Contents

About this Report

We are pleased to present our 58th Annual Report.
It is our principal communication to all stakeholders on our ability to create sustainable value over time.
This annual report can be viewed at www.idc.co.zw

Boundary and Scope

This annual report covers the performance of the Industrial Development Corporation of Zimbabwe Limited (IDCZ) for the year ended 31 December 2021.

This report informs you about our operational and financial performance against the previously stated plans, stakeholders, governance, material issues, risks and opportunities and how these influence our strategic objectives and future plans.

Reporting Principles and Assurance

This report is compiled and presented taking into consideration the requirements of the generally accepted corporate practices prescribed by the Public Entities Corporate Governance Act (Chapter 10:31), Public Finance Management Act (Chapter 22:19), Industrial Development Corporation Act (Chapter 14:10), International Financial Reporting Standards (IFRSs) and all relevant legislation and regulations.

The IDCZ receives external assurance from its auditor, HLB Zimbabwe Chartered Accountants, on the fair presentation of the Annual Financial Statements. The external auditor has issued a report, not only for the purpose of expressing an opinion, but to also report on compliance with laws and regulations and internal controls. The findings are included in the Independent Auditor's Report.

We are committed to improving on this report and would appreciate your constructive feedback. Comments can be sent to pr@idc.co.zw, or submitted to the IDCZ Offices at 93 Park Lane, Harare, Zimbabwe.

Group Profile

Shareholding: 100 % owned by the Government of Zimbabwe

Board of Directors

Winston Makamure	Chairman
Elizabeth Zvaitwa Rabvukwa (Mrs)	Vice Chairman
Joyce Aqualine Malaba (Mrs)	
Marjorie Fadziso Mutemererwa (Ms)	
Spiwe Nyamatore (Ms)	
Victoria Sigauke (Ms)	
Edward Tome	(Acting General Manager)

*Mr Charles Nkululeko Msipa resigned as Chairman on 31 May,2021
*Mr Winston Makamure was appointed Chairman on 9 June,2021
*Mr Edward Tome was appointed Acting General Manager on 1 October 2021.

Registered Office
93 Park Lane Street
P.O. Box CY1431
Causeway
Harare
Telephone: 263 242 706971-5 or 250405
Email: administrator@idc.co.zw; www.idc.co.zw

Auditors
HLB Chartered Accountants (Zimbabwe)
14 Downie Avenue, Alexandra Park, Harare

Bankers
AFC Commercial Bank
14-16 Nelson Mandela Avenue, Hurudza House, Harare

ZB Bank Limited
Corner First Street/ Speke Avenue,
Harare

Lawyers
Dube Manikai & Hwacha Legal Practice
No. 4 Fleetwood Road
Alexandra Park,
Harare

Chikwengo & Taongai Law Chambers
15 Orkney Road
Eastlea
Harare

Mhishi Nkomo Legal Practice
86 McChlery Avenue
Harare

Corporate and Group Management

BOARD COMMITTEES

Business Development Committee

J. A. Malaba (Mrs)	Chairman
M.F. Mutemererwa (Ms)	
V. Sigauke (Ms)	
E. Tome	

Finance & Audit Committee

E.Z. Rabvukwa (Mrs)	Chairman
J.A. Malaba (Mrs)	
S. Nyamatore (Ms)	
E. Tome	

Risk Management Committee

M.F. Mutemererwa (Ms)	Chairman
E. Z. Rabvukwa (Mrs)	
S. Nyamatore (Ms)	
E. Tome	

Human Resources, Nominations & Strategy Committee

V. Sigauke (Ms)	Chairman
E. Z. Rabvukwa (Mrs)	
M. F. Mutemererwa (Ms)	
E. Tome	

Credit & Investments Committee

S. Nyamatore (Ms)	Chairman
J.A. Malaba (Mrs)	
V. Sigauke (Ms)	
E. Tome	

Corporate Management

Edward Tome	Acting General Manager
Collin Mutingwende	Corporate Services Executive
Tranos Ngwebu	Senior Manager: Development Finance & Investment Analysis
Ngonidzashe Musungwa	Finance Manager
Christopher Mutiti	Internal Audit Manager
Gilbert Tapfuma	Projects Manager: Agro Processing
Rindirai Shoko (Mrs)	Projects Manager: Chemicals, Knowledge & Market Research
Brian Mushohwe	Projects Manager: Minerals Beneficiation
Derek Sibanda	Public Relations and Administration Manager
Leni Koni	Compliances Manager

Subsidiary Companies

James Chigwende	Acting Chief Executive Officer, Chemplex Corporation Limited
Ms Tawandirwa	Acting General Manager, Ginhole Investments (Private) Limited t/a Last Hope Estate
Dzinhesu Matanhire	Acting Managing Director, Willowvale Motor Industries (Private) Limited (WMI)
Patrick Munyaradzi	Managing Director, Deven Engineering (Private) Limited
Gilbert Tapfuma	Acting General Manager, Sunway City (Private) Limited
Brian Mushohwe	Acting Managing Director, Motira (Private) Limited

Corporate and Group Management

Associated and Other Companies

Mohammed Abbasi	Chief Operating Officer, Modzone Enterprises (Private) Limited
Wang Yong	Managing Director, Sino-Zimbabwe Cement Company (Private) Limited
Sylvester Mangani	Managing Director, Surface Wilmar Investments & Olivine Holdings (Private) Limited
Cavin Nkiwane	General Manager, Zimbabwe Grain Bag
Lucas Taruvinga	Managing Director, Amtec (Private Limited)

IDCZ Corporate Profile and Mission

The Industrial Development Corporation of Zimbabwe Limited was incorporated through its enabling Act (Chapter 14:10) in 1963 to invest in industry as a state agency. The Industrial Development Corporation Act was amended in 1984 to allow the Corporation to promote investment and economic co-operation across borders. The Corporation identifies and develops industrial project opportunities into commercially viable ventures in partnership with local, regional and international investors, and technology and market access partners.

Having been in business for the last 58 years, the Corporation has transformed and built an investment portfolio, with the core being in the sectors of motor and transport, fertiliser and chemicals, cement, base mineral processing, and agro processing. It also has investments in textiles, packaging, insurance, and real estate.

The main objectives of the Corporation are:
" with the approval of the Minister to establish and conduct industrial undertakings; to facilitate, promote, guide and assist in the financing of new industries and industrial undertakings, expansion schemes, better organisation and modernisation of existing industries; to undertake the development of management and technical expertise in the carrying out of the operations in industry and industrial undertakings, including the development of expertise in project analysis, evaluation of investment opportunities and provision of consultancy services, and to take such measures as may be necessary or expedient to enable the Corporation to exercise control over enterprises in which it has made an investment."

It is a legal requirement for the IDC that:

a) "the economic requirements of Zimbabwe may be met and industrial development within Zimbabwe may be planned, expedited and conducted on sound business principles"
b) "every application or proposal dealt with by it is considered strictly on its economic merits, irrespective of all other considerations whatsoever";

and that

"so far as may be practicable, the Corporation shall not be required to provide an unduly large proportion of the capital which is necessary for such establishment or development."
In broad and aspirational terms, the IDCZ has the following Vision, Mission, and Values:

VISION

To be an innovative and responsive development finance institution for the sustainable provision of market competitive value- added goods and services for the local and export markets.

MISSION

- Identifying, facilitating, developing, and implementing bankable value adding projects.
- Provide medium to long-term financing for viable greenfield and existing manufacturing/ value-adding projects.
- Decentralisation of industrial development
- Equitable employment and empowerment opportunities for Zimbabwean people

VALUE STATEMENTS

1. **Transparency:** open to public scrutiny.
2. **Professionalism:** adherence to all professional standards
3. **Innovation:** exploring new possibilities and "burning the box"
4. **Dynamism:** Responsive and adaptive to changing environment
5. **Gender Equality:** equal employment and empowerment opportunities
6. **Environmental Protection:** promoting environmentally sustainable growth.

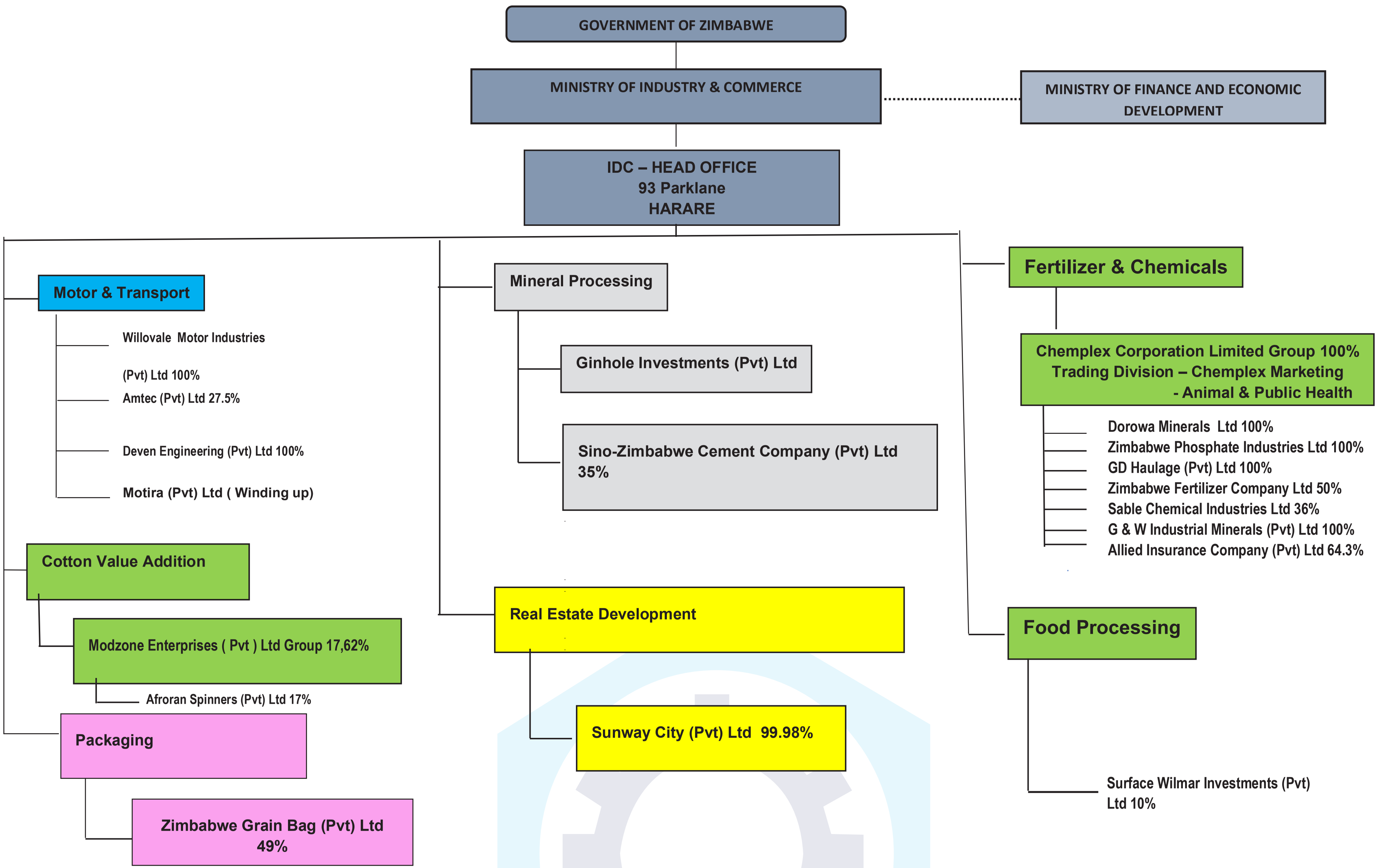
STRATEGIC PILLARS

Our Strategy Resides on Four Pillars:

1. Project identification, development, and implementation.
2. Industrial project financing (along prioritized value chains).
3. Joint venture partnerships.
4. Innovation and technology for efficiency, value addition and beneficiation

Group Investment and Shareholding, Structure and Sector Composition

GROUP SUBSIDIARY & ASSOCIATED COMPANIES



Letter to Minister of Industry and Commerce

Hon. Dr. S. Nzenza (MP)
Minister of Industry and Commerce

The Honourable Dr Sekai Nzenza

Minister of Industry and Commerce
P.O. Box 8434
Causeway
Harare

Dear Hon Dr S. Nzenza

Industrial Development Corporation of Zimbabwe Limited Annual Report No 58

I have the honour, on behalf of the Industrial Development Corporation of Zimbabwe Limited, to submit the Corporation's Annual Report and Accounts for the twelve months ended 31 December 2021 in terms of Section 19(1) of the Corporation's Act (Chapter 14:10).

Yours faithfully,

W. Makamure
Chairman
30 August 2022

Notice to the Shareholder

Notice is hereby given that the 58th Annual General Meeting of the Shareholder of Industrial Development Corporation of Zimbabwe Limited will be held on Wednesday the 21st of September, 2022 at **09:30** hours **through virtual** meeting for transacting the following:-

1. Tabling of Proxies, Quorum and Constitution of the meeting.
2. To receive, consider and adopt the Financial Statements and the Reports of the Directors and Auditors for the financial year ended 31 December 2021.
3. To approve the remuneration of the Auditors for the year ended 31 December 2021.
4. To note the re-appointment of Auditors by the Auditor General for the ensuing year.
5. To approve the remuneration of the Directors for the year ended 31 December 2021.
6. Appointment, Resignation and Retirement of Directors.
7. To consider the declaration of dividend as recommended by the Directors.
8. To transact all such other business as may be transacted at an Annual General Meeting.

Proxies: Members are entitled to appoint one or more proxies to act on their behalf and to attend and vote and speak in their place. A proxy need not be a member of the company.

By Order of the Board

Leni Koni
Acting Corporate Secretary
30 August 2022

Chairman's Statement

> We continue to ensure that sound governance practices that promote accountability, transparency, ethical conduct, fairness, responsibility and social development are entrenched throughout the business.

Mr. Winston Makamure
Chairman

Dear Shareholder
It is a pleasure to present an update on the financial and strategic performance of Industrial Development Corporation of Zimbabwe Limited (IDCZ) for the year ended 31 December 2021.

The 58th annual report and financial performance results are reflective of a **re-invigorated** and **re-positioned** IDCZ that is discharging its mandate.

Operating Environment
Although the Covid-19 pandemic and global supply chain constraints continued to inhibit activity during the year 2021, the overall impact was lessened by improved vaccine uptake, and reduced infection levels. The IDCZ Group continues to enforce World Health Organization (WHO) approved Covid-19 protocols throughout its operations in order to safeguard the health and welfare of its staff, customers, suppliers and stakeholders.

It is encouraging to note that the economic environment during the year under review was much better than 2020 as the stabilization efforts introduced by Government started to bear fruits. Annual inflation slowed down significantly to 52% by 30 September 2021 (September 2020: 659%), whilst average monthly inflation declined to 3.9% from 18.9% in the previous year. The monetary and fiscal authorities continued to pursue policies aimed at achieving a balance between various competing goals. Government and private sector support in the agricultural sector resulted in a good 2020/2021 agricultural season which impacted positively on consumer disposable incomes. This translated to increased aggregate demand in the economy, which was felt through strong sales volumes growth across the Group's various products.

The foreign exchange auction system which remained in place during the course of the year helped in stabilizing the exchange rate which has been the main contributor to inflationary pressures.

Group Financial Performance Summary
The Group's turnover for **2021** was ZWD$11 131 895 840 (**2020**: ZWD$9 693 266 897). The Gross Profit decreased to ZWD$3 727 692 555 (**2020**: ZWD$4 589 455 572) and the after-tax profit also decreased to

Chairman's Statement (continued)

ZWD$2 885 205 782 (**2020**: ZWD$6 593 964 409) due to a significant movement of monetary gain of ZWD$3 838 408 728) to loss of ZWD$1 878 076 798.

Governance and Directorship

As the Board of the IDC, we remain fully committed to ensuring that the IDCZ conducts its business according to the highest ethical standards and principles of good governance.

We continue to ensure that sound governance practices that promote accountability, transparency, ethical conduct, fairness, responsibility and social development are entrenched throughout the business. This is done to support the Corporation's strategic objectives and its delivery of stakeholder value.

Strategy

As we continue to deliver on our mandate, financial sustainability remains one of the key pillars and strategic priority imperative in the Corporation's strategic framework. This is premised on sustainable industrial development, creation of functional value chains, empower communities and economic inclusion in pursuant of National Development Strategy 1(NDS1) and Vision 2030.

Dividend

The Board declared ZWD$15 million dividend for the year ended 31 December 2020. The IDCZ last declared a dividend in 2012.

Outlook

Notwithstanding the negative impact of the Covid-19 pandemic on the Corporation's performance for 2021, the IDCZ is optimistic that the projects under implementation will be completed in 2022 and thus help to uplift the livelihoods of Zimbabweans.

Appreciation

On behalf of the Board of Directors, I would like to thank all stakeholders whose efforts contributed to the achievement of the Corporation's mandate. My gratitude also goes to the Government of Zimbabwe through the Minister of Industry and Commerce. The support received from valued clients, suppliers, bankers and other stakeholders is invaluable, and we are committed to continue working together towards achieving Vision 2030. My sincere gratitude goes to my colleagues on the Board for their dedication, wisdom and counsel.

I wish to record my sincere appreciation to the Group Management and Staff for their fortitude and resilience in serving the Group's various clients and stakeholders notwithstanding the challenges imposed by the ongoing Covid-19 pandemic.

W. Makamure
Chairman
30 August 2022

Board of Directors' Profile

Winston is an established professional in the ICT industry spanning a period of over 30 years, having started as an infantry, logistics army officer, rising through the profession to an established ICT Consultant. The professional journey has taken him through the banking and financial services, telecommunication, transport, security and public sectors. He has attained experience in business management, software application development, project and change management, business systems analysis and re-engineering and finally ICT operations management in industries spanning from military, government, financial, security, telecommunication, and various industry sectors.
He also sits on the Sable Chemicals Limited and Sino Zimbabwe Cement Company Board of Directors.

Mr. Winston Makamure
Chairman

Elizabeth qualified as a Chartered Accountant. She trained with PricewaterhouseCoopers after completing a BComm Accounting degree with Rhodes University in South Africa. She also acquired a Master's in Business Leadership with UNISA School of Business Leadership and another Executive Leadership course with GIBS in South Africa. Elizabeth has more than 15 years' experience at Executive level with most of the experience within the financial services sector.

Her current role is Executive Director at Zimnat Financial Cluster.
Elizabeth is a married woman and a mother. She enjoys naturing young ladies into strong professionals or entrepreneurs.

Mrs Elizabeth Zvaita Rabvukwa
Vice Chairman

Board of Directors' Profile (continued)

Mrs. Joyce Aqueline Malaba

Joyce is a Consultant in Development Economics and Statistics. She has worked on several global, regional, and national economic development and statistics assignments as a researcher /statistician for over 30 years. Joyce has authored co-authored several books, research papers, and statistics articles in development economics and statistics.

She is an Economist/Statistician who holds an MSc Economics and a BSc Economics, both from the University of Zimbabwe. Joyce is the chairperson of the Industrial Development Corporation Business Development Committee and has served on some State Enterprise Board as an Economist before.

Ms. Marjorie Fadziso Mutemererwa

Marjorie Fadziso is currently the Senior Manager PR and Special Programs at Seed Co Limited. She has held various positions since joining the company in 2005 as the Public Relations Manager.

Marjorie has over 30 years of significant working experience having worked with various Multinational Corporations and NGOs managing public relations, marketing, fundraising and sales management portfolios. A holder of a Masters in Leadership and Management from the African Leadership Management Academy affiliated with the University of Zimbabwe.

She has vast experience in designing and implementing Corporate Communication Strategies, Image and Reputation Management, Media Management and Stakeholder Engagement. Marjorie correspondingly holds a Bachelor of Arts in English and Communication.

To compliment these attainments, she has various diplomas in Public Relations from notable institutions such as the London Chamber of Commerce and Industry (LCCI) and the Zimbabwe Institute of Public Relations (ZIPR). Her greatest attribute is being an excellent, vibrant and energetic communicator; gained through vast experience in building sustainable alliances and strategic partnerships with critical stakeholders.

In 2005, Marjorie pioneered the Public and Communications Department at Seed Co. She is responsible for developing, nurturing, and maintaining relationships with various stakeholders to ensure regular strategic positioning of Seed Co Limited as the Seed House of First Choice. Her vast experience has landed Marjorie a seat on various boards including Zimbabwe Prison and Correctional Services (ZPCS) and Zimbabwe National Parks.

Board of Directors' Profile (continued)

Ms Spiwe Nyamatore

Spiwe is a Director Economic Affairs and Investment Office of the President and Cabinet, Harare Metropolitan Province. She holds an Honours Degree in Economics and a Master Honours Degree in Economics from the University of Zimbabwe and a Masters degree in Public Sector Management from Africa University. She has been with the Ministry of Industry and Commerce where she has held different portfolios. Involved in the crafting and implementation of industrialisation policies and strategies for Zimbabwe and the region.

Ms. Victoria Sigauke

Victoria is a lawyer by profession and has practiced in both the private and public sectors. She has served the Government of Zimbabwe in different capacity from working with the Judiciary, the Ministry of Public Service, Labour and Social Welfare and the Ministry of Industry and Commerce. She is a holder of a Masters in Corporate Finance from the University of Zimbabwe. She has keen interest in Public Administration , Corporate Governance and Industrial development. She also sits on the ZFC Limited Board where she chairs the Human Resources Committee.

Mr Edward Nhamoinesu Tome
Acting General Manager

Edward is a well-seasoned corporates' turn-around strategist. Mr Tome is an all-rounder and very experienced commercial industrialist. He is also a seasoned banker and financial expert par excellence. Mr Edward Tome is a well experienced international projects' director. Mr Tome brings with him a wealth of knowledge in development finance and international banking. He is a guru in structured trade finance, structured project finance, structured infrastructure finance, and structured sovereign finance. He has worked with various multinational corporations and sovereigns across Africa and beyond. He has held directorship in various corporates in several economic sectors across the continent such as banking, mining, agriculture, infrastructure, pharmaceuticals, fertilisers, chemicals, manufacturing, power, food processing, packaging, real estate, mineral processing, textiles, motor, bus and truck. He has a Masters in Banking and Finance among other qualifications. He is currently the Acting General Manager of the Industrial Development Corporation of Zimbabwe Limited (IDCZ).

Report of the Directors

The directors have pleasure in submitting their report, together with the audited financial statements of Industrial Development Corporation of Zimbabwe Limited, for the year ended 31 December 2021.

SHARE CAPITAL
The authorised share capital remained at 2 500 000 000 shares of ZWL$2 each with a value of ZWL$5 000 000 000 as per section 13(1) of the IDC Act (Chapter 14:10)

During the year, the shareholder injected ZWLZ$550 000 000.00 fresh capital for onward lending . The issued share capital increased from ZWL$100 000 000 to ZWL$780 249 414. The shares were all issued to the Ministry of Industry and Commerce.

GROUP INCOME AND APPROPRIATIONS

	Inflation Adjusted		Historical Cost	
	2021	2020	2021	2020
	ZW$	ZW$	ZW$	ZW$
Profit from operations	**1 491 514 989**	**3 222 332 301**	**1 368 889 994**	**1 246 721 539**
Net finance charges	(231 545 820)	(92 395 715)	(203 720 435)	(17 896 475)
Fair value gain: Investment property	18 032 479	210 685 643	226 713 600	269 435 540
Share of profit/(loss): associated companies	(124 217 046)	533 490 229	(79 787 921)	172 596 418
Impairments of assets and investments	(954 060 891)	(602 953 834)	(33 724 475)	(79 549 563)
Monetary gains/(loss)	(1 878 076 798)	3 838 408 728	-	-
Exchange gains/(loss)	321 266 230	(1 033 387 456)	243 559 640	(670 276 675)
Profit / (Loss) before taxation	**(1 357 086 857)**	**6 076 179 896**	**1 521 930 403**	**921 030 784**
Income tax	(63 305 138)	(139 545 216)	587 306 763	(159 976 495)
Profit / (Loss) from discontinued operations	(121 948)	321 037	(167 449)	642 155
Profit / (Loss) after tax	**(1 420 513 943)**	**5 936 955 717**	**2 109 069 717**	**761 696 444**
Other Comprehensive Income	4 305 719 725	657 008 692	7 392 742 501	5 149 496 936
Total Comprehensive Income for the year	**2 885 205 782**	**6 593 964 409**	**9 501 812 218**	**5 911 193 380**
Attributable to:-				
Equity holders of the parent	3 049 453 544	6 041 688 789	9 158 280 055	5 565 520 144
Non-controlling interest	(164 247 762)	552 275 620	343 532 163	345 673 236
	2 885 205 782	**6 593 964 409**	**9 501 812 218**	**5 911 193 380**

CORPORATION

Revenue	206 576 829	398 477 996	153 895 612	42 630 155
Operating profit	300 274 069	575 856 408	252 342 644	93 895 068
Profit /(Loss) before taxation	(74 987 099)	3 320 756 989	189 326 509	(670 249 680)
Profit / (Loss) after taxation	(221 220 095)	3 516 363 807	42 561 135	(548 754 762)
Total comprehensive income	-	-	(57 958 504)	48 468 303

The Board comprised Mr. W. Makamure, Mrs.E. Rabvukwa, Mrs.J. Malaba, Ms M.F.Mutemererwa, Ms S. Nyamatore, Mr E. Tome and was in place on 28 of May 2020.

Dividend
The directors propose to declare a dividend of ZWL$ 300 000 000 for the year ended 31 December 2021.

Auditors
At the 58th Annual General Meeting scheduled on 30 August 2022, the directors will fix the remuneration of the auditors for the past audit and note the re-appointment of Auditors by the Auditor General for the ensuing year.

For and on behalf of the Board

Leni Koni
Acting Corporate Secretary
30 August, 2022

Corporate Governance (continued)

For the year ended 31 December 2021

The Industrial Development Corporation of Zimbabwe Limited is a registered limited liability entity, subject to the provisions of the IDC Act (Chapter 14:10) of 1963 as amended.

None of the provisions of the Companies and Other Business Entities Act (Chapter 24.03), or of any other law relating to companies shall apply to the Corporation except in respect of specific provisions as may be enacted by Presidential Proclamation.

For its role in catalysing industrialization, the IDCZ is classified as a Development Finance Institution (DFI) and shall not be wound up except by or under the authority of an Act of Parliament.

Board of Directors

The Board is committed to the principles of openness, integrity, and accountability. It recognises the developing nature of corporate governance and assess its compliance with the Public Entities Corporate Governance Act (Chapter 10:13), all relevant legislation and other international best practices on an ongoing basis through its various committees. Guidelines issued by the Government from time to time are strictly adhered to and compliance check lists are continuously reviewed.

The Board of Directors is appointed by the Minister of Industry and Commerce. The IDC Act determines the constitution, rights, powers, and obligations of the board. The Board's composition is nine (9) directors. Of the nine (9) directors led by a non-executive chairman, seven (7) are from the private sector, one (1) from parent ministry and all are non-executive with the General Manager being the only executive director.

The Board is responsible to the shareholder for setting the policy direction of the Group through the establishment of strategies, objectives, and key policies. The Board meets at least quarterly. Meeting agenda and Board materials are sent to all Directors prior to all board and committee meetings. These are sent sufficiently in advance to enable the directors to obtain further details and explanations where necessary. The Board take independent professional advice as and when necessary to enable it to discharge their responsibilities effectively.

The five existing Board Committees meet ahead of the normal board meetings. All board committees are chaired by non-executive directors. The board has reserved certain items for its review including approval of performance results; Greenfield and expansion projects development (i.e., structuring joint ventures and appropriate financing thereof) and related material agreements; disposals of investments; budgets and long-range plans, and senior executive appointments and remuneration. The Board thus retains full control by approving strategic plan key result areas and monitoring performance through key performance indicators at least quarterly.

The Board's assessment of the IDCZ's position is presented in its Annual Report, which addresses matters of concern and interest to stakeholders, including non-financial matters, reports on both positive and negative aspects of its activities.

The Annual Report and the external auditor's opinion is adopted at the AGM before being tabled in Parliament by the Minister of Industry and Commerce and is available to the public.

Board Committees

To assist the Directors in the discharge of its oversight role, five (5) Board Committees have been constituted with clear terms of reference, which are reviewed periodically. These are Business Development, Finance & Audit, Human Resources, Nominations and Strategy, Risk Management and Credit & Investments Committee. All Board Committees are chaired by a non-executive Director. These five (5) existing committees meet ahead of the normal scheduled Board Meetings.

Business Development Committee

The Committee oversees the active search for and identification of Greenfield and expansion investment opportunities for implementation by the Corporation, through new or existing investment vehicles or special purpose implementation vehicles. All commercial projects identified for implementation must pass the hurdle

Corporate Governance (continued)
For the year ended 31 December 2021

of a return above the Corporation's cost of capital.

Finance & Audit Committee
The Committee is chaired by a non-executive director and comprises mainly non-executive directors. The Committee met only five (5) times during the year under review. It deals with accounting matters, financial reporting and internal controls. The Committee monitors proposed changes to accounting policy reviews, internal control and reporting matters, reviews Internal Audit and Independent External Auditors' reports.

The Committee has access to both the external audit partner and the internal audit manager, who also attend its meetings. All significant findings during the audit are brought to the attention of the Board. The Internal Audit Department is required to cover each Corporation investment at least four times per annum.

The Corporation obtained the agreement of partners in associated companies for the Internal Audit Department to conduct audits at those investments since 2001.

Human Resources, Nominations and Strategy Committee
The Committee is chaired by a non-executive director and majority members are non-executives. The committee is responsible for review of executive management and remuneration in line with the Remuneration Policy approved by the Board. The Remuneration Policy was put in place in terms of Sections 12 and 23 of the IDC Act (Chapter 14:10), after considering the practices of commercialized and privatized Government owned companies, IDCZ Subsidiaries and other holding companies of a size and standing similar to the Corporation. The policy is aimed at ensuring that the remuneration practices at the Corporation are competitive to enable the Corporation to attract and retain high calibre executives while protecting the interests of the Shareholder.

The Committee recommends to the Board names of qualified persons from the Corporate Governance Unit database, for appointment as non-executive directors in Corporation investments, with a view to achieving a skill, gender and geographical mix on these boards.

The Committee is also responsible for the formulation and recommends to the Board of the Corporation's Strategy which is in line with the Ministry of Industry and Commerce's Strategy, which is aligned to the National Development Strategy 1 (NDS1).

Risk Management Committee
The Committee is chaired by a non-executive director. It identifies risks faced by the Corporation and its investments and proactively seeks solutions and measures to manage the risk which are recommended to both the Corporation and its investments. The Committee met four (4) times during the year under review and it has oversight on the following matters:

- To review the adequacy and effectiveness of the Group's external market and internal risk management policies and systems
- To review major non-compliances with risk policies
- To review and recommend risk limits and related matters

The most important risks that the Group is exposed to are listed below:

- Credit risk,
- Market risk,
- Liquidity risk,
- Reputational risk,
- Strategic risk,
- Operational risk and compliance risk.

Credit & Investments Committee
This Committee is chaired by a non-executive director. The Committee reviews credit strategy, credit risk management policy and programme, trends in portfolio quality, adequacy of provision for credit losses.

Corporate Governance (continued)

For the year ended 31 December 2021

The Committee periodically reviews the lending environment and recommend to the Board any appropriate changes to the Corporation's credit policy. Review and make recommendations from time to time to the Board on priority sectors the Corporation should consider for lending in line with Government policy.

ATTENDANCE REGISTER

The record of attendance by the directors was as follows: -

2021	BOARD	F & AUDIT	RISK	HR NOMINATION & STRATEGY	CREDIT & INV	BUS. DEVELOP	BOARD TRANS
No. of Meetings	6	5	4	4	4	4	1
Mr. C. Msipa	0	RS	RS	1	RS	RS	RS
Mr. W. Makamure	6	NM	2	NM	**NM**	2	NM
Mrs. E. Z. Rabvukwa	6	5	NM	4	NM	NM	1
Mrs. J. Malaba	6	5	NM	NM	4	4	1
Ms. M. Mutemererwa	6	NM	4	4	NM	4	1
Ms. S. Nyamatore	5	1	4	NM	4	NM	1
Ms. V. Sigauke	1	NM	NM	1	NYM	NYM	NYM
Mr. E. Tome	6	4	1	1	3	1	1

Key/Notes

- NM – Not Member of Committee
- NYM – Not Yet Member of Committee
- RS - Resigned
- The Human Resources and Nomination Committee was renamed the Human Resources, Nominations and Strategy Committee.
- Mr. C. Msipa resigned as Director and Chairman of the Corporation effective from the 31st of May 2021. Director W. Makamure was appointed Chairman with effect from the 9th of June 2021.
- Mr. E. Tome was appointed Acting General Manager with effect from the 1st of October 2021.
- Ms. V. Sigauke was appointed to the Board effective from the 26th of October 2021. The Board Committees were reconstituted after the 4th Quarter 2021 Board Committee meetings had been held.
- The Board Transaction Committee is an adhoc committee which sits as and when there are exceptional restructuring transactions which need to be considered. The membership of the Committee is made up of the Chairpersons of the respective Board Committees. The IDCZ Chairman does not sit in the Board Transaction Committee.

Corporate Governance (continued)

For the year ended 31 December 2021

Code of Conduct and Business Ethics Charter

The IDCZ Code of Conduct and Business Ethics Charter form an integral component of the contracts of service of employees and provides guidance regarding the behaviour expected from employees.

E.Z. Rabvukwa (Mrs)	J. Malaba (Mrs)	M. F. Mutemererwa (Ms)
Finance and Audit Committee Chairman	**Business Development Committee Chairman**	**Risk Management Committee Chairman**
S. Nyamatore (Ms)	V. Sigauke (Ms)	
Credit & Investments Committee Chairman	**Human Resources, Nominations and Strategy Committee Chairman**	

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

For the year ended 31 December 2021

To the members of Industrial Development Corporation of Zimbabwe Limited

The Directors of the Corporation are required by the Industrial Development Corporation Act (Chapter 14:10) and the Public Finance Management Act (Chapter 22:19) to maintain adequate accounting records and are responsible for the content and integrity of the consolidated financial statements and related financial information included in this report. It is the Directors' responsibility to ensure that the consolidated financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the year then ended in conformity with International Financial Reporting Standards (IFRSs). The external auditors are responsible for independent review and reporting on the financial statements.

The Directors have assessed the ability of the Group to continue to operate as a going concern and believe that the preparation of these financial statements on a going concern is still appropriate. However, the Directors believe that under the current economic environment a continuous assessment of the ability of the Group to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.

The consolidated financial statements set out in this report are prepared with the aim of complying fully with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), which includes standards and interpretations approved by the IASB and Standing Interpretations Committee (SIC) interpretations issued under previous constitutions.

The IFRS Conceptual Framework requires that in applying fair presentation of financial statements, entities should go beyond the consideration of the legal form of transactions and any other factors that could have an impact on them. International Accounting Standard (IAS) 21 requires an entity to apply certain parameters in determining the functional currency of an entity for use in the preparation of its financial statements. This standard also requires an entity to make certain judgements, where applicable, regarding appropriate exchange rates between currencies where exchangeability through a legal and market exchange mechanism is not achievable.

The requirement to comply with Statutory Instrument (S.I) 33 of 2019 as enacted by the Finance Act No. 2 of 2019 created inconsistencies with IAS 21, as well as the principles embedded in the IFRS Conceptual Framework. This has resulted in the adoption of accounting treatment in the current year's financial statements, which deviates from that which would have been applied if the Group had been able to fully comply with IFRSs.

The Directors carried out an assessment on the effect of Covid-19 on the Group's operations and income streams and concluded that the impact is not material to affect the ability of the Group to continue as a going concern for the twelve months.

The Group's accounting and internal control systems are designed to provide reasonable assurance as to the integrity and ability of the financial statements and to adequately safeguard, verify and maintain accountability of its assets. Such controls are based on established written policies and procedures and all employees are required to maintain the highest ethical standards in ensuring that the Group's business practices are conducted in a manner which in all reasonable circumstances is above reproach. Issues that came to the attention of the Directors have been addressed and the Directors confirm that the system of internal control and accounting control is operating in a satisfactory manner.

The consolidated financial statements and the related notes set out on pages 31 to 140, which have been prepared on the going concern basis, were approved by the Board of Directors at its meeting held on 30 August 2022 and were signed on their behalf by the Chairman of the Board, Mr W. Makamure, and the Acting

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

General Manager, Mr E. Tome.

These financial statements were prepared under the supervision of:

Mr N. Musungwa, Finance Manager.
Registered Public Accountant (PAAB Number 03702).

W. Makamure
Chairman

E. Tome
Acting General Manager
30 August 2022

General Manager's Report on Operations

"The Corporation attended the Global Business Forum (GBF) in Dubai, United Arab Emirates that was held alongside the Expo 2020 Dubai."

Mr Edward Nhamoinesu Tome
Acting General Manager

1.0. Recapitalisation

During the year, the Shareholder injected ZWD$550 million fresh capital for onward lending to the manufacturing and value adding sectors.

2.0. ZIDERA sanctions

Out of the USD$4.2 million intercepted by Office of Foreign Assets Control (OFAC) in the Group, USD$455 366 is still outstanding as at 31 December 2021.

3.0. Litigation

3.1. Romsit

As at 31 December 2021, the net final award of USD$11 957 743 plus interest at 8,5% per annum(p.a.). against Romsit, remains outstanding. The damages computed against the Government of Romania was USD$61 995 835 (approximately USD$62 million). Efforts to effect collection are yet to yield results.

3.2. Interfin/CFX Curator Claim on Guarantee

The matter was settled during the year.

4.0. Performance Reports by Sector

4.1. Fertiliser and chemicals

4.1.1. Fertiliser value chain

Zimbabwe Phosphate Industries (ZimPhos) invested into a new granulation plant that will granulate Single Superphosphates (SSP) and other Nitrogen Phosphorus Potassium (NPK) fertilizers such as compound D. The granulated SSP will also be used in other fertilizer blends. In addition, ZimPhos will expand its role in the fertilizer value chain with value added blend fertilizer products. At the moment, most blend fertilizers are either imported or the raw materials are also imported. ZimPhos has invested into a new blending plant for the production of a full range of fertilizers including high analysis fertilizers. The cost of the project was USD$1.2 million. The plant has been installed and technically commissioned in April 2022. The plant has capacity to produce 200 000 tonnes per annum.

General Manager's Report on Operations (continued)

For the year ended 31 December 2021

Fertilizer availability both for the Government schemes and commercial agricultural purposes will be increased. Chemplex signed a 5-year fertilizer supply contract with the Government for the period 2020-2024. This investment in the ZimPhos plant will guarantee the fulfilment of that contract. This strategic business unit supports NDS1 Strategy on food security.

This investment contributes towards moving the economy up the value through local beneficiation, value addition and import substitution. National demand for NPK fertilizers is over 500 000 tonnes per annum and is being met through imported phosphates raw materials.

The cost of the granulation plant was USD$2.2 million and was funded from internally generated resources. The plant will produce 120 000 tonnes per annum of granulated compound fertilizers. The fertiliser granulation plant is expected to be commissioned by September 2022.

The demand for magnetite in Tete Mozambique has been increasing due to improved coal prices on the international market. The current total demand of magnetite from the coal mines in Tete Mozambique (that is Vale, Jindal and ICVL) is 66 000 tonnes per annum with a potential to grow to over 80 000 tonnes per annum in the near future. Currently this magnetite market is supplied by South African suppliers and Dorowa Minerals. Dorowa Minerals has a competitive advantage arising from logistical proximity, high quality magnetite and as such customers are desirous to increase offtake from Dorowa Minerals.

At the moment Dorowa Minerals capacity is limited to 24 000 tonnes of magnetite per annum which falls way short of demand. This is depriving Dorowa Minerals of potential huge export earnings hence the new project for a new plant to produce 80 000 tonnes per annum of magnetite. The project cost is USD$2.5 million and has been fully funded. The installation of the new plant is expected to be completed by August 2022.

4.1.2 Animal Health and Grain Protectants

The current livestock tick grease plant produces 200 tonnes per annum when national demand is more than 3000 tonnes per annum. Chemplex Animal and Public Health (CAPH) upgraded this teak grease production plant to produce 6000 tonnes per annum. This upgrade enables CAPH to fulfil all Government orders for the year 2022. The Project was scoped to meet current and future demand growth including exports for teak grease. The availability of affordable livestock teak grease in Zimbabwe will mitigate against **"January disease"** and cattle deaths due to tick bone diseases. The project cost was about USD$700 000 which was funded from internally generated resources. The plant was installed and technically commissioned in April 2022. Automated packing and labelling machines will be installed in August 2022 to increase effectiveness of the new plant.

CAPH is also upgrading the grain protectant plant to produce 6000 tonnes per annum. The expanded grain protectant plant will be able to meet future demand growth including exports. Availability of the grain protectant will ensure the preservation of the food grain post-harvest and ensure food security. The cost of the project was USD$600 000.

The project was funded from internally generated resources. The plant will be commissioned in September 2022.

4.2. Mineral Processing

4.2.1. Agricultural Lime

G&W Industrial Minerals operations were resuscitated during the period under review. The plant had been mothballed since 2015 due to viability problems. The project entailed resumption of the Rushinga Agricultural Lime production unit in support of NDS1 Strategy on food security. IDCZ is also implementing the devolution strategy. Demand for agricultural lime is in excess of 300 000 tonnes per annum and is currently in short supply. The cost of resumption of the operations was USD$1 million which was funded from internally generated resources. The plant will produce 120 000 tonnes per annum or more of agricultural lime for the country.

General Manager's Report on Operations (continued)

For the year ended 31 December 2021

4.2.2. Cement

The production and supply of cement remained on course during the year to consolidate the Midlands market using the company's locational advantage. The local cement market demand is on an upward growth trend.

4.3. Motor and Transport

Efforts to contract assembled brands of Original Equipment Manufacturers (OEMs) for both Willowvale Motor Industries (WMI) and Deven Engineering are being pursued with very good prospects. Deven Engineering has started contract assembling of various Chinese buses brands.

4.4. Polypropylene Packaging

The sale of IDCZ's 49% shares in Zimbabwe Grain Bag (Private) Limited to the majority shareholder under pre-emptive rights did not proceed.

4.5. Real Estate

Approaches are being made to several potential partners to consider co-developing the Sunway City Special Economic Zone(SEZ) Park. Discussions and negotiations are at various stages.
The availability of serviced commercial and residential stands on a risk basis yielded a pleasing performance for the year.

4.6. Ceramic Products and Tourism

The brick factory continues to produce limited specialized ceramic bricks and tiles during the year due to antiquated and old technology.
The hotel side also remained constrained during the year as a result of Covid-19 induced off take challenges. The Corporation is in discussions with potential partners to re-vamp the brick factory business and re-build the burnt down Detema Safari Lodge into a seven-star facility.

4.7. Food Processing

Importation of crude oil to augment the shortages of locally produced soya beans' and cotton seed oil continued during the period under review. The Government, through the Reserve Bank of Zimbabwe (RBZ) continues to play a pivotal role in availing foreign exchange support for such imports to ensure product availability on the local market.

5.0. Bank of Industry and Commerce (BIC)

The registration of the Bank of Industry and Commerce with the Reserve Bank of Zimbabwe (RBZ) started towards the end of the year and is expected to be completed in 2022. The Bank is expected to started operations in 2023.

The Bank which is a subsidiary of the IDCZ will play a pivotal role in financing and facilitating the development of vibrant, sustainable and globally competitive industrial commercial enterprises.

6.0. Capacity Building

The Corporation staff continued to benefit from the Southern African Development Community Finance Resource Centre (SADC FRC) capacity building workshops, other relevant workshops and education programmes which were run locally during the year.

7.0. Expo 2020 Dubai

The Corporation attended the Global Business Forum (GBF) in Dubai, United Arab Emirates that was held alongside the Expo 2020 Dubai. Expo Dubai 2020 provided a window for the Corporation to meet with potential investors and funders. Expo 2020 was a World Expo hosted by Dubai, in the United Arab Emirates from 1 October 2021 to 31 March 2022.

General Manager's Report on Operations (continued)

For the year ended 31 December 2021

8.0. Zimbabwe International Trade Fair (ZITF)

The IDCZ Group exhibited its products and services at the 2021 annual event in Bulawayo.

8.0. Acknowledgements

I thank the Shareholder, Group management and staff for their invaluable contributions during the year and call for their continued support as the Corporation continues to discharge its mandate to industrialize the economy of Zimbabwe. I also thank the IDCZ Board of Directors for its wise counsel and leadership.

E. Tome
Acting General Manager
30 August 2022

Report of the Independent Auditors (continued)

TO THE BOARD OF DIRECTORS

Qualified Opinion
We have audited the accompanying financial statements and annexures of Industrial Development Corporation of Zimbabwe group as set out on pages eleven to thirty six, which comprise the statement of financial position as at 31 December 2021, statement of comprehensive income, statement of cashflows, and a summary of significant accounting policies and other explanatory information.
In our opinion, except for effects of the matter described in the Basis for Qualified Opinion section of our report, the inflation adjusted financial statements of Industrial Development Corporation of Zimbabwe give a true and fair view, in all material aspects, of its financial position as at 31 December 2021 and its financial performance for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Qualified Opinion
Comparative information and Opening balances
The prior year financial statements for the year ended 31 December 2020 had a qualified opinion basing on improper application of International Accounting Standard (IAS) 21 "The Effect of Changes in Foreign Exchange Rates". Due to this, the opening balances as at 1 January 2021 contain misstatements that materially affect the current period's financial statements of the Group, and the effects of the misstatements are not appropriately accounted for. Since the opening balances as at 1 January 2021 entered into the determination of the financial performance, changes in equity and cash flows for the financial year ended 31 December 2021, adjustments might have been necessary in respect of the current year financial statements of the Group in line with the requirements of IAS8-Accounting Policies, Changes in Accounting Estimates and Errors.

Inflation adjusted amounts in terms of requirements of IAS29 – Financial Reporting in Hyperinflationary Economies ("IAS 29") were arrived at basing on misstated historical amounts. Consequently, corresponding numbers on the inflation adjusted Statement of Profit or Loss and Other Comprehensive Income, the inflation adjusted Statement of Financial Position, the inflation adjusted Statement of Changes in Equity, and the inflation adjusted Statement of Cash Flows remain misstated and this also impacts comparative figures. The comparability and misstatements' effects have not been quantified.

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion, we have determined the matters described below to be key audit matters to be communicated in our reports.

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Report of the Independent Auditors (continued)

Key audit matter	How we addressed the matter in our audit
Revenue recognition • There is a presumed fraud risk with regards revenue recognition as guided by International Standard on Auditing (ISA 240: Revised). There is a risk that the revenue is presented at amounts higher than what has been actually generated . This is a significant risk and accordingly a key audit matter.	Our procedures incorporated a combination of tests of the controls relating to revenue recognition and the appropriateness of revenue recognition policies as well as substantive procedures in respect of testing the occurrence assertion. Our substantive procedures included but ere not limited to the following: ● Reviewed that revenue recognition criteria is appropriate and in line with the requirements of IFRS 15 ● Performed cut-off tests on year end balances to ensure revenue is recognised in the correct period ● Tested design, existence and operating effectiveness of internal controls implemented as well as test of details to ensure accurate processing of revenue transactions. ● Identified key controls and tested these controls to obtain satisfaction that they were operating effectively for the year under review. ● The results of our controls testing have been the basis for the nature and scoping of the additional test of details, which mainly consisted of testing individual transactions by reconciling them to external sources(supporting documents). ● Analytical procedures and assessed the reasonableness of explanations provided by management. We satisfied ourselves that the revenue recognition is appropriate
Fair value assessment of trade receivables Trade receivables comprise of a significant portion of the liquid assets of the Group as indicated in Note on the financial statements Due to the economic challenges the country is facing, there is risk of non-recoverability of accounts receivables. Accordingly, the estimation of the allowance for trade receivables is a significant judgement area and is therefore considered a key audit matter.	We assessed the validity of material long outstanding receivables by obtaining third-party confirmations of amounts owing. We also considered payments received made subsequent to year end, past payment history and unusual patterns to identify potentially impaired balances. The assessment of the appropriateness of the allowance for trade receivables comprised a variety of audit procedures: ● Challenging the appropriateness and reasonableness of the assumptions applied in the management's assessment of the receivables allowance. ● Consideration and concurrence of the agreed payment terms. ● Verification of receipts from trade receivables subsequent to year end; and ● Considered the completeness and accuracy of the disclosures.

Report of the Independent Auditors (continued)

Other information

The Board is responsible for the other information. The other information comprises the directors' responsibility statement. The other information does not include the financial statements and our auditor's opinion thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

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

Responsibilities of Directors' and Those Charged with Governance for financial statements

The Group's Board is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of the, 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, directors are responsible for assessing Industrial Development Corporation of Zimbabwe'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 directors either intend to liquidate Industrial Development Corporation of Zimbabwe or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing Industrial Development Corporation of Zimbabwe financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for 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 Industrial Development Corporation of Zimbabwe internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of directors' 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 Industrial Development Corporation of Zimbabwe's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion
- Evaluate the overall presentation, structure and content of the financial statements, including the

Report of the Independent Auditors (continued)

disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient audit evidence regarding the financial information of Industrial Development Corporation of Zimbabwe or business activities of Industrial Development Corporation of Zimbabwe to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of Industrial Development Corporation of Zimbabwe. We remain solely responsible for our audit opinion.

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

HLB ZIMBABWE

HLB Zimbabwe Chartered Accountants
Harare
Clemence Ruzengwe
PAAB Practicing Certificate No. 099

Date: 30 August 2022

Group Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2021

		GROUP				CORPORATION			
		Inflation Adjusted		Historical Cost		Inflation Adjusted		Historical Cost	
	Note	2021	2020	2021	2020	2021	2020	2021	2020
		ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Continuing operations									
Revenue from contracts with customers	5.1	11 131 895 840	9 693 266 897	**8 836 859 936**	**4 327 627 217**	**206 576 829**	**398 477 996**	**153 895 612**	**42 630 155**
Cost of sales		(7 404 203 285)	(5 103 811 325)	(5 714 074 879)	(2 252 726 520)	-	-	-	-
Gross profit		**3 727 692 555**	**4 589 455 572**	**3 122 785 057**	**2 074 900 697**	**206 576 829**	**398 477 996**	**153 895 612**	**42 630 155**
Other income	5.2	442 717 534	1 025 024 511	359 949 180	125 512 260	348 675 953	1 060 844 670	305 188 443	126 273 325
Selling and distribution expenses		(168 895 383)	(291 340 335)	(143 915 743)	(123 703 804)	-	-	-	-
Administration expenses	5.3	(2 509 999 717)	(2 100 807 447)	(1 969 928 500)	(829 987 614)	(254 978 713)	(883 466 258)	(206 741 411)	(75 008 412)
Net finance costs	5.4	(231 545 820)	(92 395 715)	(203 720 435)	(17 896 475)	(4 232 079)	(58 604 409)	(4 232 079)	(7 314 897)
Investment property fair value gain	9	18 032 479	210 685 643	226 713 600	269 435 540	-	-	-	-
Share of profit/(loss) of equity-accounted investees net of tax	10.2	(124 217 046)	533 490 229	(79 787 921)	172 596 418	-	-	-	-
Impairment of assets		-	(20 796 748)	(33 724 475)	(79 549 563)	(20 397 744)	(582 157 086)	(32 803 959)	(79 549 563)
Impairment of investments		(954 060 891)	(582 157 086)	-	-	-	-	-	-
Monetary Gain/Loss		(1 878 076 798)	3 838 408 728	-	-	(313 111 868)	4 476 083 339	-	-
Exchange (loss)/gain		321 266 230	(1 033 387 456)	243 559 640	(670 276 675)	(36 987 099)	(1 090 421 264)	(25 980 097)	(677 280 288)
Profit/Loss from continuing operations		**(1 357 086 857)**	**6 076 179 895**	**1 521 930 403**	**921 030 784**	**(74 454 721)**	**3 320 756 989**	**189 326 509**	**(670 249 680)**
Income tax	6	(63 305 138)	(139 545 216)	587 306 763	(159 976 495)	(146 765 374)	195 606 818	(146 765 374)	121 494 918
Profit/Loss after tax		**(1 420 391 995)**	**5 936 634 679**	**2 109 237 166**	**761 054 289**	**(221 220 095)**	**3 516 363 807**	**42 561 135**	**(548 754 762)**
Discontinued operations									
Profit/Loss from discontinued operations, net of tax	10.3	(121 948)	321 037	(167 449)	642 155	-	-	-	-
Profit/Loss after tax		**(1 420 513 943)**	**5 936 955 717**	**2 109 069 717**	**761 696 444**	**(221 220 095)**	**3 516 363 807**	**42 561 135**	**(548 754 762)**
Attributable to:									
Equity holders' of the parent		(1 250 392 474)	5 384 680 096	1 772 968 547	418 335 372	(221 220 095)	3 516 363 807	42 561 135	(883 495 167)
Non - controlling interest		(170 121 469)	552 275 620	336 101 170	343 361 072	-	-	-	-
		(1 420 513 943)	**5 936 955 717**	**2 109 069 717**	**761 696 444**	**(221 220 095)**	**3 516 363 807**	**42 561 135**	**(883 495 167)**

Group Statement of Profit or Loss and Other Comprehensive Income (continued)

For the year ended 31 December 2021

		GROUP				CORPORATION			
		Inflation Adjusted		Historical Cost		Inflation Adjusted		Historical Cost	
	Note	2021	2020	2021	2020	2021	2020	2021	2020
		ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Profit/Loss after tax		**(1 420 513 943)**	**5 936 955 717**	**2 109 069 717**	**761 696 444**	**(221 220 095)**	**3 516 363 807**	**42 561 135**	**(883 495 167)**
Other comprehensive income		322 377 793	82 922 425	748 001 672	387 943 008	-	-	-	-
Items that will not be reclassified to profit or loss									
Revaluation of property, plant and equipment - net of tax		3 983 341 932	574 086 267	6 702 699 333	4 750 271 786	-	-	-	37 186 161
Items that are or may be reclassified to profit or loss									
Fair Value through other comprehensive income		-	-	(57 958 504)	11 282 142	-	-	(57 958 504)	11 282 142
Other comprehensive income for the year net of tax		**4 305 719 725**	**657 008 692**	**7 392 742 501**	**5 149 496 936**	**-**	**-**	**(57 958 504)**	**48 468 303**
Total profit/loss for the year net of tax		**2 885 205 782**	**6 593 964 409**	**9 501 812 218**	**5 911 193 380**	**(221 220 095)**	**3 516 363 807**	**(15 397 369)**	**(835 026 864)**
Attributable to:									
Equity holders of the parent		3 049 453 544	6 041 688 788	9 158 280 055	5 565 520 144	(221 220 095)	3 516 363 807	(15 397 369)	(835 026 864)
Non - controlling interests		(164 247 762)	552 275 620	343 532 163	345 673 237	-	-	-	-
		2 885 205 782	**6 593 964 409**	**9 501 812 218**	**5 911 193 380**	**(221 220 095)**	**3 516 363 807**	**(15 397 369)**	**(835 026 864)**

Statement of Financial Position

For the year ended 31 December 2021

		GROUP				CORPORATION			
		Inflation Adjusted		Historical Cost		Inflation Adjusted		Historical Cost	
	Note	2021	2020	2021	2020	2021	2020	2021	2020
		ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
ASSETS									
Non-current assets									
Property, plant and equipment	8	15 451 541 126	11 841 310 205	15 370 959 096	7 122 192 294	204 819 537	201 945 419	140 041 383	125 431 937
Investment properties	9	570 288 090	553 154 929	570 288 090	343 574 490	-	-	-	-
Intangible assets	8.1	2 803 645	2 933 843	153 758	250 977	-	-	-	-
Non-current portion of land held for sale	12	34 381 394	160 118 457	21 354 903	22 663 611	-	-	-	-
Investment in subsidiaries	10.1	-	-	-	-	14 142 962 571	13 782 213 841	1 479 506 756	1 479 506 756
Investment in associates	10.2	2 845 281 190	2 904 440 933	1 661 651 907	967 130 305	1 217 497 507	1 423 630 391	130 331 677	130 331 677
Fair Value through other comprehensive income(FVTOCI)	10.4	315 047 278	417 523 604	10 351 647	68 037 117	310 401 324	411 882 822	7 916 099	65 874 603
Right of Use Asset		6 942 398	21 233 456	6 942 398	13 188 482	6 942 398	21 233 456	6 942 398	13 188 482
Deferred Tax		-	-	-	-	-	98 077 911	-	60 917 957
Loans receivable		3 882 007	-	3 882 007	-	297 548 674	-	297 548 674	-
		19 230 167 128	15 900 715 428	17 645 583 806	8 537 037 276	16 180 172 011	15 938 983 840	2 062 286 987	1 875 251 412
Current assets									
Inventories	11	4 269 479 760	4 288 948 353	1 614 928 346	432 303 611	-	-	-	-
Trade and other receivables	13	4 500 242 458	2 216 409 441	4 442 190 082	1 353 367 836	30 071 282	3 306 021	30 071 282	2 053 427
Group balances receivables	13.1	-	-	-	-	115 988 438	68 546 769	115 988 438	42 575 633
Loans receivable	18	210 236 804	96 196 961	210 236 804	59 749 665	383 352 738	150 546 566	383 352 738	93 507 184
Non -current assets held for sale	10.5	70 216 289	316 974 209	44 563 190	44 187 616	61 175 506	281 119 487	37 774 674	38 506 095
Cash and cash equivalents	14	1 403 406 314	1 578 087 153	1 403 406 314	980 178 356	211 154 950	114 329 700	211 154 950	71 012 236
		10 453 581 625	8 496 616 117	7 715 324 735	2 869 787 083	801 742 914	617 848 543	778 342 082	247 654 575
TOTAL ASSETS		**29 683 748 753**	**24 397 331 545**	**25 360 908 541**	**11 406 824 359**	**16 981 914 925**	**16 556 832 383**	**2 840 629 069**	**2 122 905 987**

Statement of Financial Position

For the year ended 31 December 2021

		GROUP				CORPORATION			
		Inflation Adjusted		Historical Cost		Inflation Adjusted		Historical Cost	
	Note	2021	2020	2021	2020	2021	2020	2021	2020
EQUITY AND LIABILITIES		ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Capital and reserves									
Issued capital	15©	4 604 511 626	2 589 871 100	1 560 498 828	100 000 000	4 604 511 626	2 589 871 100	1 560 498 828	100 000 000
Revaluation reserve	15(d)(iii)	5 031 754 592	605 365 773	13 237 505 225	5 986 697 783	-	-	48 105 767	48 105 766
Mark to market reserve		-	-	6 903 475	64 861 979	-	-	6 903 475	64 861 979
Accumulated profits		10 148 881 438	12 320 744 682	2 499 818 761	653 725 729	12 022 051 815	12 258 271 909	877 344 578	849 783 443
Equity attributable to owners of the parent		**19 785 147 656**	**15 515 981 556**	**17 304 726 289**	**6 805 285 491**	**16 626 563 441**	**14 848 143 009**	**2 492 852 648**	**1 062 751 188**
Non - controlling interests	10.7	2 367 635 710	2 800 726 004	1 368 323 243	982 065 380	-	-	-	-
Total equity		**22 152 783 366**	**18 316 707 559**	**18 673 049 532**	**7 787 350 871**	**16 626 563 441**	**14 848 143 009**	**2 492 852 648**	**1 062 751 188**
Non-current liabilities									
Loans and borrowings	16.1	15 396 694	502 530 124	15 396 694	312 130 512	-	482 883 795	-	299 927 823
Finance Lease Liability		6 118 552	19 275 152	2 849 780	11 972 144	3 268 772	5 262 723	-	3 268 772
Deferred tax liability	7	2 297 086 296	1 372 221 151	1 522 215 836	877 963 339	82 165 288	-	82 165 288	-
		2 318 601 542	1 894 026 427	1 540 462 310	1 202 065 995	85 434 060	488 146 518	82 165 288	303 196 595
Current liabilities									
Trade and other payables	17	3 210 283 229	2 405 489 171	3 148 047 097	1 328 366 425	262 369 439	252 212 681	258 063 150	155 510 890
Liabilities held for sale	10.5	8 368 744	36 365 767	5 637 732	5 350 000	-	-	-	-
Group balances payables		-	-	-	-	1 325 601	794 805	1 325 601	493 668
Loans and borrowings	16.2	1 416 191 782	1 154 274 804	1 416 191 780	716 940 872	2 767 291	955 027 808	2 767 289	593 184 974
Bank overdrafts	14	46 764 952	476 510	46 764 952	295 969	-	-	-	-
Finance Lease Liability		9 246 802	19 403 433	9 246 802	12 051 822	3 455 093	12 507 562	3 455 093	7 768 672
Current tax liability		521 508 336	570 587 872	521 508 336	354 402 405	-	-	-	-
		5 212 363 845	4 186 597 558	5 147 396 699	2 417 407 493	269 917 424	1 220 542 856	265 611 133	756 958 204
Total liabilities		**7 530 965 387**	**6 080 623 985**	**6 687 859 009**	**3 619 473 488**	**355 351 484**	**1 708 689 374**	**347 776 421**	**1 060 154 799**
TOTAL EQUITY AND LIABILITIES		**29 683 748 753**	**24 397 331 545**	**25 360 908 541**	**11 406 824 359**	**16 981 914 925**	**16 556 832 383**	**2 840 629 069**	**2 122 905 987**

Chairman
30 August 2022

Acting General Manager
30 August 2022

Statement of Changes in Equity

For the year ended 31 December 2021

INFLATION ADJUSTED - GROUP

For the year ended 31 December 2021	Attributable to the equity holders of the parent						
	Issued capital	Foreign currency translation reserve	Revaluation reserve	Accumulated losses	Total	Non controlling interests	Total equity
	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Balance as at 1 January 2021	**2 589 871 100**	**-**	**605 365 773**	**12 320 744 682**	**15 515 981 556**	**2 800 726 004**	**18 316 707 559**
Profit for the period	-	-	-	(1 250 392 474)	(1 250 392 474)	(170 121 469)	(1 420 513 943)
Other comprehensive income	-	-	3 983 341 932	322 377 793	4 305 719 725	-	4 305 719 725
Revaluation adjustment	-	-	443 046 887	(1 243 848 563)	(800 801 676)	(46 556 750)	(847 358 426)
Issue of new shares	2 014 640 526		-		2 014 640 526	-	2 014 640 526
Dividends Paid	-	-	-	-	-	(216 412 075)	(216 412 075)
Balance at 31 December 2021	**4 604 511 626**	**-**	**5 031 754 592**	**10 148 881 438**	**19 785 147 657**	**2 367 635 710**	**22 152 783 366**

For the year ended 31 December 2020	Attributable to the equity holders of the parent						
	Issued capital	Foreign currency translation reserve	Revaluation reserve	Accumulated loss	Total	Non controlling interests	Total equity
	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Balance as at 1 January 2020	**2 558 603 079**	**-**	**-**	**12 050 642 510**	**14 609 245 589**	**2 442 707 804**	**17 051 953 392**
Profit for the period	-	-	-	5 384 680 096	5 384 680 096	552 275 620	5 936 955 717
Other comprehensive income	-	-	574 086 267	82 922 425	657 008 692	-	657 008 692
Revaluation adjustment	-	-	31 279 507	(5 197 500 349)	(5 166 220 842)	(40 272 677)	(5 206 493 519)
Issue of new shares	31 268 021	-	-	-	31 268 021	-	31 268 021
Dividend paid	-	-	-	-	-	(153 984 744)	(153 984 744)
Balance at 31 December 2020	**2 589 871 100**	**-**	**605 365 773**	**12 320 744 682**	**15 515 981 556**	**2 800 726 004**	**18 316 707 559**

Statement of Changes in Equity (continued)

For the year ended 31 December 2021

HISTORICAL COST - GROUP	Attributable to the equity holders of the parent							
For the year ended 31 December 2021	Issued capital ZWL$	Foreign currency translation reserve ZWL$	Revaluation reserve ZWL$	Mark to Market reserve ZWL$	Accumulated losses ZWL$	Total ZWL$	Non controlling interests ZWL$	Total equity ZWL$
Balance as at 1 January 2021	**100 000 000**	**-**	**5 986 697 783**	**64 861 979**	**653 725 729**	**6 805 285 491**	**982 065 380**	**7 787 350 871**
Profit/Loss for the period	-	-	-	-	1 772 968 547	1 772 968 547	336 101 170	2 109 069 717
Other comprehensive income	-	-	7 450 701 005	(57 958 504)	-	7 392 742 501	-	7 392 742 501
Revaluation Adjustment	-	-	(199 893 564)	-	73 124 486	(126 769 078)	199 893 702	73 124 624
Dividends Paid	-	-	-	-	-	-	(149 737 010)	(149 737 010)
Issue of new shares	1 460 498 828	-	-	-	-	1 460 498 828	-	1 460 498 828
Balance at 31 December 2021	**1 560 498 828**	**-**	**13 237 505 225**	**6 903 475**	**2 499 818 761**	**17 304 726 289**	**1 368 323 243**	**18 673 049 532**

	Attributable to the equity holders of the parent							
For the year ended 31 December 2020	Issued capital ZWL$	Foreign currency translation reserve ZWL$	Revaluation reserve ZWL$	Mark to Market reserve ZWL$	Accumulated loss ZWL$	Total ZWL$	Non controlling interests ZWL$	Total equity ZWL$
Balance as at 1 January 2020	**92 517 543**	**-**	**1 341 082 850**	**53 579 837**	**155 476 719**	**1 642 656 949**	**228 947 343**	**1 871 604 292**
Profit/Loss for the period	-	-	-	-	418 335 372	418 335 372	343 361 072	761 696 444
Other comprehensive income	-	-	4 685 739 121	11 282 142	-	4 697 021 263	452 475 673	5 149 496 936
Revaluation Adjustment	-	-	(40 124 187)	-	79 913 638	39 789 450	(11 349 484)	28 439 966
Dividend paid	-	-	-	-	-	-	(31 369 224)	(31 369 224)
Issue of new shares	7 482 457	-	-	-	-	7 482 457	-	7 482 457
Balance at 31 December 2020	**100 000 000**	**-**	**5 986 697 783**	**64 861 979**	**653 725 729**	**6 805 285 491**	**982 065 380**	**7 787 350 871**

Statement of Changes in Equity (continued)

For the year ended 31 December 2021

INFLATION ADJUSTED - CORPORATION	Issued capital	Foreign currency translation reserve	Mark to Market reserve	Accumulated loss	Total
	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Balance as at 1 January 2021	**2 589 871 100**	**-**	**-**	**12 258 271 909**	**14 848 143 009**
Profit/Loss for the period	-	-	-	(221 220 095)	(221 220 095)
Issue of new shares	2 014 640 526	-	-	-	2 014 640 526
Dividend	-	-	-	(15 000 000)	-
At 31 December 2021	**4 604 511 626**	**-**	**-**	**12 022 051 814**	**16 626 563 440**

For the year ended 31 December 2020	Issued capital	Foreign currency translation reserve	Mark to Market reserve	Accumulated loss	Total
	ZWL$	ZWL$	ZWL$	ZWL$	US$
Balance as at 1 January 2020	**2 558 603 079**	**-**	**-**	**8 741 908 102**	**11 300 511 181**
Profit/Loss for the period	-	-	-	3 516 363 807	3 516 363 807
Issue of new shares	31 268 021	-	-	-	31 268 021
At 31 December 2020	**2 589 871 100**	**-**	**-**	**12 258 271 909**	**14 848 143 009**

Statement of Changes in Equity (continued)

For the year ended 31 December 2021

HISTORICAL - CORPORATION	Issued capital ZWL$	Foreign currency translation reserve ZWL$	Asset Revaluation ZWL$	Accumulated loss ZWL$	Mark to Market reserve ZWL$	Total ZWL$
Balance as at 1 January 2021	**100 000 000**	**-**	**48 105 766**	**849 783 443**	**64 861 979**	**1 062 751 187**
Profit/Loss for the period	-	-	-	42 561 135		42 561 135
Other comprehensive income	-	-	-	-	(57 958 504)	(57 958 504)
Dividend paid	-	-	-	(15 000 000)	-	(15 000 000)
Issue of new shares	1 460 498 828	-	-	-	-	1 460 498 828
At 31 December 2021	**1 560 498 828**	**-**	**48 105 766**	**877 344 578**	**6 903 475**	**2 492 852 647**

For the year ended 31 December 2020	Issued capital ZWL$	Foreign currency translation reserve ZWL$	Asset Revaluation ZWL$	Accumulated loss ZWL$	Mark to Market reserve ZWL$	Total ZWL$
Balance as at 1 January 2020	**92 517 543**	**-**	**10 919 605**	**1 398 538 205**	**53 579 837**	**1 555 555 190**
Profit/Loss for the period	-	-	-	(548 754 762)	-	(548 754 762)
Other comprehensive income	-	-	37 186 161	-	11 282 142	48 468 303
Issue of new shares	7 482 457	-	-	-	-	7 482 457
At 31 December 2020	**100 000 000**	**-**	**48 105 766**	**849 783 443**	**64 861 979**	**1 062 751 187**

Statement of Cash Flows

For the year ended 31 December 2021

		GROUP				CORPORATION			
		Inflation Adjusted		Historical Cost		Inflation Adjusted		Historical Cost	
		2021	2020	2021	2020	2021	2020	2021	2020
	Note	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
CASH FLOWS FROM OPERATING ACTIVITIES									
Profit/Loss before tax		(1 357 208 805)	6 076 500 931	1 521 762 954	921 672 939	(74 454 721)	3 320 756 989	189 326 509	(670 249 680)
-'from continuing operations		(1 357 086 857)	6 076 179 894	1 521 930 403	921 030 784	(74 454 721)	-	-	-
-'from discontinued operations		(121 948)	321 037	(167 449)	642 155	-	-	-	-
Adjustments for:									
-Exchange loss/(gain)		(321 266 230)	1 033 387 456	(243 559 640)	670 276 675	36 987 099	1 090 421 264	25 980 097	677 280 288
-Depreciation on property, plant and equipment		(8 294 864)	196 676 787	417 005 421	90 873 477	14 512 845	-	13 234 668	3 840 295
-Impairment losses/Other Expenses		954 060 891	20 796 748	33 724 475	79 549 563	361 588 252	582 157 086	32 071 540	79 549 563
-Amortisation of intangible assets		125 452	-	97 219	43 508	-	-	-	-
-Dividend received		(87 306 622)	(690 587 607)	(66 057 144)	(41 044 891)	(182 725 688)	(854 014 417)	(159 889 156)	(103 010 282)
-Net Finance Costs		231 545 820	92 395 715	203 720 435	17 896 475	(119 206 865)	(221 447 671)	(90 712 459)	7 314 897
- (Profit)/loss on disposal of plant & equipment /Other		(42 011 206)	(896 155)	3 742 185	369 850	-	(790 165)	-	(111 746)
-Provision for credit losses: External	13	(24 055 845)	79 888 026	(24 055 845)	49 619 892	-	-	-	-
-Monetary (loss)/gain		1 878 076 798	(3 838 408 728)	-	-	313 111 868	(4 476 083 339)	-	-
- Share of (loss)/profit of associates	10.2	124 217 046	(533 490 228)	79 787 921	(172 596 418)	-	-	-	-
-Fair value adjustment on investment property		(18 032 479)	371 471 442	(226 713 600)	(269 435 540)	-	-	-	-
Operating gain/(deficit) before working capital changes		**1 329 849 956**	**2 807 734 389**	**1 699 454 381**	**1 347 225 530**	**349 812 790**	**(559 000 253)**	**10 011 199**	**(5 386 665)**

Statement of Cash Flows (continued)

For the year ended 31 December 2021

		GROUP				CORPORATION			
		Inflation Adjusted		Historical Cost		Inflation Adjusted		Historical Cost	
		2021	2020	2021	2020	2021	2020	2021	2020
	Note	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Working capital adjustments									
(Increase)/decrease in inventories		19 468 593	(807 700 422)	(1 182 624 735)	(230 035 356)	-	-	-	-
(Increase)/decrease in trade and other receivables		(2 283 833 017)	(730 717 005)	(3 064 766 401)	(1 212 404 471)	146 059 720	66 268 036	(101 430 657)	(123 113 836)
Increase/(decrease) in Right of Use Asset		-	-	-	(178 098)	-	-	-	-
(Decrease)/Increase in trade and other payables		804 794 058	110 245 766	1 819 680 672	1 043 001 176	(7 355 015)	(383 087 502)	82 154 515	148 152 621
Cash from operating activities		**(129 720 410)**	**1 379 562 727**	**(728 256 083)**	**947 608 781**	**488 517 495**	**(875 819 719)**	**(9 264 943)**	**19 652 120**
Taxation paid		(581 945 256)	(747 826 206)	(578 452 357)	(227 954 503)	(3 682 129)	(1 702 966)	(3 682 129)	(1 057 743)
Net cash flows (used)/generated in operating activities		**(711 665 666)**	**631 736 521**	**(1 306 708 440)**	**719 654 278**	**484 835 366**	**(877 522 685)**	**(12 947 072)**	**18 594 377**
INVESTING ACTIVITIES									
Purchases of property, plant and equipment		(271 863 874)	(238 395 550)	(256 980 037)	(131 895 350)	(7 165 019)	(116 969 292)	(5 552 519)	(68 516 811)
(Loans)/proceeds from/to associates		(117 921 850)	(3 598 909)	(154 369 146)	(46 940 239)	-	-	-	-
Sale/(purchases) of investments		-	-	(226 713 600)	(269 435 540)	-	-	-	-
Decrease/(increase) in non-current portion of land held for sale		125 737 063	187 022 271	1 308 708	(14 101 844)	-	-	-	-
(Increase)/Decrease in non-current assets held for sale		246 757 920	268 296 777	(375 574)	36 774 982	-	-	-	-
(Increase)/Decrease in Right of use Asset		14 291 058	(12 203 901)	6 246 084	(12 473 724)	-	-	-	-
Increase/(Decrease) in liabilities held for sale		(27 997 023)	(6 925 801)	287 732	(638 739)	-	-	-	-
Increase/(Decrease) in finance lease liability		(23 313 231)	(92 573 443)	(2 805 020)	10 051 905	-	-	-	-
Purchase of intangible assets		-	-	-	(497 197)	-	-	-	-
Proceeds on disposal of property, plant and equipment		105 454 673	26 510 827	(54 385 267)	117 602 128	-	-	-	-
Dividend received		87 306 622	690 587 607	66 057 144	41 044 891	182 725 688	854 014 417	159 889 156	103 010 282
Increase in non current financial assets @ FVTOCI		102 476 326	46 999 878	-	-	-	-	-	-
Additions : available for sale financial assets		(1 997 807)	(3 216 469)	-	(1 997 807)	-	-	-	-
Net finance costs	5.4	(231 545 820)	(92 395 715)	(203 720 435)	(17 896 475)	119 206 865	221 447 671	90 712 459	(7 314 897)
Net cash (outflows)/inflows from investing activities		**7 384 057**	**770 107 571**	**(825 449 411)**	**(290 403 009)**	**294 767 534**	**958 492 795**	**245 049 096**	**27 178 574**

Statement of Cash Flows (continued)

For the year ended 31 December 2021

	Note	GROUP				CORPORATION			
		Inflation Adjusted		Historical Cost		Inflation Adjusted		Historical Cost	
		2021	2020	2021	2020	2021	2020	2021	2020
		ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Net cash (outflows)/inflows before financing		**(704 281 609)**	**1 401 844 092**	**(2 132 157 851)**	**429 251 269**	**779 602 900**	**80 970 110**	**232 102 025**	**45 772 951**
FINANCING ACTIVITIES									
Interest bearing borrowings:									
-Proceeds		-	-	1 863 015 918	854 106 699	-	(2 180 618)	-	(36 897 901)
-Repayments		(886 142 380)	(1 354 388 382)	(814 631 208)	(518 683 654)	(1 933 897 675)	(390 456 694)	(1 552 458 139)	7 482 458
Issue of ordinary shares		2 014 640 526	28 904 188	1 460 498 828	7 482 457	1 884 640 526	31 268 021	1 460 498 828	-
Net cash inflow/(outflow) from financing activities		**1 128 502 892**	**(1 325 484 194)**	**2 508 883 538**	**342 905 502**	**(49 257 149)**	**(361 369 291)**	**(91 959 311)**	**(29 415 443)**
Net Increase/(decrease) in cash and cash equivalents		**424 221 283**	**76 359 898**	**376 725 687**	**772 156 772**	**730 345 751**	**(280 399 181)**	**140 142 714**	**16 357 508**
Cash and cash equivalents at 1 January		**932 386 791**	**1 501 142 734**	**979 882 387**	**207 658 527**	**(519 190 801)**	**394 728 881**	**71 012 236**	**54 654 728**
Held for sale : cash & overdraft		33 288	108 012	33 288	67 088	-	-	-	-
Cash and cash equivalents at end of year		**1 356 641 362**	**1 577 610 643**	**1 356 641 362**	**979 882 387**	**211 154 950**	**114 329 700**	**211 154 950**	**71 012 236**
Made up of the following									
-Bank overdrafts		(46 764 952)	(476 510)	(46 764 952)	(295 969)	-	-	-	-
-Cash at bank		1 403 406 314	1 578 087 153	1 403 406 314	980 178 356	211 154 950	114 329 700	211 154 950	71 012 236
Cash and cash equivalents		**1 356 641 362**	**1 577 610 643**	**1 356 641 362**	**979 882 387**	**211 154 950**	**114 329 700**	**211 154 950**	**71 012 236**

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

1.0 Corporate information

Industrial Development Corporation of Zimbabwe Limited is a statutory company incorporated and domiciled in Zimbabwe. It has investments in the following sectors; motor and transport, fertiliser and chemicals, cement, and base mineral processing. The Group also has investments in textiles, packaging and real estate.

The consolidated and separate financial statements for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 30 August 2022.

- **Significant accounting policies**

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

2.0. Basis of preparation

The consolidated and separate financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the Industrial Development Corporation Act (Chapter 14:10) and the Public Finance Management Act (Chapter 22:19).
The consolidated and separate financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below.

The Group's functional and reporting currency changed from United States Dollar ("US$") to Zimbabwean dollar ("ZWL$") following the re-introduction of a local currency on 22 February 2019 and the establishment of an interbank currency market in Zimbabwe through Statutory Instruments ("SI") 32 and 33 of 2019 and Exchange Control Directive RU28 of 2019.

The local currency started to trade officially against other international currencies on 22 February, 2019 at a reference rate of US$1: ZWL$2.5.

In terms of S.I.33 all assets and liabilities that were expressed in US$ were deemed for accounting purposes, on and after the effective date, to be valued in the local currency at par with the US$. As a result, no adjustment has been made to prior period figures, which were previously expressed in US$ and have been reckoned to have, assumed the same values in ZWL$. The convertibility of monetary balances as at the end of the prior year into other international currencies at the presumed rate of US$1: ZWL$1 was however significantly impaired resulting in various exchange rate scenarios being adopted by the market, substantially at variance with the exchange parity maintained at policy level.

These accounting policies are consistent with those of the previous financial year, except for the adoption of new and amended standards as set out in note 4.

2.1. IAS 29 Financial Reporting in Hyperinflationary Economies

On 11 October 2019, the Public Accountants and Auditors Board (PAAB) issued a pronouncement on the application of IAS 29 after classifying Zimbabwe as a hyperinflationary economy. The pronouncement requires that the entities operating in Zimbabwe with financial periods ending on or after 1 July 2019, prepare and present financial statements in-line with the requirements of IAS 29.

The Group concurs with this classification, supported by the following factors:

- There was a rapid increase in official inflation rates,
- There was significant deterioration in the interbank Zimbabwe Dollar (ZWL) exchange rate during the period,
- Access to foreign currency to settle foreign currency denominated liabilities remains constrained.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

Hyper inflationary accounting requires transactions and balances of each reporting period to be presented in terms of the measuring unit at the end of the reporting period in order to account for the effect of the loss of purchasing power during the period. The Group has elected to use the Zimbabwe Consumer Price Index (CPI) as the general price index to restate amounts as it provides an official observable indication of the change in the price of goods and services.

The carrying amounts of non-monetary assets and liabilities carried at historic cost have been stated to reflect the change in the general price index from the date of acquisition to the end of the period. No adjustment has been made for those monetary assets and liabilities measured at fair value. An impairment is recognised in profit and loss if the remeasured amount of a non-monetary asset exceeds the recoverable amount.

All items recognised in the statement of profit or loss and other comprehensive income are restated by applying the change in average monthly general price index when the items of income and expenses were initially earned or incurred.

Gains or losses on the net monetary position have been recognised as part of profit or loss before tax in the statement of profit or loss and other comprehensive income.

All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.

Comparative amounts in the group financial results are expressed in terms of the general price index at the end of the reporting period.

The Group made the appropriate adjustments to reflect the changes in the general purchasing power on the Zimbabwe dollar and for the purposes of fair presentation in accordance with IAS 29, these changes have been made on the historical cost financial information.

The source of the price indices used was the Reserve Bank of Zimbabwe website.
The following indices and conversion factors were applied:

Date	Index	Conversion factor
CPI as at 31 December 2020	2 474.51	1.61
CPI as at 31 December 2021	3 977.46	1.00
Average CPI 2020		4.49
Average CPI 2021		1.29

2.2. Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the General Manager that makes strategic decisions.

The Group has four reportable segments; Chemicals and Fertilisers, Engineering, Motor and Transport, Real Estate and Corporate and other, which offer different products and services and are managed separately.

2.3. Consolidation

a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the group.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use of its power over the entity.

The Group re-assesses whether or not it controls a subsidiary if facts and circumstances indicate that there are changes to the elements of control.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All inter company transactions, balances, and unrealised gains and dividend from transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Non controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non controlling interests are allocated to the non controlling interest even if this results in a debit balance being recognised for non controlling interest.

Transactions with non controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statement of Changes in Equity. The difference between the fair value of consideration paid or received and the movement in non controlling interest for such transactions is recognised in equity attributable to the owners of the Group.

Where a subsidiary is disposed of and a non controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

a) Investments in subsidiaries in the separate financial statements

In the Group's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non current Assets Held for Sale and Discontinued Operations.

b) Business combinations

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Any contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not effected against goodwill, unless they are valid measurement period adjustments. Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in either profit or loss or in other comprehensive income, in accordance with relevant IFRS's. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non current assets Held For Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and designation in accordance with contractual terms, economic circumstances and pertinent conditions, and are reclassified where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non controlling interests in the acquiree are measured on an acquisition by acquisition basis either at fair value or at the non controlling interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This treatment applies to non controlling interests which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other components of non controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS's.

In cases where the group held a non controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available for sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If, in the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

2.4 Investments in associates

An associate is an entity over which the group has significant influence and which is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. It generally accompanies a shareholding of between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method, except when the investment is classified as held for sale in accordance with IFRS 5 Non current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the Statement of Financial Position at cost adjusted for post acquisition changes in the group's share of net assets of the associate, less any impairment losses.

The Group's share of post acquisition profit or loss is recognised in profit or loss, and its share of movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment

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to the carrying amount of the investment. Losses in an associate in excess of the group's interest in that associate, including any other unsecured receivables, are recognised only to the extent that the group has incurred a legal or constructive obligation to make payments on behalf of the associate.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment, however, is a gain on acquisition recognised immediately in profit or loss.

Profits or losses on transactions between the group and an associate are eliminated to the extent of the group's interest therein. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the group reduces its level of significant influence or loses significant influence, the group proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

Investments in associates in the separate financial statements

In the Group's separate financial statements, investments in associates are accounted for using the cost method. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non current Assets Held for Sale and Discontinued Operations.

2.5. Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The 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.

a) Critical judgments in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

i. Lease classification

The Group is party to leasing arrangements, both as a lessee and as a lessor. The treatment of leasing transactions in the financial statements is mainly determined by whether the lease is considered to be an operating lease or a finance lease. In making this assessment, management considers the substance of the lease, as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred. Refer to Note 2.10 and 3.3

ii. Revenue recognition

The Group is involved in the assembly of motor vehicles, and manufacture of bus and truck bodies and trailers and distribution of commercial vehicles. Defects would be identified by the customers shortly afterwards.

The accounting policy for revenue recognition from these products is on delivery. However, management will be required to consider whether it would be appropriate to recognise the revenue from these transactions in line with the Group policy of recognising revenue for the sale of goods when those goods are delivered to the customer, or whether it would be more appropriate to defer recognition until the rectification work is complete.

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In making this judgement, management consider the detailed criteria for the recognition of revenue set out in IFRS 15 and, in particular, whether the Group had transferred control of the goods to the customer. Following the detailed quantification of the Group liability in respect of rectification work, and the agreed limitation on the customer's ability to require further work or to require replacement of the goods, management will be satisfied that control has been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate warranty provision for the rectification costs.

iii. Expected manner of realisation for deferred tax

Management have reviewed the investment property portfolio of the Group in order to determine the appropriate rate at which to measure deferred tax. Investment property is measured at fair value. The manner of recovery of the carrying amount, i.e. through use or sale, affects the determination of the deferred tax assets or liabilities. IFRS assumes that the carrying amount of investment property is recovered through sale rather than through continued use. Management considered the business model of the portfolio and concluded that the assumption is not rebutted and that the deferred taxation should be measured on the sale basis.

b) Key sources of estimation uncertainty

i. Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

ii. Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

iii. Fair value estimation

Several assets and liabilities of the Group are either measured at fair value or disclosure is made of their fair values.

Observable market data is used as inputs to the extent that it is available. Qualified external valuers are consulted for the determination of appropriate valuation techniques and inputs.

iv. Impairment testing

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

v. Useful lives of property, plant and equipment

Management assesses the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of freehold buildings, plant and equipment, motor vehicles, furniture and computer equipment are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount, are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

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When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

vi. Provisions
Provisions are inherently based on assumptions and estimates using the best information available. Provisions are recognized when the Group has a present obligation (legal or constructive) 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 reliable estimate can be made of the amount of the obligation.

The provision for mine rehabilitation at Dorowa Minerals Limited and G & W Industrial Minerals Limited is recorded as the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailing dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.
Management estimates the provision of claims incurred but not reported annually. As at 31 December 2021 the provision was calculated at 5% of the net written premium.

vii. Ore reserve and resource estimates
Ore reserves are estimates of the amount of ore that can be economically and legally extracted from the Group's mining properties. Qualified external valuers are consulted for the determination of appropriate valuation techniques and inputs for the estimates of the ore reserves and mineral resources.

Changes in the reserve or resource estimates may impact upon the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, goodwill, provision of rehabilitation, recognition of deferred tax assets and depreciation and amortisation charges.

viii. Bulk raw material measurement
Bulk raw materials and manufactured goods are measured using the tachometric and the tape methods. The tape method is used when the density of raw materials and manufactured goods is low. The acceptable rate of error for the tachometric is +/-0.5% whilst for the tape method is +/-10%.

c) Determination of functional and presentation currency
The Group operates in an economy which is experiencing a shortage of foreign currency and consequently has exchange control regulations that impact the timing of payment of foreign payables among other matters. Given the context of the environment, management has assessed in terms of IAS 21, if there has been a change in the functional currency used by the Group. The assessment included consideration of whether the various modes of settlement may represent different forms of currency. It is observed that whether cash, bond notes, electronic money transfers or point of sale the unit of measure across all these payment modes has changed from US Dollars to Zimbabwean dollar.

The Group and its subsidiaries changed its functional currency and presentation currency from US$ to the Zimbabwe dollar (ZWL$) from 1 January 2018, with the exchange rate of 1US$ to ZWL$1 up to 31 December 2018. This followed the issuance of the Monetary policy Statement (MPS) by the country 's central bank, the Reserve Bank of Zimbabwe (RBZ) and Statutory Instrument(SI) 33 of 2019 which was promulgated after, giving effect and guidelines to the new currency.
The Group has adopted the Zimbabwean dollar as its presentation currency.

d) Estimation of liabilities under insurance contracts IFRS 4
The valuation of insurance liabilities under insurance contract requires the application of judgement which includes:
- The assessment of past claims patterns to determine the possibility of claims pending intimation

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- The requirement for complex actuarial computations to estimate the value of promises under long term risk or investment return on underlying assets, expense growth rate and market discount rate

2.6. Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement investment property is measured at fair value.
A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

2.6.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the Group holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.
The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Useful life
Freehold land	Not depreciated
Freehold buildings	40 years
Plant and equipment	10 - 15 years
Motor vehicle	5 years
Office equipment	3 - 5 years (Note 3.4b)
Office furniture	10 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting

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year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

The Group policy is to perform revaluations every three years to ensure that fair value of a revalued asset does not differ materially from its carrying amount. Refer to note 3.4.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

2.6.2. Leasehold property

When the Group holds property under a long-term prepaid lease agreement, the lease is classified as a finance lease or an operating lease in accordance with the provisions of IFRS 16 Leases. When these leases are classified as finance leases, the property is classified as Right-of-use Asset, and is depreciated over the lease term. Refer to note 2.11.

2.6.3. Site restoration and dismantling cost

The Group has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

- ➢ subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period
- ➢ if a decrease in the liability exceeds the carrying amount of the asset; the excess is recognised immediately in profit or loss.
- ➢ if the adjustment results in an addition to the cost of an asset, the entity considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount, and any impairment loss is recognised in profit or loss.

If the related asset is measured using the revaluation model:

- ➢ changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:

\- a decrease in the liability is credited in other comprehensive income and accumulated in the revaluation reserve in equity, except that it is recognised in profit or loss to the extent that it reverses a revaluation deficit on the asset that was previously recognised in profit or loss

\- an increase in the liability is recognised in profit or loss, except that it is debited to other comprehensive

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income as a decrease to the revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

- in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in profit or loss.

- a change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Any such revaluation is taken into account in determining the amounts to be taken to profit or loss and to other comprehensive income under (a). If a revaluation is necessary, all assets of that class are revalued.

Mine rehabilitation

At Dorowa Minerals Limited and G&W Industrial Minerals Limited the nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailing dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas. The obligation generally arises when the asset is installed or the ground/environment is disturbed at the production location.

2.6.4. Exploration and evaluation assets

Exploration and evaluation assets are measured at cost. These include acquisition of rights to explore, topographical, geological, ‘geochemical and geophysical studies, exploratory drilling, trenching, sampling and activities in relation to evaluating the technical ‘feasibility and commercial viability of extracting a mineral resource. After recognition, the mine is carried at cost. However, the group resolved that all exploration and evaluation expenditure when incurred shall be written off over 15 years.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that their carrying amount exceed its recoverable amount.

2.6.5. Mining claims

Mining claims not expensed, are not depreciated until a claim is explored and a mine is operational. Depreciation is based on the units of production method. Mining claims are the right to extract minerals from a tract of public land.

2.6.6. Mining assets

Upon completion of mine construction, the exploration and development assets are transferred into mining assets. Items of mining assets are stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any cost directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The capitalized value of a finance lease is also included within mining assets where applicable.

When a mining construction project moves into the production stage, the capitalization of certain mine construction costs ceases and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalization relating to mining asset additions or improvements, underground mine development or mineable reserves.

Accumulated mine development costs are depreciated/amortised on a unit-of-production bases over the

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economically recoverable reserves of the mine concerned, except in the case of assets whose useful life is shorter than the life of the mine, in which case the straight-line method is applied.

Other plant and equipment such as mobile equipment is generally depreciated on a straight-line basis over their estimated useful lives as indicated in the property, plant and equipment note.

2.7. Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	**Useful life**
Automate License	10 years
Dimension X3D software	5 years

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2.8. Financial instruments

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9, Financial Instruments.

Broadly, the classification possibilities, which are adopted by the Group, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented below:

(a) Loans receivable at amortised cost

Classification

Loans to group companies, loans to shareholders, loans to directors, managers and employees, and loans receivable are classified as financial assets subsequently measured at amortised cost.

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They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in profit or loss in investment income.

The application of the effective interest method to calculate interest income on a loan receivable is dependent on the credit risk of the loan as follows:

- The effective interest rate is applied to the gross carrying amount of the loan provided the loan is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a loan is purchased or originated as credit impaired, then a credit adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the loan, even if it is no longer credit impaired.
- If a loan was not purchased or originally credit impaired, but it has subsequently become credit impaired, then the effective interest rate is applied to the amortised cost of the loan in the determination of interest. If, in subsequent periods, the loan is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Loans denominated in foreign currencies

When a loan receivable is denominated in a foreign currency, the carrying amount of the loan is determined in the foreign currency. The carrying amount is then translated to the ZWL Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains / (losses).

Details of foreign currency risk exposure and the management thereof are provided in the specific loan notes and in the financial instruments and risk management disclosures.

Impairment

The Group recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The Group measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

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In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the Group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a loan has increased significantly since initial recognition, the Group compares the risk of a default occurring on the loan as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward looking information that is available without undue cost or effort. Forward looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a loan is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

By contrast, if a loan is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the loan has not increased significantly since initial recognition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default

For purposes of internal credit risk management purposes, the Group consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the Group considers that default has occurred when a loan instalment is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off policy

The Group writes off a loan when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Loans written off may still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

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Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Loans are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counterparty among other characteristics. The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and vice versa.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance.

Credit risk

Details of credit risk related to loans receivable are included in the specific notes and the financial instruments and risk management.

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of a loan receivable is included in profit or loss in derecognition gains (losses) on financial assets at amortised cost.

(b) Debt instruments at fair value through other comprehensive income

Classification

The Group holds certain investments in bonds and debentures which are classified as subsequently measured at fair value through other comprehensive income.

They have been classified in this manner because the contractual terms of these debt instruments give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the objectives of the Group's business model is achieved by both collecting the contractual cash flows on these instruments and by selling them.

Recognition and measurement

These debt instruments are recognised when the Group becomes a party to the contractual provisions. They are measured, at initial recognition, at fair value plus transaction costs, if any.
They are subsequently measured at fair value.

Even though they are measured at fair value, the Group determines the amortised cost of each instrument as if they were measured at amortised cost. The difference, at reporting date, between the amortised cost and the fair value of the debt instruments, is recognised in other comprehensive income and accumulated in equity in the reserve for valuation of investments.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in profit or loss in investment

Notes to the Consolidated Financial Statements (continued)

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income.

The application of the effective interest method to calculate interest income on debt instruments at fair value through other comprehensive income is dependent on the credit risk of the instrument as follows:

- The effective interest rate is applied to the gross carrying amount of the instrument provided the instrument is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a debt instrument is a purchased or originated as credit impaired, then a credit adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the instrument, even if it is no longer credit impaired.
- If a debt instrument was not purchased or originally credit impaired, but it has subsequently become credit impaired, then the effective interest rate is applied to the amortised cost of the instrument in the determination of interest. If, in subsequent periods, the instrument is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Debt instruments denominated in foreign currencies

When a debt instrument measured at fair value through other comprehensive income is denominated in a foreign currency, the amortised cost and the fair value (carrying amount) of the investment is determined in the foreign currency. The amortised cost and fair value is then translated to the ZWL Dollar equivalent using the spot rate at the end of each reporting period. Any foreign exchange gains or losses arising on the amortised cost of the instrument are recognised in profit or loss in the other operating gains (losses). The remaining foreign exchange gains or losses relate to the valuation adjustment and are included in other comprehensive income and are accumulated in equity in the reserve for valuation of investments.

Details of foreign currency risk exposure and the management thereof are provided in the specific loan notes and in the financial instruments and risk management note.

Impairment

The Group recognises a loss allowance for expected credit losses on all debt instruments measured at fair value through other comprehensive income. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective instruments.

The Group measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a debt instrument has not increased significantly since initial recognition, then the loss allowance for that instrument is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of the instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the Group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a debt instrument being credit impaired at the reporting date or of an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a debt investment has increased significantly since initial recognition, the Group compares the risk of a default occurring on the instrument as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The Group considers both quantitative and qualitative information that is reasonable and supportable, including

Notes to the Consolidated Financial Statements (continued)

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historical experience and forward looking information that is available without undue cost or effort. Forward looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a debt instrument is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

By contrast, if a debt instrument is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the instrument has not increased significantly since initial recognition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default

For purposes of internal credit risk management purposes, the Group consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account). Irrespective of the above analysis, the Group considers that default has occurred when an instalment is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

The Group writes off a debt instrument when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Instruments written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward looking information as described above. The exposure at default is the gross carrying amount of the instrument at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Debt instruments are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the instrument, external credit ratings (if available), industry of counterparty etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a debt instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12 month ECL at the current reporting date.

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For the year ended 31 December 2021

An impairment gain or loss is recognised for these debt instruments in profit or loss. However, there is no loss allowance account. Instead, the loss allowance is recognised in other comprehensive income and accumulated in equity in the reserve for valuation of investments, and does not reduce the carrying amount of the instrument. The impairment loss is included in other operating expenses in profit or loss as a movement in credit losses.

Credit risk

Details of credit risk related to debt instruments at fair value through other comprehensive income are included in the specific notes and the financial instruments and risk management.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

On derecognition of a debt instrument at fair value through other comprehensive income, the cumulative gain or loss on that instrument which was previously accumulated in equity in the reserve for valuation of investments is reclassified to profit or loss.

(c)Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the Group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.
The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in investment income.

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit impaired, then a credit adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit impaired.
- If a receivable was not purchased or originally credit impaired, but it has subsequently become credit impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

are determined in the foreign currency. The carrying amount is then translated to the ZWL Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating gains (losses).

Details of foreign currency risk exposure and the management thereof are provided in the notes to the financials.

Impairment

The Group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The Group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The Group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance.

Write off policy

The Group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables note and the financial instruments and risk management note (note).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost line item.

(d) Investments in equity instruments

Classification

Investments in equity instruments are presented in note. They are classified as mandatorily at fair value through profit or loss. As an exception to this classification, the Group may make an irrevocable election, on an instrument-by-instrument basis, and on initial recognition, to designate certain investments in equity instruments as at fair value through other comprehensive income.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

The designation as at fair value through other comprehensive income is never made on investments which are either held for trading or contingent consideration in a business combination.

Recognition and measurement
Investments in equity instruments are recognised when the Group becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition, at fair value. Transaction costs are added to the initial carrying amount for those investments which have been designated as at fair value through other comprehensive income. All other transaction costs are recognised in profit or loss.

Investments in equity instruments are subsequently measured at fair value with changes in fair value recognised either in profit or loss or in other comprehensive income (and accumulated in equity in the reserve for valuation of investments), depending on their classification. Details of the valuation policies and processes are presented in the notes.

Fair value gains or losses recognised on investments at fair value through profit or loss are included in the accounts.

Dividends received on equity investments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in investment income.

Investments denominated in foreign currencies
When an investment in an equity instrument is denominated in a foreign currency, the fair value of the investment is determined in the foreign currency. The fair value is then translated to the ZWL Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss as part of the fair value adjustment for investments which are classified as at fair value through profit or loss. Foreign exchange gains or losses arising on investments at fair value through other comprehensive income are recognised in other comprehensive income and accumulated in equity in the reserve for valuation of investments.

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note.

Impairment
Investments in equity instruments are not subject to impairment provisions.

Derecognition
Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

The gains or losses which accumulated in equity in the reserve for valuation of investments for equity investments at fair value through other comprehensive income are not reclassified to profit or loss on derecognition. Instead, the cumulative amount is transferred directly to retained earnings.

(e) Investments in debt instruments at fair value through profit or loss

Classification
Certain investments in debt instruments are classified as mandatorily at fair value through profit or loss. These investments do not qualify for classification at amortised cost or at fair value through other comprehensive income because either the contractual terms of these instruments do not give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, or the objectives of the Group business model are met by selling the instruments rather than holding them to collect the contractual cash flows.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

The Group hold investments in debentures and corporate bonds (note) which are mandatorily at fair value through profit or loss.

The Group has designated certain investments in debt instruments as at fair value through profit or loss. The reason for the designation is to reduce or eliminate an accounting mismatch which would occur if the instruments were not classified as such.

Recognition and measurement
Investments in debt instruments at fair value through profit or loss are recognised when the Group becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

Investments denominated in foreign currencies
When an investment in a debt instrument at fair value through profit or loss is denominated in a foreign currency, the fair value of the investment is determined in the foreign currency. The fair value is then translated to the ZWL Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised as part of the fair value adjustment in profit or loss.

Impairment
Investments in debt instruments at fair value through profit or loss are not subject to impairment provisions.

Derecognition
Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

(f) Non hedging derivatives

Classification
Non hedging derivatives are classified as mandatorily at fair value through profit or loss.
The Group enters into a variety of derivative financial instruments in order to manage its exposure to foreign exchange risk and cash flow interest rate risk. Derivatives held by the Group which are not in designated hedging relationships, include forward exchange contracts and interests' rate swaps.

Recognition and measurement
Derivatives are recognised when the Group becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

Derecognition
Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

(g) Borrowings and loans from related parties

Classification
Loans from group companies, loans from shareholders and borrowings are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement
Borrowings and loans from related parties are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.
The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs.

Borrowings expose the Group to liquidity risk and interest rate risk.

Loans denominated in foreign currencies

When borrowings are denominated in a foreign currency, the carrying amount of the loan is determined in the foreign currency. The carrying amount is then translated to the US Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses).

Details of foreign currency risk exposure and the management thereof are provided in the specific loan notes and in the financial instruments and risk management.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

(h) Trade and other payables

Classification

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the Group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.
The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the US Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses).

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

(i) Financial liabilities at fair value through profit or loss

Classification

Financial liabilities which are held for trading are classified as financial liabilities mandatorily at fair value through profit or loss.

When a financial liability is contingent consideration in a business combination, the Group classifies it as a financial liability at fair value through profit or loss.

The Group, does, from time to time, designate certain financial liabilities as at fair value through profit or loss. The reason for the designation is to reduce or significantly eliminate an accounting mismatch which would occur if the instruments were not classified as such; or if the instrument forms part of a group of financial instruments which are managed and evaluated on a fair value basis in accordance with a documented management strategy; or in cases where it forms part of a contract containing an embedded derivative and IFRS 9 permits the entire contract to be measured at fair value through profit or loss.

Recognition and measurement

Financial liabilities at fair value through profit or loss are recognised when the Group becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

For financial liabilities designated at fair value through profit or loss, the portion of fair value adjustments which are attributable to changes in the Group's own credit risk, are recognised in other comprehensive income and accumulated in equity in the reserve for valuation of liabilities, rather than in profit or loss. However, if this treatment would create or enlarge an accounting mismatch in profit or loss, then that portion is also recognised in profit or loss.

Financial liabilities denominated in foreign currencies

When a financial liability at fair value through profit or loss is denominated in a foreign currency, the fair value of the instrument is determined in the foreign currency. The fair value is then translated to the ZWL Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised as part of the fair value adjustment in profit or loss. To the extent that the foreign exchange gain or loss relates to the portion of the fair value adjustment recognised in other comprehensive income, that portion of foreign exchange gain or loss is included in the fair value adjustment recognised in other comprehensive income.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

The changes in fair value attributable to changes in own credit risk which accumulated in equity for financial liabilities which were designated at fair value through profit or loss are not reclassified to profit or loss. Instead, they are transferred directly to retained earnings on derecognition.

(j) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

(k) Commitments to provide a loan at a below market interest rate

Commitments to provide a loan at a below market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

(l) Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

Financial asset

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Group derecognises financial liabilities when, and only when, the Group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The Group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

2.9. Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Notes to the Consolidated Financial Statements (continued)

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Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.
Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

Value Added Tax

Revenues, expenses and assets are recognised net of the amount of value added tax except:

- where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables are stated with the amount of value added tax included.

The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Intermediary Money transfer tax

The intermediated money transfer tax as gazetted by the Government, is chargeable in terms of section 36G of the Taxes Act and is calculated at the rate of zero comma zero two United States dollars on every dollar transacted for each transaction on which the tax is payable. The tax is charged provided that if a single transaction on which the tax is payable is equivalent to or exceeds five hundred thousand United States dollars, a flat intermediated money transfer tax of ten thousand United States dollars is chargeable on such transaction.

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2.10. Leases

Finance Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. In respect to assets formerly held under a finance lease, IFRS 16 requires that the Group recognise as part of its lease liability only the amount expected to be payable under a residual value guarantee by the lessee to the lessor. On initial application the Group will present equipment previously included in property, plant and equipment within the line item for the right-of-use asset and the lease liability, previously presented within borrowings, will be presented in a separate line for liabilities.

Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. IFRS 16 will change how the Group accounts for lease previously classified as operating lease under IAS 17, which were off-balance sheet. On initial application of IFRS 16, for all leases (except as noted below), the Group will:

a) recognise right of use assets and lease liabilities in the statement of financial position initially measured at the present value of the future lease payments
b) recognise depreciation of right-of-use assets and interest on lease liabilities in the statement of profit and loss;
c) separate the total amount of cash paid into a principal portion (presents with financing activities) and interest (presented within operating activities) in the cash flow statement
d) lease incentives (eg rent-free period) will be recognised as part of the measurement of the right-of-use assets and lease liabilities.

Under IFRS 16, right-of-use assets will be tested for impairment in accordance with IAS 36 Impairment of Assets, replacing the previous requirement of a provision for onerous contracts. For short term leases (lease term of 12 months or less) and leases of low-value assets (eg personal computers and office furniture), the Group will opt to recognise a lease expense on a straight line basis as permitted by IFRS 16.

Finance leases – lessor accounting

IFRS 16 lessor accounting requirements remain largely unchanged from IAS 17.

The Group recognises finance lease receivables in the statement of financial position.

Finance income is recognised based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the finance lease.

Finance leases – lessee accounting

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

The 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 so as to produce a constant periodic rate on the remaining balance of the liability.

Operating leases – lessor

Operating lease income is recognised as an income on a straight line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in profit or loss.

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For the year ended 31 December 2021

Operating leases – lessee accounting

Until the 2018 financial year, leases of property were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease. The difference between the amounts recognised as an expense and the contractual payments were recognised as an operating lease asset. This liability was not discounted. Any contingent rents are expensed in the period they are incurred.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the lease term on a straight line basis.
The application of IFRS 16 allows the selection of either a full retrospective or modified retrospective approach.

2.11. Inventories

Inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and net realisable value on the weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write down or loss occurs. The amount of any reversal of any write down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Inventories include a "right to returned goods asset" which represents the Group right to recover products from customers where customers exercise their right of return under the Group returns policy. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. A corresponding adjustment is recognised against cost of sales.

2.12. Non current assets (disposal groups) held for sale or distribution to owners

Non current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non current assets and disposal groups are classified as held for distribution to owners when the entity is committed to distribute the asset or disposal group to the owners. This condition is regarded as met only when

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For the year ended 31 December 2021

the distribution is highly probable and the asset (or disposal group) is available for immediate distribution in its present condition, provided the distribution is expected to be completed within one year from the classification date.

Non current assets (or disposal groups) held for sale (distribution to owners) are measured at the lower of their carrying amount and fair value less costs to sell (distribute).
A non current asset is not depreciated (or amortised) while it is classified as held for sale (held for distribution to owners), or while it is part of a disposal group classified as such.
Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale (distribution to owners) are recognised in profit or loss.

2.13. Impairment of assets

The Group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Group also:

- ➢ tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- ➢ tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

2.14. Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as ‘share capital’ in equity. Any amounts received from the issue of shares in excess of par value is classified as ‘share premium’ in equity. Dividends are

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

recognised as a liability in the Group in which they are declared.

2.15. Employee benefits

Short term employee benefits

The cost of short term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

All eligible employees are members of a defined contribution state run pension fund National Social Security Authority (NSSA) and the self-administered Old Mutual Pension Fund.

2.16. Provisions and contingencies

General

Provisions are recognised when:

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

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

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

Provisions are not recognised for future operating losses.

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

A constructive obligation to restructure arises only when an entity:

➢ has a detailed formal plan for the restructuring, identifying at least:

- the business or part of a business concerned;
- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and

➢ has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised

Notes to the Consolidated Financial Statements (continued)

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separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised.

2.17. Government grants

Government grants are recognised when there is reasonable assurance that:

- the Group will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to expenses are recognised as income on a systematic basis over the periods that the related costs, for which it is to compensate, are expensed.

Loans or similar assistance provided by the government or related institution, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as government grant.

Repayment of a grant related to income is applied first against any un amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

2.18. Revenue from contracts with customers

The Group recognises revenue by following the principles of the five-step model in terms of the IFRS 15 – Revenue from contracts with customers and the model is illustrated below:

Step 1 Identification of the contract (s) with customers
Step 2 Identification of separate performance obligations in the contract
Step 3 Determination of the transaction price
Step 4 Allocation of the transaction price to separate performance obligation in the contract
Step 5 Recognition of the revenue when (or as) the Group satisfies a performance obligation

Revenue comprises of revenue from consignment arrangements, bill and hold arrangements, delivery sales, customer collection sales, tolling fees and other income. The Group recognises revenue when it transfers control over a good or service to a customer.

The Group recognises revenue from the following major sources:

- Sales of fertiliser and Chemicals
- Sales of animal and health products

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

- Sales of motor vehicles, trucks and automotive parts
- Provision of general engineering services and coach building
- Development and sale of residential stands
- Provision of management services

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

(a) Point in time

Sale of –fertiliser and chemicals

For sales of fertiliser and chemicals, revenue is recognised when control of the goods has transferred, being when the customer takes possession of the product. This usually occurs when the customer signs the contract which stipulates the terms and conditions including the performance obligations and contract prices. Delivery occurs when the products have been transported to the specific location and the risks of obsolescence and loss have been transferred to the customer. Therefore, revenue is recognised when control is passed to the customer at a point in time. For fertilisers, the customer pays in full at the point of sale. For chemicals, customers pay monthly in equal instalments over a period of 24 months. A receivable is recognised when the performance obligations have been fulfilled as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Bill and hold arrangement –Gypsum- Revenue is recognised at a point in time when control is transferred to the customer, when the customer pays for the Gypsum and request for the bill and holds arrangement. The arrangement has two distinct performance obligations being Gypsum sales and loading. Transaction price is allocated to the performance obligations based on their stand-alone selling prices.
Revenue received in advance –Gypsum and phosphate rock. Deferred revenue is recognised upon advance payment by the customer and revenue is recognised when control is transferred to the customer upon collection of the product. No element of financing is deemed present as the sales are made within 30 days, which is consistent with market practice.

Sale of –Animal and Health products

The Group manufactures and sells animal and health products with limited shelf life

Due to the nature of the products being pharmaceuticals, under the Group standard contract terms, customers have a right of return within 3 months before expiry date. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Group has a right to recover the product when customers exercise their right of return, and consequently a right to returned goods asset (included in inventories) is recognised, with a corresponding adjustment to cost of sales. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal will not occur given the consistent level of returns over previous years.

Sale of motor vehicles, trucks and automotive parts

The Group operates a motor vehicle and truck dealership and selling of automotive parts. The group recognises revenue when the customer takes possession of the products. Customers pay in full on point of sale.

Sales related warranties associated with sport goods cannot be purchased separately and they serve as an assurance that the products sold comply with agreed upon specifications. Accordingly, the Group accounts for warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Land development and resale

The Group develops and sells residential and commercial stands. Revenue is recognised when control over

Notes to the Consolidated Financial Statements (continued)

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the property has been transferred to the customer. The properties have generally no alternative use for the group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer.

The revenue is measured at the transaction price agreed under the contract. In most cases, the consideration is due when legal title has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted for the effects of a significant financing component.

Provision of management services

The corporate generate revenue from rendering management services through promoting investments and economic co-operation across borders. Revenue is recognised progressively based on the cost-to-cost method. Payment terms of the contract with fellow subsidiaries are usually based on equal instalments over the duration of the contract based on the percentage of turnover. If the group has recognised revenue and not issued a bill then the entitlement to the consideration is recognised as a contract asset. The contract asset is then transferred to receivables when the entitlement to payment becomes unconditional

(b) Over time:

Provision of general engineering services and coach building

The Engineering segment generates revenue from coach building and general engineering services under short term contracts. Since such items are either customised or sold together with significant services, the goods and services represent a single combined performance obligation over which control is considered to transfer over time. This is because the combined product is unique to each customer and the Group has an enforceable right to payment for the work completed to date.

Revenue for these performance obligations is recognised over time as the customisation or integration work is performed using the cost-to-cost method to estimate progress towards completion.

Payment terms to fellow subsidiaries are usually based on equal instalments over the duration of the contract.

2.18. Turnover

Turnover comprises of sales to customers and service rendered to customers. Turnover is stated at the invoice amount and is exclusive of value-added taxation.

2.19. Other income

Interest income

Interest income is recognised in profit and loss using the effective interest method.

Dividend income

Dividend income is recognised when the group's right to receive payment is established which is generally when the shareholders approve the dividend.

Rental income

Rental income is recognised on a straight line basis over the lease term

Premiums

Revenue is recognised on the date on which the policy is effective.

Fees and commission

Fees and commission are recognised as revenue over the period in which the related services are rendered. If the fees are for services provided in future periods then they are deferred and recognised over future periods.

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For the year ended 31 December 2021

2.20. Acquisition costs

Acquisition costs, which represent commissions and other related expenses, are deferred over the period in which the related premiums are earned and are recognised in full through the profit and loss for the period they relate to

2.21. Claims

Claims represent the ultimate cost (net of salvage recoveries) of settling all claims arising from events that have occurred up to the reporting date.

Claims incurred comprise the settlement and handling costs paid and outstanding claims arising from events occurring during the financial year together with adjustments to prior year claims and provision.

Claims outstanding comprise provisions for the entity's estimate of the ultimate cost of settling all claims incurred but unpaid at the statement of financial position date whether reported or not, and related internal claims handling expenses and an appropriate prudential margin.

Claims outstanding are assessed by reviewing individual claims and making allowances for claims incurred but not yet reported, the effect of both internal and external foreseeable events, such as claims handling procedures, inflation, judicial trends, legislative changes and past experience and trends. Provisions for claims outstanding are not discounted.

2.22. Insurance contract

Insurance contracts are those contracts when the company (the insurer) has accepted significant insurance risk from another party (the policy holder) by agreeing to compensate the policyholders if a specified uncertain future event(the insured event) adversely affects the policyholders. As a general guideline the entity determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur.

Once a contract has been classified as insurance contract it remains as insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

2.23. Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write down or loss occurs. The amount of any reversal of any write down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Contract costs comprise:

- ➢ costs that relate directly to the specific contract;
- ➢ costs that are attributable to contract activity in general and can be allocated to the contract; and
- ➢ such other costs as are specifically chargeable to the customer under the terms of the contract.

Cost of sales is reduced by the amount recognised in inventory as a "right to returned goods asset" which represents the Group right to recover products from customers where customers exercise their right of return under the Group returns policy.

Notes to the Consolidated Financial Statements (continued)

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2.24. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

2.25. Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in US Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.
When a gain or loss on a non monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in ZWL Dollars by applying to the foreign currency amount the exchange rate between the ZWL Dollar and the foreign currency at the date of the cash flow.

3.0. Changes in accounting policy

The financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

3.1 Application of IFRS 9 Financial Instruments

The Group applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRSs. IFRS 9 replaces IAS 39 Financial Instruments and introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) impairment for financial assets and 3) general hedge accounting. Details of these new requirements as well as their impact on the Group's financial statements are described below.

Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Group has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 01 January 2018. Accordingly, the Group has applied the requirements of IFRS 9 to instruments that have not been derecognised.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The measurement requirements are summarised below:

Debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortised cost.

Debt investments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at fair value through other comprehensive income.

All other debt investments and equity investments are subsequently measured at fair value through profit or loss, unless specifically designated otherwise.

The Group may, on initial recognition, irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies in other comprehensive income.

The Group may irrevocably designate a debt investment that meets the amortised cost or fair value through other comprehensive income criteria as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

When a debt investment measured at fair value through other comprehensive income is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. In contrast, for an equity investment designated as measured at fair value through other comprehensive income, the cumulative gain or loss previously recognised in other comprehensive income is not subsequently reclassified to profit or loss.

Debt instruments that are subsequently measured at amortised cost or at fair value through other comprehensive income are subject to new impairment provisions using an expected loss model. This contrasts the incurred loss model of IAS 39.

The directors reviewed and assessed the Group's existing financial assets as at 01 January 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the Group's financial assets as regards to their classification and measurement:

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

Redeemable notes

The Group's redeemable notes that were classified as available for sale financial assets under IAS 39 have been classified as financial assets at fair value through other comprehensive income, as they are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and they have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The change in fair value on these redeemable notes continues to be accumulated in equity until they are derecognised or reclassified.

Investments in equity instruments

The Group's investments in equity instruments (neither held for trading nor a contingent consideration arising from a business combination) that were previously classified as available for sale financial assets and were measured at fair value at each reporting date under IAS 39 have been designated as at fair value through other comprehensive income. The change in fair value on these equity instruments continues to be accumulated in equity. However, the cumulative amount in equity is no longer reclassified to profit or loss on derecognition of the equity investments.

Debt instruments

Debt instruments classified as held to maturity and loans and receivables under IAS 39 that were measured at amortised cost continue to be measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

Debt instruments designated as at fair value through profit or loss

In the current year, the Group has not designated any debt investments that meet the amortised cost or fair value through other comprehensive income criteria as measured at fair value through profit or loss. In addition, there were no such instruments which were measured at fair value through profit or loss under IAS 39 which have been de designated either voluntarily or because they no longer meet the designation criteria.

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Group to recognise a loss allowance for expected credit losses on debt investments subsequently measured at amortised cost or at fair value through other comprehensive income, lease receivables, contract assets and loan commitments and financial guarantee contracts to which the impairment requirements of IFRS 9 apply. In particular, IFRS 9 requires the Group to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit impaired financial asset. On the other hand, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit impaired financial asset), the Group is required to measure the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses. IFRS 9 also provides a simplified approach for measuring the loss allowance at an amount equal to lifetime expected credit losses for trade receivables, contract assets and lease receivables in certain circumstances.

The Group reviewed and assessed the Group's existing financial assets, amounts due from customers and financial guarantee contracts for impairment using reasonable and supportable information that was available without undue cost or effort in accordance with the requirements of IFRS 9 to determine the credit risk of the

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

respective items at the date they were initially recognised.

The additional loss allowance is charged against the respective asset or provision for financial guarantee, except for the investments at fair value through other comprehensive income, the loss allowance for which is recognised against the reserve in equity.

Classification and measurement of financial liabilities

One major change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognised. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL was presented in profit or loss accounting for changes in the fair value of redeemable cumulative preference shares that were designated on initial recognition as financial liabilities at fair value through profit or loss. Apart from the above, the application of IFRS 9 has had no impact on the classification and measurement of the Group's financial liabilities.

3.2 Application of IFRS 15 Revenue from contracts with customers

In the current year, the Group has applied IFRS 15 Revenue from Contracts with Customers and the related consequential amendments to other IFRSs. IFRS 15 replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue Barter Transactions Involving Advertising Services.

IFRS 15 introduces a 5 step approach to revenue recognition. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Details of these new requirements as well as their impact on the Group financial statements are described below. Refer to the revenue accounting policy for additional details.

The Group has applied IFRS 15 in accordance with the cumulative effect method, by recognising the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity. The comparative information has therefore not been restated.

The Group has applied IFRS 15 without using the practical expedients for completed contracts in IFRS 15.C5 (a), and (b), or for modified contracts in IFRS 15.C5(c) but using the expedient in IFRS 15.C5 (d) allowing both non disclosure of the amount of the transaction price allocated to the remaining performance obligations, and an explanation of when it expects to recognise that amount as revenue for all reporting periods presented before the date of initial application.

The main changes are explained below:

Land development and sale

For land development and sale the deposit increased from 25% to 50% and that is when revenue is recognised and the contracts are signed by both parties the seller and purchaser. The balance of the 50% of the purchase price is paid over a period of 18 months. An adjustment to revenue has therefore been made to reflect the change in accounting.

Provision of engineering services

The amounts allocated to the engineering service increase as a result of the allocation method required under

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

IFRS 15 (i.e. an allocation based on stand alone selling price of the combined product). Revenue is recognised over time as the customisation is performed using the cost-to-cost method to estimate progress towards completion. There has been no adjustment to revenue and as the engineering segment has been idle during the year ended 31 December 2021.

Right of return- Animal and Health products

Under the Group standard contract terms for the sale of animal and health products, customers have a right of return within 3 months before expiry of the product. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Group has a right to recover the product from customers when they exercise their right of return, and so it consequently recognises a right to returned goods asset and a corresponding adjustment to cost of sales. No adjustments were previously made for this, as the impact was not considered to be material.

3.3 Application of IFRS 16 Leases.

AS of 1 January 2019, the Group has applied IFRS 16 Leases which provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. It will supercede the following lease Standard and interpretations upon its effective date:

- IAS 17 Leases
- IFRIC 4 Determining whether an Arrangement contains a Lease.
- SIC – 15 Operating Leases – Incentives;
- SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Identification of a Lease

IFRS 16 applies a control model to the identification of leases, distinguishing between leases and service contracts on the basis of whether there is an identified asset controlled by the customer.

Control is considered to exist if the customer has:
The right to obtain substantially all the economic benefits from the use of an identified asset; and the right to direct the use of the asset. The detailed guidance to determine whether those conditions are met, including instances where the supplier has substantive substitution rights, and where the relevant decisions about how and for what purpose the asset is used are predetermined as outlined in Note 2.10 Leases.

3.4 (a) Revaluation of Property, Plant and Equipment (PPE)

The Group policy is to perform a Revaluation exercise every three years on Revalued assets as follows:

- Freehold Buildings are recognised at revalued amounts being the fair value at the date of revaluation, lease any subsequent accumulated depreciation and accumulated impairment losses (IFRS 13: Fair Value Measurement).
- Investment Property is recognised at revalued amounts being the fair value at the date of revaluation. (IFRS 13: Fair Value Measurement).
- Plant and Equipment is initially recognised at cost less accumulated depreciation and impairment losses (IAS 16: Property, Plant and Equipment). IAS 29: Financial Reporting in Hyperinflationary Economies requires the restatement of PPE from the date of purchase. The Group noted that detailed records of the acquisition dates might be impractical to obtain or estimate, hence the use of an independent professional valuation s of PPE as basis of restatement in the first period of standard application. The Group therefore has changed its accounting policy from recognising all PPE items using the Cost Model to Revaluation Model with effect from 31 December 2019.

(b) Office Equipment

Whilst previously acquisition costs of cellphones and tablets were expensed direct in the income statement, the new policy effective in the financial statements for the year ended 2021, would require that such costs be capitalized and depreciated over a period of two years. Whilst the change was voluntary and would require

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

retrospective application and the restatement of financial statements for the relevant period in line with IAS 8: Accounting Policies, changes in accounting estimates and errors, group resolved to apply the exceptions as provided in the standard IAS 8. IAS 8 provide for exceptions under the following circumstances:

- Where the effect of a change in accounting policy is not determinable for any prior period due to impracticability, the change in accounting policy must be accounted for prospectively from the start of the period in which the effect of change is determinable. In other words, the change is accounted for retrospectively to the extent that is practicable.
- If it is not clear whether a change represents a change in accounting policy or estimate, the change must be accounted for as a revision of accounting estimate.
- Where the effect of a change represents a change in accounting policy is not material, the change may be accounted for prospectively.
- Change in accounting policy may be accounted for prospectively where the nature of transactions and events differ substantially from those recognized previously.
- Where non-current assets are subject to the application of revaluation models under IAS 16 and IAS 38 for the first time, the change in policy is accounted for prospectively according to those standards rather than IAS 8.

The total and net carrying values of PPE items affected are $55 009.50 and $2 717.44 respectively, which the Group considered immaterial to adopt a full retrospective application and restatement of financial statements.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

4. New Standards and Interpretations

4.1. Standards and interpretations effective and adopted in the current year

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
IFRS 16: Initial application of COVID-19 – Related Rent Concessions Executive Summary *In May 2020, the IASB issued Covid-19-Related Rent Concessions that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of Covid-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a Covid-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the Covid-19-related rent concession applying IFRS 16 as if the change were not a lease modification* *The practical expedient applies only to rent concessions occurring as a direct consequence of Covid-19 and only if all the following conditions are met:* • *The change in lease payments in revised consideration for the lease that is substantially the same as, or less than the consideration for the lease immediately preceding the change.* • *Any reduction in lease payments affects only payments originally due on or before 20 June 2021(a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and* • *There is no substantive change to other terms and conditions of the lease.*	1 April 2021	Unlikely there will be a material impact.
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS16 *On 27 August 2020, the IASB issued 'Interest Rate Benchmark Reform — Phase 2' with amendments that address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates.*	1 January 2021	unlikely there will be a material impact.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

4.2. Standards, amendments and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 01 January 2021 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
IAS 37: Provisions, contingent liabilities and contingent assets *On 14 May 2020, the IASB issued 'Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)' amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.*	1 January 2022	Unlikely there will be a material impact
IFRS 3: Business combinations *The IASB has updated IFRS 3, Business combinations to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or liability in a business combination.* *In addition, the IASB added the new exception in IFRS 3 for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37, Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21, Levies, rather than the 2018 Conceptual Framework. The IASB has also clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date*	1 January 2022	Unlikely there will be a material impact
IAS 12: Income Taxes *On 7 May 2021, the IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)' that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.*	1 January 2023	Likely there will be a material impact.
IFRS 17: Insurance contracts *On 25 June 2020, the IASB issued 'Amendments to IFRS 17' to address concerns and implementation challenges that were identified after IFRS 17 'Insurance Contracts' was published in 2017.*	1 January 2023	Unlikely there will be a material impact

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

IAS 16 Property, Plant and Equipment: Proceeds before intended use Executive Summary *The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before the asset is available for use ie proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss.*	1 January 2022 with early adoption permitted	Unlikely to have a material impact
Amendments to IAS 37 Onerous Contracts: Cost of fulfilling a contract Executive Summary *The amendments specify that the 'cost of fulfilling' a contract comprises the cost that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental cost of fulfilling that contract and an allocation of other cots that relate directly to fulfilling contracts* *The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of the initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.*	1 January 2022 with early adoption permitted	Unlikely to have a material impact
Amendments to IAS 37 Onerous Contracts: Cost of fulfilling a contract *Executive Summary* *The amendments specify that the 'cost of fulfilling' a contract comprises the cost that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental cost of fulfilling that contract and an allocation of other cots that relate directly to fulfilling contracts* *The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of the initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.*	1 January 2022, applied retrospectively with early adoption permitted	Unlikely to have a material impact

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

IFRS 10: Consolidated Financial Statements and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture Executive Summary *The amendments deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture.* *IAS 28 and IFRS 10 are amended as follows:* ***IAS 28 now reflects the following***: ● *Gains and losses resulting from transactions involving assets that do not constitute a business between an investor and its associate or joint venture are recognised to the extent of related investors' interests in the associate or joint venture; and* ● *Gains or losses from downstream transactions involving assets that constitute a business between an investor and its associate or joint venture should be recognised in full in the investor's financial statements.* ***IFRS 10** now reflects the following:* ● *Gains or losses resulting from the loss of control of a subsidiary that does not contain a business in transaction with an associate or joint venture that is accounted for using the equity method, are recognised in the parent's profit and loss only to the extent of the unrelated investor's interests in that associate or joint venture; and* ● *Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investor's interests in the new associate or joint venture.* ● *In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.* ● *Earlier application of these amendments is still permitted.*	Postponed to a date to be advised (initially 1 January 2016)	Unlikely there will be a material impact

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Non-current Executive Summary The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expense, or the information disclosed about those items. The amendments *clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, *specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, *explain that rights are inexistence if covenants are complied with at the end of the reporting period, and *introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the documentary of cash, equity instruments, other assets or services.	1 January 2022, applied retrospectively with early adoption permitted	Unlikely to have a material impact

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

IFRS 10: Consolidated Financial Statements and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture Executive Summary *The amendments deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture.* *IAS 28 and IFRS 10 are amended as follows:* ***IAS 28 now reflects the following***: ● *Gains and losses resulting from transactions involving assets that do not constitute a business between an investor and its associate or joint venture are recognised to the extent of related investors' interests in the associate or joint venture; and* ● *Gains or losses from downstream transactions involving assets that constitute a business between an investor and its associate or joint venture should be recognised in full in the investor's financial statements.* ● *IFRS 10 now reflects the following:* ● *Gains or losses resulting from the loss of control of a subsidiary that does not contain a business in transaction with an associate or joint venture that is accounted for using the equity method, are recognised in the parent's profit and loss only to the extent of the unrelated investor's interests in that associate or joint venture; and* ● *Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investor's interests in the new associate or joint venture.* ● *In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.* ● *Earlier application of these amendments is still permitted.*	Postponed to a date to be advised (initially 1 January 2016)	Unlikely there will be a material impact

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

	GROUP				CORPORATION			
	Inflation Adjusted		Historical Cost		Inflation Adjusted		Historical Cost	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
5 Loss before taxation is stated after accounting for the following items:								
5.1 Revenue								
Revenue consists of the following principal categories								
Sale of goods and services	11 131 895 840	9 693 266 897	8 836 859 936	4 327 627 217	-	-	-	-
Management fees	-	-	-	-	206 576 829	398 477 996	153 895 612	42 630 155
	11 131 895 840	9 693 266 897	8 836 859 936	4 327 627 217	206 576 829	398 477 996	153 895 612	42 630 155
5.2 Other operating income								
Profit on disposal of items of property and equipment	42 011 206	896 155	30 235 368	173 778	-	790 165	-	111 746
Profit on disposal of investment in shares	-	-	-	-	-	-	-	-
Fees and commission	14 426 486	10 137 840	11 846 476	4 306 891	-	-	-	-
Cost of cancelled sales	-	-	-	-	-	-	-	-
Rent received	65 981 635	66 247 391	52 774 542	29 006 514	-	-	-	-
Sundry income	7 344 568	31 119 089	7 411 222	4 485 515	622 320	3 642 974	622 320	297 613
Guarantee fees	46 025 076	21 522 342	45 404 346	2 252 277	46 025 076	21 522 342	45 404 346	2 252 277
Assembly Fees	-	-	-	1 175 081	-	-	-	
Interest on DFI Loans	114 974 786	162 843 262	94 944 538	18 775 174	114 974 786	162 843 262	94 944 538	18 775 174
Directors fees	12 361 663	19 477 104	10 324 279	3 174 160	4 328 083	18 031 511	4 328 083	2 326 233
Bad debts recovered	-	-	-	-	-	-	-	-
Scrap sales	49 138 710	5 528 334	38 463 309	14 027 579	-	-	-	-
Dividends	87 306 622	690 587 607	66 057 144	41 044 892	182 725 688	854 014 417	159 889 156	102 510 282
Exchange Gain	2 633 592	16 665 387	2 487 956	7 090 400	-	-	-	
Export Incentive	513 190	-	-	-	-	-	-	
	442 717 534	1 025 024 511	359 949 180	125 512 260	348 675 953	1 060 844 670	305 188 443	126 273 324

Sundry income comprises of scrap sales, reversal of impairment, management fees and other receivables interest.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

	GROUP				CORPORATION			
	Inflation Adjusted		Historical Cost		Inflation Adjusted		Historical Cost	
	2021	2020	2021	2020	2021	2020	2021	2020
	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
5.3 Administration Expenses								
Included in the administration expenses are the following items:								
Loss on disposal of items of property and equipment	-	-	33 977 553	543 628	-	-	-	-
Audit fees	8 499 752	27 428 614	6 407 040	4 621 962	556 914	459 019	556 914	285 105
Depreciation	(8 294 864)	196 676 787	417 005 421	90 873 477	14 512 845	6 182 873	4 534 497	3 840 295
Amortisation of intangible assets	125 452	-	97 219	43 508	-	-	-	-
Directors' emoluments:								
-for services as directors	33 289 232	27 428 614	25 395 728	10 214 701	5 363 704	8 427 213	1 796 879	1 155 406
-for managerial services	427 205 568	426 957 867	-	8 243 603	26 564 704	66 788 622	21 258 946	6 443 196
Employee benefits expense :								
-Salaries and wages	1 149 882 686	1 084 789 635	893 426 029	392 532 762	114 733 107	329 703 106	91 951 679	38 119 971
-National Social Security Authority	12 970 842	52 278 069	11 365 057	21 596 783	1 111 459	2 626 683	922 672	285 271
- Pension costs	41 431 073	25 600 317	31 318 039	5 832 621	7 308 099	14 069 391	6 021 683	1 621 419
- Medical aid	93 779 298	78 135 720	74 514 117	27 447 922	6 778 848	17 042 064	5 086 233	1 478 090
5.4 Net finance costs								
Finance costs:								
Interest on debts and borrowings	(273 811 597)	(116 206 995)	(317 231 281)	(26 180 924)	(4 232 079)	(58 604 409)	(4 232 079)	(7 314 897)
Finance income:								
Interest income on loans receivable	-	-	-	-	-	-	-	-
Interest on accounts receivable	42 265 777	23 811 280	113 510 846	8 284 449			-	-
	(231 545 820)	(92 395 715)	(203 720 435)	(17 896 475)	(4 232 079)	(58 604 409)	(4 232 079)	(7 314 897)
5.5 Other operating expenses	-	-	-	-		-	-	-
	-	-	-	-	-	-	-	-

GROUP		CORPORATION	
Inflation Adjusted	Historical Cost	Inflation Adjusted	Historical Cost

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
5.6 Appreciation/(Impairment) of Subsidiaries and Associates								
Motira (Private) Limited	-	-	-	-	-	-	-	-
Sunway City (Private) Limited	-	-	-	-		3 054 804 910	-	-
Ginhole Investments (Private) Limited	-	-	-	-	-	219 124 579	-	-
Zimbabwe Grain Bag (Private) Limited	-	-	-	-	-	125 245 065	-	-
Chemplex Corporation Limited	-	-	-	-	-	6 782 875 047	-	-
Willowvale Motor Industries (Private) Limited	-	-	-	-	-	809 613 175	-	-
Deven Engineering (Private) Limited	-	-	-	-	-	345 918 997	-	-
Sino Zimbabwe Cement Company	-	-	-	-	-	551 790 993	-	-
Other	-	-	-	-	-	356 962 208	-	-
	-	-	-	-	-	12 246 334 975	-	-

	GROUP				CORPORATION			
	Inflation Adjusted		Historical Cost		Inflation Adjusted		Historical Cost	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
6 Taxation								
Income tax								
Current tax expenses								
Current year	(581 945 256)	(747 826 206)	(578 452 357)	(227 954 503)	(146 765 374)	(1 702 966)	(146 765 374)	121 494 918
	(581 945 256)	(747 826 206)	(578 452 357)	(227 954 503)	(146 765 374)	(1 702 966)	(146 765 374)	121 494 918
Deferred tax expense								
Origination and reversal of temporary differences	518 640 118	608 280 991	1 165 759 121	67 978 008	-	197 309 784	-	-
Income (credit)/tax reported in the income statement								-
	(63 305 138)	**(139 545 216)**	**587 306 764**	**(159 976 495)**	**(146 765 374)**	**195 606 818**	**(146 765 374)**	**121 494 918**

GROUP		CORPORATION	
Inflation Adjusted	Historical Cost	Inflation Adjusted	Historical Cost

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
6 Taxation								
Amounts recognised in other comprehensive income								
Revaluation of property, plant and equipment	979 741 266	-	1 727 846 329	750 589 572	-	-	-	(12 210 972)
Income tax charged directly to other comprehensive income	979 741 266	-	1 727 846 329	750 589 572	-	-	-	(12 210 972)
Reconciliation of effective tax charge								
Profit/(loss) before tax	(1 357 086 857)	**6 076 179 894**	1 521 930 403	921 030 784	(74 454 721)	3 320 756 989	189 326 509	(670 249 680)
	%	%	%	%	%	%	%	%
Standard rates	(25.75)	(25.75)	(25.75)	(25.75)	(25.75)	(25.75)	(25.75)	(25.75)
Unutilised assessed losses	-	-	-	-	-	-	-	-
Interest subject to lower rates of tax	(7.26)	(7.26)	(7.26)	(7.26)	0.08	0.08	0.08	0.08
Tax incentive subject to lower rates	21.77	21.77	21.42	21.42	0.09	0.09	0.05	0.05
Permanent differences-associated companies	34.97	35.06	35.77	35.77	-	-	-	-
Gain on loss of control	-	-	-	-	-	-	-	-
Disallowable expenses	(23.78)	(23.80)	(23.79)	(24.35)	23.61	25.52	24.84	25.44
Other (non taxable)/non deductible items	-	-	-	-	-			
Total	**(0.05)**	**0.02**	**0.39**	**(0.17)**	**(1.97)**	**(0.06)**	**(0.78)**	**(0.18)**
7 Deferred taxation								
Net deferred tax analysed as follows								
Deferred tax liabilities	2 764 236 161	1 769 914 380	1 688 427 959	1 109 941 914	96 378 356	172 581 466	96 378 356	107 193 457
Deferred tax asset	(467 149 865)	(397 693 229)	(166 212 122)	(231 978 575)	(14 213 068)	(270 659 377)	(14 213 068)	(168 111 414)
	2 297 086 296	**1 372 221 151**	**1 522 215 837**	**877 963 339**	**82 165 288**	**(98 077 911)**	**82 165 288**	**(60 917 957)**
Deferred tax comprises of the tax effect on temporary differences arising from:								
Property, plant and equipment	2 483 475 600	1 505 590 244	1 420 259 910	810 872 790	13 793 144	34 894 655	13 793 144	21 673 699

Receivables	5 103 243	3 323 690	5 103 243	2 064 404	-	-	-	-
Investments	146 662 091	207 322 580	146 662 091	128 771 789	82 585 212	137 686 810	82 585 212	85 519 758
Inventory	48 748 350	(5 137 690)	(8 930 927)	(2 640 627)	-	-	-	-
Revaluations	80 246 877	44 693 452	125 333 642	162 812 841	-	-	-	-
Prepayments	(8 725 980)	8 984 413	(11 430 011)	5 420 090	-	-	-	-
Provisions	(34 347 312)	(86 749 447)	(66 116 025)	(43 276 989)	(7 790 788)	(1 107 239)	(7 790 788)	(687 726)
Assessed loss	(417 654 293)	(133 730 480)	(82 243 806)	(17 963 738)	-	-	-	-
Unrealised exchange loss	(6 422 280)	(172 075 612)	(6 422 280)	(168 097 221)	(6 422 280)	(269 552 138)	(6 422 280)	(167 423 688)
	2 297 086 296	**1 372 221 151**	**1 522 215 837**	**877 963 339**	**82 165 288**	**(98 077 911)**	**82 165 288**	**(60 917 957)**

The group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and deferred tax assets, and deferred tax liabilities relate to income taxes levied by the same authority.

The group did not recognise deferred tax assets in respect of the assessed tax losses because it is not probable that future taxable profits will be available against which the Group can use the benefits therefrom. The tax losses amount to $133 730 480 (2020 : $17 963738)

8 Property, plant and equipment

INFLATION ADJUSTED - GROUP

	Land, buildings & permanent works ZWL$	Plant & equipment ZWL$	Motor vehicles ZWL$	Office furniture & Equipment ZWL$	Mining assets ZWL$	Capital work in progress ZWL$	Total ZWL$
Cost or valuation							
At 1 January 2020	10 318 575 002	1 976 373 055	911 247 776	142 103 895	174 558 707	137 603 868	13 660 462 503
Additions	108 925 133	24 614 865	46 305 377	16 295 935	-	42 254 239	238 395 550
Transfers	-	-	(2 118 754)	1 514 091	-	(1 996 400)	(2 601 063)
Revaluation	292 828 909	(82 622 326)	10 497 986	(13 753 655)	-	43 606 193	250 557 107
Reclassification to Investment property	-	-	-	-	-	-	-
Disposals	(2 274 991)	(4 791 362)	(20 044 500)	(778 810)	(174 558 707)	-	(202 448 370)
Assets held for sale	-	-	-	-	-	-	-
As 31 December 2020	**10 718 054 253**	**1 913 574 233**	**945 887 885**	**145 381 456**	**-**	**221 467 900**	**13 944 365 727**
Additions	46 105 862	40 711 035	27 180 945	26 269 066	-	131 596 966	271 863 874
Transfers	(598 240 641)	(81 990 789)	(43 086 276)	(196 518)	-	(6 715 376)	(730 229 600)
Revaluation	3 455 563 525	35 575 024	47 394 390	(11 569 309)	-	(263 900 503)	3 263 063 127
Disposals	(5 820 909)	(33 300 750)	(9 973 463)	(14 348 345)		-	(63 443 467)
Assets held for sale	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

At 31 December 2021	**14 051 158 028**	**1 874 568 753**	**967 403 481**	**145 536 350**	**-**	**82 448 988**	**17 121 115 599**
						939 532	
Accumulated depreciation							
At 1 January 2020	1 015 346 542	659 302 630	233 348 675	61 649 729	-	5 776 455	1 975 424 030
Charge for the year	30 091 409	91 722 043	56 899 545	17 963 791	-	-	196 676 787
Impairment loss recognised in Profit or loss	(71 751 006)	76 629 718	(50 279 677)	(17 679 697)	-	-	(63 080 661)
Transfers	-	-	-	-	-	-	-
Disposals	(2 512 769)	(1 319 068)	(2 027 982)	(104 814)	-	-	(5 964 633)
Assets held for sale	-	-	-	-	-	-	-
As 31 December 2020	**971 174 176**	**826 335 322**	**237 940 560**	**61 829 009**	**-**	**5 776 455**	**2 103 055 522**
Charge for the year	255 039 965	(142 722 138)	(105 749 711)	(14 862 980)	-	-	(8 294 864)
Impairment loss recognised in Profit or loss	(1 181 731 714)	630 621 840	106 990 649	14 947 469	-	-	(429 171 756)
Disposals	-	2 347 540	1 611 166	26 865	-	-	3 985 571
Assets held for sale	-	-	-	-	-	-	-
At 31 December 2021	**44 482 427**	**1 316 582 564**	**240 792 664**	**61 940 363**	**-**	**5 776 455**	**1 669 574 473**
Net book value							
As 31 December 2021	**14 006 675 601**	**557 986 188**	**726 610 817**	**83 595 987**	**-**	**76 672 533**	**15 451 541 126**
As 31 December 2020	**9 746 880 077**	**1 087 238 910**	**707 947 325**	**83 552 447**	**-**	**215 691 446**	**11 841 310 205**

HISTORICAL COST - GROUP

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

Cost or valuation	Land, buildings & permanent works ZWL$	Plant & equipment ZWL$	Motor vehicles ZWL$	Office furniture & Equipment ZWL$	Mining assets ZWL$	Capital work in progress ZWL$	Total ZWL$
At 1 January 2019							
At 1 January 2020	1 457 566 634	250 295 479	54 667 778	13 383 652	23 663 049	11 027 874	1 810 604 466
Additions	62 933 878	17 151 011	23 386 184	6 989 380	-	21 434 897	131 895 350
Transfers	-	-	(54 699)	(226 359)	-	(535 000)	(816 058)
Revaluation	4 737 847 771	517 190 259	162 107 296	34 138 512	-	-	5 451 283 838
Reclassification to Investment property	-	-	-	-	-	-	-
Disposals	(51 233 560)	(33 335 470)	(10 296 980)	(992 070)	(23 663 049)	-	(119 521 129)
Assets held for sale	-	-	-	-	-	-	-
As 31 December 2020	**6 207 114 723**	**751 301 279**	**229 809 579**	**53 293 115**	**-**	**31 927 771**	**7 273 446 467**
Additions	45 387 729	51 833 874	26 727 616	19 561 808	-	113 469 010	256 980 037
Transfers	-	-	-	-	-	-	-
Revaluation	7 727 556 381	187 015 676	16 806 397	(2 959 512)	-	(128 645)	7 928 290 297
Disposals	(6 427 407)	(29 991 758)	(7 960 800)	(2 308 377)	-	-	(46 688 342)
Assets held for sale	-	-	-	-	-	-	-
At 31 December 2021	**13 973 631 426**	**960 159 071**	**265 382 792**	**67 587 034**	**-**	**145 268 135**	**15 412 028 459**
Accumulated depreciation							

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

At 1 January 2020	102 973 335	66 493 231	15 751 731	3 649 767	20 479 617	178 393	209 526 074
Charge for the year	42 175 064	28 337 145	15 063 549	5 297 719	-	-	90 873 477
Impairment loss recognised in Profit or loss	(23 481 427)	(18 788 764)	(11 215 485)	(4 149 188)	-	-	(57 634 864)
Transfers	-	-	-	-	-	-	-
Disposals	(42 515 000)	(26 839 009)	(1 247 032)	(429 857)	(20 479 617)	-	(91 510 515)
Assets held for sale	-	-	-	-	-	-	-
As 31 December 2020	**79 151 972**	**49 202 603**	**18 352 763**	**4 368 441**	**-**	**178 393**	**151 254 172**
Charge for the year	196 218 166	112 522 446	86 022 607	22 242 202	-	-	417 005 421
Impairment loss recognised in Profit or loss	(250 827 257)	(147 559 699)	(100 834 417)	(23 690 058)	-	(128 645)	(523 040 076)
Disposals	(129 808)	(2 076 137)	(1 344 871)	26 914	-	-	(3 523 902)
Assets held for sale	-	-	(626 253)	-	-	-	(626 253)
At 31 December 2021	**24 413 073**	**12 089 213**	**1 569 828**	**2 947 499**	**-**	**49 748**	**41 069 362**
Net book value							
As 31 December 2021	**13 949 218 353**	**948 069 858**	**263 812 964**	**64 639 534**	**-**	**145 218 387**	**15 370 959 096**
As 31 December 2020	**6 127 962 751**	**702 098 676**	**211 456 816**	**48 924 674**	**-**	**31 749 378**	**7 122 192 295**

(a) Fair value measurement of the Group's freehold land and buildings

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

Sunway City : During the the year land was revalued by an independent valuer, Phoenix (Private) Limited to assess the fair value of Investment property comprising of factory buildings to be leased out on completion in terms of an operating lease. The fair value factory buildings were revalued on the basis of observable prices on the active market as at 31 December 2021.

Chemplex Corporation

The Property, Plant and Equipment were revalued by Dawn Property Consultancy (Private) Limited(Dawn) on the basis of depreciated replacement values. The group engaged Dawn an accredited independent valuer to assess the fair value of its Property, Plant and Equipment. The Group determined fair value by reference to the market based evidence. This means that valuations performed by the valuer are based on market prices, adjusted for any differences in the nature , location or condition of the specific property as at 31 December 2021. Revaluation adjustments relate to the accumulated depreciation as at the valuation date that was eliminated against the gross carrying amount of the valued assets.

Details of the Group's land and buildings and information about fair value hierarchy as at 31 December 2021 are as follows:

Group	Inflation Adjusted		Historical Cost	
	2021	2020	2021	2020
	ZWL$	ZWL$	ZWL$	ZWL$
Balance at 1 January	11 153 550 191	9 738 724 598	6 127 962 751	1 354 593 299
Additions	46 105 862	108 925 133	45 387 729	62 933 878
Reclassification to Investment property	-	-	-	-
Changes in fair values	3 455 563 525	292 828 909	7 727 556 381	4 737 847 771
Disposals	(604 061 550)	(2 274 991)	(6 427 407)	(51 233 560)
Assets held for sale	-	-	-	-
Depreciation	(44 482 427)	44 172 366	54 738 899	23 821 363
Balance at 31 December	**14 006 675 601**	**10 182 376 014**	**13 949 218 353**	**6 127 962 751**

	Level 1	Level 2	Level 3	Fair value as at 31 December 2020	
	ZWL$	ZWL$	ZWL$	ZWL$	
Land and buildings	-	-	14 006 675 601	14 006 675 601	**Inflation adjusted**
	-	-	13 949 218 353	13 949 218 353	**Historical cost**

There were no transfers between level 1, 2 and level 3

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

Valuation techniques and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of land and buildings, as well as the significant observable inputs used.

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
The Investment Method was applied on all income producing properties. Market capitalisation rates were derived from market sales evidence and were determined in consultation with other investors and property brokers in the market.	**Average rentals per square metre -** US$2.50 to US$3.4 **Average investment yield -** 11% to 15% Expected market rental growth was lower due to constrained economic condition	The estimated fair value would increase (decrease) if: - expected market rental growth were higher (lower) - void period were shorter(longer) - occupancy rate higher(lower) and -yields were higher
The Direct Comparison Method was applied on all residential properties, after Green Plan (Private) Limited identified various properties that have been sold or which were on sale and situated in comparable areas using the Main Space Equivalent (MSE) principle. The total MSE of comparable areas was then used to determine the value per square metre of MSE.	**Estimated remaining life** 1 -20yrs **Offices** Average rentals per square metre were between USD5.50 - 6.00 for offices. Average yield was 10.50% Expected market rental growth was lower due to constrained economic condition	- yield rates were higher(lower) -building quality was higher -land values were higher -location of the property was better -main space was higher -the building size was big and in good location
The Depreciation Replacement Value was used on specialised properties whose values cannot be easily observable in the market. Gross replacement costs were applied per square metre of plinth areas of a building and then a depreciation factor was affected on the total GRC to give rise to a depreciated replacement cost which would then be added to the land value to give a depreciated replacement value.	**Specialised properties.** Building costs. Depreciation factors depended on the age and functional obsolesce of the building. Land values were observed from the market and differed from location to location.	Depreciated replacement value would increase if - The buildings were new and/or were well maintained -Land values were higher -Gross replacement costs per square metre were higher

(b) Impairment loss

During the year ended 31 December 2021, due to reduction in market value for some assets, the Group tested its assets for impairment and recognised an impairment loss of $33 724 475 (2020 : $79 549 563).

(c) Ginhole Investments (Private) Limited

The Corporation was mandated by the Ministry of Industry and Commerce to manage Last Hope Estate in 2005. Last Hope Estate is a 594 hectare property in Hwange District and comprises of a bakery, tile factory, service station, game park and a hotel with a combined carrying amount of $38 925 456 which is now under Held for sale. The title of property is still under Zimbabwe Development Corporation(ZDC) and processes are underway to effect change of onwership to IDCZ. It is expected that the transfer of ownership would be completed by end 2021.

(d) The following items of property, plant and equipment have been pledged as security against borrowings:

1.0 RBZ Finance Leases

*The Group entered into a five-year finance lease issue with the Reserve Bank of Zimbabwe for the refurbishment of its plants. The carrying value of plant and machinery held under finance leases at 31 December 2021 was $114 007 089 (2020 : $68 226 747)

The leased assets are pledged as security for the related finance lease.

2.0 Other Borrowings

*The Group entered into long and short - term laon arrangements with other financial institutions to fund its operations as shown in note 16. the carrying value of non-current assets pledged as security at 31 December 2021 was ZW$971 470 000 (2020: ZW$863 666 449)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

Corporation	Inflation Adjusted			
	Land, buildings & permanent works ZWL$	Motor vehicles ZWL$	Office furniture & Equipment ZWL$	Total ZWL$
Cost or valuation				
At 1 January 2020	174 900 701	13 130 190	13 914 530	201 945 421
Additions	-	-	-	-
Revaluation adjustment	-	-	-	-
Disposals	-	-	-	-
As 31 December 2020	**174 900 701**	**13 130 190**	**13 914 530**	**201 945 421**
Additions	-	-	7 165 019	7 165 019
Revaluation adjustment	15 957 209	-	-	15 957 209
Disposals	-	(7 076 956)	(2 956 344)	(10 033 300)
At 31 December 2021	**190 857 910**	**6 053 234**	**18 123 205**	**215 034 349**
Accumulated depreciation				
At 1 January 2020	-	-	-	-
Charge for the year	-	-	-	-
Revaluation adjustment	-	-	-	-
Disposals	-	-	-	-
As 31 December 2020	**-**	**-**	**-**	**-**
Charge for the year	5 783 735	1 003 679	3 427 398	10 214 812
Revaluation adjustment	-	-	-	-
Disposals	-	-	-	-
At 31 December 2021	**5 783 735**	**1 003 679**	**3 427 398**	**10 214 812**
Net book value				
As 31 December 2021	**185 074 175**	**5 049 555**	**14 695 806**	**204 819 537**
As 31 December 2020	**174 900 701**	**13 130 190**	**13 914 530**	**201 945 419**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

Corporation	Historical Cost			
	Land, buildings & permanent works ZWL$	Motor vehicles ZWL$	Office furniture & Equipment ZWL$	Total ZWL$
Cost or valuation				
At 1 January 2020	9 720 000	3 299 400	2 026 604	15 046 004
Additions	62 873 475	3 275 109	237 805	66 386 389
Revaluation adjustment	35 100 000	10 888 578	7 248 850	53 237 428
Disposals	-	(8 851 078)	(385 804)	(9 236 882)
As 31 December 2020	**107 693 475**	**8 612 009**	**9 127 455**	**125 432 939**
Additions	-	-	5 552 519	5 552 519
Revaluation adjustment	20 663 550	-	-	20 663 550
Disposals	-	(4 988 300)	(2 083 825)	(7 072 125)
At 31 December 2021	**128 357 025**	**3 623 709**	**12 596 148**	**144 576 882**
Accumulated depreciation				
At 1 January 2020	-	-	1 002	1 002
Charge for the year	576 309	1 625 222	1 638 764	3 840 295
Revaluation adjustment	(576 309)	(1 625 222)	(1 638 764)	
Disposals	-	-	-	-
As 31 December 2020	**-**	**-**	**1 002**	**1 002**
Charge for the year	1 120 500	757 942	2 656 055	4 534 497
Revaluation adjustment	-	-	-	-
Disposals	-	-	-	-
At 31 December 2021	**1 120 500**	**757 942**	**2 657 057**	**4 535 499**
Net book value				
At 31 December 2021	**127 236 525**	**2 865 767**	**9 939 091**	**140 041 383**
At 31 December 2020	**107 693 475**	**8 612 009**	**9 126 453**	**125 431 937**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

8.1 Intangible assets

Group

	Inflation Adjusted			
	Patents and licences ZWL$	**QS software ZWL$**	**Other ZWL$**	**Total ZWL$**
Cost at 1 January 2020	3 299 992	359 878	98 635	3 753 759
Additions	-	-	-	-
Balance at 31 December 2020	**3 299 992**	**359 878**	**98 635**	**3 753 759**
Additions	-	-	-	-
Balance at 31 December 2021	**3 299 992**	**359 878**	**98 635**	**3 753 759**
Accumulated amortisation and impairment losses				
Balance at 1 January 2020	464 784	359 878	-	824 662
Amortisation	-	-	-	-
Balance at 31 December 2020	**464 784**	**359 878**	**-**	**824 662**
Amortisation	130 198	-	-	125 452
Balance at 31 December 2021	**594 982**	**359 878**	**-**	**950 114**
Carrying amounts				
At 31 December 2021	**2 705 010**	**-**	**98 635**	**2 803 645**
At 31 December 2020	**2 835 208**	**-**	**98 635**	**2 933 843**

8.1 Intangible assets

Group

	Historical Cost			
	Patents and licences ZWL$	**QS software ZWL$**	**Other ZWL$**	**Total ZWL$**
Cost at 1 January 2020	114 882	65 786	32 416	213 084
Additions	-	238 086	-	238 086
Balance at 31 December 2020	**114 882**	**303 872**	**32 416**	**451 170**
Additions	-	-	-	-
Balance at 31 December 2021	**114 882**	**303 872**	**32 416**	**451 170**
Accumulated amortisation and impairment losses				
Balance at 1 January 2020	114 882	11 588	30 215	156 685
Amortisation	-	43 508	-	43 508
Balance at 31 December 2020	**114 882**	**55 096**	**30 215**	**200 193**
Amortisation	-	97 219	-	97 219
Balance at 31 December 2021	**114 882**	**152 315**	**30 215**	**297 412**
Carrying amounts				
At 31 December 2021	-	**151 557**	**2 201**	**153 758**
At 31 December 2020	**-**	**248 776**	**2 201**	**250 977**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

9 Investment properties

	Inflation Adjusted		Historical Cost	
	2021	2020	2021	2020
Group	ZWL $	ZWL $	ZWL$	ZWL $
Balance at 1 January	552 260 066	535 458 609	343 574 490	74 138 950
Reclassification from property, plant and equipment	-	-	-	-
Disposals	-	-	-	-
Fair value gain	18 028 024	17 696 320	226 713 600	269 435 540
Balance at 31 December	**570 288 090**	**553 154 929**	**570 288 090**	**343 574 490**

Rental Income generated from investment property amounted to ZWL$52 774 542 (2020 : ZWL$29 006 514). There were no repairs and maintenance costs of investment property that generated investment income in 2020 and 2021.

9.1 Measurement of fair value

Investment property comprises factory buildings under construction to be leased out in terms of operating lease on completion, a vacant industrial stand and two commercial standsand an industrial property in Willowvale. The fair value of the Group's investment properties as at 31 December 2021 was determined by an independent property valuer, Green Plan (Private) Limited, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The valuation which conforms to International Valuation Standards, was in terms of the policy as set out in the accounting policies section and was derived with reference to market information close to the date of the valuation.

The Group has no restrictions on the realisability of all investment properties and no contractual obligations to purchase, construct or develop.

The fair value measurement for investment property of $570 288 090 has been categorised as a level 3 fair value based on the inputs to the valuation technique used.

Level 3 fair value

The following table shows a reconciliation from the opening balances to the closing balances for level 3 fair values

Balance at 1 January 2021	552 260 066
Acquisitions	-
Disposals	-
Change in fair value	18 028 024
Balance at 31 December 2021	**570 288 090**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

Valuation techniques and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant observable inputs used.

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
The Investment Method was applied on all income producing properties. Market capitalisation rates were derived from market sales evidence and were determined in consultation with other investors and property brokers in the market. The Direct Comparison Method was applied on all residential properties, after Green Plan (Private) Limited identified various properties that have been sold or which were on sale and situated in comparable areas using the Main Space Equivalent (MSE) principle. The total MSE of comparable areas was then used to determine the value per square metre of MSE.	**Average rentals per square metre -** US$2.50 to US$3.40 **Average investment yield -** 12% to 15% **Estimated remaining life** 1-20yrs	The estimated fair value would increase (decrease) if: - expected market rental growth was higher (lower) - void period were shorter(longer) - occupancy rate higher(lower) and - yield rates were higher(lower) - building quality was higher - land values were higher - location of the property was better

10 Investments

10.1 Investment in subsidiaries

Corporation

The Corporation uses the cost model to account for its investment in subsidiaries. At 31 December 2021, the amount of the investment in subsidiaries and the percentages of shareholding are as follows:

		Inflation Adjusted		Historical Cost	
		2021	2020	2021	2020
		ZWL$	ZWL$	ZWL$	ZWL$
Willowvale Motor Industries (Pvt) Limited	100%	1 010 787 669	1 010 787 669	122 596 195	122 596 195
Chemplex Corporation Limited	100%	8 287 202 944	8 287 202 944	765 684 208	765 684 208
Ginhole Investments (Pvt) Limited t/a Last Hope Estate	100%	-	-	-	-
Deven Engineering (Pvt) Limited	100%	449 532 186	449 532 186	55 644 450	55 644 450
Sunway City (Pvt) Limited	99.86%	4 395 439 772	4 034 691 042	535 581 903	535 581 903
		14 142 962 571	13 782 213 841	1 479 506 756	1 479 506 756

Please refer to Note 5.6 on the appreciation/(impairment) of investments which details the impairment of investments that lead to the movement in the balance of investments in subsidiaries.

10.2 Investment in associates

The Group has interests in a number of associate companies. The Group holds 27.5% to 49% shareholding in three associated companies.

The following table illustrates summarised financial information of the Group's investment in all the associate entities.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

Associate	Percentage Owned	Principal place of business	Nature and activities of each associate
Sino-Zimbabwe Cement Company (Pvt) Limited	35%	Zimbabwe	Cement manufacturer and distributor
Amtec Motors (Pvt) Limited	27.50%	Zimbabwe	Sales of brand-new vehicles and servicing of vehicles
Sable Chemicals Limited	36%	Zimbabwe	Producer of Ammonium Nitrate Fertilizer
Zimbabwe Grain Bag (Pvt) Limited	49%	Zimbabwe	Manufacturer of polypropylene packaging and various bags.

The carrying amounts of the investment in associate at cost net of accumulated impairment in the separate statement of financial position as at 31 December 2021 was $130 331 677 (2020 : $130 331 677)

Summarised associate's statement of financial position:	Inflation Adjusted				Historical Cost			
Group 2021	Sino - Zimbabwe Cement Company (Private) Limited ZWL$	Amtec Motors (Private) Limited ZWL$	Sable Chemicals Limited ZWL$	Zimbabwe Grain Bag (Private) Limited ZWL$	Sino - Zimbabwe Cement Company (Private) Limited ZWL$	Amtec Motors (Private) Limited ZWL$	Sable Chemicals Limited ZWL$	Zimbabwe Grain Bag (Private) Limited ZWL$
Current assets	1 139 128 000	520 128 010	2 029 239 202	212 295 832	1 145 881 000	467 557 984	1 789 456 804	212 295 832
Non-current assets	2 314 785 000	884 190 395	3 868 169 108	324 245 931	466 251 000	810 258 297	3 868 169 107	324 245 931
Current liabilities	(472 220 000)	(417 782 537)	(1 736 546 869)	(92 533 898)	(535 764 000)	(417 782 537)	(1 701 562 307)	(92 533 898)
Non-current liabilities	(504 694 000)	(135 674 447)	(1 405 426 764)	(67 542 701)	(39 211 000)	(116 932 901)	(1 429 564 486)	(67 542 701)
Equity	2 476 999 000	850 861 421	2 755 434 677	376 465 164	1 037 157 000	743 100 843	2 526 499 118	376 465 164
Additional information on associate companies								
Revenue	3 329 600 000	2 006 229 036	1 691 348 283	387 682 877	2 671 761 000	1 579 707 902	1 351 020 824	387 682 877
Cost of sales	(1 586 482 000)	(1 229 115 756)	(1 901 998 862)	(262 092 655)	(1 254 986 000)	(967 807 682)	(1 529 393 609)	(262 092 655)
Other income/(expenses)	(231 262 000)	(317 909 884)	(389 988 549)	657 396	10 478 000	42 101 602	(183 190 447)	657 396
Administration expenses	(738 004 000)	(626 880 561)	(237 007 072)	(60 889 164)	(565 926 000)	(493 606 741)	(333 861 137)	(60 889 164)
Net finance costs	(268 003 000)	(70 312 337)	(109 032 549)	(81 640)	(3 386 000)	(55 364 045)	(44 988 367)	(81 640)
Profit/(Loss) before tax	505 849 000	(237 989 502)	(946 678 749)	65 276 814	857 941 000	105 031 036	(740 412 736)	65 276 814
Tax	(289 206 000)	23 461 186	315 952 790	(41 305 818)	(199 102 000)	(24 315 664)	(216 043 060)	(41 305 818)
Profit	**216 643 000**	**(214 528 316)**	**(630 725 959)**	**23 970 996**	**658 839 000**	**80 715 372**	**(956 455 796)**	**23 970 996**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

Summarised associate's statement of financial position:	Inflation Adjusted				Historical Cost			
Group 2020	Sino - Zimbabwe Cement Company (Private) Limited ZWL$	Amtec Motors (Private) Limited ZWL$	Sable Chemicals Limited ZWL$	Zimbabwe Grain Bag (Private) Limited ZWL$	Sino - Zimbabwe Cement Company (Private) Limited ZWL$	Amtec Motors (Private) Limited ZWL$	Sable Chemicals Limited ZWL$	Zimbabwe Grain Bag (Private) Limited ZWL$
Current assets	1 072 371 090	646 117 354	853 486 570	127 481 833	627 542 000	257 588 622	491 020 863	79 181 263
Non-current assets	4 481 961 470	1 521 725 125	2 643 932 598	374 988 186	339 204 000	594 092 823	1 642 194 160	232 911 917
Current liabilities	(521 918 530)	(387 859 389)	(556 282 046)	(33 057 665)	(324 173 000)	(240 906 453)	(334 008 535)	(20 532 711)
Non-current liabilities	(1 081 132 710)	(283 286 616)	(666 941 458)	(86 426 325)	(64 612 000)	(93 426 595)	(393 617 099)	(53 680 947)
Equity	**3 951 281 320**	**1 496 696 474**	**2 274 195 663**	**382 986 030**	**577 961 000**	**517 348 397**	**1 405 589 389**	**237 879 522**
Additional information on associate companies								
Revenue	2 941 679 300	1 157 960 445	927 238 186	211 211 687	1 364 715 000	485 599 479	392 014 781	131 187 383
Cost of sales	(1 046 904 110)	(757 497 552)	(971 364 394)	(102 062 263)	(475 111 000)	(315 518 126)	(402 174 698)	(63 392 710)
Other income	(946 003 800)	909 504 000	1 087 939 896	198 932	(45 027 000)	38 896 783	246 670 972	123 560
Administration expenses	(705 278 210)	(379 994 056)	(439 132 016)	(20 632 089)	(286 026 000)	(151 490 447)	(130 081 373)	(12 814 962)
Net finance costs	1 186 570	(23 378 699)	(49 503 050)	(55 278)	269 000	(11 435 673)	(27 168 721)	(34 334)
(Loss)/Profit before tax	244 679 750	906 594 138	555 178 622	88 660 989	558 820 000	46 052 016	79 260 961	55 068 937
Tax	(222 617 920)	(111 026 284)	106 584 858	(28 708 158)	(159 015 000)	(12 972 181)	(65 062 736)	(17 831 154)
(Loss)/Profit	**22 061 830**	**795 567 854**	**661 763 479**	**59 952 831**	**399 805 000**	**33 079 835**	**14 198 225**	**37 237 783**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

Group's share from associates	Inflation Adjusted					Historical Cost				
Group 2021	Sino - Zimbabwe Cement Company (Private) Limited 35% ZWL$	Amtec Motors (Private) Limited 27.5% ZWL$	Sable Chemicals (Private) Limited 36% ZWL$	Zimbabwe Grain Bag (Private) Limited 49% ZWL$	TOTAL ZWL$	Sino - Zimbabwe Cement Company (Private) Limited 35% ZWL$	Amtec Motors (Private) Limited 27.5% ZWL$	Sable Chemicals (Private) Limited 36% ZWL$	Zimbabwe Grain Bag (Private) Limited 49% ZWL$	TOTAL ZWL$
Current assets	437 275 650	143 035 203	730 526 113	104 024 958	1 414 861 923	401 058 350	128 578 446	644 204 449	104 024 958	1 277 866 203
Non-current assets	1 554 149 800	243 152 359	1 388 940 879	158 880 506	3 345 123 544	163 187 850	222 282 032	1392 540 879	158 880 506	1 936 891 266
Current liabilities	(187 517 400)	(114 890 198)	(625 156 873)	(45 341 610)	(972 906 081)	(187 517 400)	(114 197 826)	(612 562 431)	(45 341 610)	(959 619 267)
Non-current liabilities	(365 438 165)	(37 310 473)	(505 953 635)	(33 095 923)	(941 798 196)	(13 723 850)	(32 023 307)	(514 643 215)	(33 095 923)	(593 486 295)
Net equity	**1 438 469 885**	**233 986 891**	**988 356 484**	**184 467 930**	**2 845 281 190**	**363 004 950**	**204 639 344**	**909 539 682**	**184 467 930**	**1661 651 907**
Carrying amount recognised	**1 438 469 885**	**233 986 891**	**988 356 484**	**184 467 930**	**2 845 281 190**	**363 004 950**	**204 639 344**	**909 539 682**	**184 467 930**	**1 661 651 907**

Share of associate's revenue and loss:	Sino - Zimbabwe Cement Company (Private) Limited 35% ZWL$	Amtec Motors (Private) Limited 27.5% ZWL$	Sable Chemicals (Private) Limited 36% ZWL$	Zimbabwe Grain Bag Limted 49% ZWL$	TOTAL ZWL$	Sino - Zimbabwe Cement Company (Private) Limited 35% ZWL$	Amtec Motors (Private) Limited 27.5% ZWL$	Sable Chemicals (Private) Limited 36% ZWL$	Zimbabwe Grain Bag (Private) Limited 49% ZWL$	TOTAL ZWL$
Revenue	1 165 360 000	275 856 492	608 885 382	189 964 610	2 050 101 874	935 116 350	434 419 673	486 367 497	189 964 610	2 045 868 129
Profit/(Loss)	162 997 450	(71 898 939)	(227 061 345)	11 745 788	(135 962 834)	230 593 650	22 196 727	(344 324 086)	11 745 788	(79 787 921)
Profit/(loss) of associate recognised	162 997 450	(71 898 939)	(227 061 345)	11 745 788	(124 217 046)	230 593 650	22 196 727	(344 324 086)	11 745 788	(79 787 921)
Profit/(Loss) of associate not recognised	-	-	-	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

Group's share from associates	Inflation Adjusted					Historical Cost				
Group 2020	Sino - Zimbabwe Cement Company (Private) Limited 35% ZWL$	Amtec Motors (Private) Limited 27.5% ZWL$	Sable Chemicals (Private) Limited 36% ZWL$	Zimbabwe Grain Bag (Private) Limited 49% ZWL$	TOTAL ZWL$	Sino - Zimbabwe Cement Company (Private) Limited 35% ZWL$	Amtec Motors (Private) Limited 27.5% ZWL$	Sable Chemicals (Private) Limited 36% ZWL$	Zimbabwe Grain Bag (Private) Limited 49% ZWL$	TOTAL ZWL$
Current assets	375 329 882	177 682 272	307 255 165	165 994 597	1 026 261 916	219 639 700	70 836 871	176 767 511	38 798 819	506 042 901
Non-current assets	1 568 686 515	418 474 409	951 815 735	183 744 211	3 122 720 870	118 721 400	163 375 526	591 189 898	114 126 839	987 413 663
Current liabilities	(182 671 486)	(106 661 332)	(200 261 537)	(16 198 256)	(505 792 610)	(113 460 550)	(66 249 275)	(120 243 073)	(10 061 028)	(310 013 926)
Non-current liabilities	(378 397 600)	(77 903 819)	(240 098 925)	(42 348 899)	(738 749 243)	(22 614 200)	(25 692 314)	(141 702 156)	(26 303 664)	(216 312 333)
Net equity	**1 382 947 311**	**411 591 530**	**818 710 439**	**291 191 653**	**2 904 440 933**	**202 286 350**	**142 270 809**	**506 012 180**	**116 560 966**	**967 130 305**
Carrying amount recognised	**1 382 947 311**	**411 591 530**	**818 710 439**	**291 191 653**	**2 904 440 933**	**202 286 350**	**142 270 809**	**506 012 180**	**116 560 966**	**967 130 305**

Share of associate's revenue and loss:	Sino - Zimbabwe Cement Company (Private) Limited 35% ZWL$	Amtec Motors (Private) Limited 27.5% ZWL$	Sable Chemicals (Private) Limited 36% ZWL$	Zimbabwe Grain Bag Limted 49% ZWL$	TOTAL ZWL$	Sino - Zimbabwe Cement Company (Private) Limited 35% ZWL$	Amtec Motors (Private) Limited 27.5% ZWL$	Sable Chemicals (Private) Limited 36% ZWL$	Zimbabwe Grain Bag (Private) Limited 49% ZWL$	TOTAL ZWL$
Revenue	98 018 224	983 524 194	135 244 615	202 454 597	1 419 241 631	477 650 250	133 539 857	141 125 321	64 281 818	816 597 246
Profit/(Loss)	21 775 543	170 466 874	29 155 939	71 609 859	293 008 216	139 932 100	9 306 444	5 111 361	18 246 514	172 596 418
Profit/(loss) of associate recognised	21 775 543	170 466 874	29 155 939	71 609 859	293 008 216	139 932 100	9 306 444	5 111 361	18 246 514	172 596 418
Profit/(Loss) of associate not recognised	-	-	-	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

Investments in associates	Inflation Adjusted		Historical Cost	
Group	2021	2020	2021	2020
	ZWL$	ZWL$	ZWL$	ZWL$
Opening balances	2 904 440 933	3 035 994 080	967 130 305	273 476 915
Additions/(Disposals)	-	-	-	-
Movement in reserves-associates	(59 159 743)	(131 553 148)	694 521 602	693 653 390
Carrying amount of interests in associates	**2 845 281 190**	**2 904 440 932**	**1 661 651 907**	**967 130 305**
Share of:				
Profit	331 360 390	181 992 681	172 596 418	31 268 952
Other comprehensive income	-	-	-	-
	331 360 390	**181 992 681**	**172 596 418**	**31 268 952**

Corporation	Inflation Adjusted		Historical Cost	
	2021	2020	2021	2020
	ZWL$	ZWL$	ZWL$	ZWL$
Sino - Zimbabwe Cement Company (Private) Limited	866 949 650	824 375 706	130 331 677	130 331 677
Amtec Motors Private Limited	233 986 891	411 591 530	-	-
Stone Holdings (Private) Limited	-	-	-	-
Zimbabwe Grain Bag (Private) Limited	116 560 966	187 663 155	-	-
	1 217 497 507	**1 423 630 391**	**130 331 677**	**130 331 677**

The Group holds 10% interest in Surface Wilmar (Private) Limited as at 31 December 2021 classified as a financial asset with fair value through other comprehensive income(FVTOCI).

10.3 Discontinued operations

Ginhole Investments

(a) **Results of discontinued operation**	Inflation Adjusted		Historical Cost	
	2021	2020	2021	2020
	ZWL$	ZWL$	ZWL$	ZWL$
Revenue	3 735 781	2 950 705	2 982 672	1 265 538
Expenses	(3 857 729)	(2 629 668)	(3 150 121)	(623 383)
Profit/(loss) for the year from discontinued operation	**(121 948)**	**321 037**	**(167 449)**	**642 155**
Results from operating activities, net of tax	**(121 948)**	**321 037**	**(167 449)**	**642 155**
Impairment on derecognition of assets and liabilities	-	-	-	-
Profit/(loss) for the year from a discontinued operation	**(121 948)**	**321 037**	**(167 449)**	**642 155**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

		Inflation Adjusted		Historical Cost	
		2021	2020	2021	2020
		ZWL$	ZWL$	ZWL$	ZWL$
(b)	**Cash flows from (used in) discontinued operation**				
	Net cash used in operating activities	162 051	69 607	104 123	61 773
	Net cash from investing activities	(195 850)	-	(137 923)	-
	Net cash flow from financing activities	-	-	-	-
	Net cash flow for the year	**(33 799)**	**69 607**	**(33 800)**	**61 773**
(c)	**Effects of classification as held for sale on the financial position of the Group**				
	Property, plant and equipment	68 112 400	315 199 898	42 459 302	43 849 737
	Trade and other receivables	1 352 805	1 465 480	1 352 805	98 512
	Inventories	717 793	200 815	717 793	17 567
	Cash & cash equivalents	33 288	108 012	33 288	5 313
	Interest bearing loans	-	-	-	-
	Trade and other payables	(8 368 744)	(36 365 767)	(965 117)	(295 266)
	Bank overdraft	-	-	(4 672 615)	(5 693 473)
	Net assets and liabilities	**61 847 542**	**280 608 438**	**38 925 456**	**37 982 390**

10.4 Fair Value through other comprehensive income (FVTOCI)

GROUP

	Inflation Adjusted		Historical Cost	
	2021	2020	2021	2020
	ZWL$	ZWL$	ZWL$	ZWL$
Balance at 1 January	**312 776 437**	**461 962 961**	**68 037 117**	**54 757 168**
Additions	-	3 216 469	273 034	1 997 807
Reclassification of investment	1 997 807	-	-	-
Fair value adjustment	273 034	(418 180)	(57 958 504)	11 282 142
Disposals	-	(47 237 646)	-	-
Balance at 31 December	**315 047 278**	**417 523 604**	**10 351 647**	**68 037 117**

CORPORATION

	Inflation Adjusted		Historical Cost	
	2021	2020	2021	2020
	ZWL$	ZWL$	ZWL$	ZWL$
Balance at 1 January	**310 401 324**	**459 120 467**	**65 874 603**	**54 592 461**
Additions	-	-	-	-
Reclassification of investment	-	-	(57 958 504)	11 282 142
Fair value adjustment	-	(47 237 644.7)	-	-
Disposals	-		-	-
Balance at 31 December	**310 401 324**	**411 882 822**	**7 916 099**	**65 874 603**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

There was an appreciation in the values of available for sale investment.
The available for sale consists of IDCZ's 10% shareholding in Surface Wilmar Investments $61 619 287 (2019: $53 733 000) and 2.25% shareholding in Allied Insurance $4 255 313 (2019 : $859 459)

Fair value measurement

Valuation techniques and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of available for sale financial assets, as well as the significant observable inputs used.

Valuation techniques	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair value measurement
Net Assets Value : The valuation model determines the fair value of investment securities(non-listed entities) with reference to the net asset value, which was determined by the directors as a proxy valuation method derived from the market approach. The market approach as prescribed in IFRS 13- Fair value measurement requires the identification of a similar or identical quoted asset with a similar risk profile. A discounted cashflow technique or earnings may have been used to value such investments by identifying a risk-adjusted discount rate and maintainable earnings (earnings-multiple approach) The market and income approach may not be appropriate for valuing non-listed entities in the Zimbabwean environment considering lack of comparative quoted equity instruments as well as absence of market data relating to historical correlation of unquoted equity instruments in similar industries and market ability discounts.	The fair value of securities are based on net asset values which use the movements in the assets and liabilities of investee entities. The net asset values are not observable from market data, although verified by independent and experienced auditors.	The estimated fair value would increase(decrease) due to the following : -Increase or (decrease) in fair value or historical cost adjustments of underlying assets and liabilities held by investees. -(Decrease) as a result of economic obsolescence of underlying assets. -Financial performance of the investee.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

GROUP

10.5 Non-current assets held for sale	Inflation Adjusted		Historical Cost	
	2021	2020	2021	2020
	ZWL$	ZWL$	ZWL$	ZWL$
Balance at 1 January	97 604 891	585 270 987	44 187 616	80 962 598
Additions	-	–	-	-
Disposals	-	-	-	-
Fair value adjustments	(27 388 602)	(268 296 777)	375 571	(36 774 982)
Balance at 31 December	**70 216 289**	**316 974 209**	**44 563 187**	**44 187 616**
Liabilities held for sale	**8 368 744**	**36 365 767**	**-**	**-**

CORPORATION

Non-current assets held for sale	Inflation Adjusted		Historical Cost	
	2021	2020	2021	2020
	ZWL$	ZWL$	ZWL$	ZWL$
Balance at 1 January	61 175 506	278 357 151	38 506 095	38 506 095
Additions	-	-	-	-
Disposals	-	-	-	-
Fair value adjustments	-	2 762 337	(731 421)	-
Balance at 31 December	**61 175 506**	**281 119 488**	**37 774 674**	**38 506 095**
Liabilities held for sale	**-**	**-**	**-**	**-**

In line with the IDCZ 4D strategy, Ginhole Investments Limited were earmarked for disposal. The IDCZ Board and management agreed that the title of Last Hope Estate on which the company's operations are located will be changed from Zimbabwe Development Company under Ministry of Finance and Economic Development to IDCZ. After the changeover of the title, the entity will be a 100% owned company.

Accordingly, the company had been presented as a disposal group held for sale. The above assets and liabilities held for sale include disposal group held for sale. At 31 December 2020 the disposal group comprised of the following assets and liabilities:

	Inflation Adjusted		Historical Cost	
	2021	2020	2021	2020
	ZWL$	ZWL$	ZWL$	ZWL$
Asset held for sale				
Property, plant and equipment	68 112 400	315 199 898	42 459 302	43 849 737
Inventories	1 352 805	1 465 480	1 352 805	98 512
Trade and other receivables	717 793	200 815	717 793	17 567
Cash and cash equivalents	33 288	108 012	33 288	5 313
	70 216 286	316 974 205	44 563 188	43 971 129

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

Liabilities held for sale				
Trade and other payables	965 118	676 504	965 117	295 266
Deferred Tax	7 403 626	35 689 263	4 672 615	5 693 473
Taxation	-	-	-	-
	8 368 744	36 365 767	5 637 732	5 988 739

10.6 Fair value measurement

The non-current assets held for sale and available for sale financial assets have been categorised as level 3.

GROUP : Inflation Adjusted

	Level 1 ZWL$	Level 2 ZWL$	Level 3 ZWL$	Fair value as at 31 December 2020 ZWL$
Non-current assets held for sale	-	-	70 216 289	**70 216 289**
Available for sale financial assets(FVTOCI)	-	-	315 047 278	**315 047 278**
			385 263 567	**385 263 567**

Historical Cost

	Level 1 ZWL$	Level 2 ZWL$	Level 3 ZWL$	Fair value as at 31 December 2020 ZWL$
Non-current assets held for sale	-	-	44 563 190	**44 563 190**
Available for sale financial assets(FVTOCI)	-	-	10 351 647	**10 351 647**
			54 914 837	**54 914 837**

CORPORATION : Inflation Adjusted

	Level 1 ZWL$	Level 2 ZWL$	Level 3 ZWL$	Fair value as at 31 December 2019 ZWL$
Non-current assets held for sale	-	-	61 175 506	**61 175 506**
Available for sale financial assets(FVTOCI)	-	-	310 401 324	**310 401 324**
			371 576 830	**371 576 830**

Historical Cost

	Level 1 ZWL$	Level 2 ZWL$	Level 3 ZWL$	Fair value as at 31 December 2019 ZWL$
Non-current assets held for sale	-	-	44 187 616	**44 187 616**
Available for sale financial assets (FVTOCI)	-	-	68 037 117	**68 037 117**
			112 224 733	**112 224 733**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

Valuation techniques and significant unobservable inputs

The valuation technique used in measuring the non-current assets held for sale and available for sale financial assets, as well as the significant observable inputs used are highlighted in the table below.

The following table shows the valuation technique used in measuring the fair value of non-current assets held for sale and available for sale financial assets, as well as the significant observable inputs used.

Valuation techniques	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair value measurement
Net Assets Value : The valuation model determines the fair value of investment securities(non-listed entities) with reference to the net asset value, which was determined by the directors as a proxy valuation method derived from the market approach. The market approach as prescribed IFRS 13- Fair value measurement requires the identification of a similar or identical quoted asset with a similar risk profile. A discounted cashflow technique or earnings may have been used to value such investments by identifying a risk-adjusted discount rate and maintainable earnings (earnings-multiple approach) The market and income approach may not be appropriate for valuing non-listed entities in the Zimbabwean environment considering lack of comparative quoted equity instruments as well as absence of market data relating to historical correlation of unquoted equity instruments in similar industries and market ability discounts.	The fair value of securities are based on net asset values which use the movements in the assets and liabilities of investee entities. The net asset values are not observable from market data, although verified by independent and experienced auditors	The estimated fair value would increase(decrease) due to the following : -Increase or (decrease) in fair value or historical cost adjustments of underlying assets and liabilities held by investees. -(Decrease) as a result of economic obsolescence of underlying assets. -Financial performance of the investee.

10.7 Non-Controlling Interest (NCI)

(a) The following table summarises the information relating to each of the group's subsidiaries that have material non-controlling interest (NCI).

31 December 2021	Inflation adjusted			Historical Cost		
	ZFC (Private) Limited in Chemplex Corporation	Intra-group eliminations	Total	ZFC (Private) Limited in Chemplex Corporation	Intra-group eliminations	Total
Principal place of business	Zimbabwe			Zimbabwe		
NCI percentages	50%			50%		
	ZWL$		ZWL$	ZWL$		ZWL$
Non-current assets	1 827 391 857			1 827 391 857		
Current assets	6 078 104 757			4 246 510 019		
Non-current liabilities	(347 507 239)			(347 507 239)		
Current liabilities	(3 319 296 082)			(3 270 987 846)		
Net assets	**4 238 693 294**			**2 455 406 792**		
Carrying amount of NCI	2 356 045 707	11 590 003	**2 367 635 710**	1 355 750 934	12 572 309	**1 368 323 243**
Revenue	6 524 826 795			5 346 385 693		
Profit	(292 002 121)			629 289 708		
OCI	(93 885 736)			389 851 577		
Total Comprehensive (loss)/ Income	**(385 887 857)**			**1 019 141 285**		
Profit allocated to NCI	(170 501 945)	380 476	**(170 121 469)**	334 152 558	1 948 612	**336 101 170**
OCI allocated to NCI	(164,247,762)			-		

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

Cash flows from operating activities	(220 889 832)		(1 134 001 288)	
Cash flows from investing activities	(50 102 908)		(46 944 847)	
Cash flows from financing activities	537 881 703		723 389 124	
Net increase (decrease) in cash and cash equivalents	**266 888 963**		**(457 557 011)**	

31 December 2020

	ZFC (Private) Limited in Chemplex Corporation	Intra-group eliminations	Total	ZFC (Private) Limited in Chemplex Corporation	Intra-group eliminations	Total
Principal place of business	Zimbabwe			Zimbabwe		
NCI percentages	1			1		
	ZWL$		ZWL$	ZWL$		ZWL$
Non-current assets	2 375 009 535			1 475 161 202		
Current assets	4 982 788 039			1 345 081 592		
Non-current liabilities	(462 920 648)			(287 528 353)		
Current liabilities	(1 538 313 552)			(797 252 057)		
Net assets	**5 356 563 374**			**1 735 462 384**		
Carrying amount of NCI	2 795 069 517	5 656 487	**2 800 726 004**	978 734 245	3 331 135	**982 065 380**
Revenue	5 554 196 146			2 514 637 063		
Profit	1 027 003 623			507 994 403		
OCI	-			885 801 696		
Total Comprehensive Income/(loss)	**1 027 003 623**			**1 393 796 099**		
Profit allocated to NCI	552 257 536	18 085	**552 275 621**	343 036 408	324 664	**343 361 072**
OCI allocated to NCI				442 900 848		

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

Cash flows from operating activities	452 003 401	482 034 188
Cash flows from investing activities	(32 328 042)	(17 140 104)
Cash flows from financing activities	(161 771 795)	34 317 725
Net increase (decrease) in cash and cash equivalents	**257 903 564**	**499 211 809**

11 Inventories

Group	Inflation Adjusted		Historical Cost	
	2021	2020	2021	2020
	ZWL$	ZWL$	ZWL$	ZWL$
Raw materials	1 396 699 531	1 089 639 045	606 280 246	121 725 771
Finished goods	2 283 314 629	2 308 498 564	774 612 293	204 671 763
Land held for trading	-	-	-	-
Stores	409 527 628	506 171 885	156 374 735	74 360 692
Work in progress	144 440	3 655 347	1 308 709	517 386
Consumables	179 793 530	380 983 512	76 352 363	31 027 999
Total inventories at lower of cost and net realisable value	**4 269 479 758**	**4 288 948 353**	**1 614 928 346**	**432 303 611**

12 Non-current portion of land held for sale

	2021	2020	2021	2020
	ZWL$	ZWL$	ZWL$	ZWL$
Balance at 1 January	36 429 385	61 837 579	22 663 611	8 561 767
Additions/(Disposals)	(2 047 991)	98 280 879	(1 308 708)	14 101 844
Balance at 31 December	**34 381 394**	**160 118 457**	**21 354 903**	**22 663 611**

Measurement of fair value

The non-current assets held for sale relates to stands that are available for sale but are more likely to be sold after more than twelve months.

Valuation techniques and significant unobservable inputs

For valuation techniques and significant inputs refer to note 10.6.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

13 Trade and other receivables

GROUP

	Inflation Adjusted		Historical Cost	
	2021	2020	2021	2020
	ZWL$	ZWL$	ZWL$	ZWL$
Trade receivables	2 341 703 359	1 394 501 600	2 341 703 359	865 219 347
Other receivables	2 161 052 057	829 796 636	2 102 999 679	493 048 362
Expected credit losses	(2 512 958)	(7 888 796)	(2 512 958)	(4 899 873)
Total	**4 500 242 458**	**2 216 409 441**	**4 442 190 080**	**1 353 367 836**
Related party receivables	-	-	-	-

CORPORATION

	Inflation Adjusted		Historical Cost	
	2021	2020	2021	2020
	ZWL$	ZWL$	ZWL$	ZWL$
Trade receivables	-	-	-	1 034 635
Other receivables	30 071 282	3 306 021	30 071 282	1 018 792
Expected credit losses	-	-	-	-
Total	**30 071 282**	**3 306 021**	**30 071 282**	**2 053 427**
Related party receivables	115 988 438	68 546 769	115 988 438	42 575 633

Terms and conditions of the above financial assets

Trade and other receivables are non-interest bearing and are generally on 15-30 days credit terms for other customers. Average credit period for fertiliser and phosphates debtors is between 60 and 270 days. For terms and conditions relating to related party receivables refer to note 20.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

As at 31 December 2020, the ageing analysis of trade receivables is as follows:

	Total ZWL$	Neither due nor impaired ZWL$	15 - 30 days ZWL$	30 - 60 days ZWL$	60 - 90 days ZWL$	not Impaired 120 days ZWL$	
2021	**2 367 674 747**	1 541 820 977	23 708 642	224 667 513	8 014 899	569 462 716	**Inflation adjusted**
2020	**1 393 003 149**	437 629 706	152 959 562	657 683 485	21 177 106	123 553 290	
2021	**2 364 017 396**	1 541 820 977	68 208 697	132 013 301	52 454 492	569 519 929	**Historical Cost**
2020	**865 219 347**	271 037 867	99 943 132	403 437 135	13 153 482	77 647 731	

As at 31 December 2020, included in trade receivables is an allowance of ZWL$59 236 696 (2019: ZWL$9 616 804) relating to doubtful debts. Below is the movement for doubtful debts.

	Inflation Adjusted		Historical Cost	
	Individually Impaired 2021 ZWL$	Individually Impaired 2020 ZWL$	Individually Impaired 2021 ZWL$	Individually Impaired 2020 ZWL$
Balance at 1 January	59 236 696	15 483 054	59 523 696	9 616 804
Charge for the year	(24 055 845)	79 888 026	(24 342 845)	49 906 892
Balance at 31 December	**35 180 851**	**95 371 081**	**35 180 851**	**59 523 696**

An analysis of the credit quality of trade and other receivables that are neither past due nor impaired is as follows:

	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Four or more years trading history with the Group	9 595 846	15 449 312	42 113 783	42 113 783
Less than four years of trading history with the Group	1 532 225 131	422 180 394	1 499 707 194	228 924 084
Higher risk	-	-	-	-
	1 541 820 977	**437 629 706**	**1 541 820 977**	**271 037 867**

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

13.1 Intergroup balances

The Corporation's Group balances receivable comprise of the following:

	Inflation Adjusted		Historical Cost	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Group companies				
Subsidiary Companies				
Almin Metal Industries	-	-	-	-
Chemplex Corporation	60 187 173	8 870 491	60 187 173	5 509 622
Allied Insurance (Pvt) Ltd	666 010	154 608	666 010	96 030
Last Hope t/a Ginhole Investments	669 237	663 637	669 237	412 197
Willowvale Mazda Motor Industries	989 569	2 181 210	989 569	1 354 789
Deven Engineering	5 091 699	1 304 944	5 091 699	810 524
Olivine Industries	-	-	-	-
Sunway City Harare	50 274 441	26 958 246	50 274 441	16 744 252
Industrial Sands	29 232	47 064	29 232	29 232
	117 907 361	**40 180 200**	**117 907 361**	**24 956 646**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

Associate Companies				
Sino-Zimbabwe Cement Company	536 903	36 255 366	536 903	22 518 861
Stone Holdings	-	-	-	-
Motira Tractors	57 133	-	57 133	-
Zimbabwe Grain Bag	-	-	-	-
	594 036	**36 255 366**	**594 036**	**22 518 861**
Expected credit losses	(2 512 959)	(7 888 797)	(2 512 959)	(4 899 874)
	115 988 438	**68 546 769**	**115 988 438**	**42 575 633**

During the year a provision for credit losses amounting to $4 899 874 was provided for against intercompany receivables Management is of the opinion that the remaining balances are recoverable as a result of significant influence and control in the related parties. The provision for credit losses is included in the balance of trade and other payables.

14 Cash and cash equivalents

	Inflation Adjusted			
	Group		Corporation	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Cash at banks and on hand	1 403 406 314	1 578 087 153	211 154 950	114 329 700

	Historical Cost			
	Group		Corporation	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Cash at banks and on hand	1 403 406 314	980 178 356	211 154 950	71 012 236

The carrying amounts disclosed above reasonably approximate the fair value at reporting date.
For purposes of the statement of cashflows, cash and cash equivalents comprise the following at 31 December

Inflation Adjusted			
Group		Corporation	
2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

Cash at bank and on hand	1 403 406 314	1 578 087 153	211 154 950	114 329 700
Bank overdrafts (note 16.2)	(46 764 952)	(476 510)	-	-
	1 356 641 362	**1 577 610 643**	**211 154 950**	**114 329 700**

	Historical Cost			
	Group		Corporation	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Cash at bank and on hand	1 403 406 314	980 178 356	211 154 950	71 012 236
Bank overdrafts (note 16.2)	(46 764 952)	(295 969)	-	-
	1 356 641 362	**979 882 387**	**211 154 950**	**71 012 236**

Details of banking facilities				
As at 31 December 2021, the Group had the following undrawn banking facilities:				
Agricultural Development Bank of Zimbabwe	-	-	-	-
Reserve Bank of Zimbabwe	-	-	-	-
Central African Building Society	-	-	-	-
CBZ Bank Limited	-	-	-	-
FBC Bank Limited	-	-	-	-
Infrastructure Development Bank of Zimbabwe Limited	-	-	-	-
Stanbic Bank Limited	-	-	-	-
	-	-	-	-

Cash on hand includes bond notes, which are a debt instrument that has been disclosed under cash and cash equivalents as it meets the definition of cash and cash equivalents.

Balances held at bank are also used for settlement of foreign transactions. The Central Bank through Exchange Control Operations Guide 8(ECOGAD 8) introduced prioritisation criteria which have been followed when making foreign payments on behalf of customers. After prioritisation foreign payments are then made subject to availability of bank balances with foreign correspondent banks, resulting in possible delay of payment of telegraphic transfers. However, no delay is expected in the settlement of local transactions through the Real Time Gross Settlement("RTGS") system. Refer to Note 2.6 (c) and 2.9(l)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

15 Share Capital and Reserves	Inflation Adjusted		Historical Cost	
	2021	2020	2021	2020
(a) Authorised				
Number of ordinary shares, with a nominal value of ZWL$2	**2 500 000 000**	**100 000 000**	**2 500 000 000**	**100 000 000**
(b) Issued and fully paid				
Number of ordinary shares, with a nominal value of ZWL$2	**1 560 498 828**	**100 000 000**	**1 560 498 828**	**100 000 000**
(c) Share capital movement	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
In issue at 1 January	2 589 871 100	2 558 603 079	100 000 000	92 517 543
Share capital restatement	-	-	-	-
Increase in share capital	2 014 640 526	31 268 021	1 460 498 828	7 482 457
In issue at 31 December	**4 604 511 626**	**2 589 871 100**	**1 560 498 828**	**100 000 000**

(i) Ordinary Shares

All ordinary shares rank equally with regards to the Group's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

(d) Nature and purpose of reserves

(i) Mark to market reserve

The mark to market reserve is used to record increase in the fair value of financial assets available for sale and such decreases in relation to the market price of the assets on the same asset previously recognised in equity.

	Inflation Adjusted			
Mark to market reserve	Group		Corporation	
	2021	2020	2021	2020
	ZWL$	ZWL$	ZWL$	ZWL$
Balance at 1 January	-	-	-	-
Fair value through other comprehensive income	-	-	-	-
Loss of control	-	-	-	-
Balance at 31 December	**-**	**-**	**-**	**-**

	Historical Cost			
Mark to market reserve	Group		Corporation	
	2021	2020	2021	2020
	ZWL$	ZWL$	ZWL$	ZWL$
Balance at 1 January	64 861 979	53 579 837	64 861 979	53 579 837
Fair value through other comprehensive income	(57 958 504)	11 282 142	(57 958 504)	11 282 142
Loss of control	-	-	-	-
Balance at 31 December	**6 903 475**	**64 861 979**	**6 903 475**	**64 861 979**

(ii) Foreign currency translation reserve

The non-distributable reserve arose from foreign currency conversion on change of functional currency from the Zimbabwean dollar to the United States dollar. It represents the residual equity in existence as at the changeover period and has been designated as a capital reserve. This reserve was transferred to Retained Earnings as at 31 December 2020.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

Foreign currency translation reserve	Inflation Adjusted			
	Group		Corporation	
	2021	2020	2021	2020
	ZWL$	ZWL$	ZWL$	ZWL$
Balance at 1 January	-	-	-	-
Movements during the year	-	-	-	-
Balance at 31 December	**-**	**-**	**-**	**-**

Foreign currency translation reserve	Historical Cost			
	Group		Corporation	
	2021	2020	2021	2020
	ZWL$	ZWL$	ZWL$	ZWL$
Balance at 1 January	-	-	-	-
Movements during the year	-	-	-	-
Balance at 31 December	**-**	**-**	**-**	**-**

The foreign currency translation reserve balance was transferred to Retained Earnings as at 31 December 2020

(iii) Revaluation reserve

The revaluation reserve is used to record increases in the fair value of property, plant and equipment and the decreases to the extent that such decreases relate to the same asset previously recognised in equity.

Revaluation reserve	Inflation Adjusted			
	Group		Corporation	
	2021	2020	2021	2020
	ZWL$	ZWL$	ZWL$	ZWL$
Balance at 1 January	605 365 773	605 365 773	-	-
Transfer to/(from) revenue reserves	-	-	-	-
Revaluation adjustment	443 046 887		-	
Other comprehensive income net of deferred tax	3 983 341 932	-	-	-
Balance at 31 December	**5 031 754 593**	**605 365 773**	**-**	**-**

Revaluation reserve	Historical Cost			
	Group		Corporation	
	2021	2020	2021	2020
	ZWL$	ZWL$	ZWL$	ZWL$
Balance at 1 January	5 986 697 783	1 341 082 851	48 105 766	10 919 605
Transfer to/(from) revenue reserves	-	-	-	-
Other comprehensive income net of deferred tax	7 250 807 441	4 645 614 932	-	37 186 161
Balance at 31 December	**13 237 505 225**	**5 986 697 783**	**48 105 766**	**48 105 766**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

16 Loans and borrowings

16.1 Loans and borrowings - Non current

	Inflation Adjusted			
	Group		Corporation	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
China Import Export Bank (Renminbi Yuan 102 324 925)	-	-	-	-
Central African Building Society	-	-	-	-
Zimbabwe Asset Management Company	-	-	-	-
FBC Bank Limited	-	-	-	-
Ministry of Finance and Economic Development	-	482 883 795	-	482 883 795
	-	**482 883 795**	**-**	**482 883 795**
Other Liabilities - Non current				-
Provisions	15 396 694	19 646 329	-	
Finance Lease Liability	6 118 552	19 275 152	3 268 772	5 262 723
	21 515 246	**521 805 276**	**3 268 772**	**488 146 518**

Loans and borrowings - Non current	Historical Cost			
	Group		Corporation	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
China Import Export Bank (Renminbi Yuan 102 324 925)	-	-	-	-
Stanbic Bank Limited	-	-	-	-
Zimbabwe Asset Management Company(ZAMCO)	-	-	-	-
FBC Bank Limited	-	-	-	-
Ministry of Finance and Economic Development	-	299 927 823	-	299 927 823
Agricultural Development Bank of Zimbabwe	-	-		
	-	**299 927 823**	**-**	**299 927 823**
Other Liabilities - Non current				
Provisions	15 396 694	12 202 689	-	-
Finance Lease Liability	2 849 780	11 972 144	-	3 268 772
	18 246 474	**324 102 656**	**-**	**303 196 595**

16.2 Loans and borrowings - Current

	Inflation Adjusted			
	Group		Corporation	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Agricultural Development Bank of Zimbabwe	208 666 000	38 246 996	-	-
ZAMCO	-	-	-	-
Central African Building Society (CABS)	789 758 490	-	-	-
China Import Export Bank (Renminbi Yuan 13 408 173)	-	950 572 470	-	950 572 470

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

CBZ Bank Limited	-	-	-	-
FBC Bank Limited	-	-	-	-
Motira Tractors	-	-	-	-
Chemplex	-	-	-	
Reserve Bank of Zimbabwe	-	-	-	-
Stanbic Bank Limited	415 000 000	161 000 000	-	-
Sino Zimbabwe Cement Company	2 767 291	4 455 339	2 767 291	4 455 339
	1 416 191 781	**1 154 274 804**	**2 767 291**	**955 027 808**

Loans and borrowings - Current	**Historical Cost**			
	Group		**Corporation**	
	2021	**2020**	**2021**	**2020**
	ZWL$	**ZWL$**	**ZWL$**	**ZWL$**
Agricultural Development Bank of Zimbabwe	208 666 000	23 755 898	-	-
ZAMCO	-	-	-	-
Central African Building Society (CABS)	789 758 490	-	-	-
China Import Export Bank (Renminbi Yuan 13 408 173)	-	590 417 683	-	590 417 683
CBZ Bank Limited	-	-	-	-
FBC Bank Limited	-	-	-	-
Motira Tractors	-	-	-	-
IDC of Zimbabwe Ltd	-	-	-	-
Stanbic Bank Limited	415 000 000	100 000 000	-	-
Sino Zimbabwe Cement Company	2 767 291	2 767 291	2 767 289	2 767 291
	1 416 191 781	**716 940 872**	**2 767 289**	**593 184 974**

Sino - Zimbabwe Cement Company (Private) Limited loan is not secured, no rate and tenure.

Bank	**Security**
Agricultural Development Bank of Zimbabwe	Jointly secured by ZFC Kwekwe property
Stanbic Bank Limited	Secured by NCGB over debts and movable assets of Chemplex Corporation
Central African Building Society	Secured against Msasa Plant mortgage bond, cession of stocks and company property(S5 million NCGB)
Zimbabwe Asset Management Company(ZAMCO)	Jointly secured by Zimababwe Phosphate Industries land
Sino-Zimbabwe Cement Company	Not secured, no rate and tenure
Reserve Bank of Zimbabwe	Secured against equipment(NCGB) bought using the funds(lease agreement), Plant and Immovabl assets at Zimbabwe Phosphat Industris and Dorowa Minerals and have a tenure of 5 years.
Reserve Bank of Zimbabwe	Secured against equipment(NCGB) bought using the funds(lease agreement), Plant and Immovabl assets at Zimbabwe Phosphat Industris and Dorowa Minerals and have a tenure of 5 years.
China Import Export Bank	Guaranteed by the Government of Zimbabwe.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

	Inflation Adjusted			
	Group		Corporation	
	2021	2020	2021	2020
Overdrafts	ZWL$	ZWL$	ZWL$	ZWL$
CBZ Bank Limited	33 027 497	476 510	-	-
FBC Bank Limited	13 737 455	-	-	-
	46 764 952	**476 510**	**-**	**-**

	Historical Cost			
	Group		Corporation	
	2021	2020	2021	2020
Overdrafts	ZWL$	ZWL$	ZWL$	ZWL$
CBZ Bank Limited	33 027 497	295 969	-	-
FBC Bank Limited	13 737 455	-	-	-
	46 764 952	**295 969**	**-**	**-**

The bank overdrafts are unsecured with a tenure of up to 12 months and were utilised to finance working capital requirements. Interest rates vary from 13% to 18% and matured between April 2022 and June 2022. The overdraft penalty rates vary from 15% to 30%.

17 Trade and other payables

	Inflation Adjusted				Historical Cost			
	Group		Corporation		Group		Corporation	
	2021	2020	2021	2020	2021	2020	2021	2020
	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Trade payables	1 716 117 674	802 160 641	149 836	195 647	1 716 117 674	498 236 423	149 836	121 520
Accruals	704 614 885	973 193 271	215 192 281	223 700 537	671 633 431	446 086 455	215 192 281	138 944 433
VAT control account	116 635 449	120 779 036	7 451 800	1 298 489	74 396 173	51 409 405	7 451 800	806 515
Other payables	672 915 221	509 356 223	39 575 522	27 018 007	685 899 818	332 634 142	35 269 233	15 638 422
	3 210 283 229	**2 405 489 171**	**262 369 439**	**252 212 681**	**3 148 047 096**	**1 328 366 425**	**258 063 150**	**155 510 890**
Related party payables	-	-	1 325 601	794 805	-	-	1 325 601	493 668

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

Group
Trade payables are non-interest bearing and are normally settled on 14-to-30-day terms. For terms and conditions relating to related parties.

Corporation
Trade payables are non-interest bearing and are normally settled on 15-to-30-day terms.

18 Loans receivable

	Inflation Adjusted				Historical Cost			
	Group		Corporation		Group		Corporation	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Long term loans to companies								
Sunway City (Private) Limited	-	-	-	-	-	-	-	-
Chemplex Corporation Limited	-	-	270 882 007	-	-	-	270 882 007	-
Almin Metal Industries Limited	-	-	-	-	-	-	-	-
Ginhole Investments (Private) Limited	-	-	-	-	-	-	-	-
	-	-	270 882 007	-	-	-	270 882 007	-
Other								
Olivine Holdings (Private) Limited	-	-	-	-	-	-	-	-
Radar Holdings Limited	1 666 667	-	1 666 667	-	1 666 667	-	1 666 667	-
Comhold Investments	25 000 000	-	25 000 000	-	25 000 000	-	25 000 000	-
	26 666 667	-	26 666 667	-	26 666 667	-	26 666 667	-
Expected credit loss	(22 784 660)				(22 784 660)			
Total long term loans receivable	**3 882 007**	**-**	**297 548 674**	**-**	**3 882 007**	**-**	**297 548 674**	**-**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

Short term loans receivable								
Chemplex Corporation Limited	-	-	173 115 934	54 349 606	-	-	173 115 934	33 757 519
Matrix Fertilisers	6 000 001	1 640 188	6 000 001	1 640 188	6 000 001	1 018 750	6 000 001	1 018 750
CPG t/a Agrifoods	104 044 131	24 150 000	104 044 131	24 150 000	104 044 131	15 000 000	104 044 131	15 000 000
Ascend Concrete (Pvt) Ltd	-	(131 717)	-	(131 717)	-	(81 812)	-	(81 812)
Reeldon Timbers Investments (Pvt) Ltd	-	-	-	-	-	-	-	-
Willowvale Motor Industries	-	-	-	-	-	-	-	-
Ministry of Finance and Economic Development	2 500 000	4 025 000	2 500 000	4 025 000	2 500 000	2 500 000	2 500 000	2 500 000
Calundike Exports	-	9 732	-	9 732	-	6 045	-	6 045
Silkchin (Pvt) Ltd	-	2 052 740	-	2 052 740	-	1 274 994	-	1 274 994
Aquamist Beverages (Pvt) Ltd	-	1 044 001	-	1 044 001	-	648 448	-	648 448
Grindale Engineering	13 121 389	29 583 750	13 121 389	29 583 750	13 121 389	18 375 000	13 121 389	18 375 000
Zim Silicates	2 388 808	7 133 844	2 388 808	7 133 844	2 388 808	4 430 959	2 388 808	4 430 959
Radar Investments	8 333 333		8 333 333		8 333 333		8 333 333	
Clorpeace Investments	3 835 508		3 835 508		3 835 508		3 835 508	
Welli-Will Investments	10 133 535		10 133 535		10 133 535		10 133 535	
Ziscosteel	40 602 151		40 602 151		40 602 151		40 602 151	
Comhold Investments	15 650 448		15 650 448		15 650 448		15 650 448	
Ginhole Investments (Private) Limited	-	-	-	-	-	-	-	-
	206 609 304	69 507 538	379 725 238	123 857 144	206 609 304	43 172 384	379 725 238	76 929 903
Other								
Sable Chemicals Limited	3 627 500	**25 760 000**	3 627 500	**25 760 000**	3 627 500	16 000 000	3 627 500	16 000 000
Olivine Holdings (Private) Limited	-	929 422	-	929 422	-	577 281	-	577 281
	3 627 500	26 689 422	3 627 500	26 689 422	3 627 500	16 577 281	3 627 500	16 577 281
Total short term loans receivable	**210 236 804**	**96 196 961**	**383 352 738**	**150 546 566**	**210 236 804**	**59 749 665**	**383 352 738**	**93 507 184**

Loans receivable include Development Finance loans advanced from Head Office to various manufacturing companies including IDCZ group companies.

19 Commitments and contingencies

(a) Commitments

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

During the year 31 December 2020 the Group is committed to incur capital expenditure of ZWL$1 038 468 525 (2019: $39 301 452). These commitments are expected to be settled in 2020. The capital expenditure will be funded through direct capital injection by the shareholder, borrowings and internally generated resources.

(b) Finance lease commitments

The Group has entered into commercial lease arrangements for various items of plant and machinery under finance lease with the Reserve Bank of Zimbabwe. The finance lease typically runs for a period of five years at an interest rate of 9.5%. The Group's obligations under finance leases are secured by the lessor's title to the leased assets.

There are no restrictions placed upon the Group entering into these contracts.

(i) Future minimum lease commitments

Group	Group		Corporation	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Less than one year	12 051 822	1 999 917	7 768 672	178 098
Between one and five years	11 972 144	16 156 633	3 268 772	714 738
More than five years	-	-	-	-
	24 023 966	**18 156 550**	**11 037 444**	**892 836**

Amounts recognised in profit or loss

	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Lease expense	-	-	-	-

(c) Contingent liabilities

Chemplex Corporation Limited

ZIMRA pending investigation

ZIMRA has not yet concluded adjustments to the tax assessments for which the ZFC submitted evidence. The ZWL$260 000 paid as an estimate of the amount due and payable for prior years as determined with the tax experts is sufficient and no additional payments relating to the same will be required to close the case.

(d) Contingent asset

IDCZ LTD vs. State of Romania and ROMSIT (International Glass Factory)

This is an ongoing international matter in which IDCZ Limited successfully sued Romanian State Company (ROMSIT) for breach of contract arising from defective workmanship and materials which resulted in the closure of the National Glass in Kadoma. IDCZ Limited was awarded judgement for the principal sum of US$4 211 570 together with interest at 8.5% per annum from 15 March 1999 to date of payment and arbitration costs of US$606 640. The judgement debt now amounts to an excess of US$11 956 762 with interest and costs included. It is considered that the judgement sum of US$11 956 762 will be recovered in due course although, due to the nature of international disputes this may take long.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

20 Related party disclosures

The consolidated financial statements include the financial statements of Industrial Development Corporation of Zimbabwe Limited

	Country of incorporation	equity interest 2021	equity interest 2020
Chemplex Corporation Limited	Zimbabwe	100%	100%
Ginhole Investments (Private) Limited T/A Last hope Estate	Zimbabwe	100%	100%
Willowvale Motor Industries (Private) Limited	Zimbabwe	100%	91%
Deven Engineering (Private) Limited	Zimbabwe	100%	100%
Sunway City (Private) Limited	Zimbabwe	99.86%	99.86%

The parent, Government of Zimbabwe, has a 100 % equity interest in the Corporation. Transactions with the parent are disclosed in note 14.2
The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

31 December 2021 : Group

	Inflation Adjusted				Historical cost			
	Sales to related parties ZWL$	Purchases from related parties ZWL$	Amounts owed by related parties ZWL$	Amounts owed to related parties ZWL$	Sales to related parties ZWL$	Purchases from related parties ZWL$	Amounts owed by related parties ZWL$	Amounts owed to related parties ZWL$
Associates:								
Motira Tractors					-	-	57 133	-
Sino-Zimbabwe Cement Company (Private) Limited	-	-	536 903	-	-	-	536 903	-
Zimbabwe Grain Bag (Private) Limited	-	-	-	-	-	-	-	-
Sable Chemical Limited	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	**-**	**536 903**	**-**	**-**	**-**	**536 903**	**-**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

31 December 2020 : Group

Associates:	Sales to related parties ZWL$	Purchases from related parties ZWL$	Amounts owed by related parties ZWL$	Amounts owed to related parties ZWL$	Sales to related parties ZWL$	Purchases from related parties ZWL$	Amounts owed by related parties ZWL$	Amounts owed to related parties ZWL$
Stone Holdings (Private) Limited	-	-	-	-	-	-	-	-
Sino-Zimbabwe Cement Company (Private) Limited	-	-	36 255 366	-	-	-	22 518 861	-
Sable Chemical Limited	-	-	-	-	-	-	-	-
	-	**-**	**36 255 366**	**-**	**-**	**-**	**22 518 861**	**-**

Amounts owed to the Corporation by Group companies have been provided as detailed on note 18 above. Terms and conditions of these loans and advances are also documented on this note

Corporation	Inflation Adjusted			Historical cost		
December 2021	Management fees receivable ZWL$	Amounts owed by related parties ZWL$	Amounts owed to related parties ZWL$	Management fees receivable ZWL$	Amounts owed by related parties ZWL$	Amounts owed to related parties ZWL$
Allied Insurance (Private) Limited	-	666 010	-	120 368	666 010	-
Chemplex Corporation Limited	189 302 711	60 187 173	-	141 026 740	60 187 173	-
Last Hope	-	669 237	-	-	669 237	-
Willowvale Motor Industries (Private) Limited	3 146 237	989 569	-	2 343 884	989 569	-
Deven Engineering (Private) Limited	1 224 350	5 091 699		912 117	5 091 699	
Sunway City Private) Limited	12 741 958	50 274 441	-	9 492 505	50 274 441	-
Motira Tractors (Private) Limited	-	57 133	-	-	57 133	-
Industrial Sands (Private) Limited	-	29 232	-	-	29 232	-
Associated companies:						
Stone Holdings (Private) Limited	-	-	-	-	-	-
Zimbabwe Grain Bag (Pvt) Ltd	-	-	-	-	-	-
Sino-Zimbabwe Cement Company (Private) Limited	-	536 903	-	-	536 903	-
	206 415 256	**118 501 397**	**-**	**153 895 614**	**118 501 397**	**-**

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For the year ended 31 December 2021

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arms length transactions. Outstanding balances at the year end are not secured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2020, the Group has recorded an impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

20.1 Compensation to key management personnel

	Group			
	Inflation Adjusted		Historical Cost	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Short term employee benefits	137 851 883	237 906 629	114 152 765	66 842 427
Post employment benefits	4 100 119	5 883 987	2 451 705	2 148 073
Termination benefits	850 715	10 045 853	-	5 388 945
Total compensation paid to key management personnel	**142 802 717**	**253 836 469**	**116 604 470**	**74 379 445**

	Corporation			
	Inflation Adjusted		Historical Cost	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Short term employee benefits	26 564 212	66 788 622	21 258 946	6 443 196
Post employment benefits	-	-	-	-
Termination benefits	-	8 676 201	-	5 388 945
Total compensation paid to key management personnel	**26 564 212**	**75 464 823**	**21 258 946**	**11 832 141**

Key management are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The amounts disclosed above are the amounts recognised as expenses during the reporting period.

21 Financial risk management

21.1 Financial risk management objectives and policies

The Group's principal financial liabilities comprise long and short term-bank loans, and trade payables. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various financial assets such as available for sale assets, trade receivables, and cash and cash equivalents which arise directly from its operations.

The principal risk the Group faces under insurance contracts is that the actual claims and benefit payments or the timing thereof differ from expectations. This is influenced by the frequency of claims and severity of claims. Therefore the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The availability of risks is also improved by careful selection and implementation of underwriting strategy guidelines as well as the use of reinsurance arrangements.

The Group purchases reinsurance as part of its mitigation programme. Reinsurance ceded is placed on both a proportional and non proportional basis. The majority of proportional reinsurance is quoted-share reinsurance

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

which is taken out to reduce the overall exposure of the Group to certain classes of business. Non-proportional reinsurance is primarily excess of loss reinsurance designed to mitigate the Group's net exposure to catastrophe losses. Retention limits for the excess of loss reinsurance vary by product line.

Amount recoverable from reinsurance are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance arrangements. The Group's replacement of reinsurance is diversified such that neither dependant on a single reinsurer nor are the operations of the Group substantially dependant upon any single reinsurance contract.

The Group principally issues the following type of general insurance contracts: motor, fire, accident and engineering. The variability of risks is improved by careful selection and implementation of underwriting strategies, designed to ensure that risks are diversified in terms of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography. Further, strict claim review policies to assess all lodged claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are put in place to reduce the risk exposure of the Group. The Group further enforces a policy of actively managing and promptly pursuing claims in order to reduce its exposure to unpredictable future developments that can negatively impact the business.

The Group's senior management oversees the management of these risks. The Group's senior management advises on financial risks and the appropriate financial risk governance framework for the Group and ensures that appropriate policies and procedures that govern the Group's financial risk-taking activities are in place and that financial risks are identified, measured and managed in accordance with the Group policies and Group risk appetite.

Risk management framework
The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risk faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, results of which are reported to the Audit Committee.

The main risks arising from the Group's financial instruments are market risk that is foreign currency, interest rate, liquidity and credit risk. These risks are managed as follows:

21.2 Market Risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: foreign currency risk, interest rate risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, available-for-sale investments. The objective of market risk

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group does not use financial instruments in its management of foreign currency.

21.2.1 Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities when revenues or expenses are denominated in a different currency and the Group's net investment in subsidiaries. All the Group's investments use the same currency which, is the United States Dollar.

Inflation Adjusted		2021		2020	
		Foreign amount	ZWL$	Foreign amount	ZWL$
Renminbi Yuan	ZWL$/0.0818	-	-	68 534 327	160 727 785
Rand		-	-	-	-

Historical Cost		2021		2020	
		Foreign amount	ZWL$	Foreign amount	ZWL$
Renminbi Yuan	ZWL$/0.0818	-	-	68 534 327	837 827 964
Rand		-	-	-	-

The following table demonstrates the sensitivity to a reasonable possible change in the Renminbi Yuan exchange rate with all other variables held constant, of the company's profit before tax:

	Inflation Adjusted			Historical Cost		
2021	Change in rate	Effect on profit before tax	Effect on equity	Change in rate	Effect on profit before tax	Effect on equity
	%	ZWL$	ZWL$	%	ZWL$	ZWL$
Renminbi Yuan						
	+2%	-	-	+2%	-	-
	- 2%	-	-	- 2%	-	-
Rand						
	+ 5%	-	-	+ 5%	-	-
	- 5%	-	-	- 5%	-	-

2020	Change in rate	Effect on profit before tax	Effect on equity	Change in rate	Effect on profit before tax	Effect on equity
	%	ZWL$	ZWL$	%	ZWL$	ZWL$
Renminbi Yuan						
	+2%	(1 063 682 209)	(787 124 835)	+2%	16 427 999	16 427 999
	- 2%	(6 772 673 845)	(5 011 778 645)	- 2%	(3 529 529 538)	(3 529 529 538)
Rand						
	+ 5%	-	-	+ 5%	-	-
	- 5%	-	-	- 5%	-	-

21.2.2 Interest rate risk

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to risk of changes in market rates relates to short-term borrowings and overdraft rates. This exposure is partially managed through corresponding money market investments of the Group's surplus cash resources.

The Group manages its interest cost and risk by using debt with fixed rate of debts and thus is not exposed to interest rate risk fluctuations.

The following demonstrates the sensitivity to a reasonable possible change in interest rate on profit before tax;

		Inflation Adjusted			
		Group		Corporation	
		2021	2020	2021	2020
		ZWL$	ZWL$	ZWL$	ZWL$
Change in interest rate of:	+10%	(23 154 582)	(9 239 572)	(423 208)	(5 860 441)
	-10%	23 154 582	9 239 572	423 208	5 860 441

		Historical Cost			
		Group		Corporation	
		2021	2020	2021	2020
		ZWL$	ZWL$	ZWL$	ZWL$
Change in interest rate of:	+10%	(20 372 044)	(1 789 648)	(423 208)	(731 490)
	-10%	20 372 044	1 789 648	423 208	731 490

21.2.3 Liquidity risk

Liquidity risk is the risk of insufficient liquid funds being available to cover commitments. The Group consistently monitors its risk to a shortage of liquid funds. This requires that the Group considers the maturity of both its financial investments and financial assets e.g. accounts receivables and other financial assets. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, debentures, bank facilities and cash resources. Furthermore, the Group is vigorously pursuing debtor collection and identifying non performing assets for outright disposal.

The table below summaries the maturity profile of the Group's financial liabilities as at 31 December 2021 based on contractual undiscounted payments:

Group

Inflation adjusted

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

	On demand ZWL$	0 to 3 months ZWL$	3 to 12 months ZWL$	1 to 5 years ZWL$	+5 years ZWL$	Total ZWL$
Year ended 31 December 2021						
Interest bearing loans and borrowings	1 919 026 298	-	2 767 291	2 849 780	-	1 924 643 369
Other liabilities	881 918 619	-	1 325 601	-	-	883 244 220
Trade and other payables	2 535 489 003	278 929 823	-	15 396 694	-	2 829 815 520
	5 336 433 920	**278 929 823**	**4 092 892**	**18 246 474**	**-**	**5 637 703 109**
Year ended 31 December 2020						
Interest bearing loans and borrowings	261 772 378	-	955 027 808	496 896 224	-	1 713 696 410
Other liabilities	1 005 502 760	-	794 805	-	-	1 006 297 566
Trade and other payables	1 482 614 866	505 493 184	-	19 646 329	-	2 007 754 380
	2 749 890 005	**505 493 184**	**955 822 614**	**516 542 553**	**-**	**4 727 748 356**

Historical cost

	On demand ZWL$	0 to 3 months ZWL$	3 to 12 months ZWL$	1 to 5 years ZWL$	+5 years ZWL$	Total ZWL$
Year ended 31 December 2021						
Interest bearing loans and borrowings	1 919 026 298	-	2 767 291	2 849 780	-	1 924 643 369
Other liabilities	881 848 619	27 831 323	1 325 601	-	-	911 005 543
Trade and other payables	2 535 489 003	251 098 500	-	15 396 694	-	2 801 984 197
	5 336 363 920	**278 929 823**	**4 092 892**	**18 246 474**	**-**	**5 637 633 109**
Year ended 31 December 2020						
Interest bearing loans and borrowings	161 161 821	-	593 184 974	308 631 195	-	1 062 977 990
Other liabilities	560 303 048	59 481 888	-	-	-	619 784 936
Trade and other payables	922 039 574	159 299 773	-	12 202 689	-	1 093 542 036
	1 643 504 443	**218 781 661**	**593 184 974**	**320 833 884**	**-**	**2 776 304 962**

Corporation

Inflation Adjusted

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

	On demand ZWL$	0 to 3 months ZWL$	3 to 12 months ZWL$	1 to 5 years ZWL$	+5 years ZWL$	Total ZWL$
Year ended 31 December 2021						
Interest bearing loans and borrowings	-	-	2 767 291	-	-	2 767 291
Other liabilities	11 188 389	-	1 325 601	-	-	12 513 990
Trade and other payables	-	251 098 500	-	-	-	251 098 500
Amounts owed to Group companies	-	-	-	-	-	-
	11 188 389	**251 098 500**	**4 092 892**	**-**	**-**	**266 379 781**
Year ended 31 December 2020						
Interest bearing loans and borrowings	-	-	955 027 808	482 883 795	-	1 437 911 603
Other liabilities	13 332 938	-	-	-	–	13 332 938
Trade and other payables	-	256 472 635	-	-	-	256 472 635
Amounts owed to Group companies	-	-	-	-	-	-
	13 332 938	**256 472 635**	**955 027 808**	**482 883 795**	**-**	**1 707 717 176**

Historical Cost	On demand ZWL$	0 to 3 months ZWL$	3 to 12 months ZWL$	1 to 5 years ZWL$	+5 years ZWL$	Total ZWL$
Year ended 31 December 2021						
Interest bearing loans and borrowings	-	-	2 767 291	-	-	2 767 291
Other liabilities	11 118 389	-	1 325 601	-	–	12 443 990
Trade and other payables	-	251 098 500	-	-	-	251 098 500
Amounts owed to Group companies	-	-	-	-	-	-
	11 118 389	**251 098 500**	**4 092 892**	**-**	**-**	**266 309 781**
Year ended 31 December 2020						
Interest bearing loans and borrowings	-	-	955 027 808	482 883 795	-	1 437 911 603
Other liabilities	13 332 938	-	-	-	–	13 332 938
Trade and other payables	-	256 472 570	-	-	-	256 472 570
Amounts owed to Group companies	-	-	-	-	-	-
	13 332 938	**256 472 570**	**955 027 808**	**482 883 795**	**-**	**1 707 717 111**

21.3 Capital management

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

The primary objective of the Corporation's capital management is to ensure that the Corporation maintains a healthy capital ratio in order to support the business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in the economic environment to maintain and adjusts the capital structure the Group may adjust the dividend payment to shareholders, return on capital to shareholders, or issue new shares. No changes were made to the objectives, policies or processes during the year ended 31 December 2021. The Group's capital comprise net debt and equity as detailed below:

	Inflation Adjusted		Historical cost	
	2021	2020	2021	2020
	ZWL$	ZWL$	ZWL$	ZWL$
Interest bearing loans and borrowings	1 431 588 476	1 656 804 928	1 431 588 474	1 029 071 384
Bank overdrafts	46 764 952	476 510	46 764 952	295 969
Trade and other payables	3 225 418 007	2 405 489 171	3 148 047 097	1 328 366 425
Less cash and short term deposits	(1 403 406 314)	(1 578 087 153)	(1 403 406 314)	(980 178 356)
Net debt	3 300 365 121	2 484 683 457	3 222 994 209	1 377 555 422
Equity	19 992 001 384	15 515 981 556	17 304 726 289	6 805 285 491
Capital and debt	23 292 366 505	18 000 665 012	20 527 720 498	8 182 840 913
Gearing ratio	14%	14%	16%	17%
Target gearing ratio	60%	60%	60%	60%

21.4 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables and loan notes) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group's cash is placed with major banks of high credit standing in Zimbabwe and within specific guidelines laid down by the Group Treasury and approved by the Board. The Group does not consider there to be significant exposure to credit risk from banks.

Short-term deposits

The Group's short-term deposits are placed with reputable and sound institutions

(a) Credit risk relating to receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and controls relating to customer credit risk management. Credit quality of customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and all sales to credit customers are generally covered by letters of credit.

The requirement for impairment is analysed at each reporting date on an individual basis for all the debtors. As at 31 December 2021, the Group had ZWL$59 523 696 (2020 : ZWL$59 523 696) allowance for credit losses

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

relating to debtors .

The Group evaluates the concentration of risk with respect to trade receivables as low to medium, as it has a wide range of customers which include the Government and Corporate.

(b) Financial instruments and cash deposits

Credit risk from balances with banks and financial instruments is managed by the Group's treasury departments in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Board of Directors on an annual basis, and maybe updated throughout the year subject to the approval of the Finance Committees. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure.

The Group's maximum exposure to credit risk arising from its financial assets as at 31 December 2021 and 2020 is the carrying amounts of the financial assets as illustrated in note 21.5.

21.5 Fair values of financial instruments

The estimated net fair values of all financial instruments approximate the carrying amounts shown in the financial statements. Financial assets and liabilities including loans to group companies and investments in associates which are intended to either to be settled on a net basis or to be realised and settled simultaneously are offset and the net asset or liability amounts reported in the statement of financial position.

Set out below is a comparison by category of carrying amounts and fair values of all the Group's financial instruments that are carried in the financial statements:

	Inflation Adjusted				Historical cost			
	2021	2021	2020	2020	2021	2021	2020	2020
Group	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Financial assets								
Trade and other receivables	4 507 018 377	4 500 242 458	2 216 409 441	2 216 409 441	4 442 190 082	4 442 190 082	190 583 257	190 583 257
Cash and short term deposits	1 403 406 314	1 403 406 314	1 578 087 153	1 578 087 153	1 403 406 314	1 403 406 314	209 941 978	209 941 978
Available for sale financial assets	315 047 278	315 047 278	417 523 604	417 523 604	10 351 647	10 351 647	54 757 168	54 757 168
Financial liabilities								

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

Interest bearing loans and borrowings	1 431 588 476	1 431 588 476	1 656 804 928	1 656 804 928	1 431 588 474	1 431 588 474	182 447 143	182 447 143
Trade and other payables	3 210 283 229	3 210 283 229	2 405 489 171	2 405 489 171	3 148 047 097	3 148 047 097	285 365 249	285 365 249
Overdraft	46 764 952	46 764 952	476 510	476 510	46 764 952	46 764 952	2 283 451	2 283 451

Corporation	Carrying amount ZWL$	Fair value ZWL$	Carrying amount ZWL$	Fair value ZWL$	Carrying amount ZWL$	Fair value ZWL$	Carrying amount ZWL$	Fair value ZWL$
Financial assets								
Trade and other receivables	30 071 282	30 071 282	3 306 021	3 306 021	30 071 282	30 071 282	145 475	145 475
Cash and short term deposits	211 154 950	211 154 950	114 329 700	114 329 700	211 154 950	211 154 950	54 654 728	54 654 728
Loans receivable	680 901 412	680 901 412	150 546 566	150 546 566	680 901 412	680 901 412	13 116 097	13 116 097
Amounts receivable from group companies	115 988 438	115 988 438	68 546 769	68 546 769	115 988 438	115 988 438	2 123 960	2 123 960
Financial liabilities								
Interest bearing loans and borrowings	2 767 291	2 767 291	1 437 911 603	1 437 911 603	2 767 289	2 767 289	162 117 040	162 117 040
Trade and other payables	262 369 439	262 369 439	252 212 681	252 212 681	258 063 150	258 063 150	7 358 269	7 358 269
Overdraft	-	-	-	-	-	-	-	-
Amount owed to group companies	1 325 601	1 325 601	794 805	794 805	1 325 601	1 325 601	13 568 022	13 568 022

The fair values of the financial assets and liabilities is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short- term maturities of these instruments. At 31 December 2021, the carrying amounts of these instruments were therefore equal to their fair values.

Long-term fixed rate receivables are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. These parameters also apply on borrowings.

The carrying amount of loans from banks and other financial liabilities has been assumed to approximate fair value as the current economic environment in Zimbabwe, characterised by lack of liquidity, makes it difficult to determine interest rates currently available for debt on similar terms, credit risk and remaining maturities.

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For the year ended 31 December 2021

Fair value hierarchy

	Inflation Adjusted				Historical cost			
2020	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Financial and non- financial assets								
Land and buildings	-	-	14 006 675 601	**14 006 675 601**	-	-	13 949 218 353	**13 949 218 353**
Available for sale financial assets	-	-	315 047 278	**315 047 278**	-	-	10 351 647	**10 351 647**
Investment properties	-	-	570 288 090	**570 288 090**	-	-	570 288 090	**570 288 090**
Assets held for sale	-	-	70 216 289	**70 216 289**	-	-	44 563 190	**44 563 190**
2019	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Financial and non-financial assets								
Land and buildings	-	-	10 182 376 014	**10 182 376 014**	-	-	6 127 962 751	**6 127 962 751**
Available for sale financial assets	-	-	417 523 604	**417 523 604**	-	-	68 037 117	**68 037 117**
Investment properties	-	-	553 154 929	**553 154 929**	-	-	343 574 490	**343 574 490**
Assets held for sale	-	-	316 974 209	**316 974 209**	-	-	44 187 616	**44 187 616**

The classification is explained as follows:

Level 1: Quoted prices in an active market for identical assets.

Level 2: Other techniques for which inputs other than quoted prices included in Level 1 are observable for the asset or liability, either directly or indirectly.

Level 3: Techniques for which inputs are not based on observable market data.

During the reporting period ending 31 December 2021, there were no financial assets at fair value through profit and loss.
Refer to Note 8 (a), 9.1 and 10.4 for valuation techniques.

22. Segment information

The Group has the following four divisions, which are its reportable segments. These divisions offer different products and services, and which are managed separately because they require different technology and marketing strategies.
The following summary describe the operations of each segment.

Reportable Segments	Operations

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

Chemicals and Fertilizers	Fertilizer and chemical manufacturing
Engineering	Coach building, general engineering and manufacturing
Motor and Transport	Motor Vehicle and truck dealership, importer and wholesaler of automotive parts and provider of motor vehicle plans
Corporate and Other	Promote investments and economic co-operation across borders and development of residential, commercial and industrial stands

The Group has four operating segments as follows:

	Inflation Adjusted											
	Chemicals & fertilizers		Engineering & Glass		Motor & Transport		Corporate & other		Adjustments and eliminations		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Revenue												
External customer	10 311 624 642	9 108 559 779	-	-	323 146 413	163 999 837	519 691 272	429 951 004	-	-	11 154 462 327	9 702 510 620
Intersegment sales	(18 830 706)	(6 293 018)	-	-	-	-	-	-		-	(18 830 706)	(6 293 018)
Total revenue	**10 292 793 936**	**9 102 266 761**	**-**	**-**	**323 146 413**	**163 999 837**	**519 691 272**	**429 951 004**	**-**	**-**	**11 135 631 621**	**9 696 217 602**
Results												
Depreciation	(63 124 979)	250 553 822	-	-	22 073 075	28 710 705	33 742 832	21 974 958	-	-	(7 309 072)	301 239 485
Impairment of assets	-	(20 796 748)	-	-	-	-	(20 397 744)	-	-	-	(20 397 744)	(20 796 748)
Share of profit of associates	(227 061 345)	238 234 852	-	-	-	-	102 844 299	295 255 376	-	-	(124 217 046)	533 490 228
Segment profit/ (loss)	**(1 322 880 384)**	**1 154 434 208**	**-**	**-**	**(263 976 842)**	**118 954 056**	**435 305 212**	**4 275 077 837**	**-**	**-**	**(1 151 552 014)**	**5 548 466 102**
Operating assets	**14 237 889 740**	**13 878 434 761**	**-**	**-**	**1 163 973 996**	**1 466 221 639**	**10 903 007 745**	**5 619 670 536**	**-**	**-**	**26 304 871 481**	**20 964 326 936**
Operating liabilities	**2 459 422 110**	**1 810 717 480**	**-**	**-**	**314 363 815**	**118 247 497**	**484 227 374**	**477 677 210**	**-**	**-**	**3 258 013 299**	**2 406 642 186**
Other disclosures												
Investment in an associate	991 956 485	818 710 440	-	-	-	-	1 853 324 705	2 085 730 493	-	-	2 845 281 190	2 904 440 932
Capital expenditure	254 603 805	110 164 810	-	-	2 315 582	2 861 791	15 140 337	125 368 948	-	-	272 059 724	238 395 550

1. Inter- segment revenues are eliminated on consolidation.
2 .Segment assets exclude loans receivable ZWL$ 59 660 992; (2020 : ZWL$59 660 992)
3. Segment liabilities do not include deferred tax ZWL$852 311 274 (2020 : $852 311 274), current tax payable ZWL$354 402 405 (2020 : $354 402 405) and loans ZWL$1 029 384 (2020 : $1 029 384)

Historical Cost

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

	Chemicals & fertilizers		Engineering & Glass		Motor & Transport		Corporate & other		Adjustments and eliminations		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Revenue												
External customer	8 178 938 501	4 020 133 489	-	-	255 374 009	75 375 114	419 175 538	236 713 964	-	-	8 853 488 048	4 332 222 567
Intersegment sales	(13 645 440)	(3 329 812)	-	-	-	-	-	-	-	-	(13 645 440)	(3 329 812)
Total revenue	**8 165 293 061**	**4 016 803 677**	**-**	**-**	**255 374 009**	**75 375 114**	**419 175 538**	**236 713 964**	**-**	**-**	**8 839 842 608**	**4 328 892 755**
Results												
Depreciation	383 665 061	79 865 042	-	-	19 280 814	4 201 849	13 661 242	6 806 586	-	-	416 607 117	90 873 477
Impairment of assets	(920 516)	-	-	-	-	-	(32 803 959)	(79 549 563)	-	-	(33 724 475)	(79 549 563)
Share of profit of associates	(344 324 086)	5 111 361	-	-	-	-	264 536 165	167 485 057	-	-	(79 787 921)	172 596 418
Segment profit/ (loss)	**162 891 610**	**602 466 894**	**-**	**-**	**32 566 801**	**13 154 829**	**1 676 250 949**	**(135 820 960)**	**-**	**-**	**1 871 709 360**	**479 800 763**
Operating assets	**11 547 485 845**	**6 377 201 018**	**-**	**-**	**1 154 391 293**	**903 965 638**	**10 768 479 598**	**3 021 521 292**	**-**	**-**	**23 470 356 736**	**10 302 687 948**
Operating liabilities	**2 408 654 894**	**964 456 565**	**-**	**-**	**307 434 422**	**69 234 264**	**479 687 850**	**295 391 751**	**-**	**-**	**3 195 777 166**	**1 329 082 580**
Other disclosures												
Investment in an associate	909 539 683	506 031 101	-	-	-	-	752 112 224	461 099 204	-	-	1 661 651 907	967 130 305
Capital expenditure	243 187 652	58 781 645	-	-	1 969 770	1 510 138	11 684 692	71 603 567	-	-	256 842 114	131 895 350

1. Inter- segment revenues are eliminated on consolidation.

2 .Segment assets exclude loans receivable ZWL$ 210 118 811; (2020 : ZWL$ 59 660 992)

3. Segment liabilities do not include deferred tax ZWL$1 535 781 315 (2020 : ZWL$877 963 339), current tax payable ZWL$521 508 336 (2020 : ZWL$354 402 405) and loans ZWL$1 416 191 780 (2020 :ZWL$1 029 071 384)

23. Going Concern

Group

The Group made inflation adjusted profit for the year of ZW$2 885 205 782 (2020: ZW$6 593 964 409), mainly due to a significant movement of monetary gain of ZW$3,8 billion to a monetary loss of ZW$1.89 billion. The Group is projecting a profit position in the ensuing year.

The business environment remains subdued, characterised by foreign currency and cash challenges, inflationary pressures, depressed domestic demand, low investor confidence and Covid-19 pandemic, which drove economies into slowdown.

The Groups' major investment was categorised as an essential service through the provision of water treatment chemicals, animal products and

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2021

fertilisers. This enabled the group to continue operating during the Covid-19 lockdowns.

The following measures are being implemented by Management to sustain the Group's profitability:

- New Fertiliser Blending Plant for 200,000 tonnes per annum.
- New Granulation Plant for 425,000 tonnes per annum.
- Bauxite mine purchase.
- Sulphuric Acid Plant re-build.
- Superphosphate Plant for 225,000 tonnes per annum.
- Refurbishment of the Phosphate Plant to name plate capacity of 150,000 tonnes per annum.
- New Magnetite Plant for 6,000 tonnes per annum.
- New Tick Grease Plant for 6,000 tonnes per annum.
- New Grain Protectant Plant for 6,000 tonnes per annum.
- Two new cGMP Plants for animal health and human pharmaceuticals.
- Commencement of bus assembly and refurbishment of bus carcases to bolster public transport sector.
- Continue searching for Original Equipment manufacturers (OEMs) and commence passenger vehicle assembly.
- Continue to pursue aggressive cost containment management initiatives. The major target areas include procurement, administration, selling and distribution and employment costs.

Corporation

The Corporation reported inflation adjusted loss for the year ended 31 December 2021 of ZW$221 220 095 (2020: profit ZW$3 516 363 807), mainly attributable to the net impact of the huge monetary loss of ZW$313 111 868 (2020: ZW$4 476 083 339).

The Government, as the sole shareholder of the Corporation, injected fresh capital which resulted in equitization of ZW$1 460 498 828 in 2021. The funds were earmarked to operationalise the Development Finance Institution (DFI) role of extending concessionary loans to industry, which commenced mid-2019.

The shareholder is expected to release further funding in the ensuing year, to enable the Corporation to continue to establish and conduct new industries and industrial undertaking through facilitation, promotion, guidance, and assistance in the financing of the manufacturing sector. In this respective, the shareholder approved ZW$2,3 billion in the 2022 National Budget as additional seed capital for on-lending.

The directors believe that the Corporation and Group are going concern and will continue in business for the foreseeable future and, are implementing the measures above to ensure that they continue operating in the foreseeable future. The basis presumes that the Corporation and Group's plans will be successful, and they will realise their assets and discharge their liabilities, contingent obligations, and commitments in the ordinary course of business.

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