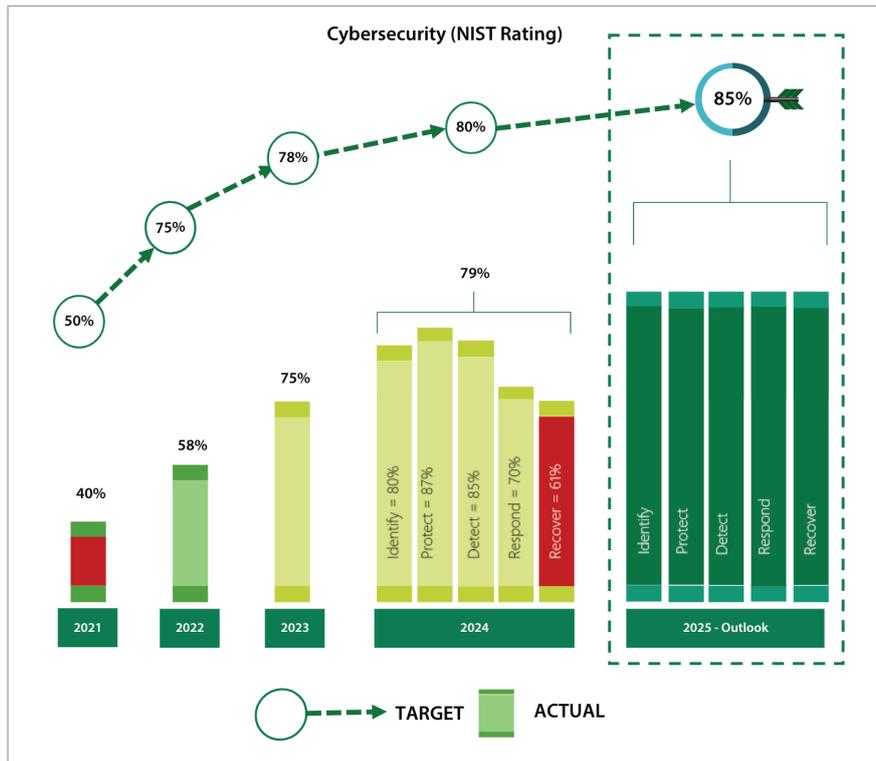


Figure 10

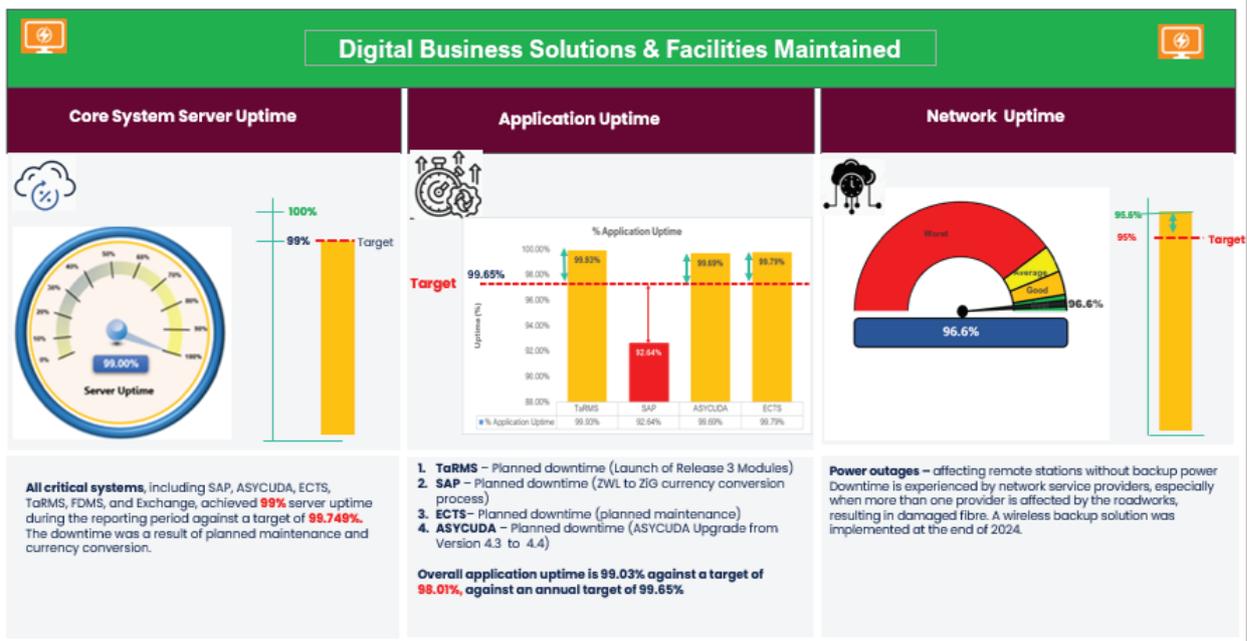
ZIMRA Digital Maturity Level

From 2021 to 2024, ZIMRA's digital maturity has progressed significantly, transitioning from a reactive to a proactive digital posture in line with its structured Digitalisation Road Map. In 2021, ZIMRA advanced from an ad hoc IT planning environment to an “Emerging” level of digital maturity, marked by a documented digitalisation strategy and customized reporting capabilities. By 2022, foundational investments such as the launch of the Tax and Revenue Management System (TaRMS), business process re-engineering, and enhanced cybersecurity infrastructure supported the shift toward the “Established” level. In 2023 and 2024, the Authority entered the “Optimised” and “Innovative” stages respectively, integrating digital strategy organization-wide and leveraging real-time data analytics to inform decision-making. This period saw the launch of key initiatives including TaRMS Release 1, advanced scanning technologies, ICT innovation hubs, and the enhancement of data analytics capabilities. ZIMRA's proactive embedding of digital skills, automation, and AI tools reflects a maturing ecosystem geared toward agility, innovation, and improved taxpayer service delivery, setting the stage for predictive, data-driven operations beyond 2024.

Innovation and Artificial Intelligence (AI) & Machine Learning (ML)

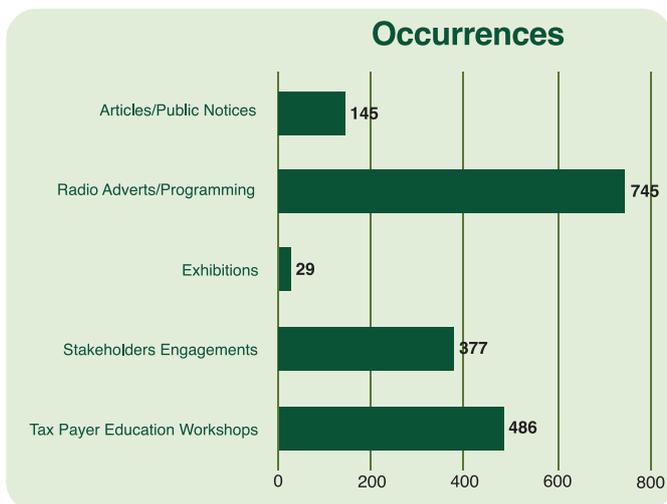
ZIMRA advanced its digital transformation by upgrading ASYCUDA and Business Intelligence Appliance, enhancing data analytics capabilities for predictive analytics in tax administration. In 2024, the focus was on descriptive analytics, leveraging data for transparency and efficiency, and laying the groundwork for prescriptive analytics to optimise risk assessment, fraud detection, and revenue forecasting. Capacitation efforts equipped ZIMRA employees with AI foundational skills and data-driven management skills, driving automation and compliance.

Digital Business Solutions Maintained

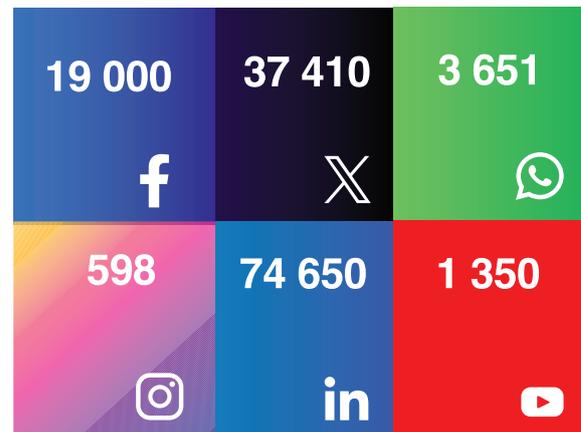


Stakeholder Engagement

In 2024, ZIMRA conducted an extensive series of workshops and training sessions aimed at educating taxpayers and clients, particularly new registrants, on tax compliance, recent legislative changes, and the latest tax systems. The use of a multi-channel strategy to engage diverse audiences improved the Authority’s overall Client Satisfaction scores due to improved communication.



Social Media Engagement Platforms



In addition, the Authority also engaged the international and donor community through 26 engagements.

Service Delivery

Client Satisfaction Index (CSI)

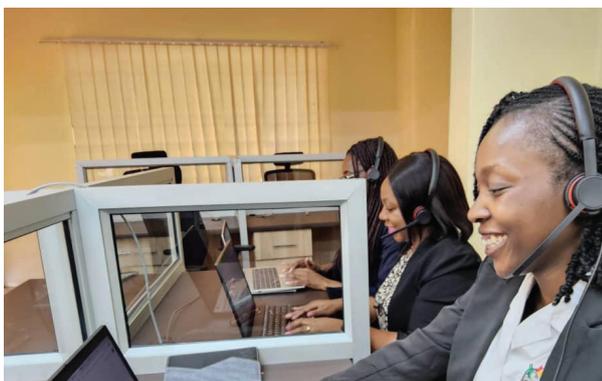
Highlights

ZIMRA is pleased to report a significant increase in the Client Satisfaction Index (CSI) score, rising

from 59.93% in 2023 to 63.56% in 2024. This improvement reflects the organisation’s commitment to enhancing service delivery through various client-oriented initiatives.

Key initiatives contributing to this positive trend include:

- **Streamlined Processes:** Implemented more efficient procedures, reducing manual tasks and improving overall client experience.
- **TARMS Implementation:** The introduction and promotion of the Tax Administration and Revenue Management System (TARMS) in 2023, along with its expanded scope in 2024, have been pivotal in enhancing service efficiency.
- **Tax Education Initiatives:** Workshops, along with robust social and digital media engagement, have significantly raised awareness and provided clients with essential insights to navigate tax and customs challenges.
- **Enhanced Customer Support:** The deployment of Contact Centre Agents as customer service champions during the festive season, along with the introduction of a client feedback QR code at all service points, has played a crucial role in boosting satisfaction levels.



The Contact centre continues to ensure customers queries are handled across a diversified range of communication channels

- **Broadcasting and Outreach:** Achieved 585 DJ mentions, produced over 160 radio programs, and participated in nearly 30 exhibitions, all aimed at enhancing taxpayer education.

These efforts reflect ZIMRA’s dedication to improving client interactions and ensuring a seamless experience for all stakeholders. ZIMRA is committed

to maintaining this upward trajectory in client satisfaction.

Events and Exhibitions

ZIMRA participated in several events and exhibitions



e-Tariff tool launch



Regional Intelligence Liason Office



Tax payer appreciation day

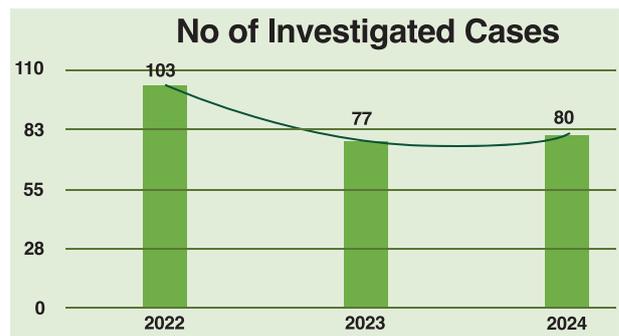


Ethics, Integrity & Security

In 2024, ZIMRA continued with the thrust of promoting integrity and combating corruption through initiatives meant to develop a robust culture of ethical conduct in the organisation. ZIMRA's proactive intervention, strict enforcement, and unwavering commitment to moral behaviour strengthened its integrity and anti-corruption efforts. The Authority remained committed to addressing misconduct through a range of measures, including investigations, lifestyle audits, asset forfeiture, recovery initiatives, and other strategic interventions.

Intelligence-led Investigations and Lifestyle Checks

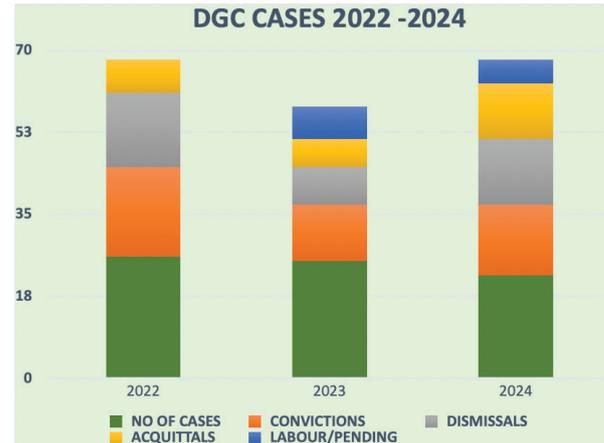
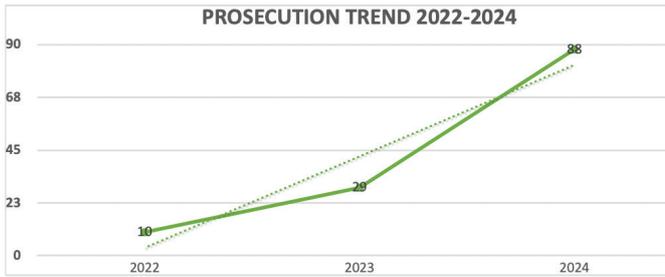
ZIMRA's intelligence-led Investigations and Lifestyle Checks dismantled corruption syndicates and uncovered criminal activities. A total of 80 cases were investigated during the year.



The Eastern and Southern Africa (ESA) Regional Code of Conduct on Integrity, which the Authority adopted as a member of the World Customs Organisation, includes asset declaration and lifestyle audits among other integrity initiatives. To identify discrepancies that might indicate unlawful enrichment, lifestyle audits were implemented based on asset declaration forms and intelligence insights. The audits functioned as a deterrent discouraging individuals from engaging in lifestyles inconsistent with their declared income to those tempted to live beyond their means.

Corruption Prosecution

The Authority referred eighty-eight (88) corruption cases to criminal courts for possible prosecution through other Law enforcement agents. This was a 303% increase compared to 2023, indicating a sharp rise in prosecution action.



Court Conviction Rates

- The conviction rate rose from 50% in 2022 to 64.28% in 2024, indicating improved prosecution success over time. A temporary decline to 44.45% occurred in 2023, with more acquittals (5) than convictions (4).



- A 64.28% conviction rate for 2024 for a range of offences showed the Authority’s unwavering commitment to justice and the calibre of its investigations.

Corruption Cases Referred for Disciplinary Grievance Committee (DGC)

- In 2024, 22 corruption cases were referred to DGC, with a notable emphasis on convictions. 15 cases resulted in convictions, which was a 20% increase from the previous year, possibly indicating stricter disciplinary measures or prosecutions that are more effective.
- Dismissals were also high at 14, while acquittals totalled 12. Labour pending cases for 2024 were significantly lower than the previous year with only 5, suggesting improved efficiency in case resolution.
- Overall, 2024 showed a trend towards higher convictions and a decrease in unresolved cases compared to prior years.

Forfeiture and Asset Recovery Initiatives

Asset recovery initiatives pertaining to assets identified as ill-gotten proceeds of crime in relation to ZIMRA employees were pursued. The Authority targeted money laundering investigations of over \$1.8 million. Recovered assets consisted of 23 immovable properties and 10 motor vehicles, reflecting the Authority’s ability to handle sophisticated financial crimes. The trend indicates the Authority’s determination to unearth and dismantle corruption networks.



Figure 2: Forfeited Property

3. Operational Enhancements

Operational enhancements remain a key strategy through which the Authority strengthens its fight against corruption. Measures such as security audits, personnel vetting, and joint anti-smuggling operations with other security agencies have reinforced the organization’s resilience. The enhanced Corruption Diagnostic Assessment Tool (CDAT) index, reflecting a 94% effort in combating corruption, was a testament to the Authority’s unwavering dedication.



Public Engagement

In order to mobilise the community in the fight against corruption, ZIMRA turned to public engagement as its outreach strategy. Launched at local events, the #I'mForZero anti-corruption campaign inspired a sense of accountability and ownership, enabling the public to be watchful and report corruption. The public's increased usage of the hotlines in 2024 resulted in 15 opened cases, which is encouraging evidence of growing awareness and trust by the public.

Human Capital and Development

Zimra Staff Profile

Employee Inflows and Outflows

Table 12

Engagement/Separation	Movement	Number of Employees
Opening Balance	-	2,980
External Engagements	+ve	19
In-Active	+ve	11
Re-instated	+ve	6
Resignation	-ve	56
Contract expiry	-ve	3
Retirement	-ve	10
Death	-ve	6
Medical Discharge	-ve	1
Dismissal	-ve	14
Closing Balance	-	2,926

In December, 2024, ZIMRA had a total workforce of 2,926 employees, comprising 1,293 females (44%) and 1,633 males (56%). The organisation follows the Gender Diversity and Inclusion Policy, striving to achieve an equal 50:50 gender balance. By December 2024, female representation in managerial roles had risen to 45%, up from 42% in 2023, reflecting steady progress toward gender equity in leadership. This improvement was complemented by a maintained pay parity ratio of 50:50 between male and female employees, underscoring the Authority's commitment to fostering an inclusive and equitable work environment.

a) Achievements & Challenges

Learning and Development

ZIMRA has been on a trajectory of surpassing its training targets since 2021. From a broad range of courses offered throughout the year, ZIMRA focused on mission-critical programs. The areas covered include Advance Rulings, ASYCUDA World, Auditing Techniques, One Stop Border Post (OSBP) and Coordinated Border Management, Client Care and Public Relations, Coordinated Border Management, Customs and Excise Appeals Procedures, Data Analytics, Forensic Auditing, Harmonised System Champions, VAT Fraud and Investigations, WTO Valuation and Transfer Pricing, among others.

Launch of the e-Learning Management System

ZIMRA, with technical support from the World Customs Organisation (WCO) – Swedish International Development Agency (SIDA) project, developed and implemented an e-learning management system.

This disruptive learning approach has been integrated into ZIMRA's training strategy, aligning with international best practices to facilitate knowledge transfer and technological advancement.

Capacity Development for Succession Planning

ZIMRA prioritises enhancing its succession plan through the implementation of Management and Executive Development Programmes.



Management Development Program (MDP) Graduation Ceremony

A significant achievement in 2024 was the graduation of 77 middle managers from the MDP, reflecting a 92% pass rate. As part of its ongoing commitment to leadership development, ZIMRA also trained 162 junior managers out of a total of 503, fostering growth across all management levels.

ZIMRA is an equal opportunity employer that promotes transparency and fairness by advertising job vacancies both internally and externally.

Despite this inclusive approach, the Authority achieved an impressive 91% internal recruitment rate in 2024, meaning that nine out of every ten hires were existing employees. This reflects the success of ZIMRA's succession planning initiatives, which are strategically aligned with the organisation's staffing and talent development needs.

Capacity Utilization Through Skills Development Programmes

The Authority continued to address skills gaps by providing targeted capacity-building initiatives, guided by insights from its annually conducted Training Needs Analysis (TNA). This process informs the development of a structured Training Calendar, which is backed by a dedicated capacity-building budget.

The objective of this initiative is to ensure that employee competencies are aligned with the evolving operational needs of the Authority, thereby positioning ZIMRA to maintain high levels of efficiency, responsiveness, and innovation.

Regional and International Collaborations.

To ensure ongoing capability development, ZIMRA strategically collaborates with key stakeholders and leverages its relationships with global institutions. In 2024, the Human Capital Division collaborated with the African Tax Administration Forum (ATAF) on research and technical assistance in international taxation and the extractive sector. The International Monetary Fund (IMF) has provided technical assistance in telecommunication taxation and tax audit training, where twenty-six (26) staff members were trained. As a World Customs Organisation (WCO) member and hosting the WCO Regional Training Centre for the East and Southern Africa Region, ZIMRA continues to receive capacity-building assistance. In 2024, thirty (30) staff members received the first phase of Rules of Origin Training.

2024 Human Capital Awards and Recognition

To close the year on a high note, ZIMRA received three (3) prestigious First Prize awards at the IPMZ Human Capital Excellence. The awards won were:

- Corporate Leadership Development Award
- Diversity, Gender, and Equity Award
- The Grand Award

b) People and Resources

Staff Retention Initiatives

ZIMRA introduced various remuneration initiatives aligned with economic conditions.

The initiatives implemented such as staff loans have contributed to improved staff retention, with 56 resignations in 2024, down from 76 in 2023. This 2024 attrition rate of 1.9% is well below the 5% benchmark annual threshold.

Employee Relations

ZIMRA actively engaged with employees through Works Council meetings and discussions with the Union (ZIMRATU) to foster a harmonious work environment. Employee engagement surveys played a key role in shaping priorities, leading to a focus on initiatives related to compensation and benefits, leadership, resource allocation, career development, company policies, and stress and workload management.

The fight against corruption through our people

The Authority remained steadfast in its efforts to combat corruption throughout the reporting period. The Integrity Committee played a key role in spearheading various anti-corruption initiatives, reinforcing the organisation's zero-tolerance stance.

To promote ethical conduct from the onset, the Human Capital Division ensured that all new employees received induction training with a strong emphasis on anti-corruption principles. Integrity remained a core value, reflected by its consistent inclusion as a standing agenda item in Works Council meetings.

In addition, quarterly training sessions on ethics and integrity were conducted to strengthen awareness and accountability across the organisation. As part of capacity-building efforts, management received

specialised training on the fair and objective handling of disciplinary cases—further enhancing the Authority's internal mechanisms to address misconduct and support its broader anti-corruption agenda.

Health Awareness Webinars and Screenings

ZIMRA organized multiple health awareness webinars on topics such as drug and substance abuse, stress management, mental health, and breast cancer awareness, fostering a well-informed and healthier workforce. Additionally, comprehensive health screenings were conducted, including checks for blood pressure, diabetes, body mass index (BMI), vision, dental health, and breast cancer.

Sports and Physical Wellness

Physical wellness was also promoted through various sports. The highlight of these sporting events was ZIMRA's participation in the Southern Africa Inter-Revenue Administration Games held in Lesotho in April 2024.

ZIMRA brought home one gold medal from the soccer competition, along with six silver medals in events such as men's basketball, chess, the 100m and 400m races (women), the 4x100m relay (women), and the 10km marathon. The team also secured nine bronze medals in volleyball, tug of war, the 200m, the 4x100m relay (women), the 4x400m relay (men), the 4x400m relay (women), darts, basketball, and netball.



Resources And Funding

Resource Mobilisation

2024 Funding

The Authority has two (2) programs which are Revenue Mobilisation & Trade Facilitation Program as well as Policy and Governance Program.

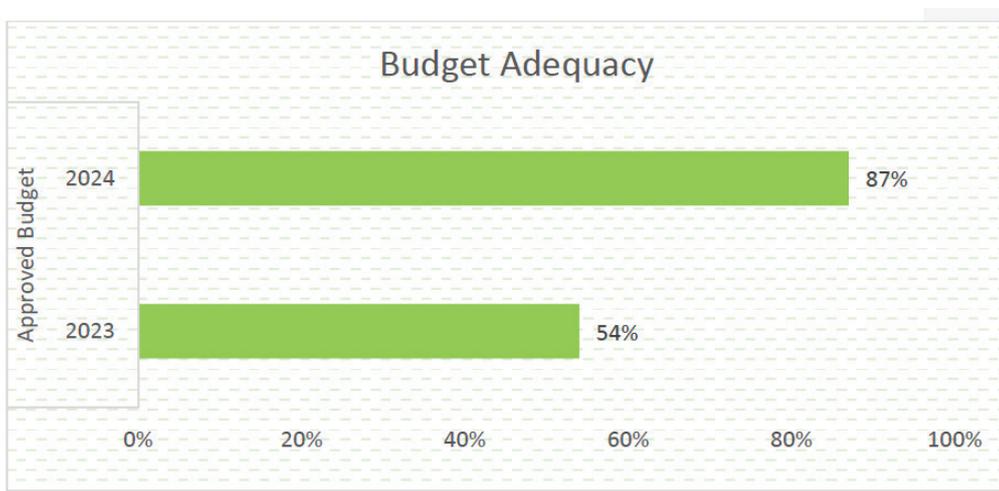
Key Budget Highlights (2024)

- **Total Proposed Budget:** ZWG 3.32 billion
- **Actual Approved:** ZWG 2.902 billion (87% of the budget), up from 54% in 2023
- **Programme Allocation:**
 - Revenue Mobilisation & Trade Facilitation (Programme 2): ZWG 2.32B (70%)
 - Policy & Governance (Programme 1): ZWG 0.996B (30%).
- **International assistance for capacity building:** totalling USD 3.542 million, equivalent to ZWG 67.76million

Proposed Vs Approved Budget (ZWG Millions)					
Details	Proposed Budget		Total Proposed	Approved	% Approved
	Revenue Mobilisation	Policy & Governance			
Operational Costs	704.23	301.81	1,006.04	936.85	93%
Staff Costs	1,077.37	461.73	1,539.10	1,523.41	99%
Sub Total	1,781.60	763.54	2,545.14	2,460.26	97%
Capital Expenditure	542.63	232.55	775.18	442.11	57%
Grand Total	2,324.23	996.09	3,320.32	2,902.37	87%

Budget Adequacy comparison between 2023 and 2024

The graph below shows ZIMRA received improved funding allocation from Treasury from 54% in 2023 to 87% in 2024.



Alternative Resources Mobilised

The Authority received international assistance for capacity building missions, foreign travel and capital expenditure amounting to US\$3.54 million down from US\$3.93 million in 2023. Donor support at 2.1% of total income complemented the Treasury support of 89.8% comprising of approved grant, interest earned, donations, commissions and auctions whilst other income made the remaining 8.1%. Of the donations received, 70.6% was for the TARMS project, 9.3% was for foreign travel, whilst 19.9% was dedicated to tuition.

International Assistance (USD 3.54 Million)

Use	Amount (USD)	% of Total
TaRMS Project	2,500,170	70.6%
Tuition	705,000	19.9%
Foreign Travel	330,602	9.3%
Events (Venue Hire)	7,000	0.2%
Total	3,542,772	100%

Budget Utilisation

Category	Budget (ZWG)	Actual (ZWG)	Utilisation
Administration Costs	936.85M	921.52M	96%
Staff Costs	1.52B	1.44B	95%
Subtotal	2.46B	2.36 B	96%
Capital Expenditure	572.69M	335.73M	59%
Total	3.03B	2.70 B	89%

- Cost of Collection: 2.03% in 2024 (a decrease from 2.22% in 2023), below the international benchmark of 3%
- Staff costs utilisation at 95% due to 348 vacant posts which were not filled in 2024.
- Operational costs utilization rate of 96% was from cost savings measures, realizing 4% in cost savings.
- Cost containment strategies were implemented mainly around business travel, wherein the Authority transitioned from physical training to a blended learning model combining physical and online learning, workshops, and divisional

meetings were conducted through digital platforms.

Key Drivers of Operational Expenditure

The analysis of administrative expenses highlights several key cost drivers that significantly influenced ZIMRA's budget.



1. Travel and Subsistence: The increase in travel and subsistence expenses was primarily driven by intensified field operations such as audits, compliance inspections, enforcement activities and post-clearance audit activities. Additionally, several once-off strategic initiatives contributed to this rise, including ISO certification activities, Fiscalisation Data Management System (FDMS) implementation, Risk Champions training and procedure review workshops. Other cost factors included activities linked to the Single Window Project, TARMS change management activities, and the deployment of relief staff to border posts during peak periods, and support for the round-the-clock operations at Forbes and Chirundu border posts.

2. Subscriptions and Licensing: These costs reflect licensing and subscriptions for mission-critical systems. They include SAP ERP system licenses, Checkpoint firewall security subscriptions, KnowBe4 cybersecurity awareness platforms, radiation scanner licenses, and Microsoft Volume Licensing agreements.

3. Depreciation and Amortisation: Elevated depreciation and amortisation levels reflect the Authority's significant capital investment drive. Substantial investments in critical

infrastructure, including machinery, ICT systems, and buildings naturally led to increased depreciation and amortisation charges.

4. Rentals and Hire: This cost line includes office space, staff housing, and warehouse rental expenses. A notable portion also relates to internet bandwidth costs required to support national operations.

5. Security: Security expenditure covered robust protection services deployed across both inland offices and border stations. These services ensured continuous 24/7 safeguarding of critical infrastructure, revenue collection points, personnel and national assets under ZIMRA's jurisdiction, contributing significantly to operational resilience and enforcement readiness.

6. Repairs and Maintenance: Repairs and maintenance emerged as a significant cost driver, with the majority attributed to servicing and repairs of operational vehicle fleet and maintaining physical infrastructure across offices and border facilities.

7. Rates and Water: This expense increased substantially due to rising utility tariffs imposed by local municipalities. These higher rates significantly impacted expenditure under this line item.

Capital Expenditure Focus

As at year-end, capital expenditure amounted to ZWG 335.72 million, representing 59% of the approved capital budget. The remaining 41% was earmarked for ongoing commitments, including:

- Final tranche procurement of electronic seals
- Delivery of motor vehicles scheduled for the first quarter of 2025
- Key construction projects such as the Beitbridge Blue Flats and the ZIMRA Head Office

The primary constraint to full budget execution has been delays in project implementation, mainly caused by contractors' preference for payments in foreign currency. In many instances, contractors either slowed down work progress or withdrew from the projects entirely, citing challenges with local currency payments. This disrupted timelines and affected the overall capital expenditure absorption rate.

The Authority continues to engage with service providers and relevant stakeholders to resolve these payment preference challenges and ensure timely project delivery going forward.

Table 13

Asset Class	Unexpended Balance C/F 2023	Approved Budget – 2024	Other Income, including donations	Total Available Budget	Expended Funds		Balance (ZWG)
					Actual	Committed Funds	
Land & Buildings		5,591,188		5,591,188	3,523,988		2,067,200
Computer Equipment	8,911,245	43,659,115	59,829,888	112,400,248	107,491,853		4,908,395
Construction Work-In-Progress	1,519,002	131,122,878		132,641,880	8,066,249		124,575,631
Furniture & Equipment	430,532	14,409,437		14,839,969	14,405,801		434,168
Motor Vehicles	3,027,900	76,262,564	50,963,430	130,253,894	47,433,164		82,820,730
Canine	29,318	1,067,834		1,097,152	1,091,038		6,114
Plant and Machinery	5,866,643	169,997,994		175,864,637	28,005,636	125,706,789	22,152,209
Total	19,784,640	442,111,010	110,793,318	572,688,968	335,724,520	125,706,789	236,964,447

Major Capital Acquisitions

The capital expenditure profile for 2024 reflects a deliberate and strategic investment agenda demonstrating ZIMRA's strong commitment to operational enhancement through major asset acquisitions. These investments are detailed in the table below.

Table 14

Asset Class	Amount Spent (ZWG)
Plant & Machinery	153.7M
Computer Equipment	107.5M
Motor Vehicles	47.4M
Other	27.1M
Total	335.7M

- A strategic investment of ZWG 153 million was channelled toward strengthening the Electronic Cargo System through the acquisition of advanced plant and machinery. This included 4000 electronic seals and accessories for real time cargo monitoring and verification. Additionally, 15 Personal Digital Assistants (tablets) were procured to equip operational personnel with real-time data access. This comprehensive approach will significantly improve efficiency, security, and reliability of cargo management and positions the organisation to meet modern logistics demands.
- A total expenditure of ZWG107 million was allocated for Information Technology enhancement systems, including implementation of FDMS, TARMS, governance risk compliance software, and COBIT frameworks, alongside network upgrades. This significant investment demonstrated a strong commitment to digital transformation, aimed at improving data management and automated processes. By upgrading these systems, the organization is not only enhancing operational efficiency but also ensuring better compliance with governance standards. This strategic emphasis on technology equips the organization to harness data-driven insights and streamline workflows, and foster innovation, enhancing service delivery, operational agility and institutional effectiveness.

- A total of ZWG47.3 million was invested in the procurement of 93 vehicles, of which 75 were delivered by year end. This acquisition underscores the Authority's strategic priority to bolster logistical capacity for enhanced mobility, particularly in auditing, enforcement and field operations thereby reinforcing its ability to fulfil its national mandate efficiently. Overall, these acquisitions portray a proactive approach to scaling operations, enhancing efficiency, and positioning the organization for future growth in a competitive landscape.

Cost of collection

The gross collections for the year totalled ZWG 116.47 billion supported by expenditures of ZWG 2.36 billion. This resulted in a cost of collection of 2.03% for 2024, which is within the best practice benchmark of 3%. This indicates that only 2.03 cents from every dollar collected was allocated to ZIMRA's operational costs. Consequently, 97.88 cents from each dollar collected were available for expenditure by the Ministry of Finance, Economic Development, and Investment Promotion (MoFEDIP). Notably, there was a marked improvement in the cost of collection, decreasing from 2.22% in 2023 to 2.03% in 2024.

This significant reduction in costs highlights robust cost containment measures implemented throughout the year.

Cost of collection trend from 2015 to 2024



Key Insights – Financial Ratios

The financial ratios below show that the Authority's

financial position is healthy, given its mandate; there are no concerns on sustainability.

		
<p>Balance Sheet growth 83.4%. This signifies a remarkable enhancement in the organization's financial standing, underscoring its capacity to expand assets effectively.</p>	<p>Current Ratio 1:3 ZIMRA has \$3 in current assets for every dollar in current liabilities, indicating a strong position to meet its short-term obligations..</p>	<p>Cost of collection 2.03% 2.03 cents from every dollar collected was allocated to ZIMRA's operational costs. In addition, an impressive 97.89 cents from each dollar collected were available for expenditure by the Ministry of Finance, Economic Development, and Investment Promotion (MoFEDIP)</p>

Financial Statements

Statement of compliance

The Financial statements for the year ended December 31, 2024 have been prepared in accordance with International Public Sector Accounting Standard (IPSAS) reporting framework as issued by the International Accounting Standard Board (IASB). Further guidance was provided by the Zimbabwe Financial Reporting Manual which was issued in 2023.

The Zimbabwe Revenue Authority started a three-year IPSAS implementation transition following the pronouncement by the Ministry of Finance, Economic Development and Investment Promotion in the 2018 National Budget statement and the pronouncement by the Public Accountants and Auditors Board (PAAB). The pronouncements were to the effect that all public sector entities must migrate to International Public Sector Accounting Standard (IPSAS) reporting framework. The Zimbabwe Revenue Authority was selected as one of the Pilot entities to transition to IPSAS from 2021 to 2025 in terms of Treasury Circular number 4 of 2022.

The migration journey from International Financial Reporting standards (IFRS) to IPSAS was made easy by prior investment in systems, extensive training program for Accountants and awareness program for the Board the executives managers and staff.

The Authority complied with the Public Finance Management Act [Chapter 22:19], an act that ensures transparency, accountability and sound management of revenue, expenditure, asset and liabilities of the country's public entities. Operations of the Authority are also guided by the Revenue Authority Act [Chapter

23.22] and relevant statutory Instruments that were issued as December 31, 2024.

Accounting Compliance

- **Framework:** International Public Sector Accounting Standards (IPSAs)
- **IPSAS Transition Period:** 2021 – 2025
- **Governance:** In compliance with the Public Finance Management Act and Revenue Authority Act

Strategic Insights

- The strong government commitment is evident in increased budget mobilisation (from 54% to 87%).
- The board & management employed effective cost management strategies, to ensure efficiency as revenue collection increased by 15% from US\$5.3billion to US\$6.1billion equivalent, whereas cost of collection for the same period reduced from 2.22% to 2.03%. Efficiencies were achieved through use of technology and process optimisation to achieve high budget efficiency.
- ZIMRA's focus on capacity building (e.g. training, foreign engagement, and education) indicates long-term institutional strengthening.
- The organisation has transitioned from IFRS to the IPSAS to comply with new reporting framework.

Procurement of Goods and Services

Implementation of the Electronic Government Procurement (e-GP)

ZIMRA achieved significant milestones in process efficiency through implementation of the newly introduced Electronic Government Procurement (e-GP) in line with the thrust for the digitisation. Annual Procurement Plan execution rate was 91% realising cost savings of over one million United States dollars as a result of negotiations and value for money implementation.

Implementation of the new Electronic Government Procurement (e-GP) platform resulted in a significant reduction in processing time, demonstrating strong progress aiming to optimise efficiency, transparency and compliance with Environmental, Social and Governance (ESG) requirements and relevant regulations.



The Procurement Regulatory Authority of Zimbabwe (PRAZ) introduced the Electronic Government Procurement (e-GP) with effect from 1 January 2024 to automate all procurement processes in Ministries, Departments and Agencies (MDAs). The Zimbabwe Revenue Authority (ZIMRA) embraced e-GP to comply with the Public Procurement and Disposal of Public Assets Act (PPDPA), Regulations and any other statutes issued by the Regulator, PRAZ.

Major procurements were:

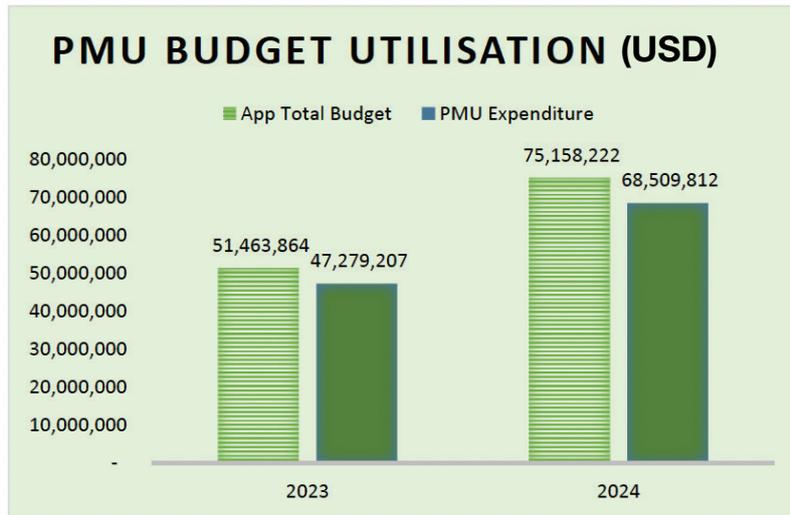
- Upgrade of SAP ERP System and implementation of SAP projects.
- Provision of Electronic Cargo Tracking System
- Provision of technical support and maintenance for ECTS.
- Motor Vehicles (Total of 75 vehicles delivered as at 31 December 2024)
- Construction of Chiredzi office Block

Year	APPROVED TOTAL BUDGET	PMU EXPENDITURE	% EXPENDITURE(BUDGET UTILIZATION)
2023	US\$51,463,863.81	US\$47,279,207.04	92%
2024	US\$75,158,221.52	US\$68,509,811.52	91%

*In 2024 PMU utilized 91 percent of the total budgeted funds compared to 92 percent in 2023

*The variance of 9 percent was as a result of requests not actioned and or cancelled tenders which also represents unutilized funds

The ZIMRA procurement team was capacitated through various trainings conducted by the Regulator and the Authority complies with provisions of the Public Procurement and Disposal of Public Assets Act.



Sustainability Reporting

The Authority has taken significant steps to ensure that sustainability issues are given high priority. These include having in place an ESG Framework, ESG Policy and ESG Strategic Plan documents as at 31st December 2024 which were subsequently approved by the Board in January 2025. The ESG framework outlines the Authority’s commitment to integrating environmental, social and governance principles into its operations and decision-making processes. The aim is to enhance transparency, accountability and sustainable practices across all levels of the Authority fostering a culture of compliance and ethical conduct.

ZIMRA ESG in pictures



Left Image: A ZIMRA employee prepares for the distribution of trees to staff members and guests.

Right Image: ZIMRA employees taking part in a clean-up campaign in alignment with the national initiative launched by the President of Zimbabwe, His Excellency Cde Emmerson Mnangagwa.

Outlook And Strategic Priorities

ZIMRA 2025 Outlook:

Advancing Revenue Mobilisation through Strategic Modernisation

As ZIMRA enters the final year of its 2021–2025 Strategic Plan, the Authority is poised to consolidate its digital transformation milestones while accelerating the next frontier in Customs automation. Anchored on four strategic pillars—Customs automation, domestic tax digitisation, compliance enhancement, and institutional efficiency through ISO 9001:2015—ZIMRA's 2025 agenda is purposefully aligned with national priorities under NDS1 and the Authority's strategic contribution to the formulation of NDS2. Notably, ZIMRA has been appointed to serve under Thematic Working Group 1 of NDS2, focusing on Macroeconomic Stability and Financial Sector Deepening. This recognition affirms ZIMRA's pivotal role in fostering fiscal sustainability, improving public resource mobilisation, and enhancing the efficiency of the tax system.

Central to the 2025 outlook is the automation of Customs operations, this augments the existing transformative initiatives such as the Zimbabwe Electronic Single Window (ZeSW), Drone Surveillance, and the upgrade of ASYCUDA World. These interventions are expected to significantly enhance trade facilitation, strengthen border controls, reduce clearance times, and curb illicit trade—contributing directly to macroeconomic stability and regional integration.

Simultaneously, ZIMRA is concluding two flagship projects in domestic taxes: the Tax and Revenue Management System (TaRMS) and the Fiscalisation Data Management System (FDMS). These systems have digitised taxpayer services, enabled real-time transaction monitoring, automated tax clearance, and improved compliance enforcement. In 2025, the focus will shift to ensuring full taxpayer adoption, stabilising operations, and integrating third-party data to drive evidence-based decision-making.

ZIMRA is resolutely pursuing its 2025 revenue target of USD 7.155 billion, leveraging intensified compliance strategies, advanced data analytics, and sector-

specific interventions. Key revenue streams include:

- **VAT (\$1.95B)** – The cornerstone of consumption-based revenue, reflecting robust compliance and economic activity.
- **PAYE (\$1.5B)** – Indicative of a growing formal wage base and the effectiveness of income tax administration.
- **Excise (\$1.06B)** – A reliable source driven by consumption patterns, particularly in regulated goods.
- **CIT (\$700M)** – Tied to corporate profitability and economic expansion.
- **Customs (\$508.7M)** – Reflecting import dynamics and border efficiency.
- **IMTT (\$336M)** – Underpinning the increasing digitalisation of the economy.
- **Mining Royalties (\$240M)** – A strategic yield from the natural resources sector.

These projections illustrate a diversified and resilient revenue base, supporting the broader fiscal objectives of NDS1 and feeding into the strategic revenue assumptions of NDS2.

To broaden the tax base, ZIMRA targets the registration of 100,000 new taxpayers, with a focus on the informal sector. This initiative, alongside ISO 9001:2015 certification, will institutionalise operational excellence, service quality, and continuous improvement.

Against a macroeconomic backdrop of 6% projected GDP growth, stabilising inflation, and strong performance in agriculture and mining, ZIMRA is well-positioned to safeguard revenue flows. However, vigilance remains essential in navigating external risks including global commodity volatility, climate shocks, and geopolitical uncertainty.

ZIMRA's 2025 strategy embodies a forward-looking, innovation-driven approach to tax administration. Through strategic automation, institutional reforms, and a commitment to excellence, the Authority is set to play a catalytic role in realising Zimbabwe's Vision 2030. Its active participation in NDS2 design underscores a deep institutional alignment with national development imperatives, particularly the pursuit of macroeconomic stability and financial sector transformation.

Audited Financial Statements

All communication should be addressed to
 “The Auditor-General”
 P.O. Box CY 143, Causeway, Harare
 Telephone No: 793611/3/4, 762817/8/20-23
 Telegrams: “AUDITOR”
 Fax: 706070
 E-mail: oagzimbabwe263@gmail.com



Reference: SB 2
OFFICE OF THE AUDITOR-GENERAL
 5th Floor, Pax House
 89 Kwame Nkrumah Avenue
 Harare

REPORT OF THE AUDITOR-GENERAL

TO

**THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND INVESTMENT
 PROMOTION**

AND

THE BOARD OF DIRECTORS

IN RESPECT OF THE FINANCIAL STATEMENTS FOR

ZIMBABWE REVENUE AUTHORITY

FOR THE YEAR ENDED DECEMBER 31, 2024

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Zimbabwe Revenue Authority set out on pages 62 to 100 which comprise the statement of financial position as at December 31, 2024, and the statement of financial performance, statement of changes in net assets / equity, statement of cash flows, statement of comparison of budget and actual amounts 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 Zimbabwe Revenue Authority as at December 31, 2024 and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

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 Zimbabwe Revenue Authority 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.

ZIMBABWE REVENUE AUTHORITY

AUDIT REPORT IN RESPECT OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

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

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the Zimbabwe Revenue Authority for the year ended December 31, 2024. These matters were addressed in the context of my audit of the 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 the key audit matters to be communicated in my report.

Key Audit Matter	How the matter was addressed in the audit
<p>Valuation of property, plant and equipment. Refer to note 4 and 3.2 to the financial statements.</p> <p>The Authority disclosed property, plant and equipment with a revalued amount of ZWG3.22 billion as at December 31, 2024.</p> <p>The determination of the fair value of property, plant and equipment involved use of valuation techniques which took into account assumptions, unobservable inputs and significant judgment during the revaluation process by the property valuer.</p> <p>The useful life and residual values are also reviewed annually by management with reference to current, forecast and relevant technical factors. This involved a significant degree of management judgment and assumptions.</p> <p>As a result, valuation of property, plant and equipment was 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, capabilities and objectivity of management’s valuation expert to determine reliability of the expert’s work. • Assessed the appropriateness of the valuation methodologies adopted by management’s specialist based on knowledge of the industry. • Identified, evaluated and tested significant judgments and assumptions used by management’s valuation expert by comparing them to those used by other valuers in the industry. • Assessed the reasonableness of the useful lives and the residual values determined by the valuer. • Assessed completeness and appropriateness of the property, plant and equipment disclosures in accordance with the relevant financial reporting standards. <p>Based on evidence gathered, I found the valuation of property, plant and equipment reasonable.</p>
<p>Change in functional currency</p>	<p>The audit procedures that I performed to address the risk of material misstatement</p>

ZIMBABWE REVENUE AUTHORITY

AUDIT REPORT IN RESPECT OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

<p>The Authority changed its functional currency from Zimbabwean dollars (ZWL\$) to Zimbabwean Gold (ZWG) from April 5, 2024.</p> <p>The change required the Authority to translate its transactions to the functional currency on April 5, 2024 in line with International Public Sector Accounting Standard (IPSAS) 4 - "The Effects of Foreign Changes in Foreign Exchange Rates". The Authority maintained its records in ZWG.</p> <p>On preparation of financial statements, the Authority used the ZWG as its functional and presentation currency.</p> <p>Considering the above, the change in functional currency was considered as a key audit matter.</p>	<p>relating to the change to functional currency included:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the change in functional currency and evaluated the design and operating effectiveness of internal controls over the translation process. Obtained a detailed understanding of the Authority's translation process and methodology applied for each functional currency change to confirm compliance with (IPSAS) 4 - "The Effects of Foreign Changes in Foreign Exchange Rates". Assessed the accuracy and reasonableness of data sources, exchange rates used and methods applied. Tested the translation of the ZWL to the presentation currency (ZWG) to confirm that the process was done correctly. Reviewed the disclosures in the financial statements related to the foreign currency translation. <p>Based on the procedures above, the change in functional currency was done appropriately.</p>
<p>Valuation of the right of use asset to note 8 and 3.8 to the financial statements</p> <p>The Authority held right of use asset with a carrying amount of ZWG 275,62 million and a lease liability of ZWG322,92 million as at December 31, 2024.</p> <p>In addition computation of the right of use is complex and requires regular reviews. The Authority had lease agreements whose conditions/terms are varied and reviewed annually. The valuation also involves a</p>	<p>The audit procedures that I performed to address the risk of material misstatement relating to the leases included:</p> <ul style="list-style-type: none"> Reviewed the reasonableness of the management estimates and judgements on the rate implicit in the lease used by management. Recomputed the lease liability and right of use asset to confirm mathematical accuracy. Inspected the financial statements for the accounting policy used and consider its compliances with International Public Sector Accounting Standards (IPSAS) 43-"Leases".

ZIMBABWE REVENUE AUTHORITY

AUDIT REPORT IN RESPECT OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

<p>significant degree of management judgement and assumptions.</p> <p>As a result, valuation and completeness of leases were considered to be a key audit matter.</p>	<ul style="list-style-type: none"> Inspect the lease contracts and confirm whether it falls within the scope of IPSAS 43. Assessed the disclosures regarding leases to confirm compliance with the requirements of IPSAS 43. <p>Based on the evidence gathered, I found management's assumptions in relation to completeness and valuation of the right of use asset reasonable.</p>
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Other information

Management is responsible for the other information. The other information comprises all the information in the Authority's annual report and does not include the financial statements and my auditor's report thereon.

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 financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the Other Information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of the other information, I am required to report that fact. I have nothing to report in this regard.

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

The Authority's Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (IPSAS) and in a manner required by the Revenue Authority Act [Chapter 23:11], and the Public Finance Management Act [Chapter 22:19], and for such internal control 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.

ZIMBABWE REVENUE AUTHORITY

AUDIT REPORT IN RESPECT OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of my audit 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 my opinion. Reasonable assurance is a high level of assurance, but 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 the 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 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 am required to 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 am also required to provide those charged with governance with a statement that I have complied with the 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.

ZIMBABWE REVENUE AUTHORITY
AUDIT REPORT IN RESPECT OF THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

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 of Zimbabwe Revenue Authority have, in all material respects, been properly prepared in compliance with the disclosure requirements of the Revenue Authority Act [Chapter 23:11], the Public Finance Management Act [Chapter 22:19] and other relevant Statutory Instruments.

05 June, 2025.



R. KUJINGA,
ACTING AUDITOR – GENERAL.

ZIMBABWE REVENUE AUTHORITY
STATEMENT OF FINANCIAL POSITION

as at December 31, 2024

	Note	Inflation adjusted			Historical cost		
		31-Dec-24 ZWG	31-Dec-23 ZWG	1-Jan-23 ZWG	31-Dec-24 ZWG	31-Dec-23 ZWG	1-Jan-23 ZWG
ASSETS							
Non-current assets		4 168 867 565	4 016 284 371	2 774 723 286	3 179 873 277	235 952 144	38 292 872
Property, plant and equipment	4	3 219 522 858	3 401 177 359	2 450 850 529	2 717 715 553	203 345 340	33 722 305
Intangible assets	5	349 919 000	244 001 082	138 399 121	209 222 860	16 180 979	1 556 148
Biological assets	6	-	306 273	97 264	-	5 191	602
Investment property	7	195 446 609	216 997 562	93 284 212	109 152 001	9 970 962	1 351 162
Right of use asset	8.1	272 894 518	98 640 819	76 146 114	122 715 915	4 175 984	607 300
Financial assets	9	131 084 580	55 161 276	15 946 046	21 066 948	2 273 688	1 055 355
Current assets		1 513 514 327	593 553 627	905 610 607	1 409 194 595	52 542 660	12 194 707
Cash and cash equivalents	10	958 519 069	421 262 287	760 669 780	958 519 069	46 366 305	10 466 382
Receivables from transactions with binding arrangements	11	240 993 784	44 409 501	101 429 240	240 993 784	2 945 979	1 395 608
Assets held for sale	12	33 117	465 058	84 795	22 507	11 748	1 167
Inventories	13	43 146 568	44 486 004	28 385 385	25 602 351	1 123 744	215 758
Prepayments	14	270 821 789	82 930 777	15 041 407	184 056 884	2 094 884	115 792
Total assets		5 682 381 892	4 609 837 998	3 680 333 893	4 589 067 872	290 974 344	50 487 579
Current liabilities		331 922 950	299 357 660	329 915 888	331 922 950	20 038 176	4 539 418
Payables	15	204 733 319	183 289 093	259 618 418	204 733 319	12 152 858	3 572 202
Lease liability	8.2	56 178 536	56 309 315	18 528 235	56 178 536	3 923 021	254 938
Provisions	16	71 011 095	59 759 252	51 769 235	71 011 095	3 962 297	712 278
Non current liabilities		856 048 522	252 770 438	35 575 311	434 122 078	2 983 655	528 710
Lease liability	8.2	322 921 794	252 770 438	35 575 311	71 450 834	2 983 655	528 710
Deferred income	17	533 126 728	-	-	362 671 244	-	-
Total liabilities		1 187 971 472	552 128 098	365 491 199	766 045 028	23 021 831	5 068 128
Net assets		4 494 410 420	4 057 709 900	3 314 842 694	3 823 022 844	267 952 513	45 419 451
Net Assets/Equity							
Accumulated fund		2 777 956 257	2 091 927 280	891 094 306	1 097 143 341	88 183 745	11 646 925
Revaluation reserve		1 716 454 163	1 965 782 620	2 421 852 707	2 725 879 503	179 768 768	33 736 168
Non distributable reserve		-	-	1 895 681	-	-	36 358
Net assets/equity		4 494 410 420	4 057 709 900	3 314 842 694	3 823 022 844	267 952 513	45 419 451

3 June, 2025

3 June, 2025

04.06, 2025



 E.R. Chitanda CA(Z),
 (Director Finance and Administration).



 R.S. Chinamasa,
 (Commissioner General).



 A.S. Mandiwanza,
 (Board Chairman).

ZIMBABWE REVENUE AUTHORITY
STATEMENT OF FINANCIAL PERFORMANCE
 for the year ended December 31, 2024

	Note	Inflation adjusted		Historical cost	
		31-Dec-24 ZWG	31-Dec-23 ZWG	31-Dec-24 ZWG	31-Dec-23 ZWG
Revenue		5 622 893 837	4 133 167 946	3 373 555 571	269 729 806
Revenue without binding arrangements	19.1	4 279 670 770	2 915 198 878	2 460 265 686	187 500 440
Revenue with binding arrangements	19.2	441 943 825	374 601 906	243 688 000	26 708 830
Other revenue	19.3	901 279 242	843 367 162	669 601 885	55 520 536
Less expenses		(3 209 268 711)	(3 336 378 901)	(2 364 595 974)	(193 229 344)
Employment cost	20	(1 976 875 549)	(1 887 200 527)	(1 443 072 332)	(118 899 503)
Use of goods and services	21	(1 043 187 628)	(853 237 408)	(782 021 181)	(58 925 068)
Other expenses	22	(163 850 004)	(452 722 642)	(114 148 589)	(11 786 988)
Finance costs	8.3	(25 355 530)	(143 218 324)	(25 353 872)	(3 617 785)
Surplus for the year		2 413 625 126	796 789 045	1 008 959 597	76 500 462
Net monetary gain / (loss)		(1 727 596 149)	402 148 249	-	-
Total surplus for the year		686 028 977	1 198 937 294	1 008 959 597	76 500 462

ZIMBABWE REVENUE AUTHORITY

STATEMENT OF CHANGES IN NET ASSET/EQUITY

for the year ended December 31, 2024

	Inflation adjusted			Total
	Accumulated Fund	Revaluation reserve	Non distributable reserve	
	ZWG	ZWG	ZWG	
Balance at January 1, 2023	877 006 184	2 421 852 707	1 895 681	3 300 754 572
Adjustment for deferred Income	14 088 122	-	-	14 088 122
Balance at January 1, 2023	891 094 306	2 421 852 707	1 895 681	3 314 842 694
Revaluation deficit	-	(434 973 923)	-	(434 973 923)
Non distributable reserve	1 895 681	-	(1 895 681)	-
Revaluation reversed through impairment	-	(21 096 165)	-	(21 096 165)
Surplus for the year	1 198 937 294	-	-	1 198 937 294
Balance at December 31, 2023	2 091 927 280	1 965 782 620	-	4 057 709 900
Balance at January 1, 2024	2 091 927 280	1 965 782 620	-	4 057 709 900
Revaluation deficit	-	(249 328 457)	-	(249 328 457)
Surplus for the year	686 028 977	-	-	686 028 977
Balance at December 31, 2024	2 777 956 257	1 716 454 163	-	4 494 410 420

	Historical Cost			Total
	Accumulated fund	Revaluation reserve	Non distributable reserve	
	ZWG	ZWG	ZWG	
Balance at January 1, 2023	3 160 105	33 736 168	36 358	36 932 631
Adjustment for deferred Income	8 486 820	-	-	8 486 820
Balance at January 1, 2023	11 646 925	33 736 168	36 358	45 419 451
Revaluation surplus	-	146 566 218	-	146 566 218
Non distributable reserve	36 358	-	(36 358)	-
Revaluation reversed through impairment	-	(533 618)	-	(533 618)
Surplus for the year	76 500 462	-	-	76 500 462
Balance at 31 December, 2023	88 183 745	179 768 768	-	267 952 513
Balance at January 1, 2024	88 183 745	179 768 768	-	267 952 513
Revaluation surplus	-	2 546 110 735	-	2 546 110 735
Surplus for the year	1 008 959 596	-	-	1 008 959 596
Balance at December 31, 2024	1 097 143 341	2 725 879 503	-	3 823 022 844

ZIMBABWE REVENUE AUTHORITY
STATEMENT OF CASH FLOWS
 for the year ended December 31, 2024

	Note	Inflation adjusted		Historical cost	
		31-Dec-24 ZWG	31-Dec-23 ZWG	31-Dec-24 ZWG	31-Dec-23 ZWG
CASH FLOWS FROM OPERATING ACTIVITIES					
Net cash generated / (utilised) by operating		1 342 071 191	171 765 940	798 515 343	34 554 340
Operating profit or loss before working capital		1 688 198 820	275 065 514	785 649 509	30 404 301
Operating profit for the year		686 028 977	1 198 937 294	1 008 959 597	76 500 462
Adjustments to reconcile profit to net cash flows:		100 2169 842	(923 871 779)	(223 310 088)	(46 096 161)
Fair value gain/loss -Investment property		(18 070 094)	(123 713 349)	(101 548 970)	(8 619 801)
Profit on disposal		-	(213 399)	-	(23 488)
Loss on disposal		13 351 849	-	9 660 471	-
Depreciation of property, plant and equipment	18	58 375 965	293 772 849	41 522 797	7420 888
Amortisation of intangible assets	18	10 821 577	36 596 308	7 361 617	926 493
Depreciation right of use assets	18	72 477 543	109 174 907	49 304 451	2903 099
Finance cost	8.3	25 355 530	143 218 324	25 353 872	3617 785
Write down of consumables to net realisable value	21	-	133 567	-	10 554
Amortised grant	17	-	(187 933 092)	-	(8 295 649)
Exchange gain	19	(886 404 942)	(742 297 781)	(280 529 125)	(45 437 120)
Donations		(32 935 959)	-	(22 635 924)	-
Proceeds from disposal of assets		(2 998 308)	(7 634 900)	(1 771 771)	(712,172)
Increase /decrease in provisions	16	11 251 842	(5 637 551)	67 048 798	7 530 941
Net monetary (loss) /gain		1 727 596 148	(402 148 248)	-	-
Exchange loss	21	-	-	-	-
Gain/loss on price differences	19	323 358	(105 586)	238 340	(10 929)
Interest earned		23 025 332	(37 083 826)	(17 314 644)	(5 406 763)
Working capital adjustments		(346 127 629)	(103 299 575)	12 865 834	4 150 039
Increase (decrease) in accounts receivables		(14 726 783)	57 019 739	26 736 739	(1 543 539)
Increase in prepayments		(353 752 566)	(67 889 369)	(181 962 000)	(1 979 092)
Increase assets held for sale		(431 941)	-	(10 759)	-
Increase in inventory		1 339 436	(16 100 619)	(24 478 607)	(907 987)
Increase in payables		21 444 226	(76 329 325)	192 580 461	8 580 657
CASH FLOWS FROM INVESTING ACTIVITIES		(302 439 689)	(867 383 401)	(205 903 445)	7 170 022
Interest received		19 683 578	35 306 165	13 390 189	5 015 910
Right of use		-	-	-	-
Proceeds from sale of property, plant and equipment		2 998 308	7 634 900	1 771 771	712 172
Purchase of financial investments		(25 447 813)	(37 251 001)	(17 311 437)	(1 168 716)
Proceeds from financial investments		9207 733	741 574 028	6 263 764	43 398 176
Purchase of intangible assets		(140 696 140)	(9 000 177)	(95 711 660)	(227 854)
Purchase of property, plant and equipment		(168 185 356)	(1 605 647 316)	(114 306 072)	(40 559 666)
CASH FLOWS FROM FINANCING ACTIVITIES		319 540 864	(83 544 478)	319 540 864	(5 820 470)
Government capital grant		362 671 244	-	362 671 244	-
Lease liability		-	-	-	-
Principal portion of lease liability	8.2	(17 779 321)	(31 616 375)	(17 779 321)	(2 202 685)
Interest portion of lease liability	8.2	(25 351 059)	(51 928 104)	(25 351 059)	(3 617 785)
Net increase in cash and cash equivalents		1 359 172 366	(779 161 939)	912 152 764	35 903 892
Effects of Inflation on cash and cash equivalents		(821 915 584)	439 754 447	-	-
Cash and cash equivalents at beginning of the year		421 262 287	760 669 780	46 366 305	10 466 383
Cash and cash equivalents at year end	10	958 519 069	421 262 287	958 519 069	46 366 305

ZIMBABWE REVENUE AUTHORITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the year ended December 31, 2024.

	Note	Budgeted Amounts		Actual amounts		Difference between Final Budget and Actual
		Original ZWG	Adjustments ZWG	Final ZWG	Historical Cost ZWG	Historical Cost ZWG
Revenue		473 696 668	2 599 215 698	3 072 912 366	3 373 555 571	(300 643 205)
Revenue without binding arrangements	24.1	385 659 992	2 074 598 301	2 460 258 293	2 460 265 686	(7 392)
Revenue with binding arrangements	24.2	88 036 676	508 942 437	596 979 114	243 688 000	353 291 113
Other revenue	24.3	-	15 674 959	15 674 959	669 601 885	(653 926 926)
Less expenses		(385 659 992)	(2 074 598 301)	(2 460 258 293)	(2 364 595 974)	(95 662 319)
Compensation of employees	25.1	(302 491 149)	(1 220 920 622)	(1 523 411 771)	(1 443 072 332)	(80 339 439)
Use of goods and services	25.2	(82 686 418)	(847 953 854)	(930 640 271)	(782 021 181)	(148 619 090)
Other expenses	25.3	(482 426)	(5 723 825)	(6 206 251)	(114 148 589)	107 942 338
Finance costs	8.3	-	-	-	(25 353 872)	25 353 872
Surplus for the year		88 036 676	524 617 397	612 654 073	1 008 959 597	(396 305 523)
Capital Expenditure						
Furniture and equipment		1 532 782	13 307 187	14 839 969	14 405 801	434 168
Transport equipment		4 506 911	125 746 983	130 253 894	47 433 160	82 820 735
Machinery and equipment		3 054 307	172 810 330	175 864 637	28 005 635	147 859 002
Construction works		40 044 115	92 597 765	132 641 880	8 066 249	124 575 631
Purchase of land, user rights and buildings		-	5 591 188	5 591 188	3 523 989	2 067 199
Breeding stock -canine		120 461	976 690	1 097 152	1 091 038	6 114
Information management system		14 487 953	97 912 295	112 400 248	107 491 853	4 908 395
Total Capital Expenditure		63 746 531	508 942 437	572 688 968	210 017 726	362 671 243

Explanatory note

Revenue grant exceeded the budget by ZWG 7,392 due to the exchange rate fluctuations from posting dates. Actual revenue was lower than budget by ZWG 353 291 191 under Revenue with Binding Arrangements, this was attributable to the deferral of the Capital Grant, as detailed in the table above. Other revenue significantly exceeded the budget by ZWG 653 926 926 due to exchange rate gains amounting to ZWG 54 540 583 and Fair value income of ZWG 101 548 969 arising from the revaluation of investment property.

The budget overrun of ZWG 80 339 439 arose due to three hundred and forty eight (348) vacancies which were not filled during the period under review.

An overall budget under run of ZWG 15 322 880 for use of goods and services, other expenses and finance cost was due to Healthy and safety gala cancellation and other training programs which were held virtually

Procurement for several capital expenditure lines was still in progress, having been delayed by retender requests-either from regulatory authorities or due to withdrawal of winning bidders-as well as rigorous value-for-money assessments.

ZIMBABWE REVENUE AUTHORITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the year ended December 31, 2024.

	Note	Budgeted Amounts		Actual	Final Budget Vs Actuals: Variance	
		Original Inflation Adjusted	Adjustments Inflation Adjusted			Final Inflation Adjusted
Total Revenue		1 934 185 386	3 824 492 895	5 758 678 280	5 622 893 837	559 445 774
Revenue without binding arrangements	24.1	1 574 716 417	3 052 569 461	4 627 285 878	4 279 670 770	347 615 109
Revenue with binding arrangements	24.2	359 468 968	748 859 257	1 108 328 225	441 943 825	(666 384 400)
Other revenue	24.3	-	23 064 177	23 064 177	901 279 242	878 215 065
Less expenses		(1 574 716 418)	(3 052 569 461)	(4 627 285 879)	(3 209 268 711)	(1 418 017 167)
Compensation of employees	25.1	(1 235 123 654)	(1 796 465 853)	(3 031 589 506)	(1 976 875 549)	(1 054 713 957)
Use of goods and services	25.2	(337 622 937)	(1 247 681 557)	(1 585 304 494)	(1 043 187 628)	(542 116 866)
Other expenses	25.3	(1 969 827)	(8 422 052)	(10 391 879)	(163 850 004)	153 458 126
Finance costs	25.4	-	-	-	(25 355 530)	25 355 530
Surplus for the year		359 468 968	(453 353 762)	113 1392 401	2 413 625 126	(2 507 509 920)
CAPITAL EXPENDITURE						
Furniture and equipment		23 128 764	19 580 231	42 708 995	15 521 043	27 187 951
Transport equipment		68 006 585	185 024 445	253 031 031	69 793 277	183 237 754
Machinery and Equipment		46 087 667	254 273 579	300 361 246	41 207 567	259 153 679
Feasibility Studies, project preparation and design		-	-	-	-	-
Project management		-	-	-	-	-
Construction works		604 241 674	136 248 597	740 490 273	11 868 700	728 621 571
Purchase of land, user rights & buildings		-	8 226 888	8 226 888	3 537 507	4 689 381
Breeding stock -Canine		1 817 691	1 437 104	3 254 796	1 605 356	1 649 440
Information management system		218 614 524	144 068 411	362 682 937	-	362 682 937
TOTAL CAPITAL EXPENDITURE		961 896 906	748 859 256	1 710 756 165	143 533 450	1 567 222 713

ZIMBABWE REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

1. NATURE OF BUSINESS

The Zimbabwe Revenue Authority (ZIMRA) commenced operations on September 1, 2001 and was established under the Zimbabwe Revenue Authority Act [Chapter 23:11] of 1999. The Authority's primary mandate is to collect revenue on behalf of the Government of Zimbabwe, administer tax legislation, and facilitate trade and economic development both within the region and internationally. ZIMRA is primarily funded by the Government of Zimbabwe through grants.

The Authority's Head Office is located at ZB Centre, Corner of Kwame Nkrumah Avenue and First Street, Harare, Zimbabwe.

2. BASIS OF PREPARATION

2.1. Statement of compliance

The financial statements for the year ended December 31, 2024 have been prepared in accordance with the International Public Sector Accounting Standards (IPSASs), as issued by the International Public Sector Accounting Standards Board (IPSAB).

Zimbabwe adopted IPSASs as its financial reporting framework through the promulgation of Statutory Instrument 41 of 2019. This move was part of the broader migration of public sector entities to IPSASs, supported by the Implementation and Strategy Plan launched by the Minister of Finance, Economic Development, and Investment Promotion in 2019.

The Zimbabwe Revenue Authority (ZIMRA) was selected as one of the scoped entities to transition to IPSASs, with a designated implementation period from 2021 to 2025. The Authority began its transition from the International Financial Reporting Standards (IFRS) framework to IPSAS in 2021, which is set to complete by 2025. During the transition period, the Authority prepared financial statements in compliance with both IFRSs and transitional IPSAS financial statements. As of 2024, the Authority's financial statements are fully compliant with IPSASs. The significant accounting policies applied in the preparation of these financial statements have been consistently followed and aligned with the IPSAS framework.

The Authority is fully compliant with the Public Finance Management Act [Chapter 22:19], which ensures transparency, accountability, and effective management of revenue, expenditure, assets, and liabilities of public entities in Zimbabwe. The operations of the Authority are also governed by the Revenue Authority Act [Chapter 23:22], as well as relevant statutory instruments issued as of December 31, 2024.

2.2. Basis of measurement

The financial statements are prepared under the historical cost basis, adjusted to reflect the effects of inflation in accordance with International Public Sector Accounting Standard (IPSAS) 10 - "Financial Reporting in Hyperinflationary Economies", except for the following:

- i. Property, Plant, and Equipment: These are initially measured at cost and subsequently measured using the revaluation method.
- ii. Intangible Assets: These are initially measured at cost and subsequently measured using the revaluation method.

ZIMBABWE REVENUE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

iii. Investment Properties: These are initially measured at cost and subsequently measured at fair value.

2.2.1. Inflation accounting

IPSAS 10 - "Financial Reporting in Hyperinflationary Economies", is an accounting standard issued by the International Public Sector Accounting Standards Board (IPSASB) to guide public sector entities in preparing financial statements when operating in an economy characterized by hyperinflation. The Zimbabwe Revenue Authority (ZIMRA) uses the Zimbabwe Gold currency (ZWG), which is considered unstable as defined in IPSAS 10 - "Financial Reporting in Hyperinflationary Economies". As a result, the Authority has complied with the requirements of this standard by restating its financial statements using the Consumer Price Index (CPI) issued by the Zimbabwe National Statistics Agency (ZIMSTAT).

The indices and conversion factors used to restate the financial statements for the period ended April 5, 2024 and as at December 31, 2024 are as follows:

Month	Index	Conversion Factor
31-Dec-2023	65,703.44	9.09
01-Jan-24	93,215.82	6.40
28-Feb-24	258,942.08	2.31
31-March-24	429,219.62	1.39
05-April-24	596,950.30 Estimate	1.00

2024	Month	Index	Conversion Factor
	Apr	100.00	1.66
	May	97.58	1.70
	Jun	97.62	1.70
	Jul	97.50	1.71
	Aug	98.90	1.68
	Sep	104.62	1.59
	Oct	143.59	1.16
	Nov	160.41	1.04
	Dec	166.30	1.00

The following considerations and procedures were applied in the restatement of the financial statements, in accordance with IPSAS 10 - "Financial Reporting in Hyperinflationary Economies":

- Monetary items were not restated, as they are already expressed in terms of the monetary unit current at the reporting date.
- Non-monetary items were restated to reflect the changes in the general price level using the Consumer Price Index (CPI).
- All items in the statement of financial performance have been expressed in terms of the measuring unit current at the reporting date and were restated accordingly.

The surplus or deficit arising from the net monetary position has been separately disclosed in the statement of financial performance.

ZIMBABWE REVENUE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

2.3. Functional and presentation currency

The financial statements are presented in Zimbabwe Gold (ZWG), with all amounts rounded to the nearest ZWG unless otherwise indicated. Management has assessed the currency of the primary economic environment in which the Authority operates and determined that ZWG is the functional currency. This conclusion is based on the fact that the majority of the Authority's transactions—including budgeting, salary payments, and other operational expenditures—are denominated and settled in ZWG. While certain contracts are USD denominated, they are predominantly settled in ZWG, further supporting this assessment.

2.3.1. Accounting for change in presentation currency

Following the introduction of the Zimbabwe Gold (ZWG) currency by the Reserve Bank of Zimbabwe on April 5, 2024 replacing the Zimbabwean Dollar (ZWL), the Authority applied the requirements of International Public Sector Accounting Standard (IPSAS) 4 - "The Effects of Changes in Foreign Exchange Rates", when converting the ZWL amounts to ZWG. The following accounting treatments were applied for the change in Presentation currency:

The Authority adopted the following:

On the date of change (April 5, 2024)

- The effect of change in presentation currency for ZWL to ZWG was accounted for prospectively.
- All previously existing balances were translated into the new currency using the exchange rate at the date of the change of ZWG 1:ZWL2 499 in compliance with the requirements of International Public Sector Accounting Standard (IPSAS) 10 - "Reporting in Hyperinflationary Economies."
- Inflation adjusted financial statements were prepared on the date of change and then converted to zig using the ZWG 1: ZWL2 499

Comparative information and current year (January 1 to April 5)

- All amounts in the statement of financial performance from January 1 to April 5 were adjusted for inflation up to April 5. These inflation-adjusted amounts were then translated into ZWG using the ZWG/ZWL exchange rate on the date of change.
- Inflation adjustments were subsequently done to the financial statements up to December 31, 2024.
- For comparative inflation adjusted financial statements, they were hyper-inflated and then restated to ZWG using 2 499. Subsequently, the ZWG converted were inflation adjusted up to December 31, 2024

Foreign currency transactions are translated to the Zimbabwe Gold using the Reserve Bank of Zimbabwe (RBZ) interbank exchange rate.

ZIMBABWE REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

2.4. Critical accounting judgments, assumptions and estimates

In preparing the financial statements, management made 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 were inherent in the formulation 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:

2.4.1. Impairment and provisioning policies

At each reporting date, the Authority reviews the carrying amounts of its assets to assess whether there is any indication of impairment. If such an indication exists, the recoverable amount of the asset is estimated. Where the recoverable amount is less than the carrying amount, the asset is written down to its recoverable amount, and the resulting impairment loss is recognized in the statement of financial performance. Impairment losses are recognized immediately as an expense, unless the asset is carried at a revalued amount in accordance with the applicable IPSAS standard. In such cases, the impairment loss is treated as a revaluation decrease. If, in a subsequent period, the conditions leading to the impairment no longer exist and there is evidence that the asset may no longer be impaired, the impairment loss is reversed. The reversal is recognized in the statement of financial performance to the extent that it increases the asset's carrying amount to the amount that would have been recorded (net of depreciation or amortization) had no impairment loss been recognized.

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

The Authority reviews the useful lives and residual values of property, plant, and equipment on an annual basis. Depreciation rates applied are disclosed in Note 3.3. During the year, management reassessed and, where necessary, revised the useful lives of certain assets to ensure they reflect the assets' expected patterns of consumption and economic use.

Residual values for all classes of property, plant, and equipment have also been reviewed and determined by management based on current estimates of the assets' value at the end of their useful lives.

2.4.3. Uncollectable accounts receivable

The Authority applies the Simplified Approach in estimating expected credit losses (ECL), in line with IPSAS guidelines. This approach is based on management's assessment of collection indicators and historical data to predict credit risk.

Although some receivables may arise from staff members who have exited the organization, the probability of default remains minimal due to the Authority's ability to recover outstanding balances from terminal benefits. Based on past experience and observable trends, management has developed a predictive model to assess the risk of default.

To calculate the expected credit losses, the Authority uses a provision matrix that incorporates historical loss rates adjusted for forward-looking information and current economic conditions. The provision matrix applied in the calculation of ECL is as follows:

Current	121 to 180 days	241 to 300 days	301<360	361 and above
0.05%	0.15%	0.50%	0.90%	2.00%

ZIMBABWE REVENUE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

2.4.4. Fair value measurement

International Public Sector Accounting Standard (IPSAS) 46 - "Measurement" brings in generic guidance on fair value for the first time, and introduces current operational value, a public sector specific current value measurement basis addressing constituents' views that an alternative current value measurement basis to fair value is needed for certain public sector assets. 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.

2.4.5. Going concern

The Directors have assessed the Authority's ability to continue operating as a going concern for a period of at least 12 months from the reporting date. Based on this assessment, the Directors are satisfied that the Authority has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

2.5. New and amended standards and interpretations

The financial statements for the year ended December 31, 2024 represent the Authority's first full compliance with International Public Sector Accounting Standards (IPSAS). As part of the transition to IPSAS, the accounting policies have been reviewed and adjusted to align with the requirements of the new financial reporting framework.

The following new standards, amendments, and interpretations to IPSAS have been issued but are not yet effective. The Authority will adopt these standards when they become effective:

2.5.1. New and amended standards and interpretation not yet effective

The following are new and amended standards and interpretation were in issue but not yet effective.

2.5.1.1. International Public Sector Accounting Standards (IPSAS)47-"Revenue"

The Authority has early adopted this standard with effect from January 1, 2024. Revenue transactions have been recognized in accordance with the standard. This standard is effective on, or after January 1, 2026.

2.5.1.2. Amendment of International Public Sector Accounting Standard (IPSAS)19-"Provisions, Contingent Liabilities And Contingent Assets"

The amendment requires an entity to clarify how the account for specific changes in estimates of existing liabilities to dismantle, remove and restore a property, plant and equipment in the scope of International Public Sector Accounting Standard (IPSAS) 45 - "Plant, Plant and Equipment" or

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right of use asset in the scope of International Public Sector Accounting Standard (IPSAS) 43 - "Leases". Effective date January 1, 2026 and will be adopted when they become effective.

2.5.1.3. Amendment of International Public Sector Accounting Standard (IPSAS) 39 - "Employee Benefits"

The amendment clarifies how an entity should consider limits on the defined benefit asset and minimum funding requirements when accounting for its post-employment defined benefits or other long-term employee defined benefits. Effective date January 1, 2026 and will be adopted when they become effective.

2.5.1.4. Amendment of International Public Sector Accounting Standard (IPSAS) 10 - "Financial Reporting in Hyperinflationary Economies"

The amendment requires an entity to clarify how to identify the existence of hyper-inflation in the economy of its functional currency when the economy was not hyper inflationary in the prior period. Effective date January 1, 2026 and this standard will be adopted when they become effective.

2.5.1.5. Amendment of International Public Sector Accounting Standard (IPSAS) 44 - "Assets Held for Sale and Discontinued Operations"

The standard was issued in May 2022. Previously there was no International Public Sector Accounting Standard (IPSAS) standard hence Public Sector entities were relying on IFRS 5 - "Assets Held for Sale and Discontinued Operations". International Public Sector Accounting Standard (IPSAS) 44 includes additional public sector requirements, in particular, the disclosure of the fair value of assets held for sale that are measured at their carrying amounts, when the carrying amount is materially lower than their fair value. The Authority has opted for early adoption of the standard. The effective date of application January 1, 2025,

2.5.1.6. International Public Sector Accounting Standard (IPSAS) 43 - "Leases"

The standard was issued in January of 2022. It introduced a right-of-use model that replaces the risks and rewards incidental to ownership model in International Public Sector Accounting Standard (IPSAS) 13 - "Leases". For lessors, International Public Sector Accounting Standard (IPSAS) 43 substantially carries forward the risks and rewards incidental to ownership model in International Public Sector Accounting Standard (IPSAS) 13 - "Leases". The Standard superseded International Public Sector Accounting Standard (IPSAS) 13 - "Leases"; the old Leasing accounting was based on the IAS 17 - "Leases" standard. International Public Sector Accounting Standard (IPSAS) 43 is effective January 1, 2025. The Authority elected to early adopt this, hence has been considered in the current reporting period.

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3. ACCOUNTING POLICIES

The accounting policies have been aligned to the International Public Sector Accounting Standards (IPSASs).

3.1. Change in accounting policy

In line with Statutory Instrument 41 of 2019, Zimbabwe adopted the International Public Sector Accounting Standards (IPSASs) as the financial reporting framework for public sector entities. This transition was formally initiated through the IPSAS Implementation and Strategy Plan, launched in 2019 by the Minister of Finance, Economic Development and Investment Promotion. As a result, the Authority has migrated from the International Financial Reporting Standards (IFRSs) to IPSASs. The significant accounting policies previously applied under IFRSs have now been realigned to comply with the IPSAS framework. This transition constitutes a change in accounting policy, in accordance with (IPSAS) 3 - "Accounting Policies, Changes in Accounting Estimates and Errors" paragraph 24(b).

3.2. Accordingly, the Authority has prepared a comparative Statement of Financial Position with effect from January 1, 2023, to reflect the impact of this change.

Key Changes in Accounting Policies:

- Revenue Recognition: Capital grants are now recognised as revenue, in line with IPSAS 47 "Revenue", rather than being recorded as deferred income or reserves.
- Donations: Both the donations reserve and donations are now recognised in accordance with IPSAS requirements, aligning with their nature as transactions with binding or without binding arrangements.
- Infrastructure Assets: The Authority has recognised infrastructure assets in its financial statements, consistent with IPSAS 45 – "Property, Plant and Equipment".
- Budget Comparison: A Statement of Comparison of Budget and Actual Amounts is now presented, as required by IPSAS 24 - "Presentation of Budget Information in Financial Statements" to enhance transparency and accountability.

3.3. Property, Plant and Equipment (PPE)

The cost of an item of property, plant and equipment is recognised as an asset when and only if:

- a) It is probable that future economic benefits or service potential associated with the item will flow to the entity, and
- b) The item can be measured reliably.

An item of PPE that qualifies for recognition shall be measured at its cost except where the item is acquired through a non-exchange transaction. PPE acquired through a non-exchange transaction shall be measured at its deemed cost. Initial measurement at deemed cost shall not constitute a revaluation.

Recognition of costs in the carrying amount of property, plant, and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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3.3.1. Assets acquired on transactions without binding arrangements- Donated Assets

Donated Assets are recognized in accordance with International Public Sector Accounting Standard (IPSAS) 47 - "Revenue". An entity will recognize an asset arising from a non-binding arrangement when it gains control of resources that meet the definition of an asset and satisfy the recognition criteria. Donated Assets are measured at fair Value upon receipt under International Public Sector Accounting Standard (IPSAS) 47 - "Revenue" and if they meet the recognition criteria under International Public Sector Accounting Standard (IPSAS) 45 - "Property, Plant and Equipment" they will be accounted for in the manner in which assets in similar class are treated.

3.3.2. Subsequent measurement

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

A revaluation surplus is recorded in Statement of Financial Performance (SFP) 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 Statement of Financial Performance, the increase is recognised in the Statement of Financial Performance (SFP). A revaluation deficit is recognised in the Statement of Financial Performance in accordance with International Public Sector Accounting Standard (IPSAS) 45 - "Property, Plant and Equipment", 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. 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.

3.3.3. Depreciation

Property, plant and equipment are depreciated on straight line basis over the asset's expected useful life. Land and work in progress are not depreciated. The useful lives of each asset are set out below. A review of useful lives for assets across the classes was 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:

Asset Class	Asset	Useful life
Land		Indefinite

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Buildings	<ul style="list-style-type: none"> • Mobile homes • Other buildings 	10 years 60 years
Infrastructure	<ul style="list-style-type: none"> • Civil works • Water works & boreholes • Sewer • Temporary buildings 	30 years 10 years 10 years 50 years
Land improvements	<ul style="list-style-type: none"> • Fencing & durawall • Sidewalls • Drive ways • Street lighting • Storm drains 	10 years 5 years 20 years 10 years
Transport equipment	<ul style="list-style-type: none"> • Motor vehicles • Other machinery and equipment 	5 years 10 years
ICT Equipment	<ul style="list-style-type: none"> • Computer equipment • Network equipment 	6 years
Machinery and equipment	<ul style="list-style-type: none"> • Generators • Office equipment • Scales and measures • Fire fighting • Water tank • Solar equipment • Tools & equipment generals 	10 years 10 years 25 years 12 years 10 years
Biological Resources	<ul style="list-style-type: none"> • Animal resources and yielding repeat products. 	10 years
Furniture, Fixtures and Fittings	<ul style="list-style-type: none"> • Furniture, fixtures and fittings 	15 years
Assets under construction	○	
Intangible Assets	<ul style="list-style-type: none"> • Software and development cost 	6 years

3.3.4. Impairment

Impairment occurs when the carrying amount is greater than the recoverable amount. International Public Sector Accounting Standard (IPSAS) 21 - "Impairment of Non-Cash-Generating Assets" or International Public Sector Accounting Standard (IPSAS) 26 - "Impairment of Cash-Generating Assets shall be applied to determine whether an item of Property, Plant and Equipment is impaired.

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3.3.5. De-recognition

Property Plant and Equipment is derecognized when:

- It is disposed of.
- There are no future economic benefits or service potential from its use or disposal.

Upon de-recognition, any gain or loss is included in the statement of financial performance. The gain or loss is not revenue.

Where the replacement of a part of an asset is recognized separately, the carrying amount of the replaced part is derecognized regardless of whether it was depreciated separately. Where it is not practicable to determine the carrying amount of the replaced part, an entity may use the cost of the replacement as an indication of what the cost of the replaced part was at the time of acquisition, construction, or development.

The gain or loss arising from the de-recognition of an item of PPE shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. The consideration receivable on disposal of PPE is recognized initially at its fair value, and where the payment for the item is deferred, the consideration received is recognized initially at the cash price equivalent. The difference between the nominal amount (current price) of the consideration and the cash price equivalent is recognized as interest revenue.

When PPE previously revalued is disposed of, any remaining surplus on the revaluation should be transferred to the accumulated surplus.

3.3.6. Infrastructure assets

The Authority will account for the assets as part of its property plant and equipment under International Public Sector Accounting Standard (IPSAS) 45 - "Property, Plant and Equipment" in 2023. An initial valuation will be carried out and the fair value of the assets will be recognized. The remaining useful lives will be estimated and a suitable depreciation method established.

3.3.7. Drones

The Authority has made significant progress in the purchase of drones which will be used as part of Aeronautical monitoring at main border posts. The drones will be operated, maintained and owned by the Authority. The accounting for the drones in accordance with International Public Sector Accounting Standard (IPSAS) 45 - "Property, Plant and Equipment" and classified as Plant and machinery".

3.3.8. Biological resources

Living resources are those resources that undergo biological transformation processes of growth, degeneration, production, and procreation that cause qualitative or quantitative changes in a living resource.

The Authority has canine units which are being used as sniffer dogs the Customs operational environment. They are recognized as a class of assets within the Authority's Property, Plant and Equipment in accordance with International Public Sector Accounting Standard (IPSAS) 45, "Property, Plant and Equipment". Biological assets recognized in the prior year were reclassified to living resources as they are no longer primarily held for breeding purposes but for security operations.

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3.3.9. Biological assets

The Authority previously recognised biological assets in terms of International Public Sector Accounting Standard (IPSAS) 27 - "Agriculture". The Biological assets have been reclassified to living resources in terms of International Public Sector Accounting Standard (IPSAS) 45 - "Property, Plant and equipment" requirements as they no longer comply with the requirements of International Public Sector Accounting Standard (IPSAS) 27 - "Agriculture". The Authority controls the asset as a result of past events, It is probable that future economic benefits or service potential associated with the asset will flow to the Authority; and, the fair value or cost of the asset can be measured reliably.

3.4. Assets held for sale

The Authority recognizes asset held for sale in accordance with International Public Sector Accounting Standard (IPSAS) 44 - "Non-current assets held for sale and discontinued Assets". 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.

3.5. Intangible assets

An intangible asset is recognised by the Authority only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Authority. Software acquired separately is measured on initial recognition at cost. Following initial recognition, it is carried at fair value less accumulated amortisation and impairment losses recognised at the date of revaluation.

The useful lives of intangible assets are assessed as finite. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset is reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern or consumption of amortisation period or method as appropriate and are treated as changes in accounting estimates. The amortisation expense is recognised in the statement of comprehensive income. Amortisation is recognised in the statement of comprehensive income on straight line basis over the useful life of the software. Amortisation methods, useful lives and residual lives are reviewed at each financial year end and adjusted if appropriate.

The estimated economic useful life applied is as follows:

SAP Operating software	6 years
Other software	6 years

3.5.1. 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 Statement of Financial performance as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any impairment losses.

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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 Statement of Financial Performance as incurred. Any expenditure capitalised is normally amortised over three years.

3.6. Investment property

The Authority has investment property recognized in accordance with International Public Sector Accounting Standards (IPSAS)16-“Investment Property”. The Investment property comprises of Land and Buildings which are held to earn rentals or for capital appreciation.

The Authority recognizes Investment property according to the fair value model in the standard, which reflects market conditions at the end of the reporting period. Gains or losses resulting from a change in the fair value of investment property are recognized in the income statement in the year they arise. The Authority, during the year reclassified some of the investment property to property, plant and equipment in accordance with International Public Sector Accounting Standards (IPSAS) 16 requirements to owner occupied.

3.7. Financial instruments

Financial instruments such as cash, accounts receivable and loans are central to the operations of any public sector entity. Financial instruments: are contracts that give rise to both a financial asset in one entity and a financial liability or an equity instrument in another.

3.7.1. Financial assets

A financial asset, simply put, is cash, an equity instrument of another entity, or a contract to receive cash at a future date.

Common financial assets:

The most commonly used financial assets are cash, or a contract to receive cash. These instruments are the lifeblood of any entity and are used in most routine transactions. Common financial assets include:

- Accounts receivables;
- Loans receivable, including concessionary loans; and
- Investment certificates (Treasury Bills).

Not to be confused with financial assets: The following instruments are not financial assets:

- Statutory receivables; and
- Prepayments.

3.7.2. Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity.

Common financial liabilities:

Similar to financial assets, many financial liabilities are routinely used in daily transactions. Any time an entity has an obligation to deliver cash, it has a financial liability. Common financial liabilities include:

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- Bank overdraft;
- Accounts payable; and
- Borrowings (including bonds, loans and concessionary loans).

3.7.3. Equity instruments

Equity instruments represent an interest in the net assets of another entity. Equity instruments are often common shares or other types of investment in another entity.

The Authority has fully complied with International Public Sector Accounting Standards (IPSAS)-41 - "Financial Instruments". International Public Sector Accounting Standards (IPSAS)41,- "Financial Instruments" provides users of financial statements with more useful information than International Public Sector Accounting Standards (IPSAS) 29 "Financial Instruments" by:

- a) Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;
- b) Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and
- c) Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance.

The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

3.7.4. 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 model is assessed on an instrument-by-instrument basis, based on the following factors;

- The risks that affect the performance of the business model and how the risk is managed within each financial asset.
- The level of amounts held within each financial instrument.
- The security available on securing each asset.

3.7.5. Measurement

International Public Sector Accounting Standards (IPSAS) 29 – "Financial Instruments", contained many different classification categories. Classification was rule-based and could be complex and challenging to apply in practice. International Public Sector Accounting Standards (IPSAS) 41 - "Financial Instruments" reduces complexity by replacing the existing classification and measurement categories for financial assets with principles-based categories.

The classification of financial assets is the foundation for the requirements for the measurement of financial assets on an ongoing basis, and the requirements for impairment and hedge accounting. International Public Sector Accounting Standards (IPSAS) 41 - "Financial Instruments" applies one approach for classification of all financial assets. The two criteria used to determine how financial assets should be classified and measured are:

- The entity's management model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset.

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International Public Sector Accounting Standards (IPSAS) 41 - "Financial Instruments" also allows an entity to elect to account for financial assets at fair value. The incurred loss impairment model in International Public Sector Accounting Standards (IPSAS) 29 - "Financial Instruments" has been criticized for resulting in delayed recognition of losses - as an entity can only recognize impairments when there is objective evidence indicating that a loss event has occurred, even if a loss has been likely for some time.

3.7.6. Classification of financial assets and liabilities

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 Statement of Financial Performance (SFP)
- Fair value through Statement of Financial Performance (SFP)

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 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).

3.7.7. Impairment of financial assets

Compared to the existing impairment model, International Public Sector Accounting Standards (IPSAS) 41 - "financial instruments" provides a single forward-looking model that eliminates the threshold for impairment recognition. It is no longer necessary for a trigger event to occur prior to recognizing a credit loss.

The forward-looking model requires an entity to recognize expected credit losses at all times. The model uses a dual measurement approach whereby expected credit losses are measured as either 12- month expected credit losses or lifetime expected credit losses. Due to its forward-looking nature, International Public Sector Accounting Standards (IPSAS) 41 - "Financial Instruments" model broadens the information that an entity is required to consider when it determines its expectation of credit losses. Consequently, more timely information is required to be provided about expected credit losses and it provides financial statement users the ability to make better decisions.

The expected credit loss model applies to debt instruments recorded at amortised cost or at fair value through other comprehensive income. An impairment test involves comparing an asset's carrying amount in the balance sheet with its recoverable amount is done annually. Recoverable amount is the higher of fair value less costs of disposal and value in use. Where the recoverable amount using both methods is higher than the asset carrying amount, there is no impairment unless it is the reverse.

Expected credit losses is calculating the impairment allowance. After initial recognition, the impairment allowance is adjusted, up or down, through Statement of Financial Performance at each balance sheet date as the probabilities of collection and recoveries change.

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3.7.8. De-recognition of financial assets

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

3.7.9. De-recognition of financial liabilities

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

3.8. Cash and Cash equivalents

Cash equivalents are held to meet short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise bank balances, cash on hand, Funds on call and deposits.

3.9. Leases

The Authority as a lessee

The Authority has lease contracts for several properties, which are leased for office and staff accommodation. Management negotiates terms and conditions of the leases. Where lease terms exceed 12 months and values of the underlying assets exceed USD5000, the leases are recognised as “Right of Use” assets and the related obligations are recognised as liabilities.

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 USD5 000. Obligations incurred under these leases were charged to the statement of financial performance 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.

Recognition and measurement

The right use of asset at commencement is measured at cost. Lease liability is measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the incremental borrowing rate.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability.

The finance charge is allocated to each period during the lease term, to produce a constant periodic rate on the remaining balance of the liability.

The Authority as a lessor

The Authority leases out additional space at its premises to third parties. The leases are recognised as operating leases where rental income from the leases is recognized in the Statement of Financial Performance.

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3.10. Inventory

Inventories are assets held in the form of materials or supplies to be consumed or distributed in the rendering of services.

Initial Measurement

Inventories are initially measured at cost. When inventories are acquired through a non-exchange transaction, they are measured at their fair value at the date of acquisition.

Subsequent Measurement

Inventories are subsequently measured at the lower of cost and net realizable value (NRV). However, inventories held for:

Distribution at no charge or for a nominal charge, or Consumption in the production of goods to be distributed at no charge or for a nominal charge, are measured at the lower of cost and current replacement cost.

Write-downs and reversals

The amount of any write-down to current replacement cost or NRV, and all inventory losses, are recognized as an expense in the period in which they occur. Any reversal of a write-down, resulting from an increase in net realizable value or current replacement cost, is recognized as a reduction in the expense for inventories in the period in which the reversal occurs.

Provisions and contingent liabilities

Provisions are recognized when all of the following conditions are met:

- There is a present obligation (legal or constructive) as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and
- A reliable estimate can be made of the amount of the obligation.

If these conditions are not met, a provision is not recognized.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent liabilities are not recognized in the financial statements but are disclosed, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets are also not recognized but are disclosed in the notes to the financial statements where an inflow of economic benefits or service potential is probable, but not virtually certain. These typically arise from unplanned or unexpected events that:

- a. Are not wholly within the control of the Authority; and
- b. Give rise to the possibility of an inflow of resources.

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3.11. Revenue

Revenue comprises the gross inflow of economic benefits or service potential received or receivable by the Authority during the period, when such inflows result in an increase in net assets or equity, other than increases arising from contributions by owners.

The Authority does not recognize as revenue any amounts collected in its capacity as an agent on behalf of the Government, other government organizations, or third parties. These amounts do not result in an increase in the Authority's net assets or equity, and therefore fall outside the scope of revenue recognition.

In determining whether a transaction constitutes revenue, the Authority assesses whether the transaction arises from a binding arrangement or without a binding arrangement, in accordance with the requirements of IPSAS 47 - "Revenue". This evaluation considers factors such as:

- The existence of enforceable rights and obligations;
- The approval and commitment of the parties to the arrangement;
- The identification of specific performance obligations;
- The economic substance and collectability of consideration.

Based on this assessment, revenue is recognized using either the binding arrangement accounting model or the non-binding arrangement model, as appropriate.

3.11.1. Revenue from transactions without binding Arrangements

The Authority engages in revenue transactions that may occur without binding arrangements. In such cases, the Authority evaluates whether the transaction confers rights or obligations that meet the definitions of assets or liabilities in accordance with applicable IPSAS standards.

Specifically, the Authority assesses:

- a. Whether any rights associated with the transaction meet the definition of an asset; and
- b. Whether any obligations arising from the transaction meet the definition of a liability.

Revenue Recognition Timing:

Revenue from transactions without binding arrangements is recognized as follows:

- (a) When the Authority has an associated obligation that meets the definition of a liability, revenue is recognized as the obligation is satisfied;
- (b) If there is no enforceable obligation, revenue is recognized immediately upon receipt of the inflow of resources.

3.11.2. Measurement of Revenue Transactions without Binding arrangements

Revenue from transactions that do not arise from binding arrangements is measured at the fair value of the consideration received or receivable. When the consideration is non-cash, it is measured at its current value in accordance with the applicable IPSAS.

Subsequent to initial recognition, the Authority measures:

- a. Receivables that fall within the scope of IPSAS 41 - "Financial Instruments" as financial assets. For receivables not directly within the scope of IPSAS 41 - "Financial Instruments", measurement is applied by analogy, where appropriate;

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b. All other assets in accordance with the applicable IPSAS standards governing those asset types.

Revenue Grants are recognized as income in the Statement of Financial Performance in the same period in which the related eligible expenditures are incurred. This ensures that grant income is matched with the corresponding expenses it is intended to fund.

3.11.3. Revenue from transactions with binding arrangements

The Authority accounts for revenue from binding arrangements using the binding arrangement accounting model if all of the following criteria are met:

- a. The parties to the binding arrangement have approved the arrangement and are committed to performing their obligations;
- b. The Authority can identify each party's rights under the binding arrangement;
- c. The binding arrangement has economic substance;
- d. It is probable that the Authority will collect the consideration to which it is entitled for satisfying its compliance obligations in accordance with the binding arrangement.

Once a binding arrangement meets the above criteria, the Authority shall not reassess these criteria unless there is an indication of a significant change in facts and circumstances.

Government Grants: The Authority receives government grants, which are recognized as income and assets. Government grants, including non-monetary grants recognized at fair value, are not recognized until there is reasonable assurance that:

The Authority will comply with the conditions attached to the grants; and the grants will be received. Any unused portion of a grant is recognized as deferred income until the conditions for recognition as income are met.

Donations in Kind: Donations in kind are recorded as assets and other income when received, at their fair value.

3.11.3.1. Measurement

Revenue is measured based on the consideration to which the Authority expects to be entitled in exchange for satisfying a compliance obligation, in accordance with IPSAS 47 - "Revenue". The total transaction consideration is allocated to each identifiable compliance obligation within a binding arrangement, typically based on their relative stand-alone selling prices. Services in-kind are not required to be recognized but may be recognized if they meet the recognition criteria outlined in the relevant IPSAS standards.

A capital transfer is defined as an inflow of cash or another asset from a binding arrangement with a stipulation that the Authority acquires or constructs a non-financial asset that will be controlled by the Authority. Since capital transfers arise from enforceable arrangements, the Authority applies the binding arrangement model under IPSAS 47 - "Revenue" to recognize and measure revenue related to such transfers.

In addition to revenue from binding arrangements, the Authority also earns income from the following sources:

- Interest income on short-term investments, which is recognized using the effective interest method;

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- Rental income from investment properties, recognized on a straight-line basis over the lease term unless another systematic basis is more representative;
- Commission income from revenue collection on behalf of third parties. Only the commission component is recognized as income, not the gross amount collected.
- Any other income received by the Authority is recognized based on the substance of the transaction, in accordance with the relevant guidance provided in IPSAS 47 - "Revenue".

3.12. Employee benefits**3.12.1. Short term employee benefits**

Short-term employee benefits are recognized as an expense when the related service is rendered by the employee. A liability is recognized for the amount expected to be paid when the Authority has a present legal or constructive obligation to make such payments as a result of past service, and the amount can be reliably estimated. These benefits include wages, salaries, bonuses, paid annual leave, and non-monetary benefits (such as medical care) expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service.

3.12.2. Defined contribution plan

Obligations for defined contribution plans are recognized as an expense in the period during which the related service is rendered by the employee. Contributions to the plan are expensed as incurred. Prepaid contributions are recognized as an asset to the extent that they will lead to a reduction in future payments or a cash refund from the plan.

3.12.3. Termination benefits

Termination benefits are recognized as an expense at the earlier of the following dates:

- When the Authority can no longer withdraw the offer of those benefits; or
- When the Authority recognizes costs for a restructuring that involves the payment of termination benefits.

If the termination benefits are expected to be settled more than 12 months after the reporting date, they are measured at their present value by discounting the expected future payments.

3.13. Risk management**3.13.1. Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to unforeseen changes in market interest rates. The Authority's exposure to interest rate risk primarily arises from its held-to-maturity investments. Management actively monitors and manages interest rate risk on a proactive basis. To mitigate this risk, the Authority predominantly invests in securities with shorter maturities, thereby reducing exposure to significant fluctuations in market interest rates.

ZIMBABWE REVENUE AUTHORITY**NOTES TO THE FINANCIAL STATEMENTS**for the year ended December 31, 2024

3.13.2. Credit risk

The Authority's debtors are primarily internal, consisting of staff members who have been issued loans, advance salaries, and travelling and subsistence allowances. The exposure to credit risk from these debtors is subject to ongoing monitoring. The monitoring process takes into account various factors, including the employee's employment status, duration of employment, and position within the organization. These factors help assess the collectability of outstanding balances and mitigate the risk of non-payment.

3.13.3. Market risk

The Authority is exposed to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risks arise from open positions in interest rates and foreign currencies, which are subject to general market movements. These risks include changes in interest rates and fluctuations in foreign exchange rates. The Authority's exposure to market risk is influenced by the level of volatility in market prices and rates, including interest rates and foreign exchange rates.

3.13.4. Foreign currency transaction and balances

The Authority's records are maintained in Zimbabwe Gold (ZWG), which is the functional currency. However, some transactions are conducted in other major foreign currencies, including the United States Dollar, South African Rand, Botswana Pula, British Pound, and Euros. Transactions in foreign currencies are translated to Zimbabwe Gold (ZWG) at the exchange rates prevailing at the time the transactions occur. Any gains or losses arising from the conversion or settlement of foreign currency transactions are recognized in the statement of financial performance.

3.14. Taxation

The Authority's receipts and payments are exempt from income tax under the provisions of the Third Schedule to the Income Tax Act [Chapter 23:04].

3.15. Statement of budget

In accordance with IPSAS 24 - "Presentation of Budget Statements", the Authority presents a budget statement that includes the original budget, final budget, and actual expenditures. The budget statement reconciles movements between the original and final budget, highlighting any re-allocations or other adjustments. Variances between actual spending and the final budget are disclosed with appropriate explanations.

The Authority has disclosed the budget in both historical cost and inflation-adjusted formats in compliance with IPSAS 10 - "Financial Reporting in Hyperinflationary Economies". The Original Budget includes a portion of capital expenditure approved in the prior year but not fully utilized for ongoing capital projects, which has been carried forward and added to the current year's approved budget.

ZIMBABWE REVENUE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

4 Property, plant and equipment- Inflation Adjusted	Infrastructure Assets		Buildings		Biological resources		Land		Plant and machinery		Office equipment		Furniture, fixtures, fittings and equipment		Computer equipment		Motor vehicles		Network equipment		Assets under construction		31-Dec-24		31-Dec-23	
	ZWG		ZWG		ZWG		ZWG		ZWG		ZWG		ZWG		ZWG		ZWG		ZWG		ZWG		ZWG		ZWG	
Opening carrying amount	-	1 314 118 870	992 827	604 694 959	375 828 045	16 967 242	63 805 895	205 847 460	291 202 852	17 661 486	510 057 722	3 401 177 359	2 450 850 529	-	-	-	-	-	-	-	-	-	3 401 177 359	2 450 850 529	-	-
Gross carrying amount	-	1 314 118 870	992 827	604 694 959	375 828 045	16 967 242	63 805 895	205 847 460	291 202 852	17 661 486	510 057 722	3 401 177 359	2 450 850 529	-	-	-	-	-	-	-	-	-	3 401 177 359	2 450 850 529	-	-
Accumulated depreciation and Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions at cost	-	5 138 109	1 605 356	42 194	4 120 758	348 103	17 715 697	9 596 858	69 793 285	7 736 551	11 868 701	168 185 356	1 605 647 316	-	-	-	-	-	-	-	-	-	168 185 356	1 605 647 316	-	-
Reclassifications	563 937	2 853 803	7 639	945 559	-	-	-	-	-	-	(882 380)	3 488 557	2 991 409	-	-	-	-	-	-	-	-	-	3 488 557	2 991 409	-	-
Disposal - carrying amount	-	-	-	(7 914 941)	(4 173 698)	(49 646)	(499 808)	(32 358 697)	(627 202)	-	-	(45 623 993)	(5 684 538)	-	-	-	-	-	-	-	-	-	(45 623 993)	(5 684 538)	-	-
Disposal at cost/cleared cost	-	-	-	(7 914 941)	(4 558 522)	(55 199)	(590 817)	(47 849 990)	(958 121)	-	-	(61 927 590)	(9 542 062)	-	-	-	-	-	-	-	-	-	(61 927 590)	(9 542 062)	-	-
Depreciation on disposals	-	-	-	-	384 825	617 086	91 009	15 491 292	330 919	-	-	16 303 598	3 857 523	-	-	-	-	-	-	-	-	-	16 303 598	3 857 523	-	-
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	(21 132 109)	-	-	-	-	-	-	-	-	-	-	(21 132 109)	-	-
Asset Write down	(765)	(3 791 512)	(182 534)	-	(7 603 808)	(617 086)	(2 757 751)	2 444 735	(28 486 192)	(1 077 456)	-	(42 072 367)	289 910 148	-	-	-	-	-	-	-	-	-	(42 072 367)	289 910 148	-	-
Accumulated Depreciation reversal	765	3 791 512	182 534	-	7 603 808	617 086	2 757 751	(2 444 735)	28 486 192	1 077 456	-	42 072 367	(289 910 148)	-	-	-	-	-	-	-	-	-	42 072 367	(289 910 148)	-	-
Depreciation charge for the year	(765)	(3 791 512)	(182 534)	-	(7 988 633)	(622 639)	(2 848 799)	(13 046 557)	(28 817 111)	(1 077 456)	-	(68 375 965)	(293 772 849)	-	-	-	-	-	-	-	-	-	(68 375 965)	(293 772 849)	-	-
Revaluation surplus/loss	13 996 828	(97 371 117)	1 184 271	(48 484 570)	(49 442 029)	(3 523 409)	(666 107)	(87 409 466)	29 077 297	(6 690 154)	-	(249 328 457)	(364 645 078)	-	-	-	-	-	-	-	-	-	(249 328 457)	(364 645 078)	-	-
Closing carrying amount	14 560 000	1 220 948 153	3 607 559	549 283 200	355 431 253	16 252 586	77 506 917	82 629 598	360 629 121	17 630 427	521 044 044	3 219 522 856	3 401 177 359	-	-	-	-	-	-	-	-	-	3 219 522 856	3 401 177 359	-	-
Revalued amount/Gross carrying amount	14 560 000	1 220 948 153	3 607 559	549 283 200	355 431 253	16 252 586	77 506 917	82 629 598	360 629 121	17 630 427	521 044 044	3 219 522 856	3 401 177 359	-	-	-	-	-	-	-	-	-	3 219 522 856	3 401 177 359	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

ZIMBABWE REVENUE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2024

4 Property, plant and equipment- Historical cost	Infrastructure Assets		Buildings		Biological Resources		Land		Plant and Machinery		Office Equipment		Furniture, Fixtures, Fittings and Equipment		Computer Equipment		Motor Vehicles		Network Equipment		Assets under construction		TOTAL		
	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	
Opening carrying amount	-	86 972 142	86 972 142	1 941 363	1 091 038	28 676	28 005 636	1 122 941	4 222 856	13 623 573	19 505 245	1 168 888	11 770 173	203 345 340	33 722 305										
Gross carrying amount	-	86 972 142	86 972 142	3 495 313	1 091 038	28 676	28 005 636	1 122 941	4 222 856	13 623 573	19 505 245	1 168 888	11 770 173	203 345 340	33 722 305										
Accumulated depreciation and impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Additions at cost	-	-	-	3 495 313	1 091 038	28 676	28 005 636	2 365 795	12 040 006	6 522 251	47 433 165	5 257 943	8 066 249	114 306 072	40 559 866										
4.1 Redesignations	383 630	1 941 363	5 191	-	-	642 624	-	-	-	-	-	-	(598 686)	2 373 122	755 649										
Disposal - carrying amount	-	(415 219)	(56 220)	(415 219)	(56 220)	(5 379 181)	(2 836 544)	(33 741)	(339 682)	(79 853)	(426 261)	-	-	(9 566 700)	(143 944)										
Disposal at cost/deemed cost	-	(415 219)	(62 467)	(415 219)	(62 467)	(5 379 181)	(3 098 080)	(37 515)	(401 533)	(145 481)	(651 162)	-	-	(10 190 637)	(241 518)										
Depreciation on disposals	-	-	6 247	-	6 247	-	261 536	3 774	61 852	65 628	224 901	-	-	623 937	97 574										
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(533 618)										
Asset Write down due to revaluation	(520)	(2 576 281)	(117 808)	-	-	-	(5 167 728)	(419 386)	(1 874 232)	(10 650 751)	(19 359 889)	(732 264)	-	(40 898 859)	(7 323 314)										
Accumulated Depreciation reversal	520	2 576 281	117 808	-	-	-	5 167 728	419 386	1 874 232	10 650 751	19 359 889	732 264	-	40 898 859	7 323 314										
Depreciation charge for the year	(520)	(2 576 281)	(124 054)	-	-	-	(5 429 264)	(423 160)	(1 936 084)	(10 716 380)	(19 584 789)	(732 264)	-	(41 522 797)	(7 420 888)										
Revaluation surplus	14 176 890	1 131 530 838	2 625 896	-	-	513 970 641	310 818 050	13 220 751	63 519 820	73 280 006	313 701 761	11 935 861	-	2 448 780 515	136 406 167										
Closing carrying amount	14 560 000	1 220 948 156	3 607 560	1 941 363	1 091 038	549 283 200	355 431 253	16 252 585	77 506 918	82 629 597	360 629 121	17 630 427	19 236 737	2 717 715 553	203 345 340										
Revalued amount/Gross carrying amount	14 560 000	1 220 948 156	3 607 560	1 941 363	1 091 038	549 283 200	355 431 253	16 252 585	77 506 918	82 629 597	360 629 121	17 630 427	19 236 737	2 717 715 553	203 345 340										
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										

4.1 *Reclassification

Infrastructure assets transfer from Buildings	(383 630)
Buildings transfer from - Investment property	1 725 307
Assets under construction	599 686
Biological resources transfer from biological assets	1 941 363
Land transfer from Investment Property	5 191
Assets under construction transfer to Buildings	642 624
	(599 686)

4.2 As at December 31, 2024, the Authority had in its books, non-current assets which the Valuation Consultants adjudged to have outlived their economic lives. Management shall constitute a Board of Survey in 2025 to determine whether the assets should be disposed or not. See table below:

Asset class	Number of units
Furniture, Fixtures and Fittings	1463
Office Equipment	162
Living Resources (Dogs)	9
Plant and Machinery	133
ICT Equipment	323
Motor Vehicles	47

4.3 A total of ZWG\$5 379 181 was a transfer from land to Right of use assets

ZIMBABWE REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

	Inflation adjusted 31-Dec-24 ZWG	31-Dec-23 ZWG	Historical cost 31-Dec-24 ZWG	31-Dec-23 ZWG
5 Intangible assets				
Software and development cost				
Opening carrying amount	244 001 082	138 399 121	16 180 979	1 556 148
Gross carrying amount	244 001 082	138 399 121	16 180 979	1 556 148
Accumulated amortisation	-	-	-	-
Additions at cost	140 696 140	9 000 177	95 711 660	227 854
Donations	-	203 954 045	-	5 163 419
Revaluation gain/(loss)	(34 778 222)	(70 755 954)	97 330 221	10 160 051
Asset write down due to revaluation	(10 821 577)	(36 596 308)	(7 361 617)	(926 493)
Accumulated Amortisation reversal	10 821 577	36 596 308	7 361 617	926 493
Amortisation charge for the year	(10 821 577)	(36 596 308)	(7 361 617)	(926 493)
Closing carrying amount	349 919 000	244 001 082	209 222 860	16 180 979
Gross carrying amount	349 919 000	244 001 082	209 222 860	16 180 979
Accumulated amortisation	-	-	-	-
6 Biological assets				
Opening balance	306 273	97 264	5 191	602
Fair value	-	209 009	-	4 589
Transfer to PPE(Living resources)	(306 273)	-	(5 191)	-
	-	306 273	-	5 191

7 Investment Property

The Authority has investment properties from which it generates rental income at commercial rates. The properties were revalued as detailed below:

	Inflation 31-Dec-24 ZWG	31-Dec-23 ZWG	Historical 31-Dec-24 ZWG	31-Dec-23 ZWG
Opening balance	216 997 562	93 284 212	9 970 962	1 351 162
Fair value gain/loss	(18 070 094)	123 713 349	101 548 970	8 619 801
Reclassification to land	(944 657)	-	(642 624)	-
Reclassification to buildings	(2 536 201)	-	(1 725 307)	-
Fair value	195 446 609	216 997 562	109 152 001	9 970 962

ZIMBABWE REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

8 Leases

The Authority entered into lease agreements with various property owners for office accommodation and staff accommodation especially at border posts. The Authority is obligated to provide accommodation to its staff members stationed at Border Posts in terms of its Human Capital Policy. The lease terms range from less than a year to 5 years. Most of the lessors are amenable to renewal upon expiry of the lease agreements. However, leases with terms that are less than a year are treated as short term leases and are expensed in terms of the standard.

8.1 Right of Use	Inflation adjusted		Historical cost	
	31-Dec-24 ZWG	31-Dec-23 ZWG	31-Dec-24 ZWG	31-Dec-23 ZWG
Right of use assets recognised				
Right of use	336 966 507	425 386 627	166 302 302	9 894 048
Opening balance	98 640 819	76 146 114	4 175 984	607 300
Additions	27 409 584	-	18 645 976	-
Remeasurements	210 916 103	349 240 513	143 480 342	9 286 748
Terminations	18 773	(6 636 427)	12 771	(2 662 842)
Cost	(8 368 009)	(14 244 199)	(5 692 523)	(5 715 432)
Accumulated depreciation	8 386 782	7 607 771	5 705 294	3 052 590
Accumulated depreciation	(64 090 761)	(320 109 380)	(43 599 157)	(3 055 222)
Opening accumulated depreciation	(72 477 543)	(210 934 473)	(49 304 451)	(152 123)
Less depreciation charge for the year	(72 477 543)	(109 174 907)	(49 304 451)	(2 903 099)
	272 894 519	98 640 819	122 715 915	4 175 984
8.2 Lease liability				
Opening balance	309 079 753	54 103 546	6 906 676	783 648
Additions	17 118 527	-	17 118 527	-
Remeasurements	132 906 724	122 036 613	132 906 724	8 502 184
Terminations	(11 523 235)	(2 532 987)	(11 523 235)	(176 471)
Interest	25 351 059	51 928 104	25 351 059	3 617 785
Payments	(43 130 380)	83 544 478	(43 130 380)	5 820 470
Principal portion	(17 779 321)	31 616 375	(17 779 321)	2 202 685
Interest portion	(25 351 059)	51 928 104	(25 351 059)	3 617 785
Closing balance	379 100 330	309 079 753	127 629 371	6 906 676
Current portion of lease liability	379 100 330	309 079 753	127 629 370	6 906 676
Non-current portion of lease liability	56 178 536	56 309 315	56 178 536	3 923 021
Current portion of lease liability	322 921 794	252 770 438	71 450 834	2 983 655
Non current of lease liability	322 921 794	252 770 438	71 450 834	2 983 655
Total	379 100 330	309 079 753	127 629 370	6 906 676

ZIMBABWE REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

Note 11 Continued

Inflation adjusted

Historical

31-Dec-24

31-Dec-23

31-Dec-24

31-Dec-23

Expected Credit Loss (Simplified Approach)

The Authority's debtors are largely internal, that is, staff members issued with loans, advance salaries and travelling and subsistence allowances. The probability of default remains minimal even after the staff members leave the organisation as there is always room for recovery from terminal benefits.

Management has used past experience to come up with a predictive model for default risk and the following provision matrix has been used to calculate ECL

Current	121 to 180 days	241 to 300 days	301<360	361 and above
0.05%	0.15%	0.50%	0.90%	2.00%

Refer to the table below for the computations of the 2024 ECL

Probability of default					
	Loans/other	T&S	Total		
Scale	Ageing	Ageing		Default rate	Loss allowance
0<120	(146 814)	4 887 050	4 740 236	0.05%	2 370
121<180	(681 269)		(681 269)	0.15%	(1 022)
181<240	1 735 750	10 589	1 746 339	0.35%	6 112
241<300	2 168 782	47 503	2 216 285	0.50%	11 079
301<360	289 018	113 744	402 762	0.90%	3 625
361 and above	1 392 113	4 946	1 397 059	2.00%	27 941
Total	4 757 580	5 063 832	9 821 412		50 105

Loans and Other Debtors is constituted by the following:

Salary Advances	24 050
Personal loans	4 577 058
Rental Customers	156 472
Total	4 757 580

The following Accounts Receivables were considered risk free, hence no credit loss allowance was provided.

Commissions receivable	7 648 155
Accrued interest	4 315 308

ZIMBABWE REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

12 Assets held for sale

In 2024, the Authority had assets held for sale

	Inflation adjusted		Historical cost	
	31-Dec-24 ZWG	31-Dec-23 ZWG	31-Dec-24 ZWG	31-Dec-23 ZWG
Carrying amount on date of transfer	33 117	465 058	22 507	11 748
Fair Value	269 698	3 321 591	269 698	219 832
Gain	236 581	3 786 649	247 191	231 580

Classification of Assets Held for Sale by Asset Class

Asset class	Total value
Motor Vehicles	19 545
ICT Equipment	123
Office Equipment	409
Furniture, Fixtures and Fittings	2 431
Total	22 507

13 Inventory

	Inflation adjusted		Historical cost	
	31-Dec-24 ZWG	31-Dec-23 ZWG	31-Dec-24 ZWG	31-Dec-23 ZWG
Fiscalisation devices	756	3 038	272	77
Operating supplies	43 145 812	44 482 966	25 602 079	1 123 668
	43 146 568	44 486 004	25 602 351	1 123 744

14 Prepayments

ICT	-	-	-	-
Repairs	2 138 645	1 063 806	1 453 473	26 872
Projects	4 037 614	145 478	2 744 058	3 675
Others	313 595	-	213 127	-
Rentals	2 807 063	134 017	1 907 746	3 385
Uniforms	-	-	-	-
Teas and beverages	-	-	-	-
Assets	230 151 484	3 373 462	156 416 384	85 216
Fuel	-	-	-	-
Hotel accommodation	2 019 627	-	1 372 586	-
Training	1 616	-	1 098	-
Travelling & subsistence	94 302	110 584	64 090	2 793
Consultancy	-	-	-	-
Books	-	-	-	-
Marketing & publicity	42 334	449 008	28 771	11 342
Subscriptions	13 425	-	9 124	-
Operating supplies	17 862 589	77 654 422	12 139 837	1 961 600
Bandwidth	10 170 203	-	6 911 910	-
Board fees	1 027 581	-	698 368	-
Hire - conference	141 712	-	96 311	-
	270 821 789	82 930 777	184 056 884	2 094 884

ZIMBABWE REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

	Inflation adjusted		Historical cost	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	ZWG	ZWG	ZWG	ZWG
15 Payables				
Fuels and oils	320 000	-	320 000	-
Bandwidth	6 190 777	16 565 591	6 190 777	1 098 370
Electricity and rates	6 913 710	7 955 468	6 913 710	527 482
Cellphone charges	1 078 121	847 771	1 078 121	56 211
Hotel accommodation	2 216 731	325 752	2 216 731	21 599
Consultancy	12 270 993	-	12 270 993	-
Promotional material	2 600 000	-	2 600 000	-
Hire of conference facilities	387 509	-	387 509	-
Re-measurement of foreign obligations	-	5 741 880	-	380 711
Gifts and presents	256 600	-	256 600	-
Overtime	2 764 188	-	2 764 188	-
Acting allowance	68 688	-	68 688	-
Funeral benefit	2 715 000	4 225 109	2 715 000	280 143
Performance award	15 601 871	-	15 601 871	-
Staff welfare	330 687	134 359	330 687	8 909
Repairs and maintenance motor vehicles	1 586 974	1 879 828	1 586 974	124 641
Cleaning	1 448 880	2 050 486	1 448 880	135 956
Security	15 514 605	7 745 757	15 514 605	513 577
Training	715 103	-	715 103	-
Legal fees	300 000	2 172 913	300 000	144 074
Night allowance	194 129	-	194 129	-
Operational utilities	1 273 669	273 615	1 273 669	18 142
Licencing and subscriptions	74 308 348	35 740 003	74 308 348	2 369 717
Repairs and maintenance	5 776 805	2 023 135	5 776 805	134 143
Marketing and publicity	3 514 721	4 206 147	3 514 721	278 886
Printing and stationery	179 133	-	179 133	-
Rentals	2 177 543	6 148 166	2 177 543	407 650
Telephone charges	238 182	537 628	238 182	35 647
Travelling and subsistence	5 130 858	5 159 573	5 130 858	342 102
Hire - motor vehicles	-	26 487	-	1 756
Reclass rent customers	560 022	-	560 022	-
Audit fees	258 829	-	258 829	-
Computer stationery	146 870	-	146 870	-
Stock creditors	2 848 213	971 766	2 848 213	64 432
Trade creditors	33 150 543	77 754 265	33 150 543	5 155 444
Invoice management system	1 535	23 158	1 535	1 535
Retention for default liability on projects	105 463	13 751	105 463	911
Withholding tax obligations	1 588 017	766 488	1 588 017	50 821
	204 733 319	183 289 093	204 733 319	12 152 857
16 Provisions				
Gratuity	19 100 047	8 899 497	19 100 047	590 075
Provisions for pending labour disputes	2 366 006	3 418 032	2 366 006	226 630
Leave pay provision	49 545 042	47 441 723	49 545 042	3 145 591
	71 011 095	59 759 253	71 011 095	3 962 297
17 Deferred income				
Opening balance	-	-	-	-
Capital grant	533 126 728	-	362 671 244	-
	533 126 728	-	362 671 244	-

ZIMBABWE REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

	Inflation adjusted		Historical cost	
18 Depreciation and Amortization for the year				
Depreciation on property plant equipment	58 375 965	293 772 849	41 522 797	7 420 888
Amortisation on intangible assets	10 821 577	36 596 308	7 361 617	926 493
Depreciation on right of use assets recognised	72 477 543	109 174 907	49 304 451	2 903 099
	141 675 085	439 544 064	98 188 865	11 250 481
19 Revenue				
19.1 Revenue without binding arrangements				
Transfers- revenue grant	4 279 670 770	2 915 198 878	2 460 265 686	187 500 440
	4 279 670 770	2 915 198 878	2 460 265 686	187 500 440
19.2 Revenue with binding arrangements				
Transfers- capital grant	299 876 510	311 343 029	134 775 113	19 003 422
Donation income	59 829 888	-	59 829 888	-
Insurance	25 097 489	15 490 482	16 294 509	1 216 341
Interest earned	23 025 332	37 083 826	17 314 644	5 406 763
Clearing of vehicles (Central Vehicle Registration)	3 349 954	271 064	2 808 224	21 001
Other commissions	7 989 060	716 337	7 574 326	49 083
Rental income	19 765 828	2 052 385	3 311 308	299 234
Commission on Kariba dam toll fees	11 456	9882	8 217	814
Auction income	2 998 308	7 634 900	1 771 771	712 172
	441 943 825	374 601 906	243 688 000	26 708 830
19.3 Other revenue				
Exchange gain	886 404 942	742 297 781	545 408 583	45 437 120
Fair value income	(18 070 094)	78 327 443	101 548 970	8 624 390
Gain from disposal of assets	-	213 399	-	23 488
Miscellaneous	8 435	42 442	8 409	3 164
Donations	32 935 959	22 486 096	22 635 924	1 428 404
	901 279 242	843 367 162	669 601 885	55 516 566
19.4 Exchange rate gain or loss				
Exchange rate gain	6 460 122 437	742 297 781	4 243 841 530	45 437 120
Exchange Rate Loss	(5 573 717 496)	-	(3 698 432 947)	-
Net Gain	886 404 942	742 297 781	545 408 583	45 437 120
Profit or Loss on disposal of assets				
Profit on disposal of assets	2 974	1 353 370	2 974	148 959
Loss on disposal	(13 354 822)	(1 139 971)	(9 663 445)	(125 471)
Net profit or loss on disposal	(13 351 849)	213 399	(9 660 471)	23 488
Profit or Loss on price differences				
Gain on Price Differences	11 335	46 299	9 148	3 970
Loss on price Differences	(334 693)	(151 886)	(247 488)	(14 899)
Net Profit or loss on price differences	(323 358)	(105 586)	(238 340)	(10 929)

ZIMBABWE REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2024.

	Inflation adjusted		Historical cost	
	31-Dec-24 ZWG	31-Dec-23 ZWG	31-Dec-24 ZWG	31-Dec-23 ZWG
20 Employment cost				
Cash in lieu of leave	69 558 360	61 279 715	50 651 175	3 100 993
Overtime	15 711 766	17 370 211	11 721 678	817 278
National employment council	2 005 638	2 159 503	1 450 016	114 651
Medical expenses	118 481 770	72 204 501	88 772 643	4 499 655
Pension contributions	34 684 349	33 808 773	25 225 224	1 865 206
Social security contributions	22 251 251	11 062 607	17 337 737	590 189
Salaries and benefits	1 694 936 807	1 670 624 810	1 233 903 580	106 751 185
Zimbabwe Manpower Development and Standard Levy	19 245 608	18 690 408	14 010 280	1 160 346
	1 976 875 549	1 887 200 527	1 443 072 332	118 899 503
21 Use of goods and services				
Cleaning	31 732 810	26 421 352	22 993 631	1 848 851
Consultancy and legal fees	34 267 545	21 572 080	29 428 583	1 602 390
Marketing and publicity	43 677 675	27 791 094	33 773 554	2 222 332
Motor vehicle expenses	56 481 697	59 496 498	43 081 836	4 042 147
Office accommodation	28 837 930	66 987 060	10 345 085	4 465 553
Office and operational utilities	18 182 369	12 485 248	14 336 694	751 899
Printing and stationery	4 398 888	8 553 681	5 757 719	580 575
Protective clothing	645 741	456 368	568 523	35 162
Recruitment fees	2 205 069	2 073 014	1 411 659	131 028
Rentals and hire	131 059 545	67 005 163	94 564 436	3 307 434
Repairs and maintenance	76 731 704	49 658 593	61 447 154	4 292 096
Security	126 554 265	94 253 788	88 989 625	6 977 181
Staff welfare	20 027 423	17 678 648	15 066 798	1 359 435
Subscriptions and licensing	130 790 259	98 242 630	110 577 569	5 550 980
Telephone and postages	15 273 815	13 362 388	9 106 279	867 342
Training costs	33 480 651	18 039 757	24 320 715	1 178 559
Uniforms	558	30 457 615	379	1 936 113
Fiscalisation devices	1 059	11 464	1 059	311
Audit fees	3 221 663	5 534 850	2 025 860	320 938
Travel and subsistence	210 152 443	177 430 915	158 122 149	13 131 805
Bank charges	2 150 858	1 624 840	1 699 478	178 654
Rates Water and Electricity	73 313 659	54 100 362	54 402 395	4 144 281
	1 043 187 628	853 237 408	782 021 181	58 925 068
22 Other expenses				
Board fees and allowances	8 561 677	12 203 216	6 006 993	490 792
Allowance for credit loss	(66 680)	2 707	49 204	6 222
Loss on disposal	13 351 849	-	9 660 471	-
Loss Price Differences	323 358	105 586	238 340	10 929
Stock Adjustment	4 716	133 567	4 716	10 554
Written off discontinued projects	-	733 501	-	18 011
Depreciation and amortisation(note 17)	141 675 085	439 544 064	98 188 865	11 250 481
	163 850 004	452 722 642	114 148 589	11 786 988

ZIMBABWE REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

23 Related party transactions**23.1 Board of directors**

The board of directors consisted of eleven non-executive directors and one executive member. Gross sitting allowances and fees for the non-executive directors for the year ended December 31, 2024 were as follows:

	Inflation adjusted		Historical cost	
	31-Dec-24 ZWG	31-Dec-23 ZWG	31-Dec-24 ZWG	31-Dec-23 ZWG
Board fees	1 689 770	3 388 292	1 149 503	123 643
Board chairperson	203 328	504 121	138 318	18 396
Vice Board chairperson	165 003	371 152	112 247	13 544
Other board members	1 321 439	2 513 019	898 938	91 703
	2 238 610	5 116 281	1 522 864	186 766
Sitting allowances	276 623	539 231	188 179	19 744
Board chairperson	256 164	446 417	174 261	16 290
Vice Board chairperson	1 705 823	4 130 633	1 160 424	150 732
Other board members				
Other Board fees	137 828	566 023	92 476	-
Travelling Allowances	4 495 469	3 132 620	3 242 150	180 383
Grant Total	8 561 677	12 203 216	6 006 993	490 792

23.2 Key management compensation

The Authority's executive management team comprises fifteen (15) members, of whom fourteen (14) are substantive executives, while one (1) serves in an acting capacity. The remuneration package for executive management includes the following components: a monthly basic salary, a quarterly performance incentive, social security contributions, pension contributions, medical aid contributions and other benefits. The performance incentive is payable in the subsequent quarter and is contingent upon the Authority's achievement of its quarterly revenue collection targets as well as the individual performance of the executive member.

	43 685 722	114 016 931	29 718 178	2 965 773
23.3 Short term employee benefits				
Basic salary	6 515 233	12 779 370	4 432 132	323 248
Benefit allowance	17 652 368	57 492 651	12 008 414	1 454 250
General living allowance	13 873 757	35 941 694	9,437,930	909 129
Performance Award	1 588 822	1 101 486	1,080,832	27 862
Fuel allowance	3 139 298	4 897 924	2,135,577	205 659
Medical aid	850 834	1 339 508	578 799	33 882
Acting allowance	65 409	464 298	44 496	11 744
Cost of Living Allowance	-	-	-	-
	1 334 362	2 407 887	907 729	60 906
Post employment benefits				
Pension	942 287	1 916 996	641 012	48 490
NSSA	288 045	307 841	195 949	7 787
Group life assurance	91 862	161 641	62 491	4 089
Funeral fund	12 167	21 409	8 277	542
Total	45 020 084	116 424 818	30 625 908	3 026 680
Cost per employee	675 624	950 230	493 189	39 899
Employment cost	1 976 875 549	4 700 600 054	1 443 072 332	118 899 503
Number of employees*	2 926	2 980	2 926	2 980
Tax revenue collected	162 438 744 588	317 413 943 574	110 502 547 339	8 028 838 797
Revenue per employee	55 515 634	107 722 515	37 765 737	2 694 242

* Staff numbers based on active head of 2, 926 as at the December 31, 2024 payroll. (2023:2,980)

ZIMBABWE REVENUE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2024.

	Original Budget	Additional Budget	Final Budget
24 Revenue			
24.1 Revenue without binding arrangements			
Revenue grant	385 659 992	2 074 598 301	2 460 258 293
	385 659 992	2 074 598 301	2 460 258 293
24.2 Revenue with binding arrangements			
Capital grant	63 746 531	508 942 437	572 688 968
Insurance	7 811 217	-	7 811 217
Interest earned	12 404 928	-	12 404 928
Clearing of vehicles (Central Vehicle Registration)	723 667	-	723 667
Other commissions	622 725	-	622 725
Rental Income	2 718 064	-	2 718 064
Commission on Kariba dam toll fees	9 545	-	9 545
	88 036 676	508 942 437	596 979 114
24.3 Other revenue			
Donations	-	15 674 959	15 674 959
	-	15 674 959	15 674 959
25 Less expenses			
25.1 Compensation of employees			
Cash in lieu of leave	1 310 149	58 273 476	59 583 625
Overtime	1 579 717	10 783 639	12 363 356
National employment council	154 059	2 157 654	2 311 714
Medical expenses	9 117 239	89 903 426	99 020 665
Pension contributions	798 177	27 097 881	27 896 058
Social security contributions	622 120	17 229 595	17 851 715
Salaries and benefits	287 244 658	1 001 010 541	1 288 255 200
Zimbabwe manpower development and standard levy	1 665 031	14 464 408	16 129 439
	302 491 149	1 220 920 622	1 523 411 771
25.2 Use of goods and services			
Cleaning	431 778	25 097 025	25 528 803
Consultancy and legal fees	3 073 335	43 000 327	46 073 662
Motor vehicle expenses	5 523 164	67 848 649	73 371 813
Repairs and maintenance	7 584 379	80 734 075	88 318 453
Marketing and publicity	9 490 248	29 230 836	38 721 084
Office accommodation	2 767 763	2 854 301	5 622 064
Office and operational utilities	2 658 678	11 164 905	13 823 582
Printing and stationery	429 675	5 502 082	5 931 757
Protective clothing	13 470	731 137	744 607
Recruitment fees	200 692	2 048 771	2 249 464
Rentals and hire	3 160 927	120 420 264	123 581 192
Security	1 935 477	88 647 518	90 582 995
Staff welfare	1 513 638	20 948 459	22 462 097
Subscriptions and licensing	17 242 895	97 846 097	115 088 992
Telephone and postages	463 915	9 562 744	10 026 659
Training costs	2 484 135	24 246 053	26 730 188
Rates and water	1 911 728	53 088 168	54 999 896
Audit fees	1 335 328	932 884	2 268 213
Travel and subsistence	17 867 820	163 549 559	181 417 379
Bank charges	2 597 371	500 000	3 097 371
	82 686 418	847 953 854	930 640 271
25.3 Other expenses			
Board fees and allowances	482 426	5 723 825	6 206 251
	482 426	5 723 825	6 206 251
25.4 Capital expenditure			
Furniture and equipment	1 532 782	13 307 187	14 839 969
Vehicles, plant and mobile equipment	7 561 219	298 557 313	306 118 531
Feasibility Studies, project preparation and design			
Project management			
Construction works	40 044 115	92 597 765	132 641 880
Purchase of land, user rights & buildings		5 591 188	5 591 188
Breeding stock -Canine	120 461	976 690	1 097 151
Information management system	14 487 953	97 912 295	112 400 248
Total capital expenditure	63 746 531	508 942 437	572 688 968

ZIMBABWE REVENUE AUTHORITY**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended December 31, 2024.

26 Pension arrangements**26.1 Pension scheme**

The Authority operates a Defined Contribution Pension Scheme, which is administered by Old Mutual. Retirement benefits under this plan are based on the accumulated contributions made by both the employee and employer, along with interest earned on the fund. Currently, 15% of pensionable income is charged to the Statement of Profit or Loss as the employer's contribution. During the year under review, total pension fund contributions amounted to ZWG25 225 224 (2023: ZWG1 865 206).

26.2 National Social Security Authority (NSSA)

The National Social Security Authority (NSSA) scheme was introduced on 1 October 1994, and from that date, all employees of the Authority are required to participate in the scheme. Contributions are made by both the Authority and its employees as follows:

Employees: 4.5% of monthly basic salary

The Authority: 4.5% of monthly basic salary

27 Contingent Liability

In 2023, the Authority was involved in a salary dispute with its employees, which was referred to Voluntary Arbitration in accordance with the provisions of the National Employment Council (NEC) for the ZIMRA Undertaking Constitution. Following the Arbitrators' award, the Authority appealed the decision to the High Court. The matter has since been heard, and judgment has been reserved. For the 2024 financial year, salary negotiations also ended in a stalemate, and the matter has been referred to Arbitration. As of the reporting date, the matter has not yet been heard, and there is no clear indication of the likely outcome.

All communication should be addressed to
 “The Auditor-General”
 P.O. Box CY 143, Causeway, Harare
 Telephone No: 793611/3/4, 762817/8/20-23
 Telegrams: “AUDITOR”
 Fax: 706070
 E-mail: oagzimbabwe263@gmail.com



Reference: SB 2
OFFICE OF THE AUDITOR-GENERAL
 5th Floor, Pax House
 89 Kwame Nkrumah Avenue
 Harare

REPORT OF THE AUDITOR-GENERAL

TO

**THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND INVESTMENT
 PROMOTION**

AND

THE BOARD OF DIRECTORS

IN RESPECT OF THE EXCHEQUER TRUST FINANCIAL STATEMENTS

OF THE ZIMBABWE REVENUE AUTHORITY

FOR THE YEAR ENDED DECEMBER 31, 2024

Report on the audit of the Exchequer Trust Financial Statements

Qualified Opinion

I have audited the Exchequer Trust Financial Statements of the Zimbabwe Revenue Authority set out on pages 107 to 121, which comprise the statement of assets and liabilities as at December 31, 2024, and the statement of financial performance, the statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and notes to the Exchequer Trust Financial Statements, including a summary of significant accounting policies.

In my opinion, except for the effects of matters described in the Basis for Qualified Opinion section of my report, the Exchequer Trust Financial Statements presents fairly, in all material respects, the financial position of the Authority’s Exchequer Trust Financial Statements as at December 31, 2024, and its financial performance and its cash flows for the year ended December 31, 2024 in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Qualified Opinion

i. Private imports debt

Included in customs debt were entries made in advance (pre-clearance) by clients amounting to ZWG210.9 million and USD4 million as at December 31, 2024. However, not all clients proceeded with the importation, resulting in lodged entries remaining open indefinitely. As a result, the

ZIMBABWE REVENUE AUTHORITY**AUDIT REPORT IN RESPECT OF THE EXCHEQUER TRUST FINANCIAL STATEMENTS****for the year ended December 31, 2024**

customs debt had private import entries that dated back to 2020. The custom debt therefore included amounts which may not be collectible and this was not adjusted accordingly.

ii. Removal In Transit (RIT) not acquitted

The Authority had removal in transit entries with potential duty amounting to ZWG12.2 million (2023: ZWG 2.9 million) which had not been acquitted as at December 31, 2024. Some of the entries date back to prior years and they exclude RITs that are in the process of cancellation once they meet the required criteria. As a result, the extent of outstanding duty payable to be included in the outstanding revenue return could not be established as some of the goods might have been consumed locally.

iii. Temporary Import Permits (TIP)

The Authority had 27 389 electronic and 10 464 manual Temporary Import Permits (TIPs) that were issued on the basis that the vehicles were temporarily entering the country. Some of the entries date back to prior years. I could not ascertain whether the vehicles had exited the country or may have been localised as they remained not acquitted as at December 31, 2024. I could also not ascertain the extent of the duty payable in relation to the vehicles that were localised.

iv. Completeness of deferred VAT penalties and interests

The revenue return and outstanding revenue return excluded penalties and interest on outstanding taxes in respect of deferred Value Added Tax (VAT) which was not charged. This was contrary to the Value Added Tax [Chapter 23 :12] section 39 which requires penalties and interest to be charged when a tax payer fails to make tax payments within the stipulated period. I could not establish the completeness of the outstanding revenue disclosed. I could not ascertain the completeness of the deferred VAT penalties and interests outstanding as at December 31, 2024.

I conducted my audit in accordance with International Standards on Audit (ISAs) and International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Trust Accounts section of my report. I am independent of the Authority in accordance with the ethical requirements that are relevant to my audit of the Trust Accounts, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the Zimbabwe Revenue Authority's Trust Accounts for the year ended December 31, 2024. These matters were addressed in the context of my audit of the Trust Accounts as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these

ZIMBABWE REVENUE AUTHORITY

AUDIT REPORT IN RESPECT OF THE EXCHEQUER TRUST FINANCIAL STATEMENTS

for the year ended December 31, 2024

matters. In addition to the matters described in the Basis for Qualified Opinion section, I have determined the matters described below to be key audit matters to be communicated in my report.

Key Audit Matter	How my audit addressed the Key Audit Matter
<p>Domestic tax system migration</p> <p>The Authority had undergone data migration of domestic taxes from E- Service to Tax and Revenue Management System (TaRMS) during the year due to challenges experienced by the previous system.</p> <p>The migration process entails SAP transactional data cleansing process before migrations to TaRMS. Due to voluminous of accounts subjected to transactional data cleansing, the process may be incomplete resulting in some clients having inaccurate transactional data balances in TaRMS post migration.</p> <p>Due of the complexity of data migration and voluminous of transactions being migrated, migration of domestic tax data to TaRMS was considered to be a key audit matter.</p>	<p>My audit procedures to address the risk of material misstatement relating migration of data to new system included:</p> <ul style="list-style-type: none"> • Evaluation of the status of data migration to the new domestic tax system (TARMS), confirming the accuracy and completeness of the migration process from SAP TRM. • Assessed the adequacy of controls that had been put in place by management on the domestic tax system change over data migration. <p>Based on the evidence reviewed and the data cleansing process ongoing, I was satisfied with controls put in place on data migration to the Domestic tax system.</p>
<p>Value Added Tax refunds. Refer to note 4.1</p> <p>The Authority refunded Value Added Tax amounting to ZWG3.34 billion (2023: ZWG280.9 million) during the year ended December 31, 2024.</p> <p>There is an inherent risk relating to Value Added Tax refunds as incorrect and fraudulent input tax may be claimed by clients. The refund amount was significant to this return. Therefore, I considered VAT refunds to be a key audit matter.</p>	<p>My audit procedures to address the risk of material misstatement relating to VAT refunds, which was considered to be a significant risk, included:</p> <ul style="list-style-type: none"> • Tested controls over the Authority's information technology VAT refunds system assisted by my information technology specialist. • Tested and evaluated of the Authority's authorisation and processing procedures on VAT refunds. <p>Based on the evidence reviewed, I obtained satisfactory evidence over the controls in place over the processing of Value Added Tax refunds.</p>

ZIMBABWE REVENUE AUTHORITY**AUDIT REPORT IN RESPECT OF THE EXCHEQUER TRUST FINANCIAL STATEMENTS****for the year ended December 31, 2024**

Other Information

The directors are responsible for the other information. The other information comprises all the information in the Zimbabwe Revenue Authority's annual report and does not include the Trust Accounts and my auditor's report thereon.

My opinion on the Authority's Trust Accounts 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 Trust Accounts, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Authority's Trust Accounts or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of the other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Trust Accounts

The Authority's Management is responsible for the preparation and fair presentation of the Trust Accounts in accordance with International Public Sector Accounting Standards (IPSAS) and in a manner required by the Revenue Authority Act [*Chapter 23:11*] and the Public Finance Management Act [*Chapter 22:19*], and for such internal control as management determines is necessary to enable the preparation of the Trust Accounts that is free from material misstatement, whether due to fraud or error.

In preparing the Trust Accounts, 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 Trust Accounts

The objectives of my audit is to obtain reasonable assurance about whether the Trust Accounts as a whole is free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but it's not a guarantee that an audit conducted in accordance with ISAs 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 this return.

ZIMBABWE REVENUE AUTHORITY**AUDIT REPORT IN RESPECT OF THE EXCHEQUER TRUST FINANCIAL STATEMENTS****for the year ended December 31, 2024**

As part of an audit in accordance with ISAs and ISSAIs, I am required to 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, 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.
- Evaluate the overall presentation, structure and content of the Trust Accounts, including the disclosures, and whether the Trust Accounts represent the underlying transactions and events in a manner that achieves fair presentation.

I am required to 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 am also required to provide those charged with governance with a statement that I have complied with the 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.

ZIMBABWE REVENUE AUTHORITY

AUDIT REPORT IN RESPECT OF THE EXCHEQUER TRUST FINANCIAL STATEMENTS

for the year ended December 31, 2024

Report on Other Legal and Regulatory Requirements

In my opinion, the Trust Accounts of Zimbabwe Revenue Authority has, in all material respects, been properly prepared in compliance with the disclosure requirements of the Revenue Authority Act [Chapter 23:11], Public Finance Management Act [Chapter 22:19], and other relevant Statutory Instruments.

05 June, 2025.



**R. KUJINGA,
ACTING AUDITOR – GENERAL.**

ZIMBABWE REVENUE AUTHORITY
EXCHEQUER TRUST STATEMENT OF FINANCIAL POSITION
 as at December 31, 2024

	Note	Inflation adjusted			Historical cost		
		2024 ZWG	2023 ZWG	Jan 1, 2023 ZWG	2024 ZWG	2023 ZWG	Jan 1, 2023 ZWG
Assets							
Current assets							
Cash and cash equivalents	4	1 296 830 855	156 077 430	34 428 635	1 296 830 855	93 850 309	20 702 148
Receivables from transactions without binding arrangements	5	13 237 560 815	850 831 591	57 555 845	13 237 560 815	511 610 218	34 608 680
Total assets		14 534 391 669	1 006 909 021	91 984 480	14 534 391 670	605 460 527	55 310 828
Current liabilities							
Payables and accruals	6	2 621 075 144	359 744 730	24 335 499	2 621 075 144	216 316 697	14 633 084
Total liabilities		2 621 075 144	359 744 730	24 335 499	2 621 075 144	216 316 697	14 633 084
Net due to Exchequer		11 913 316 525	647 164 291	67 648 981	11 913 316 526	389 143 830	40 677 744

3 June, 2025.

3 June, 2025.

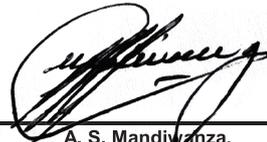
04.06, 2025.



E. R. Chitanda CA (Z),
 (Director Finance, Administration & Infrastructure).



R. S. Chinamasa,
 (Commissioner General).



A. S. Mandivanza,
 (Board Chairman).

ZIMBABWE REVENUE AUTHORITY
EXCHEQUER TRUST STATEMENT OF FINANCIAL PERFORMANCE
for the year ended December 31, 2024

	Note	Inflation adjusted		Historical cost	
		2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
Revenue (Revenue from non binding arrangements)	7				
Taxes	7.1	163 145 714 162	111 666 399 869	110 877 680 519	67 145 686 369
Fines, penalties and forfeits	7.2	335 854 669	286 904 962	228 254 765	172 517 701
Rummage sales	7.3	54 384 963	51 419 596	36 961 305	30 918 916
Other revenue	7.4	7 843 145 588	5 087 011 021	5 330 386 981	3 058 850 710
Total revenue		171 379 099 382	117 091 735 448	116 473 283 570	70 407 973 697
Less expenses					
Revenue retained by collecting entity	8	4 358 275 725	336 086 066	2 961 987 117	202 090 599
Expenses incurred	9	8 827 427 923	830 603 787	5 999 328 503	499 447 116
Transfers to Consolidated Revenue Fund (CRF)	10	140 277 159 869	100 836 019 238	95 335 670 912	60 633 312 531
Allowance for credit losses	11	6 519 992 640	-	6 519 992 640	-
Surplus for the year		11 396 243 225	15 089 026 357	5 656 304 399	9 073 123 451

ZIMBABWE REVENUE AUTHORITY
EXCHEQUER TRUST STATEMENT OF CASHFLOWS
for the year ended December 31, 2024

	Note	Inflation adjusted		Historical cost	
		2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
Total cash collected	12	163 254 278 364	12 313 755 632	110 951 463 315	7 404 336 261
Total cash inflows		163 254 278 364	12 313 755 632	110 951 463 315	7 404 336 261
Less					
Third party disbursements	13	(21 207 049 720)	(1 587 856 289)	(14 412 811 857)	(954 787 658)
Net increase in cash and cash equivalents		142 047 228 644	10 725 899 343	96 538 651 457	6 449 548 603
Cash and cash equivalents at beginning of the year		156 077 430	34 428 635	93 850 309	20 702 148
Less transferred to Consolidated Revenue Fund (CRF)	10	(140 277 159 869)	(10 604 250 548)	(95 335 670 912)	(6 376 400 442)
Effects of inflation on cash and cash equivalents		(629 315 351)	-	-	-
Cash and cash equivalents at end of the year	4	1 296 830 855	156 077 430	1 296 830 855	93 850 309

ZIMBABWE REVENUE AUTHORITY
EXCHEQUER TRUST STATEMENT OF COMPARISON OF BUDGET TO ACTUAL
for the year ended December 31, 2024

Inflation adjusted		Budgeted amounts ZWG		Actual amounts ZWG	Difference between final budget and actual collections ZWG	Comment
	Original	Final				
Revenue (Revenue with non binding arrangements)						
Taxes	30 160 878 237	147 679 801 594	163 145 714 162	15 465 912 568	Revenue enhancement activities, audits, and enforcements contributed to positive performance. These revenue items are incidental to collection and not budgeted. Rummage sale transactions are incidental to revenue collection and therefore not budgeted. Locally consumed fuel imports increased Strategic Reserve Levy collections."	
Fines, penalties and forfeits	-	-	335 854 669	335 854 669		
Rummage sale	-	-	54 384 963	54 384 963		
Other revenue	-	7 751 078 520	7 843 145 588	92 067 068		
Total revenue	30 160 878 237	155 430 880 114	171 379 099 382	15 948 219 268		
Less expenses						
Revenue retained by collecting entity	661 257 953	4 358 275 725	4 358 275 725	-	Approved grant retained for ZIMRA operations. Refunds exceeded planned budgets due to prior-year outstanding refunds.	
Expenses incurred	734 996 993	6 076 875 582	8 827 427 923	2,750,552,341		
Total expenses	1 396 254 947	10 435 151 307	13 185 703 648	2,750,552,341		
Surplus for the year	28 764 623 290	144 995 728 807	158 193 395 734	13 197 666 927		
Historical cost						
	Original	Budgeted amounts Final	ZWG	Actual amounts ZWG	Difference between final budget and actual collections ZWG	Comment
Revenue (Revenue with non binding arrangements)						
Taxes	20 498 045 189	100 366 681 064	110 877 680 519	10 510 999 455	Revenue enhancement activities, audits, and enforcements contributed to positive performance. These revenue items are incidental to collection and not budgeted. Rummage sale transactions are incidental to revenue collection and therefore not budgeted. Locally consumed fuel imports increased Strategic Reserve Levy collections."	
Fines, penalties and forfeits	-	-	228 254 765	228 254 765		
Rummage sale	-	-	36 961 305	36 961 305		
Other revenue	-	5 267 816 027	5 330 386 981	62 570 954		
Total revenue	20 498 045 189	105 634 497 091	116 473 283 570	10 838 786 479		
Less expenses						
Revenue retained by collecting entity	449 406 523	2 961 987 117	2 961 987 117	-	Approved grant retained for ZIMRA operations. Refunds exceeded planned budgets due to prior-year outstanding refunds.	
Expenses incurred	499 521 316	4 129 988 169	5 999 328 503	1 869 340 334		
Total expenses	948 927 838	7 091 975 286	8 961 315 620	1 869 340 334		
Surplus for the year	19 549 117 351	98 542 521 805	107 511 967 950	8 969 446 146		

ZIMBABWE REVENUE AUTHORITY**NOTES TO THE EXCHEQUER TRUST FINANCIAL STATEMENTS****for the year ended December 31, 2024****1. NATURE OF BUSINESS**

The Zimbabwe Revenue Authority (ZIMRA) commenced operations on 1 September 2001 and was established under the Zimbabwe Revenue Authority Act [Chapter 23:11] of 1999. The Authority's primary mandate is to collect revenue on behalf of the Government of Zimbabwe, administer tax legislation, and facilitate trade and economic development both within the region and internationally. ZIMRA is primarily funded by the Government of Zimbabwe through grants.

The Authority's Head Office is located at ZB Centre, Corner of Kwame Nkrumah Avenue and First Street, Harare, Zimbabwe.

2. BASIS OF PREPARATION**2.1 Statement of compliance****2.1.1 Compliance with reporting framework (International Public Sector Accounting Standards)**

The Exchequer Trust Financial Statements for the year ended December 31, 2024 have been prepared in accordance with International Public Sector Accounting Standards (IPSASs) reporting framework as issued by the International Accounting Standard Board (IASB). The Authority adopted International Public Sector Accounting Standards (IPSAS) in 2024.

The Authority was selected as one of the pilot entities to transition to International Public Sector Accounting Standards from 2021 to 2025. The Zimbabwe Revenue Authority started a three-year IPSAS implementation transition from cash accounting concept from 2021 up to 2023. During the transition period, the Authority was producing revenue returns in compliance with IPSAS transitional returns. In 2024, the Authority have prepared the Revenue Return that is fully compliant with IPSASs.

2.1.2 Compliance with laws and regulations

The Authority complied with the Public Finance Management Act [Chapter 22:19], which promotes transparency, accountability, and the sound management of revenue, expenditure, assets, and liabilities of the country's public entities. The operations of the Authority are also guided by the Customs and Excise Act [Chapter 23:02], the Income Tax Act [Chapter 23:06], the Capital Gains Tax Act [Chapter 23:01], the Value Added Tax Act [Chapter 23:12], the Revenue Authority Act [Chapter 23:22], as well as other subsidiary legislation and relevant statutory instruments in effect as at December 31, 2024.

2.2 Basis of measurement

The Authority's trust financial statements are prepared under the historical cost basis, adjusted to reflect the effects of inflation in accordance with International Public Sector Accounting Standard (IPSAS) 10 - "Financial Reporting in Hyperinflationary Economies".

ZIMBABWE REVENUE AUTHORITY
NOTES TO THE EXCHEQUER TRUST FINANCIAL STATEMENTS
for the year ended December 31, 2024
2.2.1 Inflation accounting

International Public Sector Accounting Standard (IPSAS) 10 - "Financial Reporting in Hyperinflationary Economies", is an accounting standard issued by the International Public Sector Accounting Standards Board (IPSASB) to guide public sector entities in preparing Authority's trust financial statements when operating in an economy characterized by hyperinflation. As a result, the Authority has complied with the requirements of this standard by restating its financial statements using the Consumer Price Index (CPI) issued by the Zimbabwe National Statistics Agency (ZIMSTAT).

The indices and conversion factors used to restate the financial statements for the period ended April 5, 2024 and as at December 31, 2024 are as follows:

Month	Index	Conversion Factor
December 31,2023	65 703.44	9.09
01-Jan-24	93 215.82	6.40
28-Feb-24	258 942.08	2.31
31-March-24	429 219.62	1.39
05-April-24	596 950.30 Estimate	1.00

2024	Month	Index	Conversion Factor
	Apr	100.00	1.66
	May	97.58	1.70
	Jun	97.62	1.70
	Jul	97.50	1.71
	Aug	98.90	1.68
	Sep	104.62	1.59
	Oct	143.59	1.16
	Nov	160.41	1.04
	Dec	166.30	1.00

The following considerations and procedures were applied in the restatement of the Authority's trust financial statements, in accordance with International Public Sector Accounting Standard (IPSAS) 10:

- Monetary items were not restated, as they are already expressed in terms of the monetary unit current at the reporting date.
- Non-monetary items were restated to reflect the changes in the general price level using the Consumer Price Index (CPI).
- All items in the statement of financial performance have been expressed in terms of the measuring unit current at the reporting date and were restated accordingly.
- The surplus or deficit arising from the net monetary position has been separately disclosed in the statement of financial performance.

2.3 Functional and presentation currency

The financial statements are presented in Zimbabwe Gold (ZWG) that is the presentation currency with all amounts rounded to the nearest ZWG unless otherwise indicated.

ZIMBABWE REVENUE AUTHORITY

NOTES TO THE EXCHEQUER TRUST FINANCIAL STATEMENTS

for the year ended December 31, 2024

Management has assessed the currency of the primary economic environment in which the Authority operates and determined that ZWG is the functional currency. This conclusion is based on the fact that the majority of the Authority's transactions—including budgeting, salary payments, and other operational expenditures are denominated and settled in ZWG. While certain contracts are USD-denominated, they are predominantly settled in ZWG, further supporting this assessment.

2.4 Accounting for change in presentation currency

Following the introduction of the Zimbabwe Gold (ZWG) currency by the Reserve Bank of Zimbabwe on April 5, 2024 replacing the Zimbabwean Dollar (ZWL\$), the Authority applied the requirements of International Public Sector Accounting Standard (IPSAS) 4, "The effects of changes in Foreign Exchange rates", when converting the ZWL\$ amounts to ZWG. The following accounting treatments were applied for the change in Presentation currency:

The Authority adopted the following:

On the date of change (April 5, 2024)

- The effect of change in presentation currency for ZWL to ZWG was accounted for prospectively.
- All previously existing balances were translated into the new currency using the exchange rate at the date of the change of ZWG 1: ZWL 2,498.7242 in compliance with the requirements of International Public Sector Accounting Standard (IPSAS) 10," Reporting in Hyperinflationary Economies."
- Inflation adjusted financial statements were prepared on the date of change and then converted to zig using the ZWG 1: ZWL 2498.7242

Comparative information and current year (January 1 to April 5)

- All amounts in the statement of financial performance from January 1 to April 5 were adjusted for inflation up to April 5. These inflation-adjusted amounts were then translated into ZWG using the ZWG/ZWL exchange rate on the date of change.
- Inflation adjustments were subsequently done to the financial statements up to December 31, 2024.
- For comparative inflation adjusted financial statements, they were hyper-inflated and then restated to ZWG using 2.498. 7242. Subsequently, the ZWG converted were inflation adjusted up to December 31, 2024.

Foreign currency transactions are translated to the Zimbabwe Gold using the Reserve Bank of Zimbabwe (RBZ) Interbank exchange rate.

2.5 Critical accounting judgments, assumptions and estimates

In preparing the financial statements, management is required to make judgments, 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 recognized in the period in which

ZIMBABWE REVENUE AUTHORITY

NOTES TO THE EXCHEQUER TRUST FINANCIAL STATEMENTS

for the year ended December 31, 2024

the estimates are revised and in any future periods affected. Significant judgments include the following:

2.5.1 Expected credit losses

The expected loss represents the amount of potential loss you could experience above and beyond what you would expect in a normal or expected scenario. It reflects the risk that your current models might not fully capture, such as rare, extreme events, and they often signal the need for more careful risk management strategies.

The Zimbabwe Revenue Authority (ZIMRA) will use the Historical Loss Data Model (HLDM) to estimate the Expected Credit Loss (ECL) or probability of default. The HLDM is a simplified loss rate model that takes into account the default rate for similar tax receivables or debts, which is further broken down by the age of the debt. This model is then applied to current receivables or debts that fall into the same risk category to estimate the ECL. The computation will be classified based on the aging of the debt, with the risk of loss associated with each age group being determined from historical data.

Formula:

ECL=Carrying Amount of Receivables X Historical Loss Rate per debt age

ZWG 19 757 553 454 X 33% = ZWG 6 519 992 640 to give a net position of ZWG **13 237 560 814.**

2.5.2 Fair value measurement

International Public Sector Accounting Standard (IPSAS) 46- "Measurement" brings in generic guidance on fair value for the first time, and introduces current operational value, a public sector specific current value measurement basis addressing constituents' views that an alternative current value measurement basis to fair value is needed for certain public sector assets.

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.

2.5.3 Going concern

The Directors have assessed the Authority's ability to continue operating as a going concern for a period of at least 12 months from the reporting date. Based on this assessment, the Directors are satisfied that the Authority has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

ZIMBABWE REVENUE AUTHORITY**NOTES TO THE EXCHEQUER TRUST FINANCIAL STATEMENTS****for the year ended December 31, 2024****2.6 New and amended standards and interpretations**

The financial statements for the year ended December 31, 2024 represent the Authority's first full compliance with International Public Sector Accounting Standards (IPSAS). As part of the transition to IPSAS, the accounting policies have been reviewed and adjusted to align with the requirements of the new financial reporting framework.

The following new standards, amendments, and interpretations to IPSAS have been issued but are not yet effective. The Authority will adopt these standards when they become effective:

2.6.1 International Public Sector Accounting Standards (IPSAS) 47, - "Revenue" (Early adopted)

The Authority has early adopted this standard with effect from January 1, 2024. Revenue transactions have been recognized in accordance with the standard.

2.6.2 Amendment of International Public Sector Accounting Standard (IPSAS) 10 - "Financial Reporting in Hyperinflationary Economies".

The amendment requires an entity to clarify how to identify the existence of hyper-inflation in the economy of its functional currency when the economy was not hyper inflationary in the prior period.

Effective date January 1, 2026 and this standard will be adopted when they become effective.

ZIMBABWE REVENUE AUTHORITY

NOTES TO THE EXCHEQUER TRUST FINANCIAL STATEMENTS

for the year ended December 31, 2024

3. ACCOUNTING POLICIES

In line with Statutory Instrument 41 of 2019, Zimbabwe adopted the International Public Sector Accounting Standards (IPSASs) as the financial reporting framework for public sector entities. This transition was formally initiated through the IPSAS Implementation and Strategy Plan, launched in 2019 by the Minister of Finance, Economic Development and Investment Promotion.

As a result, the Authority has migrated from the International Financial Reporting Standards (IFRSs) to IPSASs. The significant accounting policies previously applied under IFRSs have now been realigned to comply with the IPSAS framework. This transition constitutes a change in accounting policy, in accordance with IPSAS 3, paragraph 24(b).

Key Changes in Accounting Policies:

- Revenue Recognition: Capital grants are now recognised as revenue, in line with IPSAS 47 (Revenue), rather than being recorded as deferred income or reserves.
- Budget Comparison: A Statement of Comparison of Budget and Actual Amounts is now presented, as required by IPSAS 24, to enhance transparency and accountability.

3.1.1 Financial Instruments

Financial instruments: are contracts that give rise to both a financial asset in one entity and a financial liability or an equity instrument in another. In the case of Trust Accounts the financial assets are cash balances and receivables from taxation owing.

The Authority does not invest revenue collections in any way, they are paid as intact to the Exchequer on a daily basis, except for weekends and public holidays.

3.1.1.1 Financial assets

A financial asset, simply put, is cash, an equity instrument of another entity, or a contract to receive cash at a future date.

Common financial assets:

- The most commonly used financial assets are cash, or a contract to receive cash. These instruments are the lifeblood of any entity and are used in most routine transactions.

3.1.2. Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity.

3.1.3. Impairment of financial assets

Compared to the existing impairment model, International Public Sector Accounting Standards (IPSAS)- 41- “financial instruments” provides a single forward-looking model that eliminates the threshold for impairment recognition. It is no longer necessary for a trigger event to occur prior to recognizing a credit loss.

ZIMBABWE REVENUE AUTHORITY**NOTES TO THE EXCHEQUER TRUST FINANCIAL STATEMENTS****for the year ended December 31, 2024**

The forward-looking model requires an entity to recognize expected credit losses at all times. The model uses a dual measurement approach whereby expected credit losses are measured as either 12-month expected credit losses or lifetime expected credit losses. Due to its forward-looking nature, International Public Sector Accounting Standards (IPSAS)- 41, "financial instruments" model broadens the information that an entity is required to consider when it determines its expectation of credit losses. Consequently, more timely information is required to be provided about expected credit losses and it provides financial statement users the ability to make better decisions.

The expected credit loss model applies to debt instruments recorded at amortised cost or at fair value through other comprehensive income. An impairment test involves comparing an asset's carrying amount in the balance sheet with its recoverable amount is done annually. Recoverable amount is the higher of fair value less costs of disposal and value in use. Where the recoverable amount using both methods is higher than the asset carrying amount, there is no impairment unless it is the reverse.

Expected credit losses is calculating the impairment allowance. After initial recognition, the impairment allowance is adjusted, up or down, through Statement of Financial Performance at each balance sheet date as the probabilities of collection and recoveries change.

3.2. Cash and Cash equivalents

Cash equivalents are held to meet short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise bank balances, cash on hand, Funds on call and deposits.

3.3. Revenue

Revenue comprises the gross inflow of economic benefits or service potential received or receivable by the Authority during the period, when such inflows result in an increase in net assets or equity, other than increases arising from contributions by owners.

The Authority does not recognize as revenue any amounts collected in its capacity as an agent on behalf of the Government, other government organizations, or third parties. These amounts do not result in an increase in the Authority's net assets or equity, and therefore fall outside the scope of revenue recognition.

In determining whether a transaction constitutes revenue, the Authority assesses whether the transaction arises from a binding arrangement or without a binding arrangement, in accordance with the requirements of IPSAS 47- "Revenue". This evaluation considers factors such as:

- The existence of enforceable rights and obligations;
- The approval and commitment of the parties to the arrangement;
- The identification of specific performance obligations;
- The economic substance and collectability of consideration.

Based on this assessment, revenue is recognized using either the binding arrangement accounting model or the non-binding arrangement model, as appropriate.

ZIMBABWE REVENUE AUTHORITY
NOTES TO THE EXCHEQUER TRUST FINANCIAL STATEMENTS
for the year ended December 31, 2024

Table 1 provides specific recognition criteria that must also be met before revenue is recognized:

No.	Tax	Taxable Event
(i)	Pay-As-You-Earn (PAYE) Excise Duty on Goods and Services – Local Value Added Taxes (VAT) on Goods and Services – Local Gaming Tax	Recognized as revenue when return is submitted/when assessment is made. Additional revenues, identified after review of taxpayer returns, are recognized upon adjusted/amended assessment.
(ii)	Assessed Income Tax – Individual Corporate Tax Presumptive Income Tax	Recognized as revenue upon submission of estimates/amended estimates that relates to the fiscal year ended 31st December, and revenues assessed or re-assessed during the year. Revenues do not include estimates on unreported taxes, or the impact of future reassessment that cannot yet be reliably measured
(iii)	Customs – Warehouse Rent Motor Vehicle Transit Charges	Recognized when it is probable that future economic benefits will flow to the Authority and the amount can be measured reliably.
(v)	Withholding Taxes	Recognized when it is probable that future economic benefits will flow to the Authority and the amount can be measured reliably. Additional revenues, identified after Commissioner’s review of Taxpayers information are recognized upon issuance of adjusted/amended assessment.
	Customs Penalties Income Tax Interest and Penalties Property Tax Stamp Duty on Sale of Vehicles VAT Interest and Penalties Capital Gain Stamp Duty	Recognized as revenue when assessment is issued
	Customs Penalties Income Tax Interest and Penalties Property Tax Stamp Duty on Sale of Vehicles VAT Interest and Penalties Capital Gain Stamp Duty	

ZIMBABWE REVENUE AUTHORITY
NOTES TO THE EXCHEQUER TRUST FINANCIAL STATEMENTS
for the year ended December 31, 2024

(a) Customs Processing Fee	On importation Recognized upon assessment/declaration for home use.
(b) Excise Duty on Imports	(p) For goods located in Zimbabwe
(c) Fuel Levy	Recognized upon assessment provided that goods are under Customs control
(d) Import Duty	
(e) Value Added Tax on Imports	
Other customs collections	

3.3.1 Related parties

Related parties refer to entities, which are subject to common control with ZIMRA i.e. controlled by the Government of Zimbabwe. The Authority and the other entities are either in substance or in legal form relationship. These are Ministries, Departments, Agencies and Parastatals under the control of the Government of Zimbabwe.

3.3.2 Tax refund funds

Tax refund funds are recognized as liability when the Authority has a present legal 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 for the amount of the obligation. The Authority's obligation is based on received funds through escrow arrangements or any arrangements to cater for refund payments.

3.3.3 Tax refundable and repayable

Tax refundable and repayable are approved unpaid refund claims awaiting processing to the tax payers. These occur when the taxpayer has overpaid the tax liability and the liability has been approved for payment by Commissioner General. The liability is recognized for the amount to be refunded or utilized against any other tax liabilities. The liability is measured at cost.

3.3.4 Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are initially recorded at fair value. After initial measurement, such financial assets are subsequently measured at amortized cost less impairment. Amortized cost is calculated by considering any interest or penalties in accordance with the tax laws. The losses arising from impairment are recognized in the Statement of Financial Performance.

3.3.5 Revenue from transactions without binding arrangements

The Authority engages in revenue transactions that may occur without binding arrangements. In such cases, the Authority evaluates whether the transaction confers rights or obligations that meet the definitions of assets or liabilities in accordance with applicable IPSAS standards.

Specifically, the Authority assesses:

- Whether any rights associated with the transaction meet the definition of an asset; and
- Whether any obligations arising from the transaction meet the definition of a liability.

ZIMBABWE REVENUE AUTHORITY
NOTES TO THE EXCHEQUER TRUST FINANCIAL STATEMENTS
for the year ended December 31, 2024

Revenue Recognition Timing:

Revenue from transactions without binding arrangements is recognized as follows:

- (a) When the Authority has an associated obligation that meets the definition of a liability, revenue is recognized as the obligation is satisfied;
- (b) If there is no enforceable obligation, revenue is recognized immediately upon receipt of the inflow of resources.

Measurement of revenue transactions without binding arrangements

Revenue from transactions that do not arise from binding arrangements is measured at the fair value of the consideration received or receivable. When the consideration is non-cash, it is measured at its current value in accordance with the applicable IPSAS.

3.3.5.1 Revenue from transactions with binding arrangements

The Authority accounts for revenue from binding arrangements using the binding arrangement accounting model if all of the following criteria are met:

- a. The parties to the binding arrangement have approved the arrangement and are committed to performing their obligations;
- b. The Authority can identify each party's rights under the binding arrangement;
- c. The binding arrangement has economic substance;
- d. It is probable that the Authority will collect the consideration to which it is entitled for satisfying its compliance obligations in accordance with the binding arrangement.

Once a binding arrangement meets the above criteria, the Authority shall not reassess these criteria unless there is an indication of a significant change in facts and circumstances.

3.4 Risk management

3.4.1 Interest rate risk

Interest rate fluctuations pose a risk to revenue collections by affecting investment income, payment patterns, and economic activity levels that drive tax revenues.

3.4.2 Credit risk

Credit risk arises from non-payment or delayed payment by taxpayers, reducing expected revenue. This is the risk that one party to a financial instrument will fail to meet its obligations, causing the other party to incur a financial loss. ZIMRA mitigates the credit risk by maintaining cash balances with banks that were approved by the Ministry of Finance, Economic Development and Investment Promotion, to collect Government funds, and recovering tax receivables in line with the applicable laws and respective regulations directly from the taxpayers' bank accounts whenever the taxpayer fails to honour his obligation.

ZIMBABWE REVENUE AUTHORITY**NOTES TO THE EXCHEQUER TRUST FINANCIAL STATEMENTS****for the year ended December 31, 2024**

3.4.3 Market risk

Market risk affects revenue collections through economic fluctuations that impact taxpayers' ability to settle tax obligations. Liquidity challenges have also impacted to revenue pay overs to Treasury.

3.4.4 Foreign currency transaction and balances

The Authority's records are maintained in Zimbabwe Gold (ZWG), which is the functional currency. However, some transactions are conducted in other major foreign currencies, including the United States Dollar, South African Rand, Botswana Pula, British Pound, and Euros.

Transactions in foreign currencies are translated to Zimbabwe Gold (ZWG) at the exchange rates prevailing at the time the transactions occur. Any gains or losses arising from the conversion or settlement of foreign currency transactions are recognized in the statement of financial performance.

3.5 Exchequer Trust Statement of Comparison of Budget to Actual

In accordance with International Public Sector Accounting Standard (IPSAS) 24 – "Presentation of Budget Statements", the Authority presents an Exchequer Trust Statement of comparison of budget to actual collections, that includes the original budget, final budget, and actual collection amounts. This statement reconciles movements between the original and final budget, highlighting any re-allocations, budget/target adjustments or review. Variances between actual collection and the final budget are disclosed with appropriate explanations.

The Authority has disclosed the Exchequer Trust Statement of comparison of budget to actual collections in both historical cost and inflation adjusted formats in compliance with IPSAS 10 – "Financial Reporting in Hyperinflationary Economies".

ZIMBABWE REVENUE AUTHORITY

EXCHEQUER TRUST NOTES TO THE FINANCIAL STATEMENTS
as at December 31, 2024

	Inflation adjusted		Historical cost	
	2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
4 Cash and cash equivalents	1 296 830 855	156 077 430	1 296 830 855	93 850 309
Bank	1 296 830 855	156 077 430	1 296 830 855	93 850 309
5 Receivables from transactions without binding arrangements	13 237 560 815	850 831 591	13 237 560 815	511 610 218
Domestic Tax debt (note 4.1)	15 695 566 126	687 875 251	15 695 566 126	413 623 578
Customs debt (note 4.2)	2 133 832 407	152 102 909	2 133 832 407	91 460 406
Other receivables	1 928 154 922	10 853 431	1 928 154 922	6 526 234
Trade and other receivables	19 757 553 455	850 831 591	19 757 553 455	511 610 218
Less: Expected allowance for credit loss	(6 519 992 640)	-	(6 519 992 640)	-
6 Payables and accruals	2 621 075 144	359 744 730	2 621 075 144	216 316 697
Outstanding refunds	2 621 075 144	359 744 730	2 621 075 144	216 316 697
7 Revenue				
7.1 Taxes	163 145 714 162	111 666 399 869	110 877 680 519	67 145 686 369
Income Tax	56 185 089 981	34 638 479 220	38 184 714 130	20 828 328 528
Capital gains	1 377 349 666	678 226 062	936 079 363	407 821 462
Domestic dividends and interest	1 448 662 744	1 162 796 078	984 545 415	699 196 364
Customs duties	10 436 944 655	11 201 780 630	7 093 194 087	6 735 698 919
Excise duties	20 397 630 685	16 896 399 015	13 862 711 565	10 159 907 639
Value Added Tax	53 492 818 452	34 112 221 912	36 354 982 813	20 511 886 804
Other Taxes	19 807 217 979	12 976 496 953	13 461 453 145	7 802 846 654
7.2 Fines, penalties and forfeits	335 854 669	286 904 962	228 254 765	172 517 701
Fines	324 089 855	281 249 566	220 259 120	169 117 077
Interest	8 464 103	2 710 097	5 752 404	1 629 598
Sealing diversion fine	2 953 164	2 646 816	2 007 040	1 591 547
Electronic cargo tracking system tempering fines	347 547	298 483	236 201	179 480
7.3 Rummage sales	54 384 963	51 419 596	36 961 305	30 918 916
Rummage sales	54 384 963	51 419 596	36 961 305	30 918 916
7.4 Other revenue	7 843 145 588	5 087 011 021	5 330 386 981	3 058 850 710
Strategic reserve levy	7 843 145 588	5 087 011 021	5 330 386 981	3 058 850 710
8 Revenue retained by collecting entity	4 358 275 725	336 086 066	2 961 987 117	202 090 599
Clearance fees	69 720 945	1 288 208	47 384 001	774 607
Retention	4 262 650 904	333 195 005	2 896 998 230	200 352 186
Commissions	25 903 876	1 602 853	17 604 886	963 806
9 Expenses incurred	8 827 427 924	830 603 787	5 999 328 503	499 447 116
Amounts refunded	4 970 770 982	470 859 057	3 378 253 359	283 130 419
Refunds outstanding	3 856 656 942	359 744 730	2 621 075 144	216 316 697
10 Transfers to consolidated revenue fund (CRF)	140 277 159 869	100 836 019 238	95 335 670 912	60 633 312 531
11 Total allowance for credit losses	(6 519 992 640)	-	(6 519 992 640)	-
11.1 Domestic tax debt	15 695 566 126	687 875 251	15 695 566 126	413 623 578
Allowance for credit loss on domestic tax debt	(5 179 536 822)	-	(5 179 536 822)	-
11.2 Customs debt	2 133 832 407	152 102 909	2 133 832 407	91 460 406
Allowance for credit loss on customs tax debt	(704 164 694)	-	(704 164 694)	-
11.3 Other receivables	1 928 154 922	10 853 431	1 928 154 922	6 526 234
Allowance for credit loss on other receivables	(636 291 124)	-	(636 291 124)	-
11.4 Total receivables	19 757 553 455	850 831 591	19 757 553 455	511 610 218
12 Collections during the year	163 254 278 364	12 313 755 632	110 951 463 315	7 404 336 261
Cash received from operating activities	163 254 278 364	12 313 755 632	110 951 463 315	7 404 336 261
13 Third party payments	21 207 049 720	1 587 856 289	14 412 811 857	954 787 658

All communication should be addressed to
“The Auditor-General”
 P.O. Box CY 143, Causeway, Harare
 Telephone No: 793611/3/4, 762817/8/20-23
 Telegrams: “AUDITOR”
 Fax: 706070
 E-mail: oagzimbabwe263@gmail.com



Reference: SB 2
OFFICE OF THE AUDITOR-GENERAL
 5th Floor, Pax House
 89 Kwame Nkrumah Avenue
 Harare

REPORT OF THE AUDITOR-GENERAL

TO

**THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND INVESTMENT
 PROMOTION**

AND

THE BOARD OF DIRECTORS

IN RESPECT OF THE REVENUE RETURN

OF THE ZIMBABWE REVENUE AUTHORITY

FOR THE YEAR ENDED DECEMBER 31, 2024

Report on the audit of the Revenue Return

Qualified Opinion

I have audited the Revenue Return of the Zimbabwe Revenue Authority set out on pages 126 to 135 for the year ended December 31, 2024. The Return reflects assessed revenue during the year ended December 31, 2024.

In my opinion, except for the effects of matters described in the Basis for Qualified Opinion section of my report, the Revenue Return presents fairly, in all material respects, the revenue assessed as at December 31, 2024 in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Qualified Opinion

i. Completeness of deferred VAT penalties and interests

The revenue return excluded penalties and interest on outstanding taxes in respect of deferred Value Added Tax (VAT) which was not charged. This was contrary to the Value Added Tax [Chapter 23 :12] section 39 which requires penalties and interest to be charged when a tax payer fails to make tax payments within the stipulated period. I could not establish the completeness of revenue disclosed.

ZIMBABWE REVENUE AUTHORITY

AUDIT REPORT IN RESPECT OF THE REVENUE RETURN

for the year ended December 31, 2024

I conducted my audit in accordance with International Standards on Audit (ISAs) and International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Revenue Return section of my report. I am independent of the Authority in accordance with the ethical requirements that are relevant to my audit of the Revenue Return, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the Zimbabwe Revenue Authority's Revenue Return for the year ended December 31, 2024. These matters were addressed in the context of my audit of the Revenue Return as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section, I have determined the matters described below to be key audit matters to be communicated in my report.

Key Audit Matter	How my audit addressed the Key Audit Matter
<p>Value Added Tax refunds to the Revenue Return. Refer to note 4.1.</p> <p>The Authority refunded Value Added Tax amounting to ZWG3.34 billion (2023: ZWG280.9 million) during the year ended December 31, 2024.</p> <p>There is an inherent risk relating to Value Added Tax refunds as incorrect and fraudulent input tax may be claimed by clients. The refund amount was significant to this return.</p> <p>Therefore, I considered VAT refunds to be a key audit matter.</p>	<p>My audit procedures to address the risk of material misstatement relating to VAT refunds, which was considered to be a significant risk, included:</p> <ul style="list-style-type: none"> • Tested controls over the Authority's VAT refunds process assisted by my information technology specialist. • Tested and evaluated the adequacy of the Authority's authorisation and processing procedures on VAT refunds. • Evaluated and scrutinised tax audits performed by the Authority on VAT refunds. <p>Based on the evidence reviewed, I obtained satisfactory evidence over the controls in place over the processing of Value Added Tax refunds.</p>

Other Information

The directors are responsible for the other information. The other information comprises all the information in the Zimbabwe Revenue Authority's 2024 annual report and does not include the Revenue Return and my auditor's report thereon.

ZIMBABWE REVENUE AUTHORITY
AUDIT REPORT IN RESPECT OF THE REVENUE RETURN
for the year ended December 31, 2024

My opinion on the Authority's Revenue Return 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 Revenue Return, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Authority's Revenue Return or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of the other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Revenue Return

The Authority's Management is responsible for the preparation and fair presentation of the Revenue Return in accordance with International Public Sector Accounting Standards (IPSAS) and in a manner required by the Revenue Authority Act [*Chapter 23:11*] and the Public Finance Management Act [*Chapter 22:19*], and for such internal control as management determines is necessary to enable the preparation of the Revenue Return that is free from material misstatement, whether due to fraud or error.

In preparing the Revenue Return, 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 Revenue Return

The objectives of my audit is to obtain reasonable assurance about whether the Revenue Return as a whole is free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but it's not a guarantee that an audit conducted in accordance with ISAs 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 this return.

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

ZIMBABWE REVENUE AUTHORITY**AUDIT REPORT IN RESPECT OF THE REVENUE RETURN****for the year ended December 31, 2024**

- Identify and assess the risks of material misstatement, 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.
- Evaluate the overall presentation, structure and content of the Revenue Return, including the disclosures, and whether the Revenue Return represent the underlying transactions and events in a manner that achieves fair presentation.

I am required to 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 am also required to provide those charged with governance with a statement that I have complied with the 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 Revenue Return of Zimbabwe Revenue Authority has, in all material respects, been properly prepared in compliance with the disclosure requirements of the Revenue Authority Act [Chapter 23:11], Public Finance Management Act [Chapter 22:19], and other relevant Statutory Instruments.

05 June, 2025.



R. KUJINGA,
ACTING AUDITOR – GENERAL.

ZIMBABWE REVENUE AUTHORITY

REVENUE RETURN
for the year ended December 31, 2024

DESCRIPTION	Note	Inflation adjusted				Historical cost			
		Collections 2024 ZWG	Budget 2024 ZWG	Collections 2023 ZWG	Budget 2023 ZWG	Collections 2024 ZWG	Budget 2024 ZWG	Collections 2023 ZWG	Budget 2023 ZWG
TOTAL REVENUE		171 379 099 382	130 926 927 610	116 073 698 635	134 921 924 144	116 473 283 570	105 634 497 091	70 407 973 697	81 129 374 758
1 TAXES ON INCOME AND PROFITS		143 338 496 183	98 613 437 586	97 671 866 103	105 159 616 329	97 416 227 374	83 673 486 091	59 342 839 715	63 233 117 795
1.1 Income Tax									
Individuals (excluding Aids Levy)		33 211 758 314	23 628 706 355	21 222 117 592	28 407 439 682	22 571 495 345	16 058 626 902	13 147 395 026	17 081 566 502
Companies (excluding Aids Levy)		22 973 331 667	17 498 617 242	12 398 324 815	14 926 811 790	15 613 218 785	11 892 473 560	7 680 933 502	8 975 582 844
		56 185 089 981	41 127 323 597	33 620 442 407	43 334 251 472	38 184 714 130	27 951 100 462	20 828 328 528	26 057 149 346
1.2 Capital gains									
Capital gains tax		441 411 738	224 846 988	317 163 641	538 113 480	299 993 842	152 811 323	190 712 429	323 570 913
Companies		861 588 938	-	317 500 225	144 091 861	585 556 191	-	190 914 820	86 643 313
Withholding		69 309 185	115 830 266	43 562 196	-	47 104 159	78 720 985	26 194 213	-
Special capital gains tax on disposal of mining rights		5 039 805	311 269 002	-	-	3 425 171	211 545 765	-	-
		1 377 349 666	651 946 256	678 226 062	682 205 341	936 079 363	443 078 073	407 821 462	410 214 226
1.3 Domestic dividends and interest									
Non executive directors fees		156 753 815	61 743 744	88 128 176	61 690 026	106 533 595	41 962 507	52 992 009	37 094 589
Non resident tax on fees		550 649 225	404 733 420	470 081 528	383 367 645	374 234 219	275 066 391	282 662 886	230 521 300
Non resident tax on royalties		121 780 991	53 900 016	61 905 701	44 051 370	82 765 237	36 631 724	37 224 275	26 488 357
Non resident tax on remittance		209 664 973	98 944 324	174 376 387	58 414 426	142 493 268	67 244 900	104 853 583	35 124 950
Non resident tax on interest		606	-	-	151 171	412	-	-	90 900
Non resident shareholders' tax		-	3 705 475 207	179 866 576	639 771 809	-	2 518 328 467	108 154 868	384 698 685
Resident shareholders' tax		333 576 458	474 496 437	98 549 186	97 820 708	226 706 440	322 478 985	59 258 226	58 820 188
Resident tax on interest		76 236 676	53 936 567	89 888 524	34 991 773	51 812 245	36 656 565	54 050 517	21 040 766
		1 448 662 744	4 853 229 715	1 162 796 078	1 320 258 928	984 545 415	3 298 369 538	699 196 364	793 879 735
2 TAX ON GOODS AND SERVICES		84 327 393 792	51 980 938 018	62 210 401 557	59 822 900 589	57 310 888 465	51 980 938 018	37 407 493 362	35 971 874 488
2.1 Customs duties									
Prime and surtax		10 484 998 286	5 876 858 815	10 119 503 858	10 336 240 801	7 125 852 470	3 994 052 050	6 084 919 305	6 215 244 549
Less duty refunds		(48 053 631)	(36 350 314)	(31 250 817)	-	(32 658 383)	(24 704 532)	(18 791 306)	-
Prepayment account		-	-	1 113 527 589	-	-	-	669 570 921	-
		10 436 944 655	5 840 508 501	11 201 780 630	10 336 240 801	7 093 194 087	3 969 347 519	6 735 698 919	6 215 244 549
2.2 Excise duties									
Beer		1 368 162 269	1 573 382 554	1 353 625 734	1 408 071 313	929 835 392	1 069 307 944	813 943 399	846 681 857
Tobacco		201 930 396	443 038 642	325 300 598	428 455 016	137 236 666	301 099 525	195 605 231	257 632 611
Wine and spirits		518 098 646	3 822 185 184	523 761 596	292 331 440	352 112 076	2 597 647 324	314 941 038	175 780 675
Second hand motor vehicles		66 996 029	4 485 441 819	66 125 226	69 319 435	45 532 084	3 048 412 198	39 761 501	41 682 199
Fuel		14 620 029 095	14 725 167 257	12 659 338 405	12 132 406 040	9 936 117 068	10 007 571 446	7 612 137 287	7 295 289 647
Electric lamb		6 203	-	476	780	4 216	-	286	469
Airtime		2 342 099 189	2 364 150 117	1 968 246 979	1 989 473 025	1 591 745 925	1 606 732 256	1 183 518 897	1 196 282 247
Special surtax on sugar content		1 280 308 858	451 828 183	-	-	870 128 138	307 073 104	-	-
		20 397 630 685	27 865 193 756	16 896 399 015	16 320 057 049	13 862 711 565	18 937 843 797	10 159 907 639	9 813 349 704
2.3 Value Added Tax									
On local sales		39 788 413 197	23 620 277 718	20 621 460 054	19 127 955 516	27 041 145 331	16 052 898 601	12 399 809 530	11 501 756 155
Imposed on imports		18 850 329 111	25 020 404 750	17 736 802 950	14 038 647 223	12 811 128 871	17 004 458 000	10 665 247 644	8 441 524 080
Withholding tax		3 632 508 459	179 031 063	-	-	2 468 738 541	121 673 739	-	-
Less refunds		(8 778 432 315)	(6 040 525 268)	(4 246 041 092)	-	(5 966 029 930)	(4 105 283 637)	(2 553 170 370)	-
		53 492 818 452	42 779 188 263	34 112 221 912	33 166 602 738	36 354 982 813	29 073 746 703	20 511 886 804	19 943 280 235
3 OTHER TAXES									
Tobacco levy		279 169 188	4 345 147	198 996 575	404 381 349	189 729 973	2 953 064	119 657 853	243 156 968
Presumptive tax (informal traders tax)		95 610 496	5 338 446 231	90 137 798	138 579 448	64 979 151	3 628 134 142	54 200 407	83 328 666
Withholding tax on contracts		1 220 655 501	1 434 871 304	1 223 375 840	613 860 703	829 586 308	975 172 427	735 623 344	369 118 180
Intermediate money transfer		9 793 623 236	3 899 317 502	5 340 846 119	12 380 851 592	6 655 977 657	2 650 068 269	3 211 483 301	7 444 681 470
Stamp duties and fees		214 379 780	259 064 662	193 687 987	214 281 657	145 697 562	176 066 463	116 465 766	128 848 866
Mining royalties	4.3	5 590 236 116	7 043 013 322	3 434 721 692	5 839 687 628	3 799 256 494	4 786 598 196	2 065 319 073	3 511 439 738
Less refunds on mining royalties		-	-	(2 816 922)	-	-	-	(1 693 833)	-
Carbon tax		2 337 803 910	2 083 862 930	1 749 682 406	1 784 384 174	1 588 826 751	1 416 242 464	1 052 094 688	1 072 961 072
Automated teller machines levy		31 892 726	12 986 996	57 711 700	159 196 306	21 675 050	8 826 269	34 702 396	95 725 709
Miscellaneous		1 494 845	-	220 384	1 106 886 286	1 015 932	-	132 518	665 577 465
Levy on dairy products		23 291 374	1 554 541 575	30 941 201	11 369 062	15 829 368	1 056 503 169	18 605 132	6 836 286
Accounting fees		16 780 024	-	4 300 589	3 263 767	11 404 101	-	2 585 971	1 962 523
Fines		324 089 855	-	281 249 566	232 344 171	220 259 120	-	169 117 077	139 709 965
Interest		8 464 103	-	2 710 097	-	5 752 404	-	1 629 598	-
Cancellation fees		1 412 960	-	1 576 786	-	960 281	-	948 131	-
Rummage sales	4.2	54 384 963	-	51 419 596	5 173 713	36 961 305	-	30 918 916	3 110 985
Less rummage sale expenses		(941 978)	-	(856 473)	-	(640 190)	-	(515 003)	-
Business licences		12 168 651	2 816 412 783	1 709 823	1 123 836 222	8 270 103	1 914 100 645	1 028 127	675 769 565
State warehouse rent		50 885 786	-	19 919 908	62 676 203	34 583 182	-	11 977 962	37 687 582
Estreated deposits		9 116 077	-	3 272 309	-	6 195 501	-	1 967 659	-
Surplus cash		3 466 366	-	3 377 038	-	2 355 824	-	2 030 633	-
Unreceipted funds		-	-	614 350 811	-	-	-	369 412 884	-
Sealing fee		16 067 460	-	11 341 383	7 985 093	10 919 826	-	6 819 642	4 801 485
Sealing diversion fine		2 953 164	-	2 646 816	1 563 257	2 007 040	-	1 591 547	939 996
Electronic cargo tracking system tempering fines		347 547	-	298 483	205 736	236 201	-	179 480	123 711
Strategic reserve levy		7 843 145 588	7 751 078 520	5 087 011 021	5 671 781 447	5 330 386 981	5 267 816 027	3 058 850 710	3 410 476 729
Mineral export levy		73 223 204	-	-	-	49 764 219	-	-	-
Withholding tax on book makers		5 506 993	-	-	-	3 742 682	-	-	-
Demutualization Levy		160 773	-	-	-	109 265	-	-	-
Value chain withholding tax		31 214 489	-	-	-	21 214 104	-	-	-
Wealth tax		-	115 549 051	-	-	-	78 529 864	-	-
		28 040 603 199	32 313 490 024	18 401 832 532	29 762 307 815	19 057 056 197	21 961 011 000	11 065 133 982	17 896 256 963

3 June 2025

3 June 2025

04.06 2025

E. R. Chitanda
E. R. Chitanda CA (Z),
(Director Finance, Administration and Infrastructure).

R. S. Chinamasa
R. S. Chinamasa,
(Commissioner General).

A. S. Mandjwanza
A. S. Mandjwanza,
(Board Chairman).

ZIMBABWE REVENUE AUTHORITY
NOTES TO THE REVENUE RETURN
for the year ended December 31, 2024

1. NATURE OF BUSINESS

The Zimbabwe Revenue Authority (ZIMRA) is constituted in terms of the Revenue Authority Act [*Chapter 23:11*] of 1999. Its core business is the collection of revenue for the Government of Zimbabwe, administration of tax laws and the facilitation of trade and economic development in the region and beyond.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 Compliance with reporting framework (International Public Sector Accounting Standards)

The Revenue Return for the year ended December 31, 2024 have been prepared in accordance with International Public Sector Accounting Standards (IPSASs) reporting framework as issued by the International Accounting Standard Board (IASB). The Authority adopted International Public Sector Accounting Standards (IPSAS) in 2024.

Zimbabwe adopted International Public Sector Accounting Standards (IPSASs) as a financial reporting framework through the promulgation of Statutory Instrument 41 of 2019 underpinning the migration of public sector entities to International Public Sector Accounting Standards (IPSASs) through the Implementation and Strategy Plan launched in 2019 by the Minister of Finance, Economic Development and Investment Promotion.

The Authority was selected as one of the pilot entities to transition to International Public Sector Accounting Standards from 2021 to 2025. The Zimbabwe Revenue Authority started a three-year IPSAS implementation transition from cash accounting concept from 2021 up to 2023. During the transition period, the Authority was producing revenue returns in compliance with IPSAS transitional returns. In 2024, the Authority have prepared the Revenue Return that is fully compliant with IPSASs.

2.1.2 Compliance with laws and regulations

The Authority complied with the Public Finance Management Act [*Chapter 22:19*], which promotes transparency, accountability, and the sound management of revenue, expenditure, assets, and liabilities of the country's public entities. The operations of the Authority are also guided by the Customs and Excise Act [*Chapter 23:02*], the Income Tax Act [*Chapter 23:06*], the Capital Gains Tax Act [*Chapter 23:01*], the Value Added Tax Act [*Chapter 23:12*], the Revenue Authority Act [*Chapter 23:22*], as well as other subsidiary legislation and relevant statutory instruments in effect as at December 31, 2024.

2.2 Basis of measurement

The Revenue Return has been prepared based on the statutory records that are maintained under the historical cost basis and has been adjusted for inflation to reflect the effects of inflation in accordance with International Public Sector Accounting Standard (IPSAS) 10 - "Financial Reporting in Hyperinflationary Economies".

ZIMBABWE REVENUE AUTHORITY
NOTES TO REVENUE RETURN
for the year ended December 31, 2024

2.2.1 Inflation accounting

International Public Sector Accounting Standard (IPSAS) 10 - "Financial Reporting in Hyperinflationary Economies", is an accounting standard issued by the International Public Sector Accounting Standards Board (IPSASB) to guide public sector entities in preparing Authority's trust financial statements when operating in an economy characterized by hyperinflation. As a result, the Authority has complied with the requirements of this standard by restating its financial statements using the Consumer Price Index (CPI) issued by the Zimbabwe National Statistics Agency (ZIMSTAT).

The indices and conversion factors used to restate the financial statements for the period ended April 5, 2024 and as at December 31, 2024 are as follows:

Month	Index	Conversion Factor
December 31, 2023	65 703.44	9.09
01-Jan-24	93 215.82	6.40
28-Feb-24	258 942.08	2.31
31-March-24	429 219.62	1.39
05-April-24	596 950.30 Estimate	1.00

2024	Apr	100.00	1.66
	May	97.58	1.70
	Jun	97.62	1.70
	Jul	97.50	1.71
	Aug	98.90	1.68
	Sep	104.62	1.59
	Oct	143.59	1.16
	Nov	160.41	1.04
	Dec	166.30	1.00

The following considerations and procedures were applied in the restatement of the Authority's trust financial statements, in accordance with International Public Sector Accounting Standard (IPSAS) 10:

- Monetary items were not restated, as they are already expressed in terms of the monetary unit current at the reporting date.
- Non-monetary items were restated to reflect the changes in the general price level using the Consumer Price Index (CPI).
- All items in the statement of financial performance have been expressed in terms of the measuring unit current at the reporting date and were restated accordingly.
- The surplus or deficit arising from the net monetary position has been separately disclosed in the statement of financial performance.

ZIMBABWE REVENUE AUTHORITY
NOTES TO THE REVENUE RETURN
for the year ended December 31, 2024

2.3 Functional and presentation currency

The return has been presented in the Zimbabwe Gold (ZWG) that is the presentation currency. All the financial information presented has been rounded to the nearest dollar. Foreign currency collections were converted to Zimbabwe Gold as at transaction date, using the applicable Reserve Bank of Zimbabwe exchange rate.

Management has assessed the currency of the primary economic environment in which the Authority operates and determined that ZWG is the functional currency. This conclusion is based on the fact that the majority of the Authority's transactions—including budgeting, salary payments, and other operational expenditures—are denominated and settled in ZWG. While certain contracts are USD-denominated, they are predominantly settled in ZWG, further supporting this assessment.

2.4 Accounting for change in presentation currency

Following the introduction of the Zimbabwe Gold (ZWG) currency by the Reserve Bank of Zimbabwe on April 5, 2024 replacing the Zimbabwean Dollar (ZWL\$), the Authority applied the requirements of International Public Sector Accounting Standard (IPSAS) 4, "The effects of changes in Foreign Exchange rates", when converting the ZWL\$ amounts to ZWG. The following accounting treatments were applied for the change in Presentation currency:

The Authority adopted the following:

On the date of change (April 5, 2024)

- The effect of change in presentation currency for ZWL to ZWG was accounted for prospectively.
- All previously existing balances were translated into the new currency using the exchange rate at the date of the change of ZWG 1: ZWL 2,498.7242 in compliance with the requirements of International Public Sector Accounting Standard (IPSAS) 10, "Reporting in Hyperinflationary Economies."
- Inflation adjusted financial statements were prepared on the date of change and then converted to zig using the ZWG 1: ZWL 2498.7242

Comparative information and current year (January 1 to April 5)

- All amounts in the statement of financial performance from January 1 to April 5 were adjusted for inflation up to April 5. These inflation-adjusted amounts were then translated into ZWG using the ZWG/ZWL exchange rate on the date of change.
- Inflation adjustments were subsequently done to the financial statements up to December 31, 2024.
- For comparative inflation adjusted financial statements, they were hyper-inflated and then restated to ZWG using 2.498. 7242. Subsequently, the ZWG converted were inflation adjusted up to December 31, 2024.
- Foreign currency transactions are translated to the Zimbabwe Gold using the Reserve Bank of Zimbabwe (RBZ) Interbank exchange rate.

ZIMBABWE REVENUE AUTHORITY
NOTES TO REVENUE RETURN
for the year ended December 31, 2024

2.5 Critical accounting judgments, assumptions and estimates

In preparing the Revenue Return, management is required to make judgments, estimates and assumptions that affect the amounts presented in the Revenue Return 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 recognized in the period in which the estimates are revised and in any future periods affected. Significant judgments include the following:

2.5.1 Expected credit losses

The expected loss represents the amount of potential loss you could experience above and beyond what you would expect in a normal or expected scenario. It reflects the risk that your current models might not fully capture, such as rare, extreme events, and they often signal the need for more careful risk management strategies.

The Zimbabwe Revenue Authority (ZIMRA) will use the Historical Loss Data Model (HLDM) to estimate the Expected Credit Loss (ECL) or probability of default. The HLDM is a simplified loss rate model that takes into account the default rate for similar tax receivables or debts, which is further broken down by the age of the debt. This model is then applied to current receivables or debts that fall into the same risk category to estimate the ECL. The computation will be classified based on the aging of the debt, with the risk of loss associated with each age group being determined from historical data.

Formula:

ECL=Carrying Amount of Receivables X Historical Loss Rate per debt age
ZWG 19 757 553 454 X 33% = ZWG 6 519 992 640 to give a net position of ZWG 13 237 560 815.

2.5.2 Fair value measurement

International Public Sector Accounting Standard (IPSAS) 46- "Measurement" brings in generic guidance on fair value for the first time, and introduces current operational value, a public sector specific current value measurement basis addressing constituents' views that an alternative current value measurement basis to fair value is needed for certain public sector assets.

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.

ZIMBABWE REVENUE AUTHORITY
NOTES TO THE REVENUE RETURN
for the year ended December 31, 2024

2.5.3 Going concern

The Directors have assessed the Authority's ability to continue operating as a going concern for a period of at least 12 months from the reporting date. Based on this assessment, the Directors are satisfied that the Authority has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

2.6 New and amended standards and interpretations

The financial statements for the year ended December 31, 2024 represent the Authority's first full compliance with International Public Sector Accounting Standards (IPSAS). As part of the transition to IPSAS, the accounting policies have been reviewed and adjusted to align with the requirements of the new financial reporting framework.

The following new standards, amendments, and interpretations to IPSAS have been issued but are not yet effective. The Authority will adopt these standards when they become effective:

2.6.1 International Public Sector Accounting Standards (IPSAS) 47, - "Revenue" (Early adopted)

The Authority has early adopted this standard with effect from January 1, 2024. Revenue transactions have been recognized in accordance with the standard.

2.6.2 Amendment of International Public Sector Accounting Standard (IPSAS) 10 - "Financial Reporting in Hyperinflationary Economies".

The amendment requires an entity to clarify how to identify the existence of hyper-inflation in the economy of its functional currency when the economy was not hyper inflationary in the prior period.

Effective date January 1, 2026 and this standard will be adopted when they become effective.

ZIMBABWE REVENUE AUTHORITY
NOTES TO REVENUE RETURN
 for the year ended December 31, 2024

3. ACCOUNTING POLICIES

The accounting policies have been aligned to the International Public Sector Accounting Standards (IPSASs).

3.1. Recognition of tax revenue

The tax system operates on the principle of self-assessment, whereby taxpayers are required to declare their tax obligations for a given tax period. Tax revenue is recognised on the accrual basis in the period the taxable event occurs. It is deemed to accrue evenly over the period to which it relates. Where tax returns have not been filed for the relevant period, accrued tax revenue receivable or payable is estimated based on current provisional assessments, prior year final assessments or any other information available to the Commissioner General at that particular time.

Revenue comprises the gross inflow of economic benefits or service potential received or receivable by the Authority during the period, when such inflows result in an increase in net assets or equity, other than increases arising from contributions by owners.

The Authority does not recognize as revenue any amounts collected in its capacity as an agent on behalf of the Government, other government organizations, or third parties. These amounts do not result in an increase in the Authority's net assets or equity, and therefore fall outside the scope of revenue recognition.

In determining whether a transaction constitutes revenue, the Authority assesses whether the transaction arises from a binding arrangement or without a binding arrangement, in accordance with the requirements of IPSAS 47- "Revenue". This evaluation considers factors such as:

- The existence of enforceable rights and obligations;
- The approval and commitment of the parties to the arrangement;
- The identification of specific performance obligations;
- The economic substance and collectability of consideration.

Based on this assessment, revenue is recognized using either the binding arrangement accounting model or the non-binding arrangement model, as appropriate.

Table 1 provides specific recognition criteria that must also be met before revenue is recognized:

No.	Tax	Taxable Event
(i)	Pay-As-You-Earn (PAYE) Excise Duty on Goods and Services – Local Value Added Taxes (VAT) on Goods and Services – Local Gaming Tax	Recognized as revenue when return is submitted/when assessment is made. Additional revenues, identified after review of taxpayer returns, are recognized upon adjusted/amended assessment.

ZIMBABWE REVENUE AUTHORITY
NOTES TO THE REVENUE RETURN
for the year ended December 31, 2024

(ii)	Assessed Income Tax – Individual Corporate Tax Presumptive Income Tax	Recognized as revenue upon submission of estimates/amended estimates that relates to the fiscal year ended 31st December, and revenues assessed or re-assessed during the year. Revenues do not include estimates on unreported taxes, or the impact of future reassessment that cannot yet be reliably measured
(iii)	Customs – Warehouse Rent Motor Vehicle Transit Charges	Recognized when it is probable that future economic benefits will flow to the Authority and the amount can be measured reliably.
(v)	Withholding Taxes	Recognized when it is probable that future economic benefits will flow to the Authority and the amount can be measured reliably. Additional revenues, identified after Commissioner's review of Taxpayers information are recognized upon issuance of adjusted/amended assessment.
	Customs Penalties Income Tax Interest and Penalties Property Tax Stamp Duty on Sale of Vehicles VAT Interest and Penalties Capital Gain Stamp Duty	Recognized as revenue when assessment is issued
	Customs Penalties Income Tax Interest and Penalties Property Tax Stamp Duty on Sale of Vehicles VAT Interest and Penalties Capital Gain Stamp Duty	
	(a) Customs Processing Fee (b) Excise Duty on Imports (c) Fuel Levy (d) Import Duty (e) Value Added Tax on Imports Other customs collections	On importation Recognized upon assessment / declaration for home use. (p) For goods located in Zimbabwe Recognized upon assessment provided that goods are under Customs control

ZIMBABWE REVENUE AUTHORITY
NOTES TO REVENUE RETURN
for the year ended December 31, 2024

3.2. Revenue return

All assessments raised by way of taxes, duties, royalties, fees less of refunds are reflected in the Revenue Return.

3.3. Prepayment account balance

The prepayment account balance represents cash payments made in advance towards the settlement of future customs obligations. Therefore, the revenue return was prepared on an accrual basis, not a cash basis. In 2023, however, the revenue return was prepared using the cash basis, which is why it appeared on the return.

ZIMBABWE REVENUE AUTHORITY

REVENUE RETURN

for the year December 31, 2024

	Inflation adjusted		Historical cost	
	2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
4.1 Refunds paid				
Value added tax	4 922 717 352	467 111 232	3 345 594 976	280 876 829
Duty	47 037 871	3 437 933	31 968 048	2 067 250
Other refunds	1 015 759	309 892	690 334	186 340
Total	4 970 770 982	470 859 057	3 378 253 358	283 130 419
4.2 Rummage sale collections				
Rummage sale	54 384 963	51 419 596	36 961 305	30 918 916
Less rummage sale related expenses	(941 978)	(856 472)	(640 190)	(515 002)
Net rummage sale collections	53 442 985	50 563 124	36 321 115	30 403 914
4.3 Mining royalties				
Collections	5 590 236 116	3 434 721 692	3 799 256 494	2 065 319 073
Less refunds	-	(2 816 921)	-	(1 693 832)
Net mining collections	5 590 236 116	3 431 904 770	3 799 256 494	2 063 625 241
4.4 Refunds				
Amounts refunded	4 970 770 982	470 859 057	3 378 253 359	283 130 419
Outstanding refunds	2 621 075 144	359 744 730	2 621 075 144	216 316 697
Total	7 591 846 126	830 603 787	5 999 328 503	499 447 116

All communication should be addressed to
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 P.O. Box CY 143, Causeway, Harare
 Telephone No: 793611/3/4, 762817/8/20-23
 Telegrams: “AUDITOR”
 Fax: 706070
 E-mail: oagzimbabwe263@gmail.com



Reference: SB 2
OFFICE OF THE AUDITOR-GENERAL
 5th Floor, Pax House
 89 Kwame Nkrumah Avenue
 Harare

REPORT OF THE AUDITOR-GENERAL

TO

**THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND INVESTMENT
 PROMOTION**

AND

THE BOARD OF DIRECTORS

IN RESPECT OF THE RECEIPTS AND DISBURSEMENTS RETURN

OF THE ZIMBABWE REVENUE AUTHORITY

FOR THE YEAR ENDED DECEMBER 31, 2024

Report on the audit of the Receipts and Disbursements Return

Opinion

I have audited the Receipts and Disbursements Return of the Zimbabwe Revenue Authority set out on pages 140 to 144 for the year ended December 31, 2024. The Return reflects receipts and disbursements made during the year ended December 31, 2024.

In my opinion, the Receipts and Disbursements Return presents fairly, in all material respects, the receipts and disbursements made during the year ended December 31, 2024 in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Opinion

I conducted my audit in accordance with International Standards on Audit (ISAs) and International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Receipts and Disbursements Return section of my report. I am independent of the Authority in accordance with the ethical requirements that are relevant to my audit of the Receipts and Disbursements, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

ZIMBABWE REVENUE AUTHORITY

AUDIT REPORT IN RESPECT OF THE RECEIPTS AND DISBURSEMENTS RETURN

for the year ended December 31, 2024

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the Zimbabwe Revenue Authority's Receipts and Disbursements Return for the year ended December 31, 2024. These matters were addressed in the context of my audit of the Receipts and Disbursements Return as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined the matter described below to be a key audit matter to be communicated in my report.

Key Audit Matter	How my audit addressed the Key Audit Matter
<p>Value Added Tax refunds. Refer to note 4.6. to the Receipts and Disbursements Return</p> <p>The Authority refunded Value Added Tax (VAT) amounting to ZWG3.34 billion (2023: ZWG280.9 million) during the year ended December 31, 2024.</p> <p>There is an inherent risk relating to Value Added Tax refunds as incorrect and fraudulent input tax may be claimed by clients. The refund amount was significant to this return.</p> <p>Therefore, I considered VAT refunds to be a key audit matter.</p>	<p>My audit procedures to address the risk of material misstatement relating to VAT refunds, which was considered to be a significant risk, included:</p> <ul style="list-style-type: none"> • Tested controls over the Authority's VAT refunds process assisted by my information technology specialist. • Tested and evaluated the adequacy of the Authority's authorisation and processing procedures on VAT refunds. • Evaluated and scrutinised tax audits performed by the Authority on VAT refunds. <p>Based on the evidence reviewed, I obtained satisfactory evidence over the controls in place over the processing of Value Added Tax refunds.</p>

Other Information

The directors are responsible for the other information. The other information comprises all the information in the Zimbabwe Revenue Authority's 2024 annual report and does not include the Receipts and Disbursements Return and my auditor's report thereon.

My opinion on the Authority's Receipts and Disbursements Return does not cover the other information and I do not express any form of assurance conclusion thereon.

ZIMBABWE REVENUE AUTHORITY**AUDIT REPORT IN RESPECT OF THE RECEIPTS AND DISBURSEMENTS RETURN****for the year ended December 31, 2024**

In connection with my audit of the Authority's Receipts and Disbursements Return, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Authority's Receipts and Disbursements Return or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of the other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Receipts and Disbursements Return

The Authority's Management is responsible for the preparation and fair presentation of the Receipts and Disbursements Return in a manner required by the Revenue Authority Act [*Chapter 23:11*] and the Public Finance Management Act [*Chapter 22:19*], and for such internal control as management determines is necessary to enable the preparation of the Receipts and Disbursements Return that is free from material misstatement, whether due to fraud or error.

In preparing the Receipts and Disbursements Return, 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 Receipts and Disbursements Return

The objectives of my audit is to obtain reasonable assurance about whether the Receipts and Disbursements Return as a whole is free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but it's not a guarantee that an audit conducted in accordance with ISAs 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 this return.

As part of an audit in accordance with ISAs and ISSAIs, I am required to 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, 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.

ZIMBABWE REVENUE AUTHORITY**AUDIT REPORT IN RESPECT OF THE RECEIPTS AND DISBURSEMENTS RETURN****for the year ended December 31, 2024**

-
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Evaluate the overall presentation, structure and content of the Receipts and Disbursements Return, including the disclosures, and whether the Receipts and Disbursements Return represent the underlying transactions and events in a manner that achieves fair presentation.

I am required to 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 am also required to provide those charged with governance with a statement that I have complied with the 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 Receipts and Disbursements Return of Zimbabwe Revenue Authority has, in all material respects, been properly prepared in compliance with the disclosure requirements of the Revenue Authority Act [*Chapter 23:11*], Public Finance Management Act [*Chapter 22:19*], and other relevant Statutory Instruments.

05 June, 2025.



R. KUJINGA,
ACTING AUDITOR – GENERAL.

ZIMBABWE REVENUE AUTHORITY
RECEIPTS AND DISBURSEMENTS RETURN
for the year December 31, 2024

Description	2024		2023		2024		2023	
	Inflation adjusted		Historical cost		2024		2023	
	Dr ZWG	Cr ZWG	Dr ZWG	Cr ZWG	Dr ZWG	Cr ZWG	Dr ZWG	Cr ZWG
Main Account bank Balance as at January 1	156 077 430							
Collections during the year	163 254 278 364		34 428 635		93 850 309	20 702 148		774 607
Less Disbursements in respect of:			12 313 755 632		110 951 463 315	7 404 336 261		56 656
Zimbabwe Revenue Authority- clearance fees		69 720 945		1 288 208		47 384 001		283 130 419
Rummage sale expenses		941 978		94 222		640 190		6 376 400 442
Refunds		4 970 770 982		470 859 057		3 378 253 359		
Ministry of Finance , Economic Development and Investment Promotion-Exchequer		140 277 159 869		10 604 250 548		95 335 670 912		
Ministry of Finance , Economic Development and Investment Promotion-IMTT		9 170 952 899		554 916 070		6 232 796 190		333 674 413
Zimbabwe Revenue Authority -commissions		4 262 650 904		333 195 005		2 896 998 230		200 352 186
Bank charges		262 809		14 313		178 611		8 606
National Aids Council		1 171 556 156		100 844 570		796 217 233		60 638 454
Zimbabwe Energy Regulatory Authority		51 577 960		257		35 053 600		154
Zimbabwe Revenue Authority		25 903 876		1 602 854		17 604 886		963 806
Insurance Council of Zimbabwe		134 869 327		13 580 841		91 660 380		8 166 242
Zambezi River Authority		98 026		10 103		66 621		6 075
Ministry of Energy		605 399		605 399				364 030
Zimbabwe National Road Administration		3 102 172		3 102 172		78 361 952		1 865 355
Ministry of Health - Veterinary inspection fees		12 176 494		314 152		8 275 433		188 902
Small and Medium Enterprises - Presumptive tax levy		62 378 488		9 102 432		42 393 894		5 473 348
Ministry of Finance - Health fund-airtime levy		1 077 470 853		92 687 793		732 274 639		55 733 734
Ministry of Health - Health inspection fees		27 341 431		1 496 444		18 581 882		899 821
Ministry of Health - Plant quarantine services		10 490 577		564 885		7 129 644		339 669
National Biotechnology Authority		10 575 444		751 054		7 187 322		451 614
Environmental Management Agency		31 081 830		2 779 256		21 123 946		1 671 183
Radiation Protection Authority of Zimbabwe		520 382		4 580		353 664		2 754
Forestry Commission		406 374		42 625		276 182		25 631
Effects of inflation receipts and disbursements		629 315 351						
Main account bank balance as at December 31		1 296 830 855		156 077 430		1 296 830 855		93 850 309
TOTAL	163 410 355 794	163 410 355 794	12 348 184 267	12 348 184 267	111 045 313 624	111 045 313 624	7 425 038 409	7 425 038 409

E. R. Chitanda

E. R. Chitanda CA (Z),
(Director Finance and Administration).

R. S. Chinamasa

R. S. Chinamasa,
(Commissioner General).

A. S. Mandiyanza
(Board Chairman).

3 June 2025.

3 June 2025.

04.06 2025.

ZIMBABWE REVENUE AUTHORITY
NOTES TO THE RECEIPTS AND DISBURSEMENTS RETURN
for the year ended December 31, 2024

1. NATURE OF BUSINESS

The Zimbabwe Revenue Authority (ZIMRA) is constituted in terms of the Revenue Authority Act [Chapter 23:11] of 1999. Its core business is the collection of revenue for the Government of Zimbabwe, administration of tax laws and the facilitation of trade and economic development in the region and beyond.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 Compliance with reporting framework (International Public Sector Accounting Standards)

The Receipts and Disbursements Return for the year ended December 31, 2024, have been prepared in accordance with International Public Sector Accounting Standards (IPSASs) reporting framework as issued by the International Accounting Standard Board (IASB). The Authority adopted International Public Sector Accounting Standards (IPSAS) in 2024.

Zimbabwe adopted International Public Sector Accounting Standards (IPSASs) as a financial reporting framework through the promulgation of Statutory Instrument 41 of 2019 underpinning the migration of public sector entities to International Public Sector Accounting Standards (IPSASs) through the Implementation and Strategy Plan launched in 2019 by the Minister of Finance, Economic Development and Investment Promotion.

The Authority was selected as one of the pilot entities to transition to International Public Sector Accounting Standards from 2021 to 2025. The Zimbabwe Revenue Authority started a three-year IPSAS implementation transition from cash accounting concept from 2021 up to 2023. During the transition period, the Authority was producing Receipts and Disbursements Return in compliance with IPSAS transitional returns. In 2024, the Authority has prepared the Receipts and Disbursements Return that is fully compliant with IPSASs.

2.1.2 Compliance with laws and regulations

The Authority complied with the Public Finance Management Act [Chapter 22:19], which promotes transparency, accountability, and the sound management of revenue, expenditure, assets, and liabilities of the country's public entities. The operations of the Authority are also guided by the Customs and Excise Act, the Income Tax Act, the Capital Gains Tax Act, the Value Added Tax Act, the Revenue Authority Act [Chapter 23:22], as well as other subsidiary legislation and relevant statutory instruments in effect as of December 31, 2024.

2.2 Basis of measurement

The Receipts and Disbursements Return was prepared based on the statutory records that are maintained under the historical cost basis and has been adjusted for inflation.

ZIMBABWE REVENUE AUTHORITY
NOTES TO THE RECEIPTS AND DISBURSEMENTS RETURN
for the year ended December 31, 2024

2.2.1 Inflation accounting

International Public Sector Accounting Standard (IPSAS) 10 - "Financial Reporting in Hyperinflationary Economies", is an accounting standard issued by the International Public Sector Accounting Standards Board (IPSASB) to guide public sector entities in preparing Authority's trust financial statements when operating in an economy characterized by hyperinflation. As a result, the Authority has complied with the requirements of this standard by restating its financial statements using the Consumer Price Index (CPI) issued by the Zimbabwe National Statistics Agency (ZIMSTAT).

The indices and conversion factors used to restate the financial statements for the period ended April 5, 2024 and as at December 31, 2024 are as follows:

Month	Index	Conversion Factor
December 31,2023	65 703.44	9.09
01-Jan-24	93 215.82	6.40
28-Feb-24	258 942.08	2.31
31-March-24	429 219.62	1.39
05-April-24	596 950.30 Estimate	1.00

2024			
	Apr	100.00	1.66
	May	97.58	1.70
	Jun	97.62	1.70
	Jul	97.50	1.71
	Aug	98.90	1.68
	Sep	104.62	1.59
	Oct	143.59	1.16
	Nov	160.41	1.04
	Dec	166.30	1.00

The following considerations and procedures were applied in the restatement of the Authority's trust financial statements, in accordance with International Public Sector Accounting Standard (IPSAS) 10:

- Monetary items were not restated, as they are already expressed in terms of the monetary unit current at the reporting date.
- Non-monetary items were restated to reflect the changes in the general price level using the Consumer Price Index (CPI).
- All items in the statement of financial performance have been expressed in terms of the measuring unit current at the reporting date and were restated accordingly.
- The surplus or deficit arising from the net monetary position has been separately disclosed in the statement of financial performance.

ZIMBABWE REVENUE AUTHORITY
NOTES TO THE RECEIPTS AND DISBURSEMENTS RETURN
for the year ended December 31, 2024

2.3. Functional and presentation currency

The Receipts and Disbursement Return has been presented in the Zimbabwe Gold (ZWG) which is the presentation currency. All the financial information presented has been rounded to the nearest dollar. Foreign currency collections were converted to Zimbabwe Gold as at transaction date, using the Reserve Bank of Zimbabwe exchange rate.

3. ACCOUNTING POLICIES

The accounting policies have been aligned to the International Public Sector Accounting Standards (IPSASs).

3.1. Taxes revenue

All tax revenue collected by the Zimbabwe Revenue Authority is paid direct into the Exchequer account except otherwise stated.

3.2. Receipts

Collections from clients for various statutory obligations and other fees are accounted for as receipts.

3.3. Disbursements

Payments to Exchequer, Treasury, third parties, bank charges and retention are accounted for as disbursements.

3.4. Motor Insurance

The Authority entered into an agreement with the Motor Insurance Pool to sell third party insurance cover to foreign registered vehicles entering Zimbabwe at all border posts. In accordance with the existing agreement, the Pool is obliged to pay the Authority an issuing and collection fee of ten percent (10%) of the total collections from issued policies.

3.5. Investments

There were no investments for the fiscal year ended December 31, 2024.

3.6. Grant and clearance fees retained

The Authority retains from collections for use in their operations as a grant. During 2024, the Authority retained grant and clearance fees.

3.7. Commissions

The Commission relates to amounts the Authority retains for collections done on behalf of other entities.

ZIMBABWE REVENUE AUTHORITY
Receipts and Disbursements Return

for the year December 31, 2024

4 Refunds

	Inflation Adjusted		Historical cost	
	2024 ZWG	# 2023 ZWG	2024 ZWG	2023 ZWG
Value added tax	4 922 717 350	467 111 232	3 345 594 976	280 876 829
Duty	47 037 871	3 437 933	31 968 048	2 067 250
Other refunds	1 015 759	309 892	690 334	186 340
Total	4 970 770 981	470 859 057	3 378 253 358	283 130 419

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Fax: 706070
E-mail: oagzimbabwe263@gmail.com



Reference: SB 2
OFFICE OF THE AUDITOR-GENERAL
5th Floor, Pax House
89 Kwame Nkrumah Avenue
Harare

REPORT OF THE AUDITOR-GENERAL
TO
THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND INVESTMENT
PROMOTION
AND
THE BOARD OF DIRECTORS
IN RESPECT OF THE TAX RESERVE CERTIFICATES RETURN
OF THE ZIMBABWE REVENUE AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2024

Report on the audit of the Tax Reserve Certificates Return

Opinion

I have audited the Tax Reserve Certificates Return of the Zimbabwe Revenue Authority set out on pages 149 to 152 for the year ended December 31, 2024. The Return reflects tax reserves for the year ended December 31, 2024.

In my opinion, the Tax Reserve Certificates Return presents fairly, in all material respects, the Tax Reserves for the year ended December 31, 2024 in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Opinion

I conducted my audit in accordance with International Standards on Audit (ISAs) and International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Tax Reserve Certificates Return section of my report. I am independent of the Authority in accordance with the ethical requirements that are relevant to my audit of the Tax Reserve Certificates Return, 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

ZIMBABWE REVENUE AUTHORITY**AUDIT REPORT IN RESPECT OF THE TAX RESERVE CERTIFICATES RETURN****for the year ended December 31, 2024**

for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the Zimbabwe Revenue Authority's Tax Reserve Certificates Return for the year ended December 31, 2024. I have determined that there are no key audit matters to communicate in my report.

Other Information

The directors are responsible for the other information. The other information comprises all the information in the Zimbabwe Revenue Authority's 2024 annual report and does not include the Tax Reserve Certificates Return and my auditor's report thereon.

My opinion on the Authority's Tax Reserve Certificates Return 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 Tax Reserve Certificates Return, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Authority's Tax Reserve Certificates Return or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of the other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Tax Reserve Certificates Return

The Authority's Management is responsible for the preparation and fair presentation of the Tax Reserve Certificates Return in accordance with the Revenue Authority Act [Chapter 23:11], Tax Reserve Certificate Act [Chapter 23:10] and the Public Finance Management Act [Chapter 22:19], and for such internal control as management determines is necessary to enable the preparation of the Tax Reserve Certificates Return that is free from material misstatement, whether due to fraud or error.

In preparing the Tax Reserve Certificates Return, 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.

ZIMBABWE REVENUE AUTHORITY**AUDIT REPORT IN RESPECT OF THE TAX RESERVE CERTIFICATES RETURN****for the year ended December 31, 2024****Auditor's Responsibilities for the Audit of the Tax Reserve Certificates Return**

The objectives of my audit is to obtain reasonable assurance about whether the Tax Reserve Certificates Return as a whole is free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but it's not a guarantee that an audit conducted in accordance with ISAs 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 this return.

As part of an audit in accordance with ISAs and ISSAIs, I am required to 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, 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.
- Evaluate the overall presentation, structure and content of the Tax Reserve Certificates Return, including the disclosures, and whether the Tax Reserve Certificates Return represent the underlying transactions and events in a manner that achieves fair presentation.

I am required to 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 am also required to provide those charged with governance with a statement that I have complied with the 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

ZIMBABWE REVENUE AUTHORITY
AUDIT REPORT IN RESPECT OF THE TAX RESERVE CERTIFICATES RETURN
for the year ended December 31, 2024

of such communication.

Report on Other Legal and Regulatory Requirements

In my opinion, the Tax Reserve Certificates Return of Zimbabwe Revenue Authority has, in all material respects, been properly prepared in compliance with the disclosure requirements of the Revenue Authority Act [*Chapter 23:11*], Public Finance Management Act [*Chapter 22:19*], and other relevant Statutory Instruments.

05 June, 2025.



R. KUJINGA,
ACTING AUDITOR – GENERAL.

**ZIMBABWE REVENUE AUTHORITY
TAX RESERVE CERTIFICATES RETURN**

as at December 31, 2024

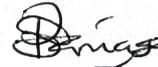
Tax reserves	Inflation adjusted		Historical cost	
	2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
Value of certificates not converted at the beginning of the year				
Add sales from January to December	-	-	-	-
Less conversions from January to December	-	-	-	-
Balance at year end	-	-	-	-

3 June, 2025.



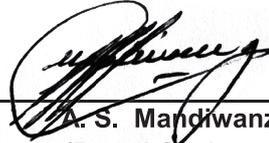
**E. R. Chitanda CA(Z),
(Director Finance and Administration).**

3 June, 2025.



**R. S. Chinamasa,
(Commissioner General).**

04.06, 2025.



**A. S. Mandiwanza,
(Board Chairman).**

ZIMBABWE REVENUE AUTHORITY
NOTES TO THE TAX RESERVE CERTIFICATES RETURN
for the year ended December 31, 2024

1. NATURE OF BUSINESS

The Zimbabwe Revenue Authority (ZIMRA) is constituted in terms of the Revenue Authority Act [Chapter 23:11] of 1999. Its core business is the collection of revenue for the Government of Zimbabwe, administration of tax laws and the facilitation of trade and economic development in the region and beyond.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 Compliance with reporting framework (International Public Sector Accounting Standards)

The Tax Reserve Certificates Return for the year ended December 31, 2024, has been prepared in accordance with International Public Sector Accounting Standards (IPSASs) reporting framework as issued by the International Accounting Standard Board (IASB).

Zimbabwe adopted International Public Sector Accounting Standards (IPSASs) as a financial reporting framework through the promulgation of Statutory Instrument 41 of 2019 underpinning the migration of public sector entities to International Public Sector Accounting Standards (IPSASs) through the Implementation and Strategy Plan launched in 2019 by the Minister of Finance, Economic Development and Investment Promotion.

The Authority was selected as one of the pilot entities to transition to International Public Sector Accounting Standards from 2021 to 2025. The Zimbabwe Revenue Authority started a three-year IPSAS implementation transition from cash accounting concept from 2021 up to 2023. During the transition period, the Authority was producing the Tax Reserve Certificates Return in compliance with IPSAS transitional returns. In 2024, the Authority have prepared Tax Reserve Certificates Return that is fully compliant with IPSASs.

2.1.2 Compliance with laws and regulations

The Authority complied with the Public Finance Management Act [Chapter 22:19], which promotes transparency, accountability, and the sound management of revenue, expenditure, assets, and liabilities of the country's public entities. The operations of the Authority are also guided by the Customs and Excise Act, the Income Tax Act, the Capital Gains Tax Act, the Value Added Tax Act, the Revenue Authority Act [Chapter 23:22], as well as other subsidiary legislation and relevant statutory instruments in effect as of December 31, 2024.

2.2 Basis of measurement

The Tax Reserve Certificates Return was prepared based on statutory records that are maintained under the historical cost and has been adjusted for inflation.

2.2.1 Inflation accounting

International Public Sector Accounting Standard (IPSAS) 10 - "Financial Reporting in Hyperinflationary Economies", is an accounting standard issued by the International Public Sector

ZIMBABWE REVENUE AUTHORITY
NOTES TO THE TAX RESERVE CERTIFICATES RETURN
for the year ended December 31, 2024

Accounting Standards Board (IPSASB) to guide public sector entities in preparing Authority's trust financial statements when operating in an economy characterized by hyperinflation. As a result, the Authority has complied with the requirements of this standard by restating its financial statements using the Consumer Price Index (CPI) issued by the Zimbabwe National Statistics Agency (ZIMSTAT).

The indices and conversion factors used to restate the financial statements for the period ended April 5, 2024 and as at December 31, 2024 are as follows:

Month	Index	Conversion Factor
December 31,2023	65 703.44	9.09
01-Jan-24	93 215.82	6.40
28-Feb-24	258 942.08	2.31
31-March-24	429 219.62	1.39
05-April-24	596 950.30 Estimate	1.00

2024	Month	Index	Conversion Factor
	Apr	100.00	1.66
	May	97.58	1.70
	Jun	97.62	1.70
	Jul	97.50	1.71
	Aug	98.90	1.68
	Sep	104.62	1.59
	Oct	143.59	1.16
	Nov	160.41	1.04
	Dec	166.30	1.00

The following considerations and procedures were applied in the restatement of the Authority's trust financial statements, in accordance with International Public Sector Accounting Standard (IPSAS) 10:

- Monetary items were not restated, as they are already expressed in terms of the monetary unit current at the reporting date.
- Non-monetary items were restated to reflect the changes in the general price level using the Consumer Price Index (CPI).
- All items in the statement of financial performance have been expressed in terms of the measuring unit current at the reporting date and were restated accordingly.
- The surplus or deficit arising from the net monetary position has been separately disclosed in the statement of financial performance.

2.3. Functional and presentation currency

This return is presented in the Zimbabwe Gold (ZWG) which is the presentation currency. Foreign currency collections are converted to the Zimbabwe Gold at the transaction date, using the applicable Reserve Bank of Zimbabwe exchange rate.

ZIMBABWE REVENUE AUTHORITY
NOTES TO THE TAX RESERVE CERTIFICATES RETURN
for the year ended December 31, 2024

3. ACCOUNTING POLICIES

The accounting policies have been aligned to the International Public Sector Accounting Standards (IPSASs).

3.1. Tax reserves

Tax reserves are amounts, which have been prepaid by clients in relation to tax reserves granted by the Commissioner General and are paid into the Consolidated Revenue Fund. For the year ended December 31, 2024, there were no tax reserve certificates, which were issued. There were also no tax reserve certificates that were outstanding.

All communication should be addressed to
 “The Auditor-General”
 P.O. Box CY 143, Causeway, Harare
 Telephone No: 793611/3/4, 762817/8/20-23
 Telegrams: “AUDITOR”
 Fax: 706070
 E-mail: oagzimbabwe263@gmail.com



Reference: SB 2
OFFICE OF THE AUDITOR-GENERAL
 5th Floor, Pax House
 89 Kwame Nkrumah Avenue
 Harare

REPORT OF THE AUDITOR-GENERAL

TO

**THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND INVESTMENT
 PROMOTION**

AND

THE BOARD OF DIRECTORS

IN RESPECT OF THE OUTSTANDING REVENUE RETURN

OF THE ZIMBABWE REVENUE AUTHORITY

FOR THE YEAR ENDED DECEMBER 31, 2024

Report on the audit of the Outstanding Revenue Return

Qualified Opinion

I have audited the Outstanding Revenue Return of the Zimbabwe Revenue Authority set out on pages 158 to 164 for the year ended December 31, 2024. The return reflects assessed outstanding revenue as at December 31, 2024.

In my opinion, except for the effects of matters described in the Basis for Qualified Opinion section of my report, the Outstanding Revenue Return presents fairly, in all material respects, the Outstanding Revenue as at December 31, 2024 in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Qualified Opinion

i. Private imports debt

Included in the customs debt were entries made in advance (pre-clearance) by clients amounting to ZWG210.9 million and USD4 million as at December 31, 2024. However, not all clients proceeded with the importation, resulting in lodged entries remaining open indefinitely. As a result, the customs debt had private import entries that dated back to 2020. The custom debt therefore

ZIMBABWE REVENUE AUTHORITY**AUDIT REPORT IN RESPECT OF THE OUTSTANDING REVENUE RETURN****for the year ended December 31, 2024**

included amounts which may not be collectible and this was not adjusted accordingly. The prior year was also modified in respect of this matter.

ii. Removal In Transit (RIT)

The Authority had removal in transit entries with potential duty amounting to ZWG12.2 million (2023: ZWG 2.9 million) which had not been acquitted as at December 31, 2024. Some of the entries date back to prior years and they exclude RITs that are in the process of cancellation once they meet the required criteria. As a result, the extent of outstanding duty payable to be included in the outstanding revenue return could not be established as some of the goods might have been consumed locally. The prior year was also modified in respect of this matter.

iii. Temporary Import Permits (TIP)

The Authority had 27 389 electronic and 10 464 manual Temporary Import Permits (TIPs) that were issued on the basis that the vehicles were temporarily entering the country. Some of the entries date back to prior years. I could not ascertain whether the vehicles had exited the country or may have been localised as they remained not acquitted as at December 31, 2024. I could also not ascertain the extent of the duty payable in relation to the vehicles that were localised. The prior year was also modified in respect of this matter.

iv. Completeness of deferred VAT penalties and interests

The outstanding revenue return excluded penalties and interest on outstanding taxes in respect of deferred Value Added Tax (VAT) which was not charged. This was contrary to the Value Added Tax [Chapter 23 :12] section 39 which requires penalties and interest to be charged when a tax payer fails to make tax payments within the stipulated period. I could not establish the completeness of the outstanding revenue disclosed.

I conducted my audit in accordance with International Standards on Audit (ISAs) and International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Outstanding Revenue Return section of my report. I am independent of the Authority in accordance with the ethical requirements that are relevant to my audit of the Outstanding Revenue Return, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the Zimbabwe Revenue Authority's Outstanding Revenue Return for the year ended December 31, 2024. These matters were addressed in the context of my audit of the Outstanding Revenue Return as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section, I have determined the matters described below to be key audit matters to be communicated in my report.

ZIMBABWE REVENUE AUTHORITY

AUDIT REPORT IN RESPECT OF THE OUTSTANDING REVENUE RETURN

for the year ended December 31, 2024

Key Audit Matter	How my audit addressed the Key Audit Matter
<p>Domestic tax system migration</p> <p>The Authority had undergone data migration of domestic taxes from E- Service to Tax and Revenue Management System (TaRMS) during the year due to challenges experienced by the previous system.</p> <p>The migration process entails SAP transactional data cleansing process before migrations to TaRMS. Due to voluminous of accounts subjected to transactional data cleansing, the process may be incomplete resulting in some clients having inaccurate transactional data balances in TaRMS post migration.</p> <p>Due of the complexity of data migration and voluminous of transactions being migrated, migration of domestic tax data to TaRMS was considered key audit matter.</p>	<p>My audit procedures to address the risk of material misstatement relating migration of data to new system included:</p> <ul style="list-style-type: none"> • Evaluation of the status of data migration to the new domestic tax system (TARMS), confirming the accuracy and completeness of the migration process from SAP TRM. • Assessed the adequacy of controls that had been put in place by management on the domestic tax system change over data migration. <p>Based on the evidence reviewed and the data cleansing process ongoing, I was satisfied with controls put in place on data migration to the Domestic tax system.</p>

Other Information

The directors are responsible for the other information. The other information comprises all the information in the Zimbabwe Revenue Authority's 2024 annual report and does not include the Outstanding Revenue Return and my auditor's report thereon.

My opinion on the Authority's Outstanding Revenue Return 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 Outstanding Revenue Return, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Authority's Outstanding Revenue Return or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of the other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Outstanding Revenue Return

ZIMBABWE REVENUE AUTHORITY**AUDIT REPORT IN RESPECT OF THE OUTSTANDING REVENUE RETURN****for the year ended December 31, 2024****Responsibilities of Management and Those Charged with Governance for the Outstanding Revenue Return**

The Authority's Management is responsible for the preparation and fair presentation of the Outstanding Revenue Return in a manner required by the Revenue Authority Act [*Chapter 23:11*] and the Public Finance Management Act [*Chapter 22:19*], and for such internal control as management determines is necessary to enable the preparation of the Outstanding Revenue Return that is free from material misstatement, whether due to fraud or error.

In preparing the Outstanding Revenue Return, 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 Outstanding Revenue Return

The objectives of my audit is to obtain reasonable assurance about whether the Outstanding Revenue return as a whole is free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but it's not a guarantee that an audit conducted in accordance with ISAs 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 this return.

As part of an audit in accordance with ISAs and ISSAIs, I am required to 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, 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.
- Evaluate the overall presentation, structure and content of the Outstanding Revenue Return, including the disclosures, and whether the Outstanding Revenue Return represent the underlying transactions and events in a manner that achieves fair presentation.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any

ZIMBABWE REVENUE AUTHORITY**AUDIT REPORT IN RESPECT OF THE OUTSTANDING REVENUE RETURN****for the year ended December 31, 2024**

significant deficiencies in internal control that I identify during my audit.

I am also required to provide those charged with governance with a statement that I have complied with the 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 Outstanding Revenue Return of Zimbabwe Revenue Authority has, in all material respects, been properly prepared in compliance with the disclosure requirements of the Revenue Authority Act [*Chapter 23:11*], Public Finance Management Act [*Chapter 22:19*], and other relevant Statutory Instruments.

05 June, 2025.



R. KUJINGA,
ACTING AUDITOR – GENERAL.

ZIMBABWE REVENUE AUTHORITY

OUTSTANDING REVENUE RETURN

as at December 31, 2024

REVENUE HEAD

	Note	Inflation adjusted		Historical cost	
		2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
Capital gains tax (CGT)		37 075 564	2 356 912	37 075 564	1 417 226
Capital gains withholding tax		-	6 657 321	-	4 003 088
Carbon tax		92 249 271	467 800	92 249 271	281 291
Customs duty		503 194 853	67 459 919	503 194 853	40 564 060
Excise duty		801 068 481	6 707 273	801 068 481	4 033 124
Special excise		45 036 847	2 584 772	45 036 847	1 554 239
Income tax due from companies		6 396 597 802	147 324 651	6 396 597 802	88 587 210
Intermediate money transfer tax (IMMT)		-	13 816 349	-	8 307 855
Other	4.5	1 928 154 923	10 853 431	1 928 154 923	6 526 234
Pay as you earn (PAYE)		1 609 848 868	142 748 411	1 609 848 868	85 835 489
Penalty		-	19 724 817	-	11 860 653
Presumptive tax		12 589 786	997 336	12 589 786	599 704
Royalties on minerals		943 892	68 622	943 892	41 263
Levy on specified minerals		7 706	-	7 706	-
Stamp duties		2 160 203	-	2 160 203	-
State warehouse rent		14 072 874	327 819	14 072 874	197 120
Surtax		89 716 938	10 632 132	89 716 938	6 393 166
Tobacco levy		998 012	-	998 012	-
Fines		70 853 870	7 286 811	70 853 870	4 381 604
Value added tax (VAT)		7 538 053 485	314 671 561	7 538 053 485	189 213 926
Value added tax withholding tax		-	47 276 732	-	28 427 787
Value added tax on imported services		14 681 482	-	14 681 482	-
Value added tax on imports		107 425 420	11 397 363	107 425 420	6 853 304
Withholding tax on tenders		118 331 090	36 005 110	118 331 090	21 650 092
Withholding tax non resident tax		-	473 054	-	284 450
Strategic reserve levy		374 492 089	993 394	374 492 089	597 334
Expected credit loss allowance	4.6	(6 519 992 640)	-	(6 519 992 640)	-
Total		13 237 560 815	850 831 591	13 237 560 815	511 610 218

3 June, 2025.

3 June, 2025.

04.06, 2025.


E. R. Chitanda CA (Z),
(Director Finance and Administration).

R. S. Chinamasa,
(Commissioner General).

A. S. Mandiwanza,
(Board Chairman).

ZIMBABWE REVENUE AUTHORITY
NOTES TO THE OUTSTANDING REVENUE RETURN
for the year ended December 31, 2024

1. NATURE OF BUSINESS

The Zimbabwe Revenue Authority (ZIMRA) is constituted in terms of the Revenue Authority Act [Chapter 23:11] of 1999. Its core business is the collection of revenue for the Government of Zimbabwe, administration of tax laws and the facilitation of trade and economic development in the region and beyond.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 Compliance with reporting framework (International Public Sector Accounting Standards)

The Outstanding Revenue Return for the year ended December 31, 2024 have been prepared in accordance with International Public Sector Accounting Standards (IPSASs) reporting framework as issued by the International Accounting Standard Board (IASB).

The Authority was selected as one of the pilot entities to transition to International Public Sector Accounting Standards from 2021 to 2025. The Zimbabwe Revenue Authority started a three-year IPSAS implementation transition from cash accounting concept from 2021 up to 2023. During the transition period, the Authority was producing Outstanding Revenue Returns in compliance with IPSAS transitional returns. In 2024, the Authority prepared the Outstanding Revenue Return that is fully compliant with IPSASs.

2.1.2 Compliance with laws and regulations

The Authority complied with the Public Finance Management Act [Chapter 22:19], which promotes transparency, accountability, and the sound management of revenue, expenditure, assets, and liabilities of the country's public entities. The operations of the Authority are also guided by the Customs and Excise Act, the Income Tax Act, the Capital Gains Tax Act, the Value Added Tax Act, the Revenue Authority Act [Chapter 23:22], as well as other subsidiary legislation and relevant statutory instruments in effect as of December 31, 2024.

2.2 Basis of measurement

The Outstanding Revenue Return was prepared based statutory records that are maintained under the historical cost basis and has been adjusted for inflation.

2.2.1 Inflation accounting

International Public Sector Accounting Standard (IPSAS) 10 - "Financial Reporting in Hyperinflationary Economies", is an accounting standard issued by the International Public Sector Accounting Standards Board (IPSASB) to guide public sector entities in preparing Authority's trust financial statements when operating in an economy characterized by hyperinflation. As a result, the Authority has complied with the requirements of this standard by restating its financial statements using the Consumer Price Index (CPI) issued by the Zimbabwe National Statistics Agency (ZIMSTAT).

ZIMBABWE REVENUE AUTHORITY
NOTES TO THE OUTSTANDING REVENUE RETURN
for the year ended December 31, 2024

The indices and conversion factors used to restate the financial statements for the period ended April 5, 2024 and as at December 31, 2024 are as follows:

Month	Index	Conversion Factor
December 31, 2023	65 703.44	9.09
01-Jan-24	93 215.82	6.40
28-Feb-24	258 942.08	2.31
31-March-24	429 219.62	1.39
05-April-24	596 950.30 Estimate	1.00

2024	Apr	100.00	1.66
	May	97.58	1.70
	Jun	97.62	1.70
	Jul	97.50	1.71
	Aug	98.90	1.68
	Sep	104.62	1.59
	Oct	143.59	1.16
	Nov	160.41	1.04
	Dec	166.30	1.00

The following considerations and procedures were applied in the restatement of the Authority's trust financial statements, in accordance with International Public Sector Accounting Standard (IPSAS) 10:

- Monetary items were not restated, as they are already expressed in terms of the monetary unit current at the reporting date.
- Non-monetary items were restated to reflect the changes in the general price level using the Consumer Price Index (CPI).
- All items in the statement of financial performance have been expressed in terms of the measuring unit current at the reporting date and were restated accordingly.
- The surplus or deficit arising from the net monetary position has been separately disclosed in the statement of financial performance.

2.3 Functional and presentation currency

The outstanding return has been presented in the Zimbabwean Gold (ZWG) that is the presentation currency. All the financial information presented has been rounded to the nearest dollar. Foreign currency collections due were converted to Zimbabwe dollars using the Reserve bank of Zimbabwe exchange rate.

Management has assessed the currency of the primary economic environment in which the Authority operates and determined that ZWG is the functional currency. This conclusion is based on the fact that the majority of the Authority's transactions—including budgeting, salary payments, and other operational expenditures—are denominated and settled in ZWG. While certain contracts are USD-denominated, they are predominantly settled in ZWG, further supporting this assessment.

ZIMBABWE REVENUE AUTHORITY
NOTES TO THE OUTSTANDING REVENUE RETURN
for the year ended December 31, 2024

2.4 Accounting for change in presentation currency

Following the introduction of the Zimbabwe Gold (ZWG) currency by the Reserve Bank of Zimbabwe on April 5, 2024 replacing the Zimbabwean Dollar (ZWL\$), the Authority applied the requirements of International Public Sector Accounting Standard (IPSAS) 4, "The effects of changes in Foreign Exchange rates", when converting the ZWL\$ amounts to ZWG. The following accounting treatments were applied for the change in Presentation currency:

The Authority adopted the following:

On the date of change (April 5, 2024)

- The effect of change in presentation currency for ZWL to ZWG was accounted for prospectively.
- All previously existing balances were translated into the new currency using the exchange rate at the date of the change of ZWG 1: ZWL 2,498.7242 in compliance with the requirements of International Public Sector Accounting Standard (IPSAS) 10," Reporting in Hyperinflationary Economies."
- Inflation adjusted financial statements were prepared on the date of change and then converted to zig using the ZWG 1: ZWL 2498.7242

Comparative information and current year (January 1 to April 5)

- All amounts in the statement of financial performance from January 1 to April 5 were adjusted for inflation up to April 5. These inflation-adjusted amounts were then translated into ZWG using the ZWG/ZWL exchange rate on the date of change.
- Inflation adjustments were subsequently done to the financial statements up to December 31, 2024.
- For comparative inflation adjusted financial statements, they were hyper-inflated and then restated to ZWG using 2.498. 7242. Subsequently, the ZWG converted were inflation adjusted up to December 31, 2024.
- Foreign currency transactions are translated to the Zimbabwe Gold using the Reserve Bank of Zimbabwe (RBZ) Interbank exchange rate.

2.5 Critical accounting judgments, assumptions and estimates

In preparing the Outstanding Revenue Return, management is required to make judgments, estimates and assumptions that affect the amounts presented in the Outstanding Revenue Return 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 recognized in the period in which the estimates are revised and in any future periods affected. Significant judgments include the following:

ZIMBABWE REVENUE AUTHORITY
NOTES TO THE OUTSTANDING REVENUE RETURN
for the year ended December 31, 2024

2.5.1 Expected credit losses

The expected loss represents the amount of potential loss you could experience above and beyond what you would expect in a normal or expected scenario. It reflects the risk that your current models might not fully capture, such as rare, extreme events, and they often signal the need for more careful risk management strategies.

The Zimbabwe Revenue Authority (ZIMRA) will use the Historical Loss Data Model (HLDM) to estimate the Expected Credit Loss (ECL) or probability of default. The HLDM is a simplified loss rate model that takes into account the default rate for similar tax receivables or debts, which is further broken down by the age of the debt. This model is then applied to current receivables or debts that fall into the same risk category to estimate the ECL. The computation will be classified based on the aging of the debt, with the risk of loss associated with each age group being determined from historical data.

Formula:

ECL=Carrying Amount of Receivables X Historical Loss Rate per debt age

ZWG 19 757 553 454 X 33% = ZWG 6 519 992 640 to give a net position of ZWG **13 237 560 815**.

2.5.2 Fair value measurement

International Public Sector Accounting Standard (IPSAS) 46- "Measurement" brings in generic guidance on fair value for the first time, and introduces current operational value, a public sector specific current value measurement basis addressing constituents' views that an alternative current value measurement basis to fair value is needed for certain public sector assets.

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.

2.5.3 Going concern

The Directors have assessed the Authority's ability to continue operating as a going concern for a period of at least 12 months from the reporting date. Based on this assessment, the Directors are satisfied that the Authority has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

ZIMBABWE REVENUE AUTHORITY
NOTES TO THE OUTSTANDING REVENUE RETURN
for the year ended December 31, 2024

3. ACCOUNTING POLICIES

The accounting policies have been aligned to the International Public Sector Accounting Standards (IPSASs).

3.1. Taxes revenue

All tax revenue collected by the Zimbabwe Revenue Authority is paid direct into the Exchequer account except otherwise stated. Physical tax revenue outstanding (mining royalties) that are expected to be delivered to designated custodians are excluded from this return.

3.2. Domestic taxes outstanding revenue

Domestic taxes outstanding revenue is calculated based on the due dates for the various tax head amounts established through tax audits as at December 31, 2024. This outstanding revenue excludes revenue that may subsequently be established through tax audit assessments.

3.3. Customs and excise outstanding revenue

Customs and excise outstanding revenue is calculated based on customs duty on cleared bills of entry and excludes bills of entry for Removal in Transit (RITs) and from Temporary Import Permits (TIPs) which may have been liable for duty.

3.4. Other receivables

Other debtors are made up of various tax heads with respect to clearance of motor vehicle with dual currency payment (USD and ZWG) which are cleared using both F49 and Y- assessments. Also included are amounts owing with respect to pay overs to Exchequer for intermediaries under judicial management or under liquidation and the intermediaries involved are Interfin and Tetrad.

ZIMBABWE REVENUE AUTHORITY

Outstanding Revenue Return
for the year December 31, 2024

	Inflation adjusted		Historical cost	
	2024 ZWG	2023 ZWG	2024 ZWG	2023 ZWG
4 Domestic Taxes Outstanding Revenue				
Opening debt balance as at January 01	419 481 290	48 715 148	419 481 290	29 292 715
2024 assessments for prior period debt	8 181 820 877	-	8 181 820 877	-
Less: Receipts for amounts owing	721 457 749	(26 724 951)	721 457 749	(16 069 876)
Subtotal old debt as at 31 December 2023	7 879 844 419	21 990 196	7 879 844 419	13 222 839
Add assessments for the current year	76 849 658 879	7 752 574 685	76 849 658 879	4 661 670 377
Less : Receipts for current year assessments	67 336 544 911	7 077 801 535	67 336 544 911	4 255 925 172
Closing debt balance as at December 2024	17 392 958 387	696 763 346	17 392 958 387	418 968 044
4 Customs and Excise Outstanding Revenue				
Opening debt balance as at January 01	92 642 174	8 840 697	92 642 174	5 315 965
2024 assessments for prior period debt	453 786 738	-	453 786 738	-
Less: Receipts for amounts owing	(328 787 999)	(919 302)	(328 787 999)	(552 782)
Subtotal old Debt as at 31 December	217 640 913	9 759 999	217 640 913	5 868 747
Add assessments for the current year	50 468 127 919	3 801 126 977	50 468 127 919	2 285 640 803
Less : Receipts for current year assessments	48 321 173 765	3 656 818 733	48 321 173 765	2 198 867 377
Closing debt balance as at December 31, 2024	2 364 595 067	154 068 243	2 364 595 067	92 642 173
4 Debt Grand Total				
Domestic Tax debt (note 4.1)	17 392 958 387	696 763 346	17 392 958 387	418 968 044
Customs debt (note 4.2)	2 364 595 067	154 068 243	2 364 595 067	92 642 173
Grand Total	19 757 553 454	850 831 590	19 757 553 454	511 610 217
4 Removal in Transit (RIT)				
Prior year opening balance	2 850 847	500 602	2 850 847	301 015
Less recoveries	(824 346)	(493 760)	(824 346)	(296 901)
Prior years outstanding debt	2 026 501	6 842	2 026 501	4 114
Add current year debt	10 150 315	4 734 249	10 150 315	2 846 733
Closing balance	12 176 816	4 741 091	12 176 816	2 850 847
5 Other receivables				
Opening balance	6 526 234	481 810	6 526 234	289 715
Additions debtors	1 921 628 688	10 371 621	1 921 628 688	6 236 519
Closing balance	1 928 154 922	10 853 431	1 928 154 922	6 526 234
5 Credit loss allowance				
Domestic Tax debt (note 4.1)	10 516 029 304	460 876 418	10 516 029 304	277 127 797
Allowance for credit losses	15 695 566 126	687 875 251	15 695 566 126	413 623 578
Allowance for credit losses	(5 179 536 822)	(226 998 833)	(5 179 536 822)	(136 495 781)
Customs debt (note 4.2)	1 429 667 713	101 908 949	1 429 667 713	61 278 472
Allowance for credit losses	2 133 832 407	152 102 909	2 133 832 407	91 460 406
Allowance for credit losses	(704 164 694)	(50 193 960)	(704 164 694)	(30 181 934)
Other receivables				
Closing balance	1 291 863 798	7 271 799	1 291 863 798	4 372 577
Allowance for credit losses	(636 291 124)	(3 581 632)	(636 291 124)	(2 153 657)

All communication should be addressed to
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 P.O. Box CY 143, Causeway, Harare
 Telephone No: 793611/3/4, 762817/8/20-23
 Telegrams: “AUDITOR”
 Fax: 706070
 E-mail: oagzimbabwe263@gmail.com



Reference: SB 2
OFFICE OF THE AUDITOR-GENERAL
 5th Floor, Pax House
 89 Kwame Nkrumah Avenue
 Harare

REPORT OF THE AUDITOR-GENERAL

TO

**THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND INVESTMENT
 PROMOTION**

AND

THE BOARD OF DIRECTORS

IN RESPECT OF THE REVENUE WRITTEN OFF RETURN

OF THE ZIMBABWE REVENUE AUTHORITY

FOR THE YEAR ENDED DECEMBER 31, 2024

Report on the audit of the Revenue Written off Return

Opinion

I have audited the Revenue Written Off Return of the Zimbabwe Revenue Authority set out on pages 169 to 172 for the year ended December 31, 2024. The Revenue Written Off Return reflects revenue written off during the year ended December 31, 2024.

In my opinion, the Revenue Written Off Return presents fairly, in all material respects, the Revenue Written Off during the year ended December 31, 2024 in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Opinion

I conducted my audit in accordance with International Standards on Audit (ISAs) and International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Revenue Written Off Return section of my report. I am independent of the Authority in accordance with the ethical requirements that are relevant to my audit of the Revenue Written Off Return, 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.

ZIMBABWE REVENUE AUTHORITY**AUDIT REPORT IN RESPECT OF THE REVENUE WRITTEN OFF RETURN****for the year ended December 31, 2024****Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the Zimbabwe Revenue Authority's Revenue Written Off Return for the year ended December 31, 2024. I have determined that there are no key audit matters to communicate in my report.

Other Information

The directors are responsible for the other information. The other information comprises all the information in the Zimbabwe Revenue Authority's 2024 annual report and does not include the Revenue Written Off Return and my auditor's report thereon.

My opinion on the Authority's Revenue Written Off Return 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 Revenue Written Off Return, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Authority's Revenue Written Off Return or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of the other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Revenue Written Off Return

The Authority's Management is responsible for the preparation and fair presentation of the Revenue Written Off Return in a manner required by the Revenue Authority Act [*Chapter 23:11*] and the Public Finance Management Act [*Chapter 22:19*], and for such internal control as management determines is necessary to enable the preparation of the Revenue Written Off Return that is free from material misstatement, whether due to fraud or error.

In preparing the Revenue Written Off Return, 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 Revenue Written Off Return

The objectives of my audit is to obtain reasonable assurance about whether the Revenue Written

ZIMBABWE REVENUE AUTHORITY**AUDIT REPORT IN RESPECT OF THE REVENUE WRITTEN OFF RETURN****for the year ended December 31, 2024**

Off Return as a whole is free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but it's not a guarantee that an audit conducted in accordance with ISAs 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 this return.

As part of an audit in accordance with ISAs and ISSAIs, I am required to 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, 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.
- Evaluate the overall presentation, structure and content of the Revenue Written Off Return, including the disclosures, and whether the Revenue Written Off Return represent the underlying transactions and events in a manner that achieves fair presentation.

I am required to 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 am also required to provide those charged with governance with a statement that I have complied with the 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.

ZIMBABWE REVENUE AUTHORITY

AUDIT REPORT IN RESPECT OF THE REVENUE WRITTEN OFF RETURN

for the year ended December 31, 2024

Report on Other Legal and Regulatory Requirements

In my opinion, the Revenue Written Off Return of Zimbabwe Revenue Authority has, in all material respects, been properly prepared in compliance with the disclosure requirements of the Revenue Authority Act [*Chapter 23:11*], Public Finance Management Act [*Chapter 22:19*], and other relevant Statutory Instruments.

05 June, 2025.



**R. KUJINGA,
ACTING AUDITOR – GENERAL.**

ZIMBABWE REVENUE AUTHORITY

REVENUE WRITTEN OFF RETURN

as at December 31, 2024

REVENUE HEAD	Inflation Adjusted		2024 ZWG	2023 ZWG
	2024 ZWG	2023 ZWG		
Irrecoverable amounts approved for write off				
Domestic taxes revenue heads	3 784	-	2 572	-
Customs and excise revenue heads	778 207	-	528 888	-
Total	781 992		531 460	

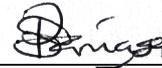
3 June, 2025.

3 June, 2025.

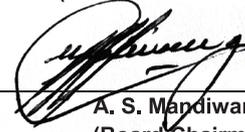
04.06, 2025.



E. R Chitanda CA (Z),
(Director Finance and Administration).



R. S. Chinamasa,
(Commissioner General).



A. S. Mandiwanza,
(Board Chairman).

ZIMBABWE REVENUE AUTHORITY
NOTES TO THE REVENUE WRITTEN OFF RETURN
for the year ended December 31, 2024

1. NATURE OF BUSINESS

The Zimbabwe Revenue Authority (ZIMRA) is constituted in terms of the Revenue Authority Act [Chapter 23:11] of 1999. Its core business is the collection of revenue for the Government of Zimbabwe, administration of tax laws and the facilitation of trade and economic development in the region and beyond

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 Compliance with reporting framework (International Public Sector Accounting Standards)

The Revenue Written Off Return for the year ended December 31, 2024, have been prepared in accordance with International Public Sector Accounting Standards (IPSASs) reporting framework as issued by the International Accounting Standard Board (IASB). The Authority adopted International Public Sector Accounting Standards (IPSAS) in 2024.

Zimbabwe adopted International Public Sector Accounting Standards (IPSASs) as a financial reporting framework through the promulgation of Statutory Instrument 41 of 2019 underpinning the migration of public sector entities to International Public Sector Accounting Standards (IPSASs) through the Implementation and Strategy Plan launched in 2019 by the Minister of Finance, Economic Development and Investment Promotion.

The Authority was selected as one of the pilot entities to transition to International Public Sector Accounting Standards from 2021 to 2025. The Zimbabwe Revenue Authority started a three-year IPSAS implementation transition from cash accounting concept from 2021 up to 2023. During the transition period, the Authority was producing Revenue Written Off Return in compliance with IPSAS transitional returns. In 2024, the Authority have prepared the Revenue Written Off Return that is fully compliant with IPSASs.

2.1.2 Compliance with laws and regulations

The Authority complied with the Public Finance Management Act [Chapter 22:19], which promotes transparency, accountability, and the sound management of revenue, expenditure, assets, and liabilities of the country's public entities. The operations of the Authority are also guided by the Customs and Excise Act, the Income Tax Act, the Capital Gains Tax Act, the Value Added Tax Act, the Revenue Authority Act [Chapter 23:22], as well as other subsidiary legislation and relevant statutory instruments in effect as of December 31, 2024.

2.2 Basis of measurement

The Revenue Written Off Return is prepared based on the statutory records that are maintained under the historical cost basis and has been adjusted for inflation.

ZIMBABWE REVENUE AUTHORITY
NOTES TO THE REVENUE WRITTEN OFF RETURN
for the year ended December 31, 2024

2.2.1 Inflation accounting

International Public Sector Accounting Standard (IPSAS) 10 - “Financial Reporting in Hyperinflationary Economies”, is an accounting standard issued by the International Public Sector Accounting Standards Board (IPSASB) to guide public sector entities in preparing Authority’s trust financial statements when operating in an economy characterized by hyperinflation. As a result, the Authority has complied with the requirements of this standard by restating its financial statements using the Consumer Price Index (CPI) issued by the Zimbabwe National Statistics Agency (ZIMSTAT).

The indices and conversion factors used to restate the financial statements for the period ended April 5, 2024 and as at December 31, 2024 are as follows:

Month	Index	Conversion Factor
December 31,2023	65 703.44	9.09
01-Jan-24	93 215.82	6.40
28-Feb-24	258 942.08	2.31
31-March-24	429 219.62	1.39
05-April-24	596 950.30 Estimate	1.00

2024	Apr	100.00	1.66
	May	97.58	1.70
	Jun	97.62	1.70
	Jul	97.50	1.71
	Aug	98.90	1.68
	Sep	104.62	1.59
	Oct	143.59	1.16
	Nov	160.41	1.04
	Dec	166.30	1.00

The following considerations and procedures were applied in the restatement of the Authority’s trust financial statements, in accordance with International Public Sector Accounting Standard (IPSAS) 10 - “Financial Reporting in Hyperinflationary Economies”

- Monetary items were not restated, as they are already expressed in terms of the monetary unit current at the reporting date.
- Non-monetary items were restated to reflect the changes in the general price level using the Consumer Price Index (CPI).
- All items in the statement of financial performance have been expressed in terms of the measuring unit current at the reporting date and were restated accordingly.
- The surplus or deficit arising from the net monetary position has been separately disclosed in the statement of financial performance.

ZIMBABWE REVENUE AUTHORITY
NOTES TO THE REVENUE WRITTEN OFF RETURN
for the year ended December 31, 2024

2.3. Functional and presentation currency

This Revenue Written Off Return is presented in the Zimbabwe Gold Dollar (ZWG) which is the presentation currency. All the financial information presented has been rounded off to the nearest dollar. Foreign currency transactions were converted to Zimbabwe Gold as at the transaction date, using the applicable Reserve bank of Zimbabwe exchange rate.

3. ACCOUNTING POLICIES

The accounting policies have been aligned to the International Public Sector Accounting Standards (IPSASs).

3.1. Taxes revenue

All tax revenue collected by the Zimbabwe Revenue Authority is paid direct into the Exchequer account except otherwise stated.

3.2. Revenue written off

All domestic taxes and customs outstanding revenue is calculated based on the due dates for the various tax heads. This outstanding revenue excludes revenue that may subsequently be established through tax audit assessments. The outstanding revenue which could not be collected is written off after exhausting all collection means and authority to write off is granted by the Ministry of Finance, Economic Development and Investment Promotion.

