nssa
A Lifelong promise

Annual Report 2021

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We PLEDGE To:

Serve the nation through providing world class social security services.

Empower our workforce and pensioners with schemes that enable them to live undisrupted and progressive lives.

Innovate our schemes range with market relevant and customer focused solutions.

Secure investments that enable us to offer quality products and deliver dependable services to our members.

Inspire future generations by leaving a legacy of security and commitment.

#NSSAHeroes!

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Our Vision

To be a world class provider of social security by 2030.

Our Mission

To provide sustainable Social Security and promote Occupational Safety and Health to all members through responsive schemes and services.

Corporate Values

- Professionalism
- Accountability
- Commitment
- Transparency
- Teamwork
- Integrity

#NSSAHeroes!

Corporate information

An Interim Board was appointed by the Minister of Public Service, Labour and Social Welfare from 2 November 2020 to April 2021. It comprised of Mr Clifford Matorera (Chairperson), Mr Andrew Bvumbe and Mr Arthur Johnson Manase (General Manager).

The National Social Security Authority Board was appointed by the Minister of Public Service, Labour and Social Welfare in May 2021 with the following Directors.

DIRECTORS	Dr Percy Toriro (Chairman) Marjorie Chinyemba (Vice Chairperson) Mr Shepherd Mundondo Commissioner George Chigora Dr Chipo Ndudzo Ms Grace Mathe Mr Clifford Matorera Mr Timothy Nherudzo Mr Tarusenga Chitemere
BOARD SECRETARIAL SERVICES	Mrs Prudence Mutsvanga
BOARD COMMITTEES	Human Resources, Remuneration & Nominations And Marketing, Pr & Csr Committee Investments and Procurement Audit, Risk and Corporate Governance Actuarial, Benefits and Occupational Safety and Health Legal, Litigation and Appeals ICT, Finance and Contributions

Notes:
1. The Chairman of the Board is available by invitation to attend any Board committee meeting.
2. The Chairman of the Board may at any time and place convene a meeting of a committee.

REGISTERED OFFICE	NSSA House, Corner Sam Nujoma Street/Selous Avenue, Harare
AUDITORS	Office of the Auditor General
BANKERS	CBZ Bank Limited FBC Bank Limited National Building Society

Investee Companies

The investee companies below, are listed on the Zimbabwe Stock Exchange with the exception of Centragrid Private Limited, Dubury Investment Private Limited, National Building Society and Stalap Private Limited.

Investment in Subsidiaries

nbs National Building Society a Registered Building Society	Ekusileni Medical (Private) Limited	First Mutual Holdings Limited Go Beyond	RTG Rainbow Tourism Group Ltd
100%	100%	66.22%	91.59%

Investment in Associates

Dubury Investments (Private) Limited	FBC Holdings Limited strength • diversity • service	Turnall Holdings Limited
36.21%	35.12%	32.56%

starafricacorporation Power of Partnerships	Stalap (Private) Limited	Centragrid
31.63%	31.5%	26%

ZHL Zimre Holdings Limited Security Growth and Profitability	OK Zimbabwe Limited
21.15%	20.57%

Investee Companies (cont.)

National Building Society Limited

National Building Society Limited ("NBS") is a Registered Building Society under the *Building Society Act [Chapter 24:20]*. The Society was set up with the sole mandate of contributing to the National Housing stock and in support of the Zimbabwean Government Zim-Asset and Financial Inclusion programmes. NBS is the brainchild of National Social Security Authority (NSSA) and a result of an investment through the Pensions and Other Benefits Scheme (POBS) fund and the Accident Prevention and Workers Compensation Scheme (APWCS). Through its solid capital base and support structure, NBS is poised to be the market leader in the provision and facilitation for affordable housing developments.

First Mutual Holdings Limited

First Mutual Holdings Limited is a leading financial services group that is committed to creating value through risk management, wealth creation and wealth management predominantly in the insurance sector.

Subsidiaries are First Mutual Life, First Mutual Health, Nicoz Diamond Insurance, First Mutual Reinsurance, FMRE Property & Casualty (Botswana) First Mutual Wealth Management, First Mutual Properties, First Mutual Funeral Services and First Mutual Microfinance.

Rainbow Tourism Group Limited

Rainbow Tourism Group Limited (RTG) is a well-established Tourism and Hospitality Management Company in Zimbabwe, with an extensive portfolio of owner-managed or leased hotels and conference facilities in Zimbabwe and Mozambique, as well as a tour operator company. RTG operates in two sectors: Zimbabwe and Outside Zimbabwe. Its marketing and channel management division operates out of South Africa. Well-known hotels in its portfolio include Rainbow Towers Hotel and Conference Centre, A'Zambezi River Lodge, Victoria Falls Rainbow Hotel, Bulawayo Rainbow Hotel, Kadoma Hotel and Conference Centre, New Ambassador Hotel, Rainbow Beitbridge Hotel and Rainbow Hotel Mozambique.

Ekusileni (Private) Limited

NSSA owns 100% shareholding in Ekusileni (Private) Limited which owns Ekusileni Medical Hospital in Bulawayo.

Dubury Investments (Private) Limited

Dubury Investments is a private investment vehicle through which NSSA jointly owns Joina City. Joina City is the largest indoor shopping mall in the country where one can find everything under one roof. It houses over 80 active tenants offering services, and retail stores. The mall shopping area is spread on four levels, and offers many dining and take away facilities, specialty shops offering unique products and experiences, state of the art entertainment services, and much more in a clean, safe and secure environment.

The construction of the building commenced on the black Friday of November 1998, the building was officially opened in March 2010, starting with the retail section, but later opened office floors and tenants.

Joina City is nestled at the focal point of the Central Business District of Harare and is also right next to the main post office. This makes it a viable facility for anyone who wishes to rent space as customers will be coming from different areas of Zimbabwe.

FBC Holdings Limited

FBC Holdings Limited (FBCH) is an investment holding company whose principal activities are in Zimbabwe. The Group offers diverse financial services through subsidiaries that span across commercial banking, mortgage financing, short-term insurance, re-insurance, securities trading, and micro financing. FBC Holdings Group comprises of FBC Bank Limited, FBC Building Society, FBC Reinsurance, FBC Securities (Private) Limited, MicroPlan Financial Services (Private) Limited and an insurance company.

Turnall Holdings Limited

Turnall Holdings Limited engages in the manufacture and supply of building and construction materials. It operates through the following segments: Building Products, Piping Products, and Concrete Tile. The Building Products segment produces roofing sheets, flat sheets, and moulded goods. The Piping Products segment provides water and sewer reticulation pipes. The Concrete Tile segment offers concrete roofing products. The company was founded in 1943 and is head quartered in Harare, Zimbabwe.

Stalap Private Limited (Stalap)

Stalap is an investment vehicle created in 2017, through NSSA and Zimre Holdings Limited (ZHL) pooling together shareholding in CFI Holdings Limited (CFI). Prior to the setting up of the Stalap investment vehicle, ZHL held 29 771 320 shares (28.13%) in CFI and NSSA held 13 643 807 shares (12.89%). The pooling together of shareholding was achieved through NSSA and ZIMRE transferring their shareholding in CFI in exchange of shareholding in Stalap. Consequently, Stalap controls 41.02% of CFI and NSSA owns 31.50% in Stalap.

CFI Holdings Limited is a diversified Zimbabwean agro-based conglomerate with retail, farming, milling, and property development operations. The Group's retail arm, Farm & City Centre, supplies agricultural inputs and hardware products, while it's farming division, Glenara Estates, produces maize, soya beans, and potatoes. CFI's milling operations include Agrifoods and Victoria Foods and the manufacture of stock feeds, flour, and other food products.

Given its footprint in the Agriculture sector, NSSA continues to hold the CFI stake through Stalap as a strategic investment that allows NSSA to participate in the agriculture value chain.

StarAfrica Corporation Limited

Established in 1935 principally as a sugar refinery, StarAfrica Corporation Limited has grown to become a diversified conglomerate listed on the Zimbabwe Stock Exchange. The brands consist of the food, industrial and property divisions.

Centragrid Private Limited

The Authority core funded the expansion of Centragrid Solar Plant from 2.5MW to 25MW through investing a mixture of debt and equity totalling USD8m equivalent in ZWL. Authority equity position in Centragrid stands at 26%. This is an impact investment, at the peak of construction, the project is expected to employ 300 workers thus contributing towards the 760,000 formal jobs envisaged under National Development Strategy1 (NDS1).

Investee Companies (cont.)

Furthermore, an additional 22.5MW from the expansion will contributes towards NDS1's target of increasing power supply from 2 317MW to 3 467MW by 2025. The project will also construct a 4.5 km transmission line from Nyabira to join the Norton-Bindura transmission grid thus contributing towards to the NDS1 target of an additional 280km of transmission and distribution network by 2025.

ZimRe Holdings Limited

ZimRe Holdings Limited was incorporated in Zimbabwean in 1983 and is a diversified investment holding Company with sustainable core competencies in the insurance value chain, property and wealth management. The Group has investments and operations located in Botswana, Malawi, Mozambique, Zambia and headquartered in Zimbabwe.

OK Zimbabwe Limited

OK Zimbabwe Limited has been in existence since 1942 and has established itself as a customer-oriented retail organization providing comprehensive access to a broad range of retail products and allied services developed in response to its customers' requirements for convenience and value. OK Zimbabwe Limited trades under three brand names, OK Stores, Bon Marche' Stores, and OKmart. The diversified distribution channel allows the Group to target all segments of the market. In this regard, the Group has specifically profiled its stores in terms of design, product range, services and other offerings in a way that effectively caters for the specific requirements in the low, middle and high income consumer categories.

OK Zimbabwe Limited has maintained its position as one of the dominant supermarket retailers in the country's competitive retail sector, despite the effect of liquidity constraints and low disposable incomes. The Group has developed its own brands through the Bon Marche' Premier Choice and Shopperschoice labels.

Dr. Emmanuel Anesu Fundira
Board Chairman

Appointed May 2023

"The Investment strategy of the Authority is anchored on achieving predictable income streams (I), sustainable growth (G), socio-economic impact (I) and schemes sustainability (S) which we refer to by the acronym IGIS investment philosophy."

Chairman's Statement

Overview

The Honourable Minister appointed a substantive Board in May 2021 to succeed the Interim Board of three (3) members which had been appointed to steward the organisation following the dissolution of the Board that had been appointed in February 2019 and pending the appointment of a substantive Board.

Investment strategy and performance

The Investment strategy of the Authority is anchored on achieving predictable income streams (I), sustainable growth (G), socio-economic impact (I) and schemes sustainability (S) which we refer to by the acronym IGIS investment philosophy. During the year 2021 our investment strategy to consolidate and restructure our portfolio continued with key focus on converting local currency investment assets into real assets and USD denominated assets as part of mitigating the impact of inflation and exchange rate movements. The Authority introduced two facilities aimed at benefiting pensioners namely the pensioner revolving facility and zero-rated facility. The Pensioner revolving facility which was a hugely popular facility was a concessionary funding program implemented by the Authority through several partner banks to provide loans to pensioners for economic projects as part of enhancing their livelihoods. The Zero-rated facility was concessionary funding provided to banks so that they will not charge fees to pensioners thus enhancing their disposable income.

The Authority continued to participate in the agriculture value chain working together with the private sector. During the year, the Authority invested ZWL$200 000 000 towards agriculture. NSSA continued the journey of consolidating its insurance and banking sector investments which started in 2017. During the year 2021 a decision was made to reduce the Authority's shareholding in FMHL through a share swap with CBZH in order to create a financial powerhouse with a critical mass to support national programs while at the same time declaring consistent and substantial dividend income streams.

The Authority's strategy drive on the properties front was to develop the massive land banks within the portfolio for the benefit of members. To this end the Authority engaged independent asset managers to assist in the monetization of these banks. The major highlights were the development of Glaudina Stands, 49A Borrowdale and the revamping of St Tropez which was non-performing for more than 6 years.

Subsidiaries performance

National Building Society ("The Society")

The Society, which is 100% owned by NSSA, continued to record impressive performance across its business lines. The Society recorded a net surplus of ZWL$258 million in inflation adjusted terms which represented a 140% growth from ZWL$108 million recorded in 2020. This performance was spurred by growth in total income, increase in loans and advances and transactional activities through the Society's digital and traditional channels.

Operating expenses increased by 62% in inflation adjusted terms to close at ZWL$929 million from ZWL$573 million in 2020. The cost to income ratio improved from 91% in 2020 to 76% in 2021.

The statement of financial position increased by 96% in inflation-adjusted terms to close at ZWL$7.07 billion. Total loans and advances increased from ZWL$779 million to ZWL$2.78 billion while total deposits registered a phenomenal growth of 259% during the year under review.

The Society diversified its business model to offer universal banking services and through its Great Leap Strategy achieved tremendous business growth. As part of this growth strategy, the Society introduced Corporate and Investment Banking services in order to better serve its growing corporate clients. This resulted in the Society witnessing an improvement in the quality of clients serviced. Innovation remained top priority for the Society which launched numerous initiatives that include SME Value Chain Finance, Ahoyi Tertiary Student Account and Instant Cash local remittances services.

Going forward NSSA expects NBS to contribute significantly to NSSA's core mandate of providing sustainable social security through increased dividend payouts, growth in capital invested, provision of houses and mortgages and innovative products that serve pensioners and members of NSSA. The Authority supported NBS through several initiatives that include money market placements, additional capital and access to its wide ecosystem.

First Mutual Holding Limited ("FMHL")

FMHL recorded an improvement in its financial performance achieving a 50% growth in gross premium written which stood at ZWL$14.3 billion for the year ended 31 December 2021. The growth was spurred by increased business from existing insurance portfolio and the revaluation of insurance policy values in line with inflation to ensure that clients have adequate cover. FMHL achieved a growth in investment income which rose by 350% to ZWL$2.51 billion driven by the solid performance of the Zimbabwe Stock Exchange ("ZSE"). Overall, FMHL achieved an inflation adjusted profit for the period of ZWL$3.33 billion mainly due to the increase in the top line as well as fair value gains on investment property and equity instruments.

FMHL's total assets appreciated in value by 44% from 31 December 2020 to 31 December 2021. The growth is mainly attributable to the fair value adjustment on investment properties and listed equities. Investment property witnessed significant growth in Zimbabwe dollar values. The ZWL$ significantly depreciated in value against the United States Dollar which also impacted the forward-looking information utilised in the valuation hence the fair value gain of ZWL$7.11 billion to 31 December 2021.

The Company managed to declare a dividend of ZWL$150 million to it's shareholders.

Rainbow Tourism Group ("RTG/ The Group")

RTG continued on a growth trajectory recovering despite the impact of COVID-19. The group achieved a 17% growth in revenues at ZWL$2.84 billion in 2021 against ZWL$2.43 billion in prior year 2020. This revenue performance was achieved despite the Group losing an equivalence of five trading months during level 4 lockdowns.

Gross margins remained strong at 72% being a 1 percentage point improvement from 71% achieved in 2020. RTG achieved a profit before

Chairman's Statement (cont.)

tax of ZWL$249 million compared to ZWL$546 million posted in 2020 due to cost pressures. Net profit was resultantly lower at ZWL$218 million from ZWL$560 million achieved in 2020. Despite the decrease in profits the Company declared a dividend of ZWL$0.06 per share.

The Authority believes that RTG can do better to contribute to the sustainability of NSSA's schemes through better dividends. Going forward the Authority will closely monitor performance of its investee companies to ensure alignment of interests so that investee companies contribute to provision of sustainable social security.

Sustainability of the Schemes

The persistent risk to the sustainability of the fund was heightened again in 2021 as the world grappled with the Covid-19 pandemic that resulted in companies halting trading and resorting to retrenchments and temporary layoffs. This threatened the sustainability of the fund resulting from inhibited membership growth. The Authority was forced to innovate and adapt to the new reality to defend the NSSA schemes through a number of strategic initiatives which were meant to retain and improve membership to ensure improved social security coverage and improved sustainability of schemes.

These initiatives included among other things the introduction of the NSSA Self Service Portal which went live in June 2021, to allow employers to access the Authority services online, automation of the contributions collection and compliance enforcement processes, riding on MOUs with strategic partners to enforce compliance.

Statutory Instrument (SI) 169 of 2021 was also gazetted to address a number of issues which included the introduction of the Pensions and Other Benefits Scheme (POBS) Self Adjustment Framework. The framework was designed to arrest the deterioration of contributions caused by exchange rate volatility given the hyper-inflationary environment. The Statutory Instrument also mandated Employers to remit contributions in the same currency and structure in which their payrolls were based thereby enhancing the long term sustainability of the schemes. It further provided for initiatives to improve social security coverage through relaxation of voluntary contributor qualification criteria, extending social security coverage to diplomatic employees who are permanently resident in Zimbabwe. The Authority endeavours to implement interventions and strategies that align with the obtaining operating environment riding on automation and international best practice.

Pension Welfare

The Authority is committed to improving the welfare of pensioners to contribute to poverty alleviation as the country aims to eradicate poverty by 2030. The Authority ensured that pension benefits were paid out consistently on the 13th of each month. The Authority made efforts to ensure that the levels of the benefits paid out remained meaningful to the beneficiaries. A 13th cheque bonus payment was made in December 2021 as a tradition.

Appreciation

I appreciate the support that the Authority continues to get from its stakeholders, including the Government Tripartite partners, the pensioners, fellow Board members and finally the committed staff members.

.....

Dr E. A. Fundira
Board Chairman

Board members

Interim Board members (From 2 November 2020 to April 2021)

Mr. Clifford Matorera
Chairman

Mr. Andrew Bvumbe
Board Member

Mr. Arthur Manase
General Manager and
Ex-Officio Board Member

Board members (From May 2021)

Dr Percy Toriro
Chairman

Marjorie Chinyemba
Vice Chairperson

Mr. Arthur Manase
General Manager and
Ex-Officio Board Member

Mr Shepherd Mundondo
Board Member

Commissioner George Chigora
Board Member

Dr Chipo Ndudzo
Board Member

Ms Grace Mathe
Board Member

Mr Clifford Matorera
Board Member

Mr Timothy Nherudzo
Board Member

Mr Tarusenga Chitemere
Board Member

Dr. C Shava
Acting General Manager

Appointment to
Acting GM - July 2022

"The National Social Security Authority (NSSA) remains steadfast in its commitment to the well-being of pensioners."

General Manager's report

Operating Environment Overview

Throughout the 2021 financial year, despite the persistent challenges posed by the Covid-19 pandemic, the economy exhibited signs of resilience and adaptability. With three subsequent waves of the pandemic, businesses, and the economy as a whole displayed notable capacity to weather the storm. The Government's estimation of GDP growth for 2021 stood at a robust 7.8%, buoyed by a favorable agricultural season, elevated commodity prices, and enhanced management of the Covid-19 crisis, leading to a gradual reopening of critical economic sectors. In tandem, there was a noticeable improvement in inflationary pressures, with annual consumer inflation decreasing from 348.6% in 2020 to 60.7% in 2021. Regardless, inflation remained elevated at double-digit figures, thereby contributing to the escalation in the prices of goods and services. On the contrary, the official foreign currency exchange rate witnessed a deterioration, shifting from US$1: ZWL$81.8 at the year's onset to US$1:ZWL$108.7 by December 2021.

The Authority's financial results are reported in Zimbabwean dollars (ZWL$) since the change in functional and reporting currency on 22 February 2019, in accordance with Statutory Instruments 33 and 142 of 2019. Inflation-adjusted financial statements have been issued as the Authority's primary financial reports, as mandated by the International Financial Reporting Standard 29 – Financial Reporting in Hyperinflationary Economies. This follows guidance from the Public Accountants and Auditors Board (PAAB) through Circular 01/19 issued on 11 October 2019, which identified the economy as hyperinflationary. Consequently, the Directors have prepared the accompanying financial statements using the hyperinflationary accounting basis to ensure fair presentation as of the reporting date of December 31, 2021. Historical cost financial statements have been provided solely for informational purposes.

The financial statements of the Authority show inflation-adjusted total comprehensive Income of of ZWL$13.541bn in 2021 (2020: ZWL$22.104bn) against a historical surplus of ZWL$36.778bn (2019: ZWL$30.7bn)

Financial Performance Review

The Pension and Other Benefits Scheme (POBS) contribution collections Increased by 149% In Inflation adjusted terms, reaching ZWL$14.314 billion in 2021, compared to ZWL$5.758 billion in 2020. Historically, contributions witnessed a remarkable increase of 336%, rising from ZWL$2.8 billion in 2020 to ZWL$12.296 billion in 2021. Revenue collections received a significant boost as the Authority implemented an automatic self-adjustment mechanism for the maximum insurable earnings through promulgation of Statutory Instrument 169 of 2021 which saw contribution income keeping pace with inflationary pressures.

This mechanism pegged the POBS maximum insurable earnings for each month at 75% of the Total Consumption Poverty Line for five persons from the previous month, as reported by the Zimbabwe Statistics Agency. Consequently, the maximum POBS insurable earnings surged by a record-high of 333%, rising from $5,000 in May 2021 to $21,641 in June 2021, and concluding the year at $28,333.00. Inflation-adjusted, premiums for the Accident Prevention and Worker's Compensation Scheme (APWCS) surged by 132%, reaching ZWL$4.043 billion in 2021, compared to ZWL$1.739 billion in 2020. Historically, premiums experienced a substantial increase of 268%, climbing from ZWL$929 million in 2020 to ZWL$3.416 billion in 2021.

Given that premium assessment rates remained unchanged, the notable increase in premiums is primarily attributed to salary adjustments by employers, which were implemented to cushion employees against the rapidly rising cost of living. This correlation stems from the fact that premiums are typically determined as a premium rate applied to the total wage bill. Therefore, any increase in employee salaries directly impacts the overall premium amount, driving it higher in response to the augmented wage bill. Additionally, the increase in the number of active employer organizations by 12%, reaching 33,554 in 2021, also contributed to the growth in premiums. Furthermore, the Authority's intensified occupational health and safety awareness activities have led to more companies adhering to good practices in employee health and well-being, thereby increasing their contributions to the APWCS scheme.

The Authority's operating expenses inclusive of benefit payments increased from ZWL$4.740 billion in 2020 to ZWL$12.570 billion in 2021 in inflationary terms, and historically, they also rose from ZWL$2.669 billion in 2020 to ZWL$15.184 billion. The increase in benefits was largely driven by the Authority's efforts to cushion beneficiaries and claimants against the effects of inflation whilst the increase in expenses is mainly inflationary driven, with suppliers of goods and services undertaking speculative pricing to cushion themselves against the rising business costs further driving inflation.

Despite the increased benefits, claims, and operating costs, the revenue increases were sufficient to cover these expenses, resulting in the Authority reporting a surplus in historical terms. In 2021, the surplus amounted to ZWL$36.778 billion, marking an increase from the surplus position of ZWL$30.665 billion in 2020. However, when adjusted for inflation, the surplus reported by the Authority amounted to ZWL$13.541 billion in 2021 a marked decline from the surplus of ZWL$22.104 billion recorded in 2020.

In inflation-adjusted terms, the Authority's total assets experienced a significant increase, rising from ZWL$68.567 billion to ZWL$91.078 billion. Historically, total assets also saw a substantial increase, from ZWL$37.366 billion to ZWL$83.940 billion. The growth was largely driven by increase in the valuations of investment property, equity holdings of listed shares, investment in subsidiaries and associates. Furthermore, the cash and cash equivalents holding balance amounted to ZWL$4.745 billion during the period, marking an increase from the ZWL$2.329 billion reported in 2020. This increase in cash and cash equivalents reflects a strengthened liquidity position for the Authority.

Trade and other receivables, increased from ZWL$1.703 billion in 2020 to ZWL$3.444 billion in inflation-adjusted terms driven by contribution and premium debtors. This increase can be attributed to the follow-through effect stemming from the rise in the insurable earnings ceiling. As the maximum insurable earnings ceiling increased, it likely led to higher contribution and premium amounts owed by employers and other debtors, thus contributing to the overall increase in trade and other receivables for the Authority.

General Manager's report (cont.)

Contributions and Compliance

In 2021, both employer and employee membership experienced significant growth compared to 2020. Active employers rose by 12%, from 30,061 to 33,554, and active employees increased by 6.49%, from 1,140 million to 1,214 million. These increases contribute to the long-term sustainability of the schemes by extending coverage and expanding the contributor base. Modest increases of 1% for inactive employers and 6% for inactive employees were also noted, which further supports scheme sustainability and broader coverage of the workforce, preventing contributor depletion. The legal compliance rate closed at 52%, a marginal increase from 51% in 2020, though falling short of the 60% target. Despite challenges posed by the Covid-19 and related lockdowns, the Authority persisted in its mission, maintaining its commitment to serve stakeholders and fulfil its mandate.

Social Security

In 2021, the number of pension claims under the POBS saw a decrease from 220,895 in 2020 to 196,446, marking an 11% decline. This reduction was primarily attributed to the removal of beneficiaries unable to furnish evidence of life following a comprehensive life certificate exercise. Financially, the claims paid in 2021 amounted to ZWL$ 6.495 billion, a substantial increase from ZWL$ 1.199 billion in 2020, reflecting a remarkable growth of 442%. This escalation in payouts was a strategic measure undertaken by the Authority to mitigate the impact of inflation on beneficiaries. Additionally, in 2021, the Scheme disbursed a bonus to all pensioners, including those retired, survivors, and recipients of invalidity benefits, with the annual bonus totalling ZW$0.592 billion.

Similarly, within the APWCS, the number of pensioners experienced a decline of 9%, decreasing from 6,423 in 2020 to 5,832 in 2021, primarily due to similar reasons observed in POBS. The Scheme disbursed claims worth ZWL$784 million in 2021 and extended a bonus to pensioners amounting to ZW$29.818 million in December 2021.

Digitalisation and Automation

Aligned with the Authority's commitment to delivering top-tier social security services and fortifying resilience against the challenges posed by the Covid-19 pandemic and associated disruptions, the Authority's ICT team spearheaded the development of a self-service platform. Launched in June 2021, this platform revolutionized the process for employer organizations, allowing them to submit their social security returns digitally, eliminating the need for physical visits to NSSA offices. Additionally, individual members gained access to the self-service portal, empowering them to view and update their social security records with ease.

Looking ahead, the Authority remains dedicated to exploring and integrating technologies that bolster its resilience against the ongoing Covid-19 pandemic and other external shocks that may jeopardize business continuity. This ongoing commitment to innovation ensures that the Authority continues to evolve and adapt, providing uninterrupted service delivery to its stakeholders amidst changing circumstances.

Occupational Safety and Health (OSH)

In the year under review, the persistent COVID-19 pandemic continued to significantly impact Occupational Safety and Health (OSH) activities. Despite these challenges, there were promising signs of improvement towards the end of the year, allowing for the successful hosting of flagship programs such as the Safety and Health at Work Conference (SHAW), which was postponed in 2020.

In 2021, there was a notable increase in disabling injuries, totalling 5,641 compared to 3,528 in 2020, reflecting a 60% surge attributed to the gradual reopening of businesses and industries. However, fatalities experienced a slight decrease, totalling 42 in 2021 compared to 45 in 2020. These statistics underscore the persistent hazards in Zimbabwe's work environments, exacerbated by a Lost Time Injury Frequency Rate (LTIFR) of 2.9, exceeding the standard of less than 1 indicative of a safe work environment, as recorded in 2020.

Despite these challenges, overall OSH regulatory compliance saw marginal improvement, reaching a 55% compliance rate compared to 54% in 2020 across various inspected facilities including factories, boilers, elevators, construction sites, and occupations susceptible to pneumoconiosis disease. Efforts to enhance compliance will be intensified in the upcoming year through increased enforcement and promotional activities. Additionally, advocacy for the enactment of the OSH Bill will be prioritized to foster a culture of prevention and promote comprehensive safety and health management systems in workplaces.

Human resources

- **Human Resources Operating Environment.**
  The year was largely affected by the COVID -19 pandemic, the Authority sadly lost one employee and over one hundred employees contracted and recovered from the disease. The Government instituted several measures to mitigate the spread and effects of the pandemic, one of such measure was introduction of lockdowns and scaling down of workforce. The Authority was also not spared from these measures. Notwithstanding the above, the Authority performed very well as a business through introduction of various COVID-19 containment measures such as establishment of COVID-19 Response Team, Work-From-Home concept, Employee Rotation and Secondments, consequently, the Authority excelled in the key areas of the business.

- **Executive Recruitments**
  Following the termination of contracts of several Executives in the last Quarter of 2019, The Authority recruited Directors for Social Security, Contributions and Compliance, Occupational Safety and Health and Investments.

Internal Audit

The internal audit department is a function established by the Board and operates in terms of an approved internal audit charter, statutory provisions of the Public Finance Management Act [Chapter 22:19] and Public Entities and Corporate Governance Act [Chapter 10:31]. The internal audit department also adheres to the Code of Ethics and Professional Auditing Standards as espoused by the Institute of Internal Auditors. The department reports to the Audit Committee of the Board on a functional basis and administratively to the General Manager.

The department was adequately manned and received the necessary budgetary support in carrying out various audit reviews. The function undertook 21 audit reviews during the year under review. The audit

General Manager's report (cont.)

assignments were carried out using the risk-based audit approach which focuses on high-risk activities, evaluating all key risks inherent in them and the attendant internal control systems. The key controls are then assessed for design adequacy and operational effectiveness.

Major functional activities in the Authority were reviewed during the year under review. Notably the following key processes were reviewed; - Investments Fixed Income, Contributions & Compliance, Finance, Human Resources Management, Procurement, Social Security Benefits, APWCS Benefits, Compliance Risk Management, Transport, Marketing & PR, ICT Sun system and Business Continuity Management.

All control exceptions identified during the audits were communicated to management and the Board. Agreed remedial actions to cure audit issues were tracked for follow up to confirm that controls had matured and that appropriate risk mitigating action had been taken by management.

The Year of the Pensioner

In 2021, NSSA designated as the "Year of the Pensioner," rolled out various initiatives aimed at improving the welfare of pensioners. Cognizant of the ongoing challenges including suppressed pension levels, the Authority introduced cost-effective non-monetary benefits to support pensioners and further cushion them against adverse inflationary pressures:

- **Grocery Allowances:** Discretionary bonuses known as grocery allowances were distributed in March and June to help offset rising costs.
- **Grocery Discounts:** Collaborating with SPAR and OK, NSSA launched a program offering pensioners aged 60 and above a 10% discount on groceries purchased during designated pensioner days.
- **Revolving Loan Facility:** A revolving loan facility million was introduced to assist pensioners with funding in initiating income-generating projects. This is currently through NBS and POSB with plans to expand this scheme to other banking institutions.
- **Zero Bank Charges:** Through partnerships with NBS and POSB, pensioners were able to access their payouts without incurring bank charges as part of a zero bank charges facility. Over 70% of pensioners benefited from this arrangement as they bank with either POSB or NBS.
- **NSSA Pensioner Clinic:** The mobile clinic and medical officers also began providing healthcare services to pensioners across various provinces.
- **Project Dzimba:** Following legislation of the project Dzimba through SI109 of 2020, the Authority continued to construct decent housing for grossly disabled pensioners building a total of 6 units in 2021.

Additionally, NSSA enhanced stakeholder engagements by introducing quarterly pensioner engagements and a journalism mentorship program. Moreover, in collaboration with Zimbabwe Independent, NSSA hosted the 2021 Insurance Survey and Awards ceremony, providing insights into the insurance sector's performance and its role in national development under the theme: "From Surviving to Thriving: Repositioning for Vision 2030 — Building a World-Class Insurance and Pensions Industry."

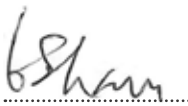
Other Developments

The Authority set up an in-house actuarial function with the view of enhancing the actuarial management of its scheme leading to scheme financial soundness and sustainability.

Moreover, in collaboration with the International Labour Organization, the Authority conducted an informal sector feasibility report to evaluate the possibility of extending coverage to this sector. Moving forward, the Authority aims to introduce a social security scheme specifically designed to meet the requirements of participants in the informal sector.

Conclusion

In conclusion, as we reflect on the strides made and challenges faced in the past year, the National Social Security Authority (NSSA) remains steadfast in its commitment to the well-being of pensioners. Amidst economic fluctuations, our focus remains on ensuring financial viability while enhancing the livelihoods of those we serve.



Dr C. Shava
Acting General Manager

Executive Management Team

Arthur Manase
General Manager

Agnes Masiiwa
Director Contributions, and Compliance
Appointed 9 February, 2021

Brian Murewa
Director Investments
Joined 1 June, 2021

Dr Charles Shava
Director Occupational Health and Safety
Joined 1 April, 2021

David Makwara
Director Corporate Affairs/
Acting Director Finance
(until 30 May, 2021)

Hope Mulilo
Acting Director Finance
from 1 June, 2021

Prudence Mutsvanga
Director Legal Affairs and Corporate
Secretarial Services

Shepherd Muperi
Director Social Security
Appointed 9 February, 2021

2021 Highlights

Shows and Exhibitions:

During the year, all regional offices enthusiastically participated in shows, showcasing the diverse products and the pivotal role of the National Social Security Authority (NSSA). This collective endeavour not only amplified the Authority's brand presence but also served as a platform for engaging with stakeholders and nurturing valuable partnerships. The immersive experience of these shows facilitated an enhanced understanding of NSSA's contributions, fostering a sense of pride and camaraderie among attendees. Through diligent efforts and unwavering dedication, NSSA garnered several prestigious awards, affirming its position as a trailblazer at the shows.

A NSSA official interacting with visitors to the NSSA stand

Journalism Mentorship Programme:

Embarking on a journey of enlightenment and empowerment, NSSA, in collaboration with the Insurance and Pensions Commission (IPEC), orchestrated a transformative Journalism Mentorship Programme. The years under review bore witness to a series of virtual events, culminating in the prestigious Awards ceremony and the launch of subsequent programs.

The 2021 edition of the program witnessed a remarkable expansion, accommodating a larger cohort of aspiring journalists. This expansion not only broadened the program's reach but also deepened its impact, fostering a symbiotic relationship between NSSA and the media fraternity that will enable accurate reporting on Social Security matters. Through comprehensive education on pensions, social security, and insurance, NSSA imparted invaluable knowledge, enriching the journalistic landscape and amplifying public discourse on critical socio-economic issues.

Television Programs

We embarked on a pioneering television program, the "NSSA Lifelong Promise," aired on Zimbabwe Television (ZTV). Each week, viewers were treated to an immersive journey through NSSA's multifaceted benefits and schemes, expertly presented by representatives from various departments. These informative sessions not only demystified complex pension concepts but also instilled a profound appreciation for NSSA's unwavering commitment to societal well-being. Moreover, the program served as a beacon of hope during challenging times, with poignant adverts advocating for vaccination aired amidst the informative segments. Through this innovative initiative, the Authority succeeded in elevating its brand image, inspiring trust, and fortifying its legacy as a guardian of social security.

NSSA team on set, discussing social security.

Dr Betty Nyereyegona shedding insight on occupational safety and health.

2021 Highlights (cont.)

Breast Cancer Awareness Campaigns:

Amidst the tranquil embrace of October, we embarked on a noble quest to raise awareness and promote the early detection of breast cancer. Through a harmonious blend of digital outreach and virtual engagements, we endeavoured to educate both internal and external stakeholders on the importance of proactive healthcare. The luminous beacon of hope shone even brighter with the Cancer Association's virtual presentations, shedding light on breast, cervical, and prostate cancer. These enlightening sessions, coupled with initiatives encouraging staff participation in screening programs, heralded a new dawn of awareness and empowerment within the NSSA family.

Customer Service Week:

In a jubilant celebration of service excellence, the Authority joined hands with the global community to commemorate Customer Service Week. We made extensive use of our social media platforms, extolling the pivotal role of customers in NSSA's enduring saga of success. Internal stakeholders were not mere spectators but active participants, engaging in spirited quizzes and reaping the rewards of their unwavering dedication. This harmonious convergence of internal and external stakeholders underscored the intrinsic value of stakeholder relationship management, forging enduring bonds of trust and camaraderie.

Radio Programmes:

We embarked on a transformative journey through the airwaves. National FM and Radio Zimbabwe served as conduits of enlightenment, transmitting vital information and fostering meaningful connections with our clients. Across the airwaves, NSSA's clarion call resonated, delivering riveting shows that shone a light on NSSA schemes and benefits. As an Authority we have a tireless commitment to stakeholder engagement to ensure that stakeholders are well informed.

Corporate Governance Statement

THE INTERIM BOARD

An Interim Board was appointed by the Minister of Public Service, Labour and Social Welfare from 2 November 2020 to April 2021. It comprised of Mr Clifford Matorera (Chairperson), Mr Andrew Bvumbe and Mr Arthur Johnson Manase (General Manager).

THE BOARD

The National Social Security Authority Board was appointed by the Minister of Public Service, Labour and Social Welfare in May 2021. The Board was chaired by Dr Percy Toriro, deputised by Marjorie Chinyemba and assisted by Mr Shepherd Mundondo, Commissioner George Chigora, Dr Chipo Ndudzo, Ms Grace Mathe, Mr Clifford Matorera, Mr Timothy Nherudzo and Mr Tarusenga Chitemere.

Roles and responsibilities

The Board and its committees met quarterly to give direction to Management and the Authority. The Board also held stakeholder meetings to give periodical updates to its key stakeholders. The Interim Board did not have committees.

Board Committees

To efficiently execute its mandate the Board was assisted by the following committees:

AUDIT AND RISK COMMITTEE

This committee was responsible for ensuring that a robust risk management framework was in place. The committee received reports on identified risks on a regular basis and monitored how risks were controlled. The Audit and Risk Committee comprised of the members shown below:

Members

Timothy Nherudzo (Committee Chairperson)
Clifford Matorera
Grace Mathe
Dr Chipo Ndudzo
Arthur Johnson Manase (General Manager and Ex-Officio member)

HUMAN RESOURCES, REMUNERATION and NOMINATIONS AND MARKETING, PUBLIC RELATIONS and CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

This Committee was responsible for recommending and reviewing human resources policies and framework. The committee recommended to the Board performance measurement criteria and performance appraisal systems in respect of executives, management, and staff. It ensured that there was succession planning for the organization to move forward. The other function of the Committee was to provide direction on the marketing and communications strategy planning process as well as reviewing and recommending Corporate Social Responsibility (CSR) policies. The Committee comprised of the members shown below;

Members

Grace Mathe (Committee Chairperson)
Clifford Matorera
Tarusenga Chitemere
Marjorie Chinyemba
Arthur Johnson Manase (General Manager and Ex-Officio member)

INVESTMENTS AND PROCUREMENT COMMITTEE

The Investments and Procurement Committee monitored the performance of the investment strategy and portfolio and recommended to the Board appropriate investment proposals including but not limited to acquisitions and disposals. The Committee was also charged with oversight over the Authority's procurement functions. The Committee comprised of the members shown below:

Members

Clifford Matorera (Committee Chairperson)
Timothy Nherudzo
Shepherd Mundondo
Marjorie Chinyemba
Arthur Johnson Manase (General Manager and Ex-Officio member)

Corporate Governance Statement (cont.)

ICT, FINANCE AND CONTRIBUTIONS, COLLECTIONS and COMPLIANCE COMMITTEE

The ICT, Finance and Contributions, Collections and Compliance Committee was responsible for reviewing the operating and capital budgets of the Authority and analysing the performance of the Authority against key performance indicators. The Committee also reviewed the adequacy of strategies and capacity of the Contributions, Collections and Compliance Division to enforce compliance. It reviewed and approved ICT policies, with the aim of improving ICT infrastructure, security, and service. The Committee comprised of the members shown below:

Members

Commissioner G. Chigora (Committee Chairperson)
G. Mathe
T. Chitemere
M. Chinyemba
A.J Manase (General Manager and Ex-Officio member)

ACTUARIAL, BENEFITS, CONTRIBUTIONS AND OSH and REHABILITATION CENTRE COMMITTEE

This committee was responsible for recommending and reviewing policy and legislation aimed at improving the protection of the Pensions and Other Benefits Scheme and Accident Prevention and Workers' Compensation Scheme members and recommending such changes to the Board. It recommended benefit levels for approval by the Board. The committee ensured that pensions are paid monthly. The Committee recommended to the Board the best possible standards of occupational safety, health and workers compensation and rehabilitation. These standards were implemented with the aim of reducing work accidents. The Committee comprised of the members shown below:

Members

S. Mundondo (Committee Chairperson)
T. Nherudzo.
T. Chitemere
G. Mathe
Dr C. Ndudzo
A.J Manase (General Manager and Ex-Officio member)

LEGAL AND APPEALS COMMITTEE

The Committee acted as the Appeals Committee set up in compliance with the provisions of the NSSA Act and its major role was to consider appeals made by clients and make a ruling on the matters. It monitored pending legal cases and gave suggestions in terms of resolving some of the matters. The Committee comprised of members shown below:

Members

T. Chitemere (Committee Chairperson)
Dr C. Ndudzo
Commissioner G. Chigora
A.J Manase (General Manager and Ex-Officio member

Corporate Governance Statement (cont.)

ATTENDANCE REGISTER FOR SCHEDULED MEETINGS

ROLES AND RESPONSIBILITIES

The Board and its committees meet quarterly each year to give direction to Management and the Authority. The Board also holds stakeholder meetings to give periodical updates to its key stakeholders.

Director	Main Board	Investments and Procurement	Human Resources, Remuneration & Nominations	Audit, Risk and Governance	Actuarial, Benefits, Contributions and OSH & Rehabilitation	ICT, Finance & Contributions	Legal, Litigation & Appeals
Dr P. Toriro	√√						
M. Chinyemba	√						
S. Mundondo	√√	√√			√√		
G. Chigora	√√					√√	
Dr C. Ndudzo	√						
G. Mathe	√√		√√	√√	√√	√√	
C. Matorera	√√	√√	√√	√√			
T. Nherudzo	√√	√√		√√	√√		√√
T. Chitemere	√√		√√			√√	√√
**A.J Manase	√√	√√	√√	√√	√√	√√	√√

ATTENDANCE REGISTER FOR INTERIM BOARD MEETINGS

Director	Main Board
C. Matorera	√√√√
A. Bvumbe	√√√√
**A. J. Manase	√√√√

Key

√ Meetings attended

A Apologies

** Ex officio Board Member

Directors' Responsibility Statement

Responsibility

The directors are responsible for the preparation and fair presentation of the Group and Authority annual financial statements, comprising the statement of financial position as at December 31, 2021; and the statements of profit or loss and other comprehensive income; changes in equity and cash flows for the year then ended; and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act *[Chapter 24:31]*. In addition, the directors are responsible for preparing the directors' report.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the Group and Authority to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

Compliance with legislation

These financial statements, which have been prepared on an inflation adjusted basis, are based on the application of inflation indices on underlying accounting records which were maintained on the historical cost convention (except for fair value measurement where applicable) and are in agreement with the underlying books and records, have been properly prepared in accordance with the accounting policies set out in note 2, and comply with the disclosure requirements of the Companies and Other Business Entities Act *[Chapter 24:31]* and the relevant regulations made thereunder; The National Social Security Act *[Chapter 17.04]*, the Public Finance Management Act *[Chapter 22.19]*, the Insurance Act *[Chapter 24:07]*, the Pension and Provident Funds Act *[Chapter 24:09]*, the Microfinance Act *[Chapter 24:29]*, the Building Societies Act *[Chapter 24:02]*, the Banking Act *[Chapter 24:20]*, the Asset Management Act [Chapter 24:26], the Collective Investments Schemes Act *[Chapter 24:19]*, and the Securities Act *[Chapter 24:25]*.

Compliance with International Financial Reporting Standards (IFRS)

The financial statements are prepared with the aim of complying fully with International Financial Reporting Standards (IFRSs). IFRSs comprise interpretations adopted by the International Accounting Standards Board (IASB), which includes standards adopted by the IASB and interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or by the former Standing Interpretations Committee (SIC). Complying with IFRSs and using a globally recognised reporting framework also allows comparability and consistency in the interpretation of the financial statements.

The IFRS Conceptual Framework, provides that in applying fair presentation to the financial statements, entities should go beyond consideration of the legal form of transactions and other factors impacting on the financial statements to also consider the underlying economic substance therein. International Accounting Standard 21 "The Effects of Changes in Foreign Exchange Rates" (IAS21) requires an entity to apply certain parameters in determining the functional currency for use in preparing financial statements.

IAS 21 also requires an entity to make certain judgements around appropriate exchange rates to be applied between currencies where exchangeability through a legal exchange mechanism (such as a formal currency market) is not achievable. In February 2019, the Government of Zimbabwe issued Statutory Instrument 33 of 2019, which, based on our legal interpretation, for accounting and other purposes, prescribed parity between the US Dollar and local currency as at and up to the effective date of 22 February 2019, and also prescribed the manner in which certain balances in the financial statements may be treated as a consequence of the recognition of the RTGS Dollar as currency in Zimbabwe.

For the 2019 financial year, the Presidential Powers (Temporary Measures) and (Amendment of Reserve Bank of Zimbabwe Act and Issue of Real Time Gross Settlement Electronic Dollars (RTGS Dollars)) Regulations, 2019 (Statutory Instrument (SI) 33 of 2019) also applied up to 22 February 2019. In our opinion, the requirement to comply with SI 33 of 2019 created inconsistencies with IAS 21, as well as with the principles embedded in the IFRS Conceptual Framework as also enunciated in the guidance issued by the Public Accountants and Auditors Board on 21 March 2019. This resulted in an accounting treatment being adopted in the part of the 2019 financial year covered by SI 33, which is different from that which would have been adopted if the Group had been able to fully comply with IFRSs. In particular, the Group was compelled to use a functional currency and exchange rates during the relevant period via application of the law, that were different to what would have been obtained if the directors had been free to apply the results of their own assessment of economic and market reality on the ground as required by IFRS. As such in 2019, directors and management were unable to produce financial statements which in their view would be true and fair. The matter described above impacts on the profit or loss statement as well as the statements of cash flows and changes in equity for the year ended December 31, 2020; which are presented as comparative financial information in these financial statements. Inability to apply IAS 21 fully at the beginning of 2019 also led to non-compliance with International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (IAS 8).

Directors' Responsibility Statement (cont.)

For 2019, the emergence of hyperinflation resulted in the adoption of inflation adjusted accounts prepared in terms of International Accounting Standard 29 (IAS 29) "Financial Reporting in Hyperinflationary Economies", as the primary basis of reporting. However, these inflation adjusted financial statements are to a great extent impacted by the inflation driven indexation of certain historical cost amounts in the prior period financial statements. In this regard, the factors carried over from 2019 as described above also impact on the comparative financial information for 2020 contained in the current year inflation-adjusted financial statements prepared under IAS 29. The impact of non-compliance with IAS 21 described in the preceding paragraphs thus affects the 2021 financial statements only to the extent of the 2020 comparative financial information presented. For 2021 standalone numbers there was full compliance with IAS 21.

The directors are not aware of other areas of non-compliance with IFRS in the 2020 financial statements. However, the directors would like to draw the attention of users to the financial statements to the fact that prevailing market conditions in Zimbabwe have required the use of more judgement than would normally be the case around areas such as property valuations. Notwithstanding the identified areas of non-compliance with IFRS, directors are of the view that the accounting treatments as adopted are appropriate to the extent which is practically possible given the peculiarities of the Zimbabwe economic and regulatory environment. Users of the financial statements are, however, encouraged to exercise due caution and judgement.

Approval of financial statements

The annual financial statements for the year ended December 31, 2021 set out on pages 29 to 177 were approved by the Board of Directors on 18 March 2024.

Preparer of Financial Statements

These annual financial statements have been prepared under the supervision of the Director Finance and ICT; Daniel Ngwira (FCCA)

D. Ngwira (RPAcc.03629),
Director Finance and ICT

Dr. C. Shava
Acting General Manager

Dr. E. A. Fundira,
Board Chairman

you are a hero, a FAMILY hero.

With NSSA, you can afford to relax and enjoy quality time with your loved ones knowing that you are covered during and after your working life. Moreover, you can rest assured that your dependants will be catered for in the unfortunate event of your passing on.

Thank you for entrusting us with your contributions!

#NSSAHeroes!

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nssa
A Lifelong promise

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Harare

Ref: **SB18**

REPORT OF THE AUDITOR-GENERAL

TO

THE MINISTER OF PUBLIC SERVICE, LABOUR AND SOCIAL WELFARE

AND

THE BOARD OF DIRECTORS
IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS OF
NATIONAL SOCIAL SECURITY AUTHORITY

FOR THE YEAR ENDED DECEMBER, 31 2021

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the National Social Security Authority and its subsidiaries (the Group) as set out on pages 29 to 109 which comprise the consolidated statement of financial position as at December 31, 2021, consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the National Social Security Authority as at December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Qualified Opinion on the Authority Financial Statements

In my opinion, except for effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects the financial position of National Social Security Authority as at December 31, 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion for the Group and Authority Financial Statements

i. **Non-compliance with International Financial Reporting Standard (IFRS) 13 - "Fair value measurement"**
The Group and the Authority determined the value of its investment property and property, plant and equipment through a revaluation exercise. The revaluations were performed in USD and then translated to ZWL$ using the auction rate as at December 31, 2021. The translated ZWL$ values for the investment property and property, plant and equipment did not meet the requirements of International Financial Reporting Standard IFRS 13 - "Fair value measurement" as they did not reflect the assumptions that market participants would apply in valuing similar items in ZWL$. I could not determine the extent of the adjustment necessary.

ii. **Non-compliance with International Accounting Standard (IAS) 21 - "The Effects of Changes in Foreign Exchange Rates"**
In the prior financial year, the Group and the Authority, had foreign currency denominated transactions and balances that were translated into ZWL$ using the interbank exchange rates/ foreign currency auction rates which were not considered appropriate spot rates for translations as required by International Accounting Standard (IAS) 21 - "The Effects of Changes in Foreign Exchange Rates". The opinion on the prior year of the Group and the Authority's consolidated financial statements was modified in respect of this matter and the misstatements have not been corrected in the consolidated financial statements for the year ended 31 December 2021. Had the consolidated financial statements been prepared in accordance with the requirements of International Accounting Standard (IAS) 21 - "The Effects of Changes in Foreign Exchange Rates", many elements would have been materially different. The effects of the non-compliance with the requirements of International Accounting Standard (IAS) 21 - "The Effects of Changes in Foreign Exchange Rates" have been considered to be material but not pervasive to the consolidated financial statements as a whole.

iii. Non-compliance with International Financial Reporting Standard (IFRS) 15 - "Revenue from contracts with Customers"

The Group's subsidiary National Building Society recognised revenue from stand sales amounting to ZWL$58 million. Stands were sold in USD and for reporting purposes, translated to ZWL$ at the Reserve Bank of Zimbabwe auction exchange rate on the date of the transaction. This may not necessarily reflect a fair value in terms of International Financial Reporting Standard (IFRS) 15 - "Revenue from contracts with Customers". In terms of IFRS 15 - "Revenue from contracts with Customers", the objective when allocating the transaction price is for an entity to allocate the transaction price to a performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for transferring the promised goods or services to the customer. The auction exchange rate applied in recognising revenue may not meet the requirements of IFRS 15 - "Revenue from contracts with Customers", as the auction exchange rate did not reflect the fair exchange rate for a willing buyer and willing seller in the context of sales to third parties. In addition, it may not fairly represent the amount that would be obtained if the stands were to be sold in ZWL$.

iv. Non-compliance with International Accounting Standard (IAS) 36, "Impairment of Assets" and International Accounting Standard (IAS) 16 - "Property, plant and equipment"

The Group and the Authority did not review the useful lives of its assets as required by IAS 16, "Property, plant and equipment" paragraph 51, which requires that residual value and the useful life of an asset must be reviewed at least at each financial year-end. In addition, the Group and the Authority did not provide evidence of impairment assessment on its assets as required by IAS 36, "Impairment of Assets" paragraph 9, which requires that an entity should assess at each reporting period, whether there are indicators of impairment regardless of indicators of impairment noted on some of the assets. Had the Group and the Authority reviewed the useful life of its items of property, plant and equipment and carried out an assessment of impairment, the carrying amount of property, plant and equipment would have been materially different. As a result, I could not satisfy myself on the valuation of property, plant and equipment amounting to ZWL$11 billion as disclosed in the consolidated statement of financial position as at December 31, 2021.

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

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

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements of the National Social Security Authority for the year ended December 31, 2021. These matters were addressed in the context of my audit of the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section I have determined the matter described below to be the key audit matter to be communicated in my report.

Key Audit Matter	How my audit addressed the Key Audit Matter
Valuation of receivables. Refer to note 17 to the financial statements The Group and the Authority estimated the recoverable amount of trade receivables to be ZWL$6.99 billion and ZWL$3.44 billion inflation adjusted respectively, as at December 31, 2021 after adjusting for expected credit loss allowance. In determining expected credit loss allowance, management applied significant judgement to come up with forward looking information and default rates. IFRS 9 is a complex standard which management had adopted in 2018 and this standard was revised in 2019 to cover the calculation of the expected credit loss and applied the simplified model when they estimated allowance for credit loss. As a result, the valuation of trade receivables was considered to be a key audit matter	My audit procedures to address the risk of material misstatement relating to trade receivables included: • Obtaining an understanding of the Group and Authority's key debt management processes and tested the operating effectiveness of key controls over these processes. • Assessing the recoverability of material long outstanding receivables and testing the subsequent payment behaviour of the debtor. • Evaluating the strategies implemented by the Authority to recover the debts and how the debtors responded to the strategies implemented. • Evaluating the reasonability of management judgements and assumptions made in estimating the expected credit loss allowance considering the nature, suitability of any historic data and forward looking information used to support these assumptions. • Recomputed the inflation adjusted figures from the historical cost figures to confirm if they were adjusted in line with requirements of IAS 29. Based on the procedures performed, I found the valuation of trade receivables to be reasonable and the ·disclosures to be appropriate.

Report of the independent auditor (cont.)
to the members of NSSA

Other Matter

During 2022, a Forensic audit had been conducted into the operations of First Mutual Life Assurance Company (a subsidiary of the First Mutual Holdings Limited which is a subsidiary of the NSSA Group) at the request of the Insurance and Pensions Commission (IPEC) for the period January 2009 to December 2021. At the time of concluding, the 2021 final audit, the forensic audit had not been finalized. The outcome of investigations and hearings on the forensic audit findings could have a material impact on the audited financial statements. The effect of this matter could not be determined at the conclusion of the audit.

Other Information

The Directors are responsible for the other Information. The other Information comprises all the information in the National Social Security Authority's 2021 annual report but does not include the Authority financial statements and my auditor's report thereon ("the other Information").

My opinion on the consolidated financial statements does not cover the other Information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated financial statements, my responsibility is to read the other Information and, in doing so consider whether the other Information is materially inconsistent with the consolidated financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of the other Information, I am required to report that fact. I have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the National Social Security Authority Act [Chapter 17:04] and the Companies and Other Business Entities Act [Chapter 24:31] and for such internal controls as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but it's 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

Report of the independent auditor (cont.)
to the members of NSSA

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

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

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

From the matters communicated with management and those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In my opinion, the consolidated financial statements of National Social Security Authority have, in all material respect, been prepared in compliance with the disclosure requirements of the National Social Security Authority Act [Chapter 17:04], Companies and Other Business Entities Act [Chapter 24:31], the Public Finance Management Act [Chapter 22:19] and other relevant Statutory Instruments except for non-compliance with the Public Procurement and Disposal of Public Assets Act [Chapter 22:23]. National Social Security Authority hired service providers without following tender procedures as per the Public Procurement and Disposal of Public Assets Act [Chapter 22:23].

26 March, 2024.

R. KUJINGA,
ACTING AUDITOR-GENERAL

Consolidated Statement Of Financial Position

as at December 31, 2021

Inflation adjusted

	Note	GROUP 2021 ZWL$	GROUP 2020 ZWL$	AUTHORITY 2021 ZWL$	AUTHORITY 2020 ZWL$
Assets					
Non-current assets		**116 875 689 411**	**88 857 202 436**	**82 842 766 851**	**63 067 847 182**
Biological assets	4	-	118 626	-	-
Property plant and equipment	5	11 058 391 101	12 086 500 874	2 317 988 263	3 108 143 360
Right of use assets	6	1 027 051 090	343 277 366	-	-
Investment property	7	41 013 122 413	36 555 611 572	17 800 979 380	20 892 601 958
Non current assets held for sale	7.1	-	78 469 492	-	-
Financial assets at amortised cost	8	3 652 355 026	1 311 783 019	437 137 873	355 487 734
Loans and advances	8	264 648 369	54 359 236	418 264 050	117 650 656
Financial assets at fair value through profit or loss	9	13 193 417 618	5 332 048 545	7 059 657 543	1 524 122 829
Financial assets through other comprehensive income	10	29 784 921 230	21 875 376 355	29 784 921 230	21 875 376 355
Investment in associates	11	11 601 930 489	9 216 341 807	11 300 838 942	8 669 696 531
Intangible assets	12	243 861 676	215 529 883	61 652 373	31 637 845
Work in progress	12.1	225 035 165	158 034 326	-	-
Deferred expenditure	13	4 786 651 708	1 603 945 930	4 610 185 606	1 512 673 524
Investments in subsidiary	14	-	-	9 051 141 591	4 980 456 390
Goodwill	15	24 303 526	25 292 166	-	-
Income tax asset	25	-	513 238	-	-
Current assets		**18 602 293 664**	**14 181 114 313**	**8 235 421 901**	**5 499 260 956**
Inventories	16	2 376 083 989	3 027 378 649	46 729 734	52 138 160
Trade and other receivables	17	6 996 346 530	4 126 339 889	3 444 072 519	1 703 165 905
Cash and cash equivalents	18	9 229 863 145	7 027 395 775	4 744 619 649	3 743 956 890
Total assets		**135 477 983 076**	**103 038 316 749**	**91 078 188 753**	**68 567 108 138**
Reserves and liabilities					
Reserves attributable to owners of the parent		**88 533 288 608**	**76 688 567 842**	**79 924 678 685**	**66 383 627 316**
Non distributable reserve		7 551 792 525	7 551 792 525	7 264 651 650	7 264 651 650
Other components of reserves	19	23 340 102 333	24 139 508 359	21 238 166 527	21 715 079 794
Accumulated fund		57 641 393 750	44 997 266 958	51 421 860 507	37 403 895 873
Non-controlling interest	20	**7 268 585 904**	**6 834 703 724**	-	-
Total reserves		**95 801 874 512**	**83 523 271 566**	**79 924 678 685**	**66 383 627 316**
Liabilities					
Non-current liabilities		**22 646 305 605**	**12 339 142 731**	**4 796 510 571**	**1 590 228 803**
Lease liabilities	6.1	489 976 459	218 377 402	-	-
Borrowings	21	1 769 092	14 324 305	-	-
Capitalised value of the pension liability	22	4 796 510 571	1 590 228 803	4 796 510 571	1 590 228 803
Insurance liabilities life	23	108 749 272	28 702 662	-	-
Life insurance liabilities with DPF	24.1	1 728 884 339	764 641 140	-	-
Life insurance liabilities without DPF	24.1	207 496 949	300 968 131	-	-
Investments contract liabilities with DPF	24.2	9 002 629 121	6 157 844 075	-	-
Investments contract liabilities without DPF	24.2	1 679 388 424	750 524 945	-	-
Share based payment liability	24.3	266 719 835	146 448 075	-	-
Financial liability		568 099 100	-	-	-
Deferred taxation liability	25	3 796 082 443	2 367 083 193	-	-
Current liabilities		**17 029 802 958**	**7 175 902 451**	**6 356 999 497**	**593 252 018**
Lease liabilities	6.1	206 233 938	68 503 951	-	-
Borrowings	21	166 721 471	-	-	-
Members assistance fund	24.4	9 040 581	14 531 830	-	-
Income tax liability	25.4	182 531 598	111 714 850	-	-
Deposits from customers	26	4 090 903 214	1 124 113 804	-	-
Trade and other payables	27	10 522 006 083	4 520 578 316	6 356 999 497	593 252 018
Unearned premium reserve	28	1 852 366 073	1 336 459 701	-	-
Total liabilities		**39 676 108 563**	**19 515 045 182**	**11 153 510 068**	**2 183 480 821**
Total reserves and liabilities		**135 477 983 076**	**103 038 316 749**	**91 078 188 753**	**68 567 108 138**

D. Ngwira (RPAcc.03629),
(Director Finance and ICT)
18 March, 2024

Dr.C. Shava,
(Acting General Manager)
18 March, 2024

Dr. E. A. Fundira,
(Board Chairman)
18 March, 2024

Consolidated Statement Of Financial Position

as at December 31, 2021

	Note	Historical cost			
		GROUP 2021 ZWL$	GROUP 2020 ZWL$	AUTHORITY 2021 ZWL$	AUTHORITY 2020 ZWL$
Assets					
Non-current assets		**108 941 162 715**	**50 718 571 779**	**75 714 713 192**	**33 964 032 539**
Biological assets	4	-	73 800	-	-
Property plant and equipment	5	6 116 463 582	5 610 935 423	2 238 824 835	1 737 414 656
Right of use assets	6	761 532 223	204 655 440	-	-
Investment property	7	40 519 493 102	22 416 690 124	17 574 888 941	12 867 636 339
Non current assets held for sale	7.1	-	48 817 651	-	-
Financial assets at amortised cost	8	3 652 355 026	816 089 970	437 137 873	221 156 983
Loans and advances	8	264 648 369	33 818 114	418 264 050	73 193 142
Financial assets at fair value through profit or loss	9	13 193 417 618	3 317 188 345	7 059 657 543	948 191 383
Financial assets through other comprehensive income	10	29 784 921 230	13 609 167 821	29 784 921 230	13 609 167 821
Investment in associates	11	9 747 874 507	3 627 883 006	9 740 823 035	3 454 230 582
Intangible assets	12	47 475 762	14 806 404	15 000 859	706 840
Work in progress	12.1	56 462 590	4 540 409	-	-
Deferred expenditure	13	4 772 215 180	997 851 145	4 610 185 606	941 068 511
Investments in subsidiary	14	-	-	3 835 009 221	111 266 282
Goodwill	15	24 303 526	15 734 830	-	-
Income tax asset	25	-	319 297	-	-
Current assets		**16 550 935 788**	**6 994 602 512**	**8 224 905 414**	**3 402 182 089**
Inventories	16	452 231 168	110 230 231	36 213 246	13 403 443
Trade and other receivables	17	6 868 841 475	2 512 469 970	3 444 072 519	1 059 578 142
Cash and cash equivalents	18	9 229 863 145	4 371 902 311	4 744 619 649	2 329 200 504
Total assets		**125 492 098 503**	**57 713 174 291**	**83 939 618 606**	**37 366 214 628**
Reserves and liabilities					
Reserves attributable to owners of the parent		**82 094 224 826**	**42 813 321 991**	**72 786 108 539**	**36 007 821 681**
Non distributable reserve		168 711 422	168 711 422	162 296 528	162 296 528
Other components of reserves	19	33 699 378 176	16 451 324 942	31 041 579 607	13 713 524 225
Accumulated fund		48 226 135 228	26 193 285 628	41 582 232 403	22 132 000 928
Non-controlling interest	20	5 076 833 986	3 381 522 683	-	-
Total reserves		**87 171 058 812**	**46 194 844 674**	**72 786 108 539**	**36 007 821 681**
Liabilities					
Non-current liabilities		**22 361 232 907**	**7 623 610 720**	**4 796 510 571**	**989 317 410**
Lease liabilities	6.1	489 976 459	135 857 535	-	-
Borrowings	21	1 769 092	8 911 475	-	-
Capitalised value of the pension liability	22	4 796 510 571	989 317 410	4 796 510 571	989 317 410
Insurance liabilities life	23	108 749 272	17 856 577	-	-
Life insurance liabilities with DPF	24.1	1 728 884 339	475 700 597	-	-
Life insurance liabilities without DPF	24.1	207 496 949	187 239 101	-	-
Investments contract liabilities with DPF	24.2	9 002 629 121	3 830 934 475	-	-
Investments contract liabilities without DPF	24.2	1 679 388 424	466 918 592	-	-
Share based payment liability	24.2	266 719 835	90 961 537	-	-
Financial liability		568 099 100	-	-	-
Deferred taxation liability	25	3 511 009 745	1 419 913 421	-	-
Current liabilities		**15 959 806 785**	**3 894 718 897**	**6 356 999 497**	**369 075 537**
Lease liabilities	6.1	206 233 938	42 617 862	-	-
Borrowings	21	166 721 471	-	-	-
Members assistance fund	24.4	9 040 581	9 040 581	-	-
Income tax liability	25.3	182 531 598	69 500 342	-	-
Deposits from customers	26	4 090 903 214	699 336 695	-	-
Trade and other payables	27	10 522 006 083	2 812 354 309	6 356 999 497	369 075 537
Unearned premium reserve	28	782 369 900	261 869 108	-	-
Total liabilities		**38 321 039 692**	**11 518 329 617**	**11 153 510 067**	**1 358 392 947**
Total reserves and liabilities		**125 492 098 503**	**57 713 174 291**	**83 939 618 606**	**37 366 214 628**

D. Ngwira (RPAcc.03629),
(Director Finance and ICT)
18 March, 2024

Dr.C. Shava,
(Acting General Manager)
18 March, 2024

Dr. E. A. Fundira,
(Board Chairman)
18 March, 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended December 31, 2021

Inflation adjusted

	Note	GROUP 2021 ZWL$	GROUP 2020 ZWL$	AUTHORITY 2021 ZWL$	AUTHORITY 2020 ZWL$
Total income		**50 134 105 441**	**32 937 040 697**	**24 106 943 968**	**16 775 144 110**
Operating income		**37 150 293 228**	**19 671 733 701**	**20 633 933 605**	**8 706 816 142**
Contributions		14 314 478 609	5 758 463 549	14 314 478 609	5 758 463 549
Premiums		4 042 666 296	1 739 390 597	4 042 666 296	1 739 390 597
Revenue	29	2 840 502 102	1 778 355 167	-	-
Cost of sales	29.1	(789 054 407)	(552 231 127)	-	-
Investment income	30	3 033 438 445	1 807 372 296	2 102 795 075	1 147 629 723
Occupational safety and health income		100 369 843	35 511 145	100 369 843	35 511 145
Net written premium	31	10 950 372 348	6 709 051 020	-	-
Fees income	32	464 190 081	320 502 984	-	-
Banking interest and similar income	33.1	459 759 959	142 457 513	-	-
Banking interest expense	33.2	(101 807 096)	(22 229 582)	-	-
Other income		1 835 377 048	1 955 090 139	73 623 782	25 821 127
Non operating income		**12 983 812 213**	**13 265 306 996**	**3 473 010 363**	**8 068 327 969**
Gain on remeasurement of investment property	7	3 653 232 446	12 636 570 493	(3 029 974 327)	7 328 221 075
Gain on financial assets at fair value through profit and loss		8 357 649 824	873 576 301	5 530 054 746	783 688 281
Fair value gain on biological assets	4	-	(333 732)	-	-
Loss on disposal of investments	34.1	-	(2 723 197 736)	-	(2 500 107 192)
Exchange rate gain	10.3	972 929 943	2 478 691 670	972 929 943	2 456 525 804
Expenses		**34 404 013 725**	**16 486 159 659**	**12 570 208 547**	**4 740 056 607**
Claims and benefits		15 122 710 301	6 931 799 159	8 610 192 488	3 455 155 705
Operating expenses	34	6 202 919 793	4 120 937 279	2 095 086 369	1 326 555 366
Staff costs	35	10 138 569 685	2 301 243 019	6 529 298 375	1 757 695 089
Directors' fees		116 730 619	80 285 258	2 189 103	3 798 857
Change in shareholders reserve		-	(192 137 740)	-	-
Change in insurance contract liabilities		3 703 872 990	1 854 037 133	-	-
Acquisition expenses		963 277 273	419 734 513	-	-
Movement in members assistance fund		-	22 906 705	-	-
Finance costs		28 780 008	43 901 974	-	-
Investment profit on investment contract liabilities		1 050 939 609	426 425 024	-	-
Net monetary adjustments		(2 923 786 553)	477 027 335	(4 666 557 788)	(1 803 148 410)
Profit before share of profit from associates		**15 730 091 716**	**16 450 881 038**	**11 536 735 421**	**12 035 087 503**
Share of profit from associates	11	1 864 288 917	1 481 862 588	1 924 606 445	1 484 645 543
Profit before taxation		**17 594 380 633**	**17 932 743 626**	**13 461 341 866**	**13 519 733 046**
Taxation	25	(1 606 121 749)	346 140 343	-	-
Profit for the year		**15 988 258 884**	**18 287 883 970**	**13 461 341 866**	**13 519 733 046**
Other comprehensive income		**(299 666 444)**	**11 590 242 505**	**79 709 503**	**8 584 353 747**
Items that will not be reclassified to profit or loss		**252 568 856**	**373 387 154**	**437 627 056**	**344 714 948**
Share of other comprehensive income from associates	11	252 568 856	373 387 154	437 627 056	344 714 948
Items that may be reclassified subsequently to profit or loss		**(552 235 300)**	**11 216 855 351**	**(357 917 553)**	**8 239 638 799**
Revaluation gain on property and equipment		(703 829 075)	3 256 594 768	(677 904 439)	706 390 335
Fair value gain on financial assets at fair value through other comprehensive income	10.2	319 986 886	7 533 248 464	319 986 886	7 533 248 464
Exchange differences on translation of foreign operations		(168 393 112)	427 012 119	-	-
Total comprehensive income for the year		**15 688 592 439**	**29 869 126 475**	**13 541 051 370**	**22 104 086 793**
Profit attributable to:					
Equity holders of the parent company		14 792 284 729	16 821 063 880	13 461 341 866	13 519 733 046
Non controlling interest		1 195 974 155	1 457 820 090	-	-
Profit for the year		**15 988 258 884**	**18 278 883 970**	**13 461 341 866**	**13 519 733 046**
Total comprehensive income attributable to:					
Equity holders of the parent company		14 549 501 478	27 394 562 632	13 541 051 370	22 104 086 793
Non-controlling interest		1 139 090 962	2 474 563 843	-	-
Total comprehensive income		**15 988 258 884**	**29 869 126 475**	**13 541 051 370**	**22 104 086 793**

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended December 31, 2021

	Note	Historical cost			
		GROUP 2021 ZWL$	GROUP 2020 ZWL$	AUTHORITY 2021 ZWL$	AUTHORITY 2020 ZWL$
Total income		**59 123 978 707**	**30 941 405 701**	**29 294 372 948**	**16 604 619 224**
Operating income		**30 493 516 540**	**8 970 055 831**	**17 534 413 826**	**4 340 552 320**
Contributions		12 295 593 476	2 819 167 311	12 295 593 476	2 819 167 311
Premiums		3 415 681 804	929 222 607	3 415 681 804	929 222 607
Revenue	29	2 392 408 627	740 028 564	-	-
Cost of sales	29.1	(710 782 847)	(216 183 770)	-	-
Investment income	30	2 421 599 352	837 464 409	1 675 991 293	560 556 682
Occupational safety and health income		81 321 888	18 039 980	81 321 888	18 039 980
Net written premium	31	8 538 627 849	2 916 578 738	-	-
Fees income	32	335 110 079	124 286 630	-	-
Banking interest and similar income	33.1	385 284 669	58 575 188	-	-
Banking interest expense	33.2	(91 649 441)	(7 570 357)	-	-
Other income		1 430 321 085	750 446 531	65 825 366	13 565 740
Non operating income		**28 630 462 167**	**21 971 349 870**	**11 759 959 122**	**12 264 066 904**
Gain on remeasurement of investment property	7	17 682 214 096	19 193 024 500	4 679 809 739	11 008 348 491
Gain on financial assets at fair value through profit and loss		9 975 318 128	2 550 550 333	6 107 219 440	848 143 696
Fair value gain on biological assets	4	-	11 042	-	-
Loss on disposal of investments	34.1	-	(1 314 286 316)	-	(1 120 685 706)
Exchange rate gain	10.3	972 929 943	1 542 050 311	972 929 943	1 528 260 423
Expenses		**34 970 767 541**	**10 848 322 237**	**15 184 147 181**	**2 669 491 165**
Claims and benefits		12 453 772 656	3 139 587 189	7 280 026 494	1 476 090 948
Operating expenses	34	4 948 174 922	1 899 882 527	1 813 500 644	528 846 090
Staff costs	35	9 000 324 741	1 502 624 686	6 088 707 363	662 732 607
Directors' fees		105 594 530	37 960 919	1 912 680	1 821 520
Change in shareholders reserve		-	(26 646 706)	-	-
Change in insurance contract liabilities		6 445 136 237	3 602 820 063	-	-
Acquisition expenses		777 360 663	247 946 726	-	-
Movement in members assistance fund		-	8 322 777	-	-
Finance costs		16 965 875	13 731 680	-	-
Investment profit on investment contract liabilities		1 223 437 917	422 092 376	-	-
Profit before share of profit from associates		**24 153 211 166**	**20 093 083 464**	**14 110 225 767**	**13 935 128 059**
Share of profit from associates	11	4 707 287 148	2 719 025 600	4 783 382 936	2 719 501 377
Profit before taxation		**28 860 498 313**	**22 812 109 064**	**18 893 608 703**	**16 654 629 436**
Taxation	25	(2 268 857 926)	(769 959 132)	-	-
Profit for the year		**26 591 640 387**	**22 042 149 932**	**18 893 608 703**	**16 654 629 436**
Other comprehensive income		**17 794 563 239**	**17 632 644 864**	**17 884 678 154**	**14 010 451 048**
Items that will not be reclassified to profit or loss		**1 171 433 382**	**1 456 329 257**	**1 261 938 546**	**1 286 361 690**
Share of other comprehensive income from associates	11	1 171 433 382	1 456 329 257	1 261 938 546	1 286 361 690
Items that may be reclassified subsequently to profit or loss		**16 623 129 857**	**16 176 315 607**	**16 622 739 608**	**12 724 089 358**
Revaluation gain on property and equipment		642 532 766	4 166 117 421	614 746 026	1 197 638 814
Fair value gain on financial assets at fair value through other comprehensive income	10.2	16 007 993 581	11 526 450 544	16 007 993 581	11 526 450 544
Exchange differences on translation of foreign operations		(27 396 490)	483 747 642	-	-
Total comprehensive income for the year		**44 386 203 626**	**39 674 794 796**	**36 778 286 857**	**30 665 080 484**
Profit attributable to:					
Equity holders of the parent company		24 006 025 802	20 206 585 686	18 893 608 703	16 654 629 436
Non controlling interest		2 585 614 585	1 835 564 246	-	-
Profit for the year		**26 591 640 387**	**22 042 149 932**	**18 893 608 703**	**16 654 629 436**
Total comprehensive income attributable to:					
Equity holders of the parent company		41 810 701 808	36 501 367 278	36 778 286 857	30 665 080 484
Non-controlling interest		2 575 501 819	2 856 665 421	-	-
Total comprehensive income		**44 386 203 626**	**39 358 032 700**	**36 778 286 857**	**30 665 080 484**

Consolidated Statement Of Changes In Equity

for the year ended December 31, 2021

GROUP	Non distributable reserve ZWL$	Accumulated fund ZWL$	Other component of reserves: Mark to market reserve ZWL$	Other component of reserves: Share of other comprehensive income from associates ZWL$	Other component of reserves: Revaluation reserve ZWL$	Other component of reserves: Translation reserve ZWL$	Total ZWL$	Non controlling interests ZWL$	Total equity ZWL$
Inflation adjusted									
Opening balance as at January 1, 2020	7 551 792 525	24 697 433 943	12 407 545 294	2 712 538 040	1 413 484 518	511 210 888	49 294 005 208	4 360 139 881	53 654 145 089
Profit / (loss) for the year	-	16 821 063 880	-	-	-	-	16 821 063 880	1 457 820 090	18 278 883 970
Other Comprehensive income	-	-	-	-	-	-	-	-	-
Fair value gain on financial assets through other comprehensive income	-	-	7 533 248 464	-	-	-	7 533 248 464	-	7 533 248 464
Share of other comprehensive income from associates	-	-	-	363 701 684	-	-	363 701 684	9 685 471	373 387 155
Revaluation reserve	-	-	-	-	2 403 466 649	-	2 403 466 649	853 128 119	3 256 594 768
Translation reserve	-	-	-	-	-	273 081 956	273 081 956	153 930 165	427 012 121
Reclassification of cumulative gains on financial assets at fair value through other comprehensive income to investments in associate (note 10)	-	1 148 786 648	(1 148 786 648)	-	-	-	-	-	-
	-	2 329 982 488	-	(2 329 982 488)	-	-	-	-	-
Balance as at December 31, 2020	7 551 792 525	44 997 266 958	18 792 007 111	746 257 236	3 816 951 167	784 292 844	76 688 567 842	6 834 703 725	83 523 271 566
Opening balance as at January 1, 2021	7 551 792 525	44 997 266 958	18 792 007 111	746 257 236	3 816 951 167	784 292 844	76 688 567 842	6 834 703 726	83 523 271 566
Total comprehensive income / (loss) for the year	-	14 792 284 726	-	-	-	-	14 792 284 726	1 195 974 155	15 988 258 881
Other Comprehensive income	-	-	-	-	-	-	-	-	-
Fair value gain on financial assets through other comprehensive income	-	-	319 986 886	-	-	-	319 986 886	-	319 986 886
Share of other comprehensive income from associates	-	-	-	252 568 856	-	-	252 568 856	-	252 568 856
Revaluation reserve	-	-	-	-	(703 829 075)	-	(703 829 075)	-	(703 829 075)
Translation reserve	-	-	-	-	-	(111 509 919)	(111 509 919)	(56 883 193)	(168 393 112)
Reclassification	-	556 622 772	(556 622 772)	-	-	-	-	-	-
Acquisition of additional stake in RTG	-	(2 704 780 708)	-	-	-	-	(2 704 780 708)	(705 208 783)	(3 409 989 491)
Closing balance as at December 31, 2021	7 551 792 525	57 641 393 750	18 555 371 225	998 826 092	3 113 122 092	672 782 925	88 533 288 608	7 268 585 904	95 801 874 512
AUTHORITY									
Opening balance as at as January 1, 2020	7 264 651 650	20 405 393 687	12 407 545 294	2 687 638 803	1 295 816 344	218 494 744	44 279 540 522		
Total comprehensive income for the year	-	13 519 733 047	7 533 248 464	344 714 948	706 390 335	-	22 104 086 794		
Reclassification of cumulative gains on financial assets at fair value through other comprehensive income to investments in associate (note 10)	-	1 148 786 648	(1 148 786 648)	-	-	-	-		
Reclassification	-	2 329 982 488		(2 329 982 488)	-	-	-		
Closing balance as at 31 December 2020	7 264 651 650	37 403 895 870	18 792 007 111	702 371 262	2 002 206 679	218 494 744	66 383 627 316		
Opening balance at as January 1, 2021	7 264 651 650	37 403 895 870	18 792 007 111	702 371 262	2 002 206 679	218 494 744	66 383 627 316		
Total comprehensive Income for the year	-	13 461 341 866	319 986 886	437 627 056	(677 904 439)	-	13 541 051 369		
Reclassification	-	556 622 772	(556 622 772)	-	-	-	-		
Closing balance as at December 31, 2021	7 264 651 650	51 421 860 507	18 555 371 225	1 139 998 319	1 324 302 240	218 494 744	79 924 678 685		

Consolidated Statement Of Changes In Equity

for the year ended December 31, 2021

GROUP	Non distributable reserve ZWL$	Accumulated fund ZWL$	Other component of reserves: Mark to market reserve ZWL$	Other component of reserves: Share of other comprehensive income from associates ZWL$	Other component of reserves: Revaluation reserve ZWL$	Other component of reserves: Translation reserve ZWL$	Total ZWL$	Non controlling interests ZWL$	Total equity ZWL$
Historical cost									
Opening balance as at January 1, 2020	**168 711 422**	**4 290 851 730**	**492 058 111**	**593 287 709**	**696 122 900**	**70 922 841**	**6 311 954 713**	**524 857 262**	**6 836 811 975**
Total comprehensive income for the year	-	20 206 585 686	-	-	-	-	20 206 585 686	1 835 564 246	22 042 149 932
Other Comprehensive income	-	-	-	-	-	-	-	-	-
Fair value gain on financial assets through other comprehensive income	-	-	11 526 450 544	-	-	-	11 526 450 544	-	11 526 450 544
Share of other comprehensive income from associates	-	-	-	1 450 303 706	-	-	1 450 303 706	6 025 551	1 456 329 257
Revaluation reserve	-	-	-	-	3 314 451 750	-	3 314 451 750	851 665 671	4 166 117 421
Translation reserve	-	-	-	-	-	320 337 689	320 337 689	163 409 953	483 747 642
Reclassification of cumulative gains on financial assets at fair value through other comprehensive income to investments in associate (note 10)	-	808 714 965	(808 714 965)	-	-	-	-	-	-
Reclassification on derecognition of associates	-	887 133 247	-	(887 133 247)	-	-	-	-	-
	168 711 422	**26 193 285 628**	**11 209 793 690**	**1 156 458 168**	**3 693 812 555**	**391 260 530**	**42 813 321 990**	**3 381 522 683**	**46 194 844 674**
Opening balance as at January 1, 2021	**168 711 422**	**26 193 285 628**	**11 209 793 690**	**1 156 458 168**	**3 693 812 555**	**391 260 530**	**42 813 321 990**	**3 381 522 683**	**46 194 844 674**
Total comprehensive income for the year	-	24 006 025 802	-	-	-	-	24 006 025 802	2 585 614 585	26 591 640 387
Other Comprehensive income	-	-	-	-	-	-	-	-	-
Fair value gain on financial assets through other comprehensive income	-	-	16 007 993 581	-	-	-	16 007 993 581	-	16 007 993 581
Share of other comprehensive income from associates	-	-	-	1 171 433 382	-	-	1 171 433 382	-	1 171 433 382
Revaluation reserve	-	-	-	-	642 532 766	-	642 532 766	-	642 532 766
Translation reserve	-	-	-	-	-	(17 283 724)	(17 283 724)	(10 112 766)	(27 396 490)
Reclassification	-	556 622 772	(556 622 772)	-	-	-	-	-	-
Acquisition of additional stake in RTG	-	(2 529 798 974)	-	-	-	-	(2 529 798 974)	(880 190 516)	(3 409 989 490)
Closing balance as at December 31, 2021	**168 711 422**	**48 226 135 228**	**26 661 164 499**	**2 327 891 550**	**4 336 345 321**	**373 976 806**	**82 094 224 826**	**5 076 833 986**	**87 171 058 811**
AUTHORITY									
Opening balance at as January 1, 2020	**162 296 528**	**3 781 523 280**	**492 058 111**	**592 672 572**	**283 877 839**	**30 312 868**	**5 342 741 198**		
Total comprehensive income for the year	-	16 654 629 436	11 526 450 544	1 286 361 690	1 197 638 814	-	30 665 080 484		
Reclassification of cumulative gains on financial assets at fair value through other comprehensive income to investments in associate (note 10)	-	808 714 965	(808 714 965)	-	-	-	-		
Reclassification of gains on derecognition of associates	-	887 133 247	-	(887 133 247)	-	-	-		
Closing balance as at 31 December 2020	**162 296 528**	**22 132 000 928**	**11 209 793 690**	**991 901 015**	**1 481 516 653**	**30 312 868**	**36 007 821 682**		
Opening balance as at January 1, 2021	**162 296 528**	**22 132 000 928**	**11 209 793 690**	**991 901 015**	**1 481 516 653**	**30 312 868**	**36 007 821 682**		
Total comprehensive Income for the year	-	18 893 608 703	16 007 993 581	1 261 938 546	614 746 026	-	36 778 286 857		
Reclassification	-	556 622 772	(556 622 772)	-	-	-	-		
Closing balance as at December 31, 2021	**162 296 528**	**41 582 232 403**	**26 661 164 499**	**2 253 839 561**	**2 096 262 679**	**30 312 868**	**72 786 108 539**	-	

Consolidated Statement Of Cashflows

for the year ended December 31, 2021

	Note	Inflation adjusted GROUP 2021 ZWL$	GROUP 2020 ZWL$	AUTHORITY 2021 ZWL$	AUTHORITY 2020 ZWL$
Cash flows from operating activities					
Net cash generated from operating activities		30 627 842 213	10 747 407 203	18 430 249 158	1 463 286 324
Net cash generated after working capital changes		10 572 479 025	3 646 437 650	6 342 392 716	542 207 275
Net cash generated before working capital changes		3 140 345 985	5 539 751 863	2 314 143 425	1 707 828 878
Profit for the year before share of profit from associates		15 730 091 716	16 459 964 745	11 536 735 421	12 035 087 503
Adjusted for non cash items:					
Fair value gain on biological assets	4	-	(333 732)	-	-
Depreciation expense	5	575 401 626	622 734 451	228 510 984	355 003 412
Depreciation on rights of use assets	6	59 694 554	186 232 943	-	-
Fair value adjustment on investment property	7	(3 653 232 446)	(12 636 570 493)	3 029 974 327	(7 328 221 075)
Amortisation of software	12	38 785 729	18 097 392	-	-
Deferred pension expense	13	242 641 347	79 614 395	242 641 347	79 614 395
Decrease/ (increase) in allowance for credit losses	17.5	847 842 424	579 649 619	516 901 315	226 108 771
Provision for new pensions	22	41 558 222	31 120 899	41 558 222	31 120 899
Gain on financial assets through profit and loss		(8 357 649 824)	(873 576 301)	(5 530 054 746)	(783 688 281)
Investment income	30	(3 033 438 445)	(1 807 372 296)	(2 102 795 075)	(1 147 629 723)
Exchange rate gain		(972 929 943)	(2 478 691 670)	(972 929 943)	(2 456 525 804)
Profit on disposal of property plant and equipment		(22 651 460)	(4 311 331)	(9 840 639)	-
Profit on disposal of non current assets held for sale		(12 359 047)	-	-	-
Loss on disposal of investments	34.1	-	2 723 197 736	-	2 500 107 192
Movement in investment contract liabilities		247 686 672	426 425 024	-	-
Movement in insurance contract liabilities		3 703 872 990	1 854 037 133	-	-
Movement in member assistance		-	22 906 705	-	-
Movement in incurred but not reported provision		237 315 170	(264 415 871)	-	-
Movement in shareholder risk reserves		-	(192 137 740)	-	-
Unearned premium reserve movement		276 014 471	371 994 144	-	-
Deferred acquisition costs		85 099 588	17 506 319	-	-
Monetary loss		(2 914 702 847)	467 943 628	(4 666 557 788)	(1 803 148 410)
Finance income		-	(142 457 513)	-	-
Interest paid		1 609 186	34 291 701	-	-
Finance costs on borrowings		28 780 008	43 901 974	-	-
Working capital changes		**7 432 133 040**	**(1 893 314 212)**	**4 028 249 291**	**(1 165 621 603)**
Decrease/increase in inventories		651 294 660	(1 467 471 421)	5 408 426	(7 173 479)
Increase in trade receivables		(2 870 006 641)	(1 243 018 786)	(1 740 906 613)	(1 070 360 015)
Borrowings		166 721 471	(6 792 867)	-	-
Members assistance fund		-	14 531 830	-	-
Unearned premium reserve		515 906 372	474 008 708	-	-
(Decrease)/increase in deposits		2 966 789 410	(197 525 072)	-	-
Increase/ (decrease) in trade and other payables		6 001 427 767	532 953 397	5 763 747 478	(88 088 109)
		(544 797 431)	**(95 952 873)**	**(298 464 495)**	**(81 667 750)**
Pensions paid during the year	22	(298 464 495)	(81 667 750)	(298 464 495)	(81 667 750)
Finance costs on borrowings		(28 780 008)	(43 901 974)	-	-
Interest received		-	94 599 446	-	-
Share appreciation rights paid during the year		(148 097 951)	-	-	-
Income tax paid		(69 454 977)	(64 982 594)	-	-
Cash flows from investing activities					
Net cash used in investing activities		**(5 320 073 437)**	**(38 582 366)**	**(3 007 951 575)**	**2 304 970 359**
Additions to property **and** equipment	5	(316 123 107)	(1 082 073 935)	(185 789 800)	(579 788 373)
Additions to investment property	7	(345 559 252)	(60 299 182)	(324 573 795)	(60 180 571)
Proceeds from disposal of investments property		-	62 394 446	-	62 394 446
Proceeds from disposal of property and equipment		24 047 744	6 472 450	38 349 408	-
Proceeds from disposal of non current assets held for sale		79 390 484	-	-	-
Purchase of intangible assets	12	(43 891 387)	(5 106 178)	(15 968 649)	-
Purchase of financial assets at armotised cost		(3 779 713 918)	(2 199 058 749)	(385 263 329)	-
Repayment of financial assets at armotised cost		36 303 137	98 927 271	218 442 058	264 318 654
Loans advanced		(436 623 267)	-	(584 174 793)	-
Loans repaid		69 506 620	-	69 528 172	
Additions to subsidiary		(3 606 404 885)	-	(3 684 463 155)	-
Additions to associate		(260 672 828)	-	(260 672 828)	-
Disposal of Investment in associates		-	2 844 975 076	-	2 844 975 076
Proceeds on disposal of financial assets at fair value through other comprehensive income		856 602 579	-	248 562 341	-
Purchases of financial assets at fair value through profit and loss		(360 321 828)	(114 410 968)	(6 306 032)	-
Proceeds on disposal of financial assets at fair value through profit and loss		126 984 852	-	126 984 852	23 396 297
Purchase of financial assets at fair value through other comprehensive income		(397 036 826)	(1 397 774 893)	(365 401 101)	(1 397 774 893)
Investment income less non cash items		**3 033 438 445**	**1 807 372 296**	**2 102 795 075**	**1 147 629 723**
Dividend received		1 800 739 697	852 230 386	1 550 227 321	799 271 977
Interest received		224 223 594	104 472 723	129 267 472	96 234 298
Other investment income		1 008 475 154	850 669 186	423 300 282	252 123 448
Cash flows from financing activities		**(77 493 632)**	**(24 992 161)**	**-**	**-**
Issue of shares		64 182 686	-	-	-
Lease liability repayment	6.1	(6 011 507)	(24 992 161)	-	-
Loan Repayment		(125 557 275)	-	-	-
Receipt of funds from non controlling interest		7 026 539	-	-	-
Dividend paid non-controlling interest		(17 134 075)	-	-	-
Net cash inflow for the year		**4 615 790 220**	**3 486 910 250**	**3 417 346 396**	**2 847 177 634**
Cash and cash equivalents at the beginning on the year		7 027 395 774	5 619 138 573	3 743 956 890	3 743 956 885
Effects of inflation and exchange rates on cash and cash equivalents		(2 413 322 850)	(2 078 653 048)	(2 416 683 637)	(2 847 177 629)
Cash and cash equivalents at the end of the year		**9 229 863 144**	**7 027 395 774**	**4 744 619 649**	**3 743 956 890**

Consolidated Statement Of Cashflows (cont.)

for the year ended December 31, 2021

Historical cost

	Note	GROUP 2021 ZWL$	GROUP 2020 ZWL$	AUTHORITY 2021 ZWL$	AUTHORITY 2020 ZWL$
Cash flows from operating activities					
Net cash generated from operating activities		30 039 939 005	7 633 227 128	15 524 558 921	1 917 965 962
Net cash generated after working capital changes		10 316 513 824	2 547 248 246	5 337 471 855	658 890 946
Net cash generated before working capital changes		3 400 309 564	1 709 152 996	1 756 852 075	1 366 818 141
Profit for the year before share of profit from associates		24 153 211 166	20 093 083 464	14 110 225 767	13 935 128 059
Adjusted for non cash items:					
Fair value gain on biological assets	4	-	(11 042)	-	-
Depreciation expense	5	406 116 736	110 847 724	192 400 650	58 962 552
Depreciation on rights of use assets	6	61 343 571	17 325 160	-	-
Fair value adjustment on investment property	7	(17 682 214 096)	(19 193 024 500)	(4 679 809 739)	(11 008 348 491)
Amortisation of software	12	1 785 181	2 592 119	-	-
Deferred pension expense	13	242 641 347	49 529 921	242 641 347	49 529 921
Decrease/ (increase) in allowance for credit losses	17.5	847 842 424	360 613 175	516 901 315	140 667 395
Provision for new pensions	22	139 363 042	7 153 799	139 363 042	7 153 799
Gain on financial assets through profit and loss		(9 975 318 128)	(2 550 550 333)	(6 107 219 440)	(848 143 696)
Investment income	30	(2 421 599 352)	(837 464 409)	(1 675 991 293)	(560 556 682)
Exchange rate gain		(972 929 943)	(1 542 050 311)	(972 929 943)	(1 528 260 423)
Profit on disposal of property plant and equipment		(20 059 645)	(2 150 944)	(8 729 631)	-
Profit on disposal of non current assets held for sale		(9 915 762)	-	-	-
Loss on disposal of investments	34.1	-	1 314 286 316	-	1 120 685 706
Movement in investment contract liabilities		1 223 437 917	570 337 178	-	-
Movement in insurance contract liabilities		6 445 136 237	3 602 820 063	-	-
Movement in member assistance		-	8 322 777	-	-
Movement in incurred but not reported provision		458 708 597	(318 726 989)	-	-
Movement in shareholder risk reserves		-	(26 646 706)	-	-
Unearned premium reserve movement		379 226 383	27 471 257	-	-
Deferred acquisition costs		105 246 940	49 135 127	-	-
Finance income		-	(58 575 188)	-	-
Interest paid		1 321 075	11 103 658	-	-
Finance costs on borrowings		16 965 875	13 731 680	-	-
Working capital changes		6 916 204 260	838 095 250	3 580 619 780	(707 927 195)
Decrease/increase in inventories		(342 000 937)	(50 277 928)	(22 809 803)	(10 691 192)
Increase in trade receivables		(4 356 371 505)	(2 112 452 419)	(2 384 494 377)	(971 785 817)
Borrowings		(7 142 383)	5 981 784	-	-
Members assistance fund		-	9 040 581	-	-
Unearned premium reserve		520 500 792	210 692 935	-	-
(Decrease)/increase in deposits		3 391 566 519	515 979 127	-	-
Increase/ (decrease) in trade and other payables		7 709 651 774	2 259 131 170	5 987 923 960	274 549 814
		(454 801 234)	(4 258 806)	(243 928 323)	(29 353 438)
Pensions paid during the year	22	(243 928 323)	(29 353 438)	(243 928 323)	(29 353 438)
Finance costs on borrowings		(16 965 875)	(13 731 680)	-	-
Interest received		-	58 575 188	-	-
Share appreciation rights paid during the year		(124 452 059)	-	-	-
Income tax paid		(69 454 977)	(19 748 876)	-	-
Cash flows from investing activities					
Net cash used in investing activities		(4 847 167 300)	455 223 278	(3 032 528 376)	1 322 750 537
Additions to property and equipment	5	(327 587 122)	(463 092 086)	(135 157 374)	(296 716 732)
Additions to investment property	7	(287 147 034)	(22 134 309)	(271 385 562)	(22 115 218)
Proceeds from disposal of investments property		-	22 700 000	-	22 700 000
Proceeds from disposal of property and equipment		20 928 305	2 595 646	34 942 808	-
Proceeds from disposal of non current assets held for sale		61 135 762	-	-	-
Purchase of intangible assets	12	(32 505 884)	(5 106 178)	(12 345 364)	-
Purchase of financial assets at armotised cost		(2 930 010 789)	(465 752 813)	(385 263 329)	-
Repayment of financial assets at armotised cost		28 141 967	44 882 504	169 282 438	24 485 308
Loans advanced		(338 467 649)	-	(452 708 302)	-
Loans repaid		53 881 101	-	53 881 102	-
Additions to subsidiary		(3 409 989 490)	-	(3 479 800 240)	-
Additions to associate		(233 034 890)	-	(233 034 890)	-
Disposal of Investment in associates		-	1 769 923 526	-	1 769 923 526
Proceeds on disposal of financial assets at fair value through other comprehensive income		615 649 534	-	192 683 985	-
Purchases of financial assets at fair value through profit and loss		(280 417 848)	(366 481 313)	(4 886 882)	(4 088 479)
Proceeds on disposal of financial assets at fair value through profit and loss		98 437 870	-	98 437 870	-
Purchase of financial assets at fair value through other comprehensive income		(307 780 485)	(747 299 516)	(283 165 930)	(731 994 550)
Investment income less non cash items		2 421 599 352	684 987 818	1 675 991 293	560 556 682
Dividend received		1 427 594 473	452 128 311	1 233 398 833	413 012 166
Interest received		186 086 545	39 716 121	106 699 125	29 891 224
Other investment income		807 918 334	193 143 386	335 893 335	117 653 292
Cash flows from financing activities		(85 178 104)	(7 131 466)	-	-
Issue of shares		53 935 030	-	-	-
Lease liability repayment	6.1	(4 660 083)	(7 131 466)	-	-
Loan Repayment		(125 557 275)	-	-	-
Receipt of funds from non controlling interest		5 091 695	-	-	-
Dividend paid non-controlling interest		(13 987 471)	-	-	-
Net cash inflow for the year		4 804 836 813	2 991 081 253	2 061 015 156	1 952 288 045
Cash and cash equivalents at the beginning on the year		4 371 902 310	779 571 184	2 329 200 504	415 455 046
Effects of inflation and exchange rates on cash and cash equivalents		53 124 020	601 249 873	354 403 989	(38 542 587)
Cash and cash equivalents at the end of the year		9 229 863 144	4 371 902 310	4 744 619 649	2 329 200 504

Notes to the consolidated financial statements
for the year ended December 31, 2021

1. REPORTING ENTITY

The National Social Security Authority (NSSA/ Authority) is a corporate body that was established in terms of the National Social Security Authority Act, [Chapter 17:04] to establish social security schemes for the provision of benefits to contributors of the Schemes.

1.1 Nature of business

The Authority has the mandate to administer the Pension and Other Benefits Scheme, the Accidents Prevention and Workers Compensation Scheme and every scheme to be established in terms of the Act. The Group financial statements consolidate those of the Authority (NSSA) and its subsidiaries (together referred to as the Group). The Authority's financial statements present information about NSSA as a separate entity and not about the Group.

2. BASIS OF PREPARATION

2.1 Basis of measurement

The financial statements have been prepared from statutory records that are maintained under the historical cost convention and modified by the revaluation of financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment property, plant and equipment and insurance and investment contract liabilities that have been measured on a fair value basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.6.

2.2 Statement of compliance

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards, ("IFRS") as issued by the International Accounting Standards Board(the "IASB"), International Financial Reporting Interpretations Committee ("IFRIC") as issued by the International Financial Reporting Interpretations Committee ("IFRIC"), National Social Security Authority Act, [Chapter 17:04], Public Finance Management Act [Chapter 22:09] and in a manner required by the Companies and Other Business Entities Act [Chapter 24:31] and the relevant Statutory Instruments ("SI") and the relevant Statutory Instruments ("SI") SI 62/96, SI 142/19 and SI 33/19 with the exception of International Accounting Standard (IAS) 21, The Effects of Changes in Foreign Exchange rates. IFRSs comprise interpretations adopted by the International Accounting Standards Board (IASB), which includes standards adopted by the International Accounting Standards Board (IASB) and interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC).

2.2.1 IAS 21- "The Effects of Changes in Foreign Exchange Rates"

According to the conceptual framework for financial reporting, for fair presentation of financial statements, entities should consider beyond the legal form of transactions but the economic phenomena of the transactions and the impact thereon. 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. The same standard requires an entity to make certain judgements, where applicable regarding appropriate exchange rates between the currency where exchangeability through a legal and market exchange mechanism is not achievable.

In the opinion of the directors, the requirements to comply with Statutory Instrument 33(SI 33) of 2019 created inconsistencies with IAS 21, as well as the principles embedded in the IFRS conceptual framework, and the Guidance issued by Public Accountants and Auditors Board (PAAB) on March 21, 2019. This has resulted in the adoption of the accounting treatment in the prior year's financial statements and has cascaded through opening balances to current year, which is at variance from that which would have been applied if the Group had been able to fully comply with IFRS.

2.2.2 Reporting currency

The financial statements of the Group have been presented in Zimbabwean dollar (ZWL$) which is the Group's functional currency at the reporting date. All information presented has been rounded off to the nearest dollar.

Following the adoption of the multi-currency system in January 2009, all local notes in issue and balances transacted through local payment platforms were rated at par with the United States Dollar (USD). The exchange of these balances against external obligations was done through an allocation system which was controlled by the Reserve Bank of Zimbabwe and delays were often experienced due to competing demands whilst substantially higher rates obtained in the alternative markets and became the basis for a multi-tier pricing regime that became pervasive in the Zimbabwean economy.

Following the Monetary Policy Statement of February 20, 2019, the Government of Zimbabwe issued Statutory Instrument (SI) 32 and 33 of 2019 on February 22, 2019, together with Exchange Control Directive RU28 of 2019, the effects of which were to:

a) Formally recognise local unit monetary balances in the form of bank balances, balances on electronic payment platform and local bond notes as a currency distinct from the USD. These were subsequently named RTGS Dollars (otherwise identified as ZWL$).
b) Create a base upon which the RTGS Dollars were to be allowed to trade against the USD or any other foreign currencies on the interbank market at a floating rate.

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

Consequently, the new RTGS Dollars started to trade officially with the USD on February 22, 2019, and the maiden rate of USD1: ZWL$2.5 was established. The maiden floating rate was presumed to have subsisted from the beginning of the year as practical expedience (deemed rate), the Group did not have material transactions in foreign currency between January 1, 2019 and February 22, 2019 to warrant an extensive process of separate identification and translation of these transactions at any other rate outside the "deemed" rate.

The Group's functional currency changed from USD to ZWL$ in line with the reporting provisions of SI 33 of 2019. The change in the functional currency and subsequent revaluation of foreign denominated balances resulted in the creation of foreign currency translation reserve.

2.2.3 Adoption of the International Accounting Standard (IAS) 29 – "Financial Reporting in Hyperinflation Economies"

Inflation adjustment

The Public Accountants and Auditors Board (PAAB), through circular 01/19 indicating the conditions required for the application of International Accounting Standard 29 (IAS 29) Financial Reporting in Hyperinflation Economies. All entities reporting in Zimbabwe are now required to apply the requirements of IAS 29 with effect from 1 July 2019. The Group has applied the requirement of IAS 29 for the period ended December 31, 2021. Prior year financial statements have been restated to reflect the terms existing at the latest balance sheet date. The restatement has been calculated by means of conversion factors derived from the consumer price index (CPI) prepared by the Zimbabwe Central Statistical Office. The conversion factors used to restate the financial statements at December 31, 2021 are as follows:

Period	Index	Conversion Factors
CPI as at Dec 31, 2019	551.63	7.2104
CPI as at Dec 31, 2020	2 474.51	1.6074
CPI as at Dec 31, 2021	3 977.46	1

The main guidelines for the restatement are as follows:

- All amounts not already expressed in terms of the measuring unit current at the balance sheet data are restated by applying a general CPI. Corresponding figures for previous periods are similarly restated.
- Monetary assets and liabilities are not restated because they are already expressed in terms of the monetary unit current at the statement of financial position date. Monetary assets are money held, assets and liabilities to be recovered or paid at the nominal value recorded in the historical cost.
- Non-monetary assets and liabilities and the components of equity are restated by applying (to the initial acquisition cost and any accumulated depreciation for property, plant and equipment), the relevant conversion factors reflecting the increase in the CPI from the date of acquisition or initial recording to the statement of financial position date.
- All items in the income statement are restated by applying the relevant factors.
- The effect of general inflation on the Group's net monetary position is included in the income statement as a monetary gain or loss.

The application of IAS 29 requires certain assumptions and estimates to be made which could have a material impact on the financial statements.

The inflation adjusted figures form the primary set of financial statements and the unadjusted historical figures are presented as supplementary information.

2.3 Going concern assumption

Management have assessed the ability of the Group to continue operating as a going concern and they believe that the preparation of these financial statements on a going concern basis is still appropriate due to following reasons.

i. The Group had a historical profit of ZWL$26.59 billion (inflation adjusted ZWL$15.99 billion), prior year surplus was at ZWL$22.04 billion historical cost (ZWL$18.29 billion surplus inflation adjusted). Historical total assets of ZWL$125.49 billion (inflation adjusted: ZWL$135.48 billion), prior year total assets of ZWL$57.71 billion (ZWL$103.04 billion inflation adjusted).
ii. The Authority can adjust the insurable ceiling and contributions rates if contribution income becomes so low that it will be unable to sustain claims and operating expenses.
iii. The Government of Zimbabwe is the largest tenant of the Group's properties and is therefore expected to continue meeting its rental obligations. Some of the Group's properties are occupied by foreign tenants who pay in foreign currency hence guaranteed cash flows.
iv. The Group also has liquid assets to continue to sustain its operations.

2.4 Application of new and revised International Financial Reporting Standards (IFRS)

2.4.1 New and revised standards in issue with no material effect on the financial statements of the Group.

i) Amendments to References to Conceptual Framework in IFRS Standards
ii) Definition of Material (Amendment to IAS1 and IAS8)
iii) Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS39 and IFRS 7)
iv) Covid-19 related rent concessions (Amendments to IFRS 16)
v) Definition of a business (Amendments to IFRS3)

2.4.1.1 Amendments to References to the Conceptual Framework in IFRS Standards

Together with the revised Conceptual Framework, which became effective upon publication on March 29, 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

This amendment is effective for annual periods beginning on or after 1 January 2021.

2.4.1.2 Amendments to International Accounting Standard (IAS) 1 - "Presentation of Financial Statements" and IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors"- Definition of material

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency. This is likely to affect the detail and level of information the Group will be required to disclose. The group has disclosed all material transactions in its financial statements.

2.4.1.3 Amendments to International Financial Reporting Standards (IFRS) 9, "Financial Instruments", International Accounting Standards (IAS) 39, "Financial Instruments: Recognition and Measurement" and IFRS 7, "Financial Instruments: Disclosures" - Hedging relationships

These amendments are meant to provide relief which apply to hedging relationships that are directly affected by interest rate benchmark reform. The hedge is affected if the reform gives to uncertainty about the timing or amount of the benchmark based cashflows the hedged item or hedging instrument.

2.4.1.4 Amendments to International Financial Reporting Standards (IFRS) 16, "Leases"- Covid - 19 related rent concessions.

The amendments provide relief to lessees from applying IFRS16 guidance on lease modification accounting for rent concessions arising as a direct result of the COVID-19 pandemic. A lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. After making this election, the lessee accounts for any change in lease payments resulting from the COVID-19 related rent concession in the same way as it would account for the change under IFRS 16, if the change were not a lease modification.

2.4.1.5 Amendments to International Financial Reporting Standards (IFRS) 3, "Business Combinations

The amendments clarify that while businesses usually have outputs, are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. Additional guidance is provided that helps to determine whether a substantive process has been acquired. The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after January 1, 2021, with early application permitted.

2.4.2 New standards, amendments and interpretations issued but not effective for December 31, 2021-year end that are relevant to the Group.

The following standards and amendments were issued but not yet effective and are likely to not have a significant impact on the Group.

a) Amendments to IAS 16 'Property, Plant and Equipment' on Proceeds before intended use (effective January 1, 2022).
b) Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' on Onerous Contracts—Cost of fulfilling a contract (effective January 1, 2022).
c) Amendments to IAS1 "Presentation of financial statements" -Classification of liabilities as current or non-current's (effective January 1, 2022).
d) IFRS 17 Insurance Contracts (effective January 1, 2023)

Notes to the Consolidated Financial Statements (cont.)
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The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods, except as noted below:

2.4.2.1 Amendments to International Accounting Standard (IAS) 16, "Property, Plant and Equipment": Proceeds before intended use

This amendment prohibits entities from deducting proceeds from selling items produced while bringing an asset to the location and condition necessary for it to be capable to operate in the manner intended by management. The proceeds from selling such items and the costs incurred to produce them must be recognized in profit or loss.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022.

2.4.2.2 Amendments to International Accounting Standard (IAS) 37, "Provisions, Contingent Liabilities and Contingent Assets": Onerous contracts - Cost of fulfilling a contract

The amendments are meant to specify the specific costs and entity must include in its assessment of whether a contract is onerous or loss making. The costs that relate directly to a contract to provide goods or services include both incremental and allocated costs that are directly related to contract activities. Thus, general, and administrative costs are excluded unless explicitly specified in the contract.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022.

2.4.2.3 Amendments to International Accounting Standard (IAS) 1, "Presentation of financial statements": Classification of liabilities as current or non-current.

This amendment seeks to clarify the following.

- The meaning of right to defer settlement.
- That a right must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral rights.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022.

2.4.2.4 Amendments to International Financial Reporting Standard (IFRS) 17, "Insurance Contracts"

International Financial Reporting Standard (IFRS) 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees. For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

The standard is effective for annual reporting periods beginning on or after January 1, 2023.

2.5 Comparative figures

All comparative figures as at end of the period 31 December 2020 were restated by applying the change in the index from the date of last re-measurement to 31 December 2021. Monetary assets and liabilities were not restated because they are already stated in terms of the measuring unit current at the reporting date. Non-monetary assets and liabilities held at fair value were not restated because they are already stated in terms of the measuring unit current at the reporting date. Non-monetary assets and liabilities that are not carried at amounts current at balance sheet and components of shareholders' equity were restated by applying the change in the index from the date of the transaction or if applicable from the date of their most recent revaluation to 31 December 2021. Where necessary comparison figures are reclassified in line with current year presentation.

2.6 Accounting judgments, estimates, and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an annual basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant judgments and estimates include the following:

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

The Group assesses useful lives and residual values of property, plant and equipment each year taking into account past experience and technology changes. The depreciation rates are set out in note 3.9 and no changes to these useful lives have been considered necessary during the year. Management

has set residual values for all classes of property, plant and equipment at zero.

2.6.2 Impairment of non-financial assets

At each statement of financial position date, the Group reviews the carrying amount of its non-financial assets to determine whether there is an indication that those assets suffered any impairment. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment is recognized as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment is treated as a revaluation decrease.

In the event that, in the subsequent period, an asset that has been subject to an impairment loss is no longer considered to be impaired, the value is restored and the gain is recognized in the statement of comprehensive income. The restoration is limited to the value which would have been recorded had the impairment adjustment not taken place.

2.6.3 Allowance for credit losses.

The Group assess on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. For receivables, the Group applied the simplified approach permitted by IFRS 9, which requires expected life time losses to be recognised from initial recognition of a receivable. Forecasts on national unemployment rates, economic outlook, monetary policy changes, and changes in client profiles are considered in determining expected credit losses.

2.6.4 Fair value measurement

The Group measures financial assets such as listed and unlisted investments and non-financial assets such as investment property and biological assets at fair value at the reporting date.

Fair value 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either, in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.6.5 Incurred but not reported ("IBNR")

The provision for IBNR represents an estimate of all claims incurred before the reporting date but only reported subsequent to year end. The IBNR is actuarially determined as at the reporting date.

2.6.6 Insurance contract liabilities (Policyholders' funds) and actuarial assumptions

The life policyholder funds, under un-matured policies, are computed at the reporting date by the Group's independent actuary, in accordance with prevailing legislation, and guidelines issued by the Actuarial Society of South Africa ("SAP104"). Under this method, the insurance contract liabilities are valued using realistic expectations of future experience with margins for prudence. The insurance contract liabilities reflected in the statement of financial position represent the increase or decrease in actuarial liabilities, calculated using the Financial Soundness Valuation method.

The main assumptions used relate to mortality, longevity, investment returns, expenses, lapses, surrender rates and discount rates. Estimates are also made as to future investment income arising from the assets backing the life insurance contracts. These estimates are based on current market returns as well as expectations about future economic and financial developments. Assumptions on future expenses are based on current expense levels adjusted for expected expense inflation adjustments if necessary. Lapse and surrender rates depend on product features, policy duration and external circumstances such as sales trends.

Discount rates are based on current expense levels adjusted for expected inflation adjustments if appropriate. Refer to note 23 and 24.1 for the carrying amount of policyholder funds and insurance risk reserve and the assumptions used to determine the carrying amounts.

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for the year ended December 31, 2021

2.6.7 Insurance contracts and investment contracts

The Group classifies contracts entered into between investment contracts and insurance contracts on the basis of whether the contract is mostly a life assurance contract or a deposit contract and the contract is considered to be insurance contract if it transfers significant insurance risk. In the event of both elements existing in the contract, judgement is applied in determining which of the two elements makes up a more significant portion of the contract, in which case it is classified as such.

2.6.8 Fair value of investment property

The Group carries its investment property at fair value, with changes in fair value being recognised in statement of comprehensive income. The yield method converts anticipated future cash flow benefits in the form of rental income into present value. This approach requires careful estimation of future benefits and the application of investor yield or return requirements. One approach to value property on this basis is to capitalise net rental income on the basis of an initial yield, generally referred to as the "All Risks Yield" approach or "Net Initial Yield" approach. The determined fair value of the investment property is most sensitive to the estimated yield as well as the long-term void rate.

The determined fair value of the investment property is most sensitive to the estimated yield as well as the long-term void rate. The property valuations have been undertaken in an environment of poor liquidity conditions and limited transaction evidence. In undertaking the valuations for commercial, industrial and retail properties, reliance has been placed on rental market evidence, void rates and area currently applying to the individual properties in the portfolio. The achieved rentals for the portfolio are generally in line and in some instances higher than the rental rates being achieved in the market. With regards to the residential properties, various properties were identified that were sold or which are on sale and situated in comparable residential suburbs.

In analysing the comparable properties, the main space equivalent ("MSE") principle was applied. The total MSE of the comparable property was then used to determine a value per square meter of MSE. The objective is to arrive at a common basis of comparison. After adjustments for quality, location and size, the rates per MSE reflected by the comparable were then applied to the subject residential properties. The yields, have been obtained from the limited concluded transactions and have also been assessed taking into account asking prices and offers that may have been received for properties currently on the market, formally or otherwise, although the transactions may not have been concluded. Refer to note 7 for the carrying amount of investment property and more information on the estimates and assumptions used to determine the fair, value of investment property.

2.6.9 Taxes

The Group is subject to income and capital gains taxes in Botswana, Malawi, Mozambique and Zimbabwe. Significant judgement is required to determine the total liability for current income and deferred taxes. There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain. In particular, when calculating deferred tax, the effective tax rate applicable on the temporary differences on investment property depends on the method by which the carrying amount of investment property will be realised.

Management has rebutted the presumption that the carrying amount of investment property measured at fair value will be recovered through sale. Management has rebutted the presumption as the objective of its business model is to consume substantially all of the economic benefits embodied in the investment property over time rather than through sale. As a result, the Group applied the income tax rate of 25.75% (2020: 25.75%) for the purpose of recognising deferred tax for its investment property with the exception of land. The Group will recover the carrying amount of land recognised as investment property through sale and in that respect, the capital rate is used to determine deferred tax.

2.7 Basis of consolidation

The consolidated financial statements comprise the financial statements of the NSSA and its subsidiaries as at December 31, 2021.

The group considers all relevant facts and circumstances in assessing whether it has the power over an investee and reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

The financial results of subsidiaries are included in the consolidated financial statements from the date that control was obtained and, where applicable, up to the date that control ceased.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has;

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.7.1 Subsidiaries

Subsidiaries are those entities over which the Authority (NSSA) exercises effective control. Subsidiaries are fully consolidated from the acquisition date, being the date on which control is transferred to NSSA and continue to be consolidated until the date that control ceases. On acquisition of subsidiaries, the cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The excess of the cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill.

All intra group balances, income, expenses, unrealised gains, and losses resulting from intra-group transactions are eliminated in full on consolidation. In all material respects, the accounting policies of the subsidiaries are consistent with those adopted by the Group.

Non-controlling interests represent the portion of the profit or loss and net assets not held by the Group; and are presently disclosed in the profit or loss and within equity in the Group statement of financial position, separate from parent shareholders' equity. Non-controlling interests are measured at its proportionate share of the net assets acquired.

2.7.1.1 Change in degree of control.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

2.7.1.2 Loss of control

If the Group loses control over a subsidiary, it;

i. Derecognises the assets (including goodwill) and liabilities of the subsidiary.
ii. Derecognises the carrying amount of any non-controlling interest.
iii. Derecognises the cumulative transaction differences recorded in equity.
iv. Recognises the fair value of any investment retained.
v. Recognises any surplus or deficit in profit or loss.
vi. Recognises the fair value of the consideration received.
vii. Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2.7.2 Investments in associates

An associate is an entity over which the Group is in a position to exercise significant influence but not control or joint control through participation in the financial and operating policy decisions of the investee. The results of associates are incorporated in these financial statements using the equity method. Investments in associates are carried in the balance sheet at cost plus post acquisition profits less dividends. Summary of assets, liabilities revenues and total comprehensive income is disclosed in these financial statements.

3 ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistent to those applied in the financial statements for the year ended December 31, 2021, unless stated.

Comparative figures

Where necessary comparison figures are reclassified in line with current year presentation.

3.2 Revenue

The Group recognises revenue when the following conditions have been met;

- The contract has been approved by the parties to the contract;
- Each party's rights in relation to the goods or services to be transferred can be identified;
- The payment terms for the goods or services to be transferred can be identified;
- The contract has commercial substance; and

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2021

- It is probable that the consideration to which the Group is entitled to exchange for the goods or services will be collected.

The Group does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds 12 months. The transaction price is therefore not adjusted for the effects of a significant financing component.

3.2.1 Contributions income and receivables

Contributions are brought to account with effect from the date of registration of the members on an accrual basis. In respect of these, the Group and Authority estimates outstanding contributions payable by employers at year-end in respect of the month's employers have been in default. The estimate is based on the number of employees registered under them and then multiplied by the total number of such employees by 4.5% of their basic monthly wages/salaries up to an insurable earnings cap which is self-adjusting as 75% of the previous month's Total Consumption Poverty Line (TCPL) for an average of five persons per household with effect from June 1, 2021, for the prior period up to May 31, 2021, the rate was 4.5% and the insurable earnings cap of ZWL$ 5000 Employers match these contributions payable by employees by a further 4.5%.

3.2.2 Premium income

Premiums are brought to account with effect from the date of registration of members on accrual basis. The monthly premium payable by employers is estimated using predetermined industrial assessment rate applied on the wages or salaries.

3.2.3 Interest and similar income and expense

For all financial instruments measured at amortized cost, interest bearing financial assets classified as available-for-sale and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the Effective Interest Rate (EIR). This is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability.

The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses. The carrying amount of the financial assets or financial liability is adjusted if the Group revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as 'Other operating income'. However, for a reclassified financial asset the carrying amount is recorded as 'Other operating income'.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

3.2.4 Fees and commissions

Fees and commissions are generally recognised on an accrual basis when the service has been provided. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognised as an adjustment to the effective interest rate on the loan. Loan syndication fees are recognised as revenue when the syndication has been completed and the Society retains no part of the loan package for itself or retains a part at the same effective interest rate for other participants.

Commission and fees arising from negotiating, or participating in the negotiation of, a transaction for a third party - such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses – are recognised on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts, usually on a time-apportion ate basis.

Establishment fees on loans and advances are recognised as revenue when it is probable that the economic benefits associated with the fees will flow to the Society. The fees are therefore recognised over the period of the loan or advance agreement.

3.2.5 Dividend income

Dividend income is recognized when the right to receive the payment is established.

3.2.6 Rental income

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature, except for contingent rental income, which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are included in the carrying amount of the underlying asset and recognised as an expense over the lease term on the same basis as the lease income.

Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the tenant will exercise

that option. Amounts received from tenants to terminate leases or to compensate for dilapidations as well as recovery of fixed operating costs are recognised in profit or loss when the right to receive them arises.

3.3 Classification of property

The Group determines whether a property is classified as investment property or as owner occupied property or inventory: Investment property comprises land and buildings (principally office, industrial and retail property) on which the Group occupies insignificant portion for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but is held primarily to earn rental income or capital appreciation or both. The distinction between investment property and inventory is not always clear and management will make judgement on the classification of the property as investment property or inventory. Owner occupied property comprises property which is owned by the Group and is significantly occupied by group companies, regardless of the leasing of the property being at market related rentals and terms. Significant occupation by group companies is considered as 25% (2020: 25%) of the total lettable space of the property occupied or above. Such owner occupied properties are classified under property and equipment and depreciated in line with the Group's accounting policy for property and equipment.

3.3.1 Property, plant and equipment

Property, plant and equipment are initially measured at cost. Subsequently the assets are carried at a revalued amount, being their fair values at the date of revaluation less subsequent depreciation and impairment, provided that fair value can be measured reliably. If an asset's carrying amount is increased as a result of a revaluation, the increase shall be credited directly to equity under the heading of revaluation reserve. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be debited directly to equity under the heading of revaluation reserve to the extent of any credit balance existing in the revaluation reserve in respect of that asset. When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

On derecognition of an item of property, plant and equipment, the revaluation surplus may be transferred directly to retained earnings. This may involve transferring the whole of the surplus when the asset is retired or disposed of. The effects of taxes on income, if any, resulting from the revaluation of property, plant and equipment are recognised and disclosed in accordance with IAS 12 Income Taxes.

3.3.1.1 Subsequent expenditure

Subsequent expenditure on Property & Equipment is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

3.3.1.2 Depreciation

Depreciation is calculated using the straight-line method to allocate their costs or revalued amounts to their residual values over their estimated useful lives. The annual rates used for this purpose are:

Asset class	Estimated useful life	Annual rates
Furniture and Equipment	10 years	10
Motor vehicles	5 years	20-25%
Buildings	40 years	2.5%
Computers	3 years	33.33%

Residual values, useful lives and depreciation methods are reassessed annually.

3.3.1.3 Movement of Property, Plant and Equipment (PPE) due to change in use

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve.

Any loss is recognised in profit or loss. However, to the extent that an amount is included in the revaluation surplus for that property, the loss is recognised in other comprehensive income and reduces the revaluation surplus within equity.

3.3.1.4 Derecognition

On derecognition, any gain or loss on disposal determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss in the period of derecognition.

3.3.2 Investment property

Investment properties are stated initially at cost on acquisition and subsequent additions that enhance the value of the property are capitalized. Subsequent to initial recognition, investment properties are stated at fair value which is determined by the directors on the open market basis. The directors are guided by a professional valuation carried out at least annually.

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The Group adopted the fair value model of accounting for the investment property. Investment property consists of the following:

i. Land
It is land held for a current undetermined future use (The Group has not yet determined that it will use the land as owner-occupied property or for short-term sale in the ordinary course of business, thus the land is regarded as held for capital appreciation).

ii. Buildings
These are properties held to earn rentals or for capital appreciation or both.

iii. Work in Progress
It is property that is being constructed or developed for future use as investment property. It is property that is being constructed or developed for future use as investment property. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve (see note 3.3) is transferred to retained earnings.

3.3.2.1 Reclassification of investment property to owner-occupied property

If an investment property becomes owner-occupied at 5% or more it is reclassified as property and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. When the Scheme begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property, which is measured based on the fair value model, and is not reclassified as property and equipment during redevelopment.

3.3.2.2 Derecognition

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

3.4 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

3.4.1 Recognition and measurement

These are recognized only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are initially measured cost.

3.4.2 Subsequent measurement

Subsequent recognition is at cost or revalued amount less any accumulated amortisation and any accumulated impairment losses The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset maybe impaired. The amortisation period and amortisation method for an intangible asset with finite useful life are reviewed at least at the end of each reporting period. The amortisation of an intangible assets with finite life is recognised in the statement of comprehensive income in the expense category that is consistent with function of the intangible asset.

The intangible asset with indefinite useful lives are not amortised, but are tested for impairment annually either individually or at cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in the statement of comprehensive income when the asset is derecognised.

3.5 Biological assets

Biological assets are living animals that are managed by the Group. The biological assets of the Group comprise of cattle livestock.

3.5.1 Recognition and measurement

At initial recognition, biological assets are valued at fair value and where fair value cannot be reliably measured they are valued at historical cost. Fair value movements of the biological assets are recognised in profit or loss.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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3.6 Inventory

Inventory consists of building materials, houses under construction and land developed for resale. The cost of inventories comprises all costs of purchase, conversion and other costs incurred in the construction of houses. Inventory comprises of the following; Assets (inventory) acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation. Principally, this is residential property that the Group develops and intends to sell before or on completion of construction. Cost includes;

- Freehold and leasehold rights for land.
- Amounts paid to contractors for construction,
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.
- Consumables and other stocks

Consumables and other stocks are valued on the basis of weighted average cost and at the lower of cost or estimated net realisable value (NRV). Inventory property is also valued at the lower of cost or estimated NRV, but is based on the specific identification of the property. NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale. NRV for completed inventory property is assessed with reference to market conditions and prices existing at the reporting date, and is determined by the Group in light of recent market transactions.

3.7 Leases

3.7.1 Leases - Group as lessee

3.7.1.1 Initial measurement of the right of use asset

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

3.7.1.2 Subsequent measurement

After initial recognition the Group shall measure the right of use asset at cost less any accumulated depreciation and any accumulated impairment losses

3.7.1.3 Initial measurement of Lease liability

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

3.7.1.4 Subsequent measurement of lease liabilities

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Lease payments are allocated between principal 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.

3.7.2 Leases - Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.8 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, bank balances, and investments in money market for periods not more than 90 days.

3.9 Foreign Currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Scheme at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and

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liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within exchange rate gain.

Foreign currency differences arising from the translation of an investment in equity securities designated as at FVOCI is recognised within exchange rate gain in profit and loss.

3.10 Liabilities and provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events and a reliable estimate to the amount of such obligation can be made. Obligations payable at the demand of the creditor or within one year of the reporting date are treated as current liabilities in the statement of financial position. Liabilities payable after one year from the reporting date are treated as noncurrent liabilities in the statement of financial position. Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position.

3.11 Capitalized value of the pension liability

The capitalized value of the pension liability is based on the value of the pension award, ages of the beneficiaries and annuity factors based on actuarial advice. Increase in the capitalized value of the pension liability resulting from new awards is debited to the deferred expenditure account (intangible asset).

3.12 Financial assets

3.12.1 Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

3.12.2 Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- Amortised cost
- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- The entity's business model for managing the financial asset
- The contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

3.12.2.1 Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

i. The stated policies and objectives for portfolio and the operation of those policies in practice. In particular, whether management`s strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
ii. The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
iii. How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected and
iv. The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Scheme`s stated objective for managing the financial assets is achieved and how cash flows are realised.
v. Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at fair value through profit or loss because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

3.12.2.2 Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the value of money and for the

credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Scheme considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

3.12.3 Subsequent measurement of financial assets

3.12.3.1 Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as fair value through profit and loss (FVTPL).

a) The Group's business model on these financial assets is to hold the financial assets and collect its contractual cash flows.
b) The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and other receivables loans and advances fall into this category of financial instruments as well as treasury bills and bonds that were previously classified as held-to-maturity under IAS 39.

3.12.3.2 Fair value through other comprehensive income (FVOCI)

A financial asset is measured at fair value through other comprehensive income if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling financial assets; and
- The asset's contractual cash flows represent SPPI.

Financial assets included within the FVOCI category are initially recognised and subsequently measured at fair value. Movements in the carrying amount should be taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. Where the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

The Group made an irrevocable election to classify and measure some of its equity investments at fair value through other comprehensive income, with all subsequent changes in fair value being recognised in other comprehensive income (OCI).

3.12.3.3 Fair value through profit or loss (FVTPL)

Fair value through profit or loss is the classification of instruments that are held for trading or for which the entity's business model is to manage the financial asset on a fair value basis i.e. to realise the asset through sales as opposed to holding the asset to collect contractual cash flows.

Under the new model, FVPL is the residual category. Financial assets should be classified as FVPL if they do not meet the criteria of FVOCI or amortised cost. All derivatives would be classified as FVTPL.

Financial assets included within the FVPL category should be measured at fair value with all changes taken through profit or loss. Regardless of the business model assessment, an entity can elect to classify a financial asset at FVPL if doing so reduces or eliminates a measurement or recognition inconsistency ('accounting mismatch').

3.12.4 Impairment of financial instrument

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected loss' model. However, this doesn't apply to equity investments. Under IAS 39, impairment allowances were measured according to an 'incurred' loss model where in the recognition of credit loss allowances was triggered by loss events subsequent to origination. This resulted in credit losses being recognised only once there has been an incurred loss event thus when evidence of a loss was apparent. IFRS 9 replaces the existing incurred loss model with a forward-looking ECL model. The Group considered historic, current and forward-looking information (including macro-economic data). This resulted in the earlier recognition of credit losses as it will no longer be appropriate for the Group to wait for an incurred loss event to have occurred before credit losses are recognised.

3.12.5 Allowance for credit losses- expected credit loss model

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due IFRS 9 establishes a three-stage impairment model, based on whether there has been a significant increase in the credit risk of a financial asset since its initial recognition. These three-stages then determine the class in which the debtor falls under in terms of the three-stage impairment model. The Group is recording the allowance for expected credit losses for all loans and debt financial assets

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not held at fair value through profit and loss together with loan commitments and financial guarantee contract all referred to as financial instruments. Equity instruments are not subject to impairment under IFRs 9.

Stage 1
Includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses ('ECL') are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL are the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months.

Stage 2
Includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but interest revenue is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. Expected credit losses are the weighted average credit losses with the probability of default ('PD') as the weight.

Stage 3
Includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognised and interest revenue is calculated on the net carrying amount (that is, net of credit allowance). The standard requires management, when determining whether the credit risk on a financial instrument has increased significantly, to consider reasonable and supportable information available, in order to compare the risk of a default occurring at the reporting date with the risk of a default occurring at initial recognition of the financial instrument.

3.13 Nature and extent of risks arising from financial instruments

The following analysis gives the extent to which the financial instruments held by the Group and Authority exposes it to various forms of risk.

3.13.1 Liquidity risk

This is defined as the risk that the Group is unable to meet its payment commitments when they fall due. The primary sources of inflows are the pension contributions and money market maturities, premiums investment income and hotel revenue. Liquidity risk is managed through matching maturity profile of investments to benefits payments cycle, maintaining sufficient liquidity buffer, diversifying funding base and management of short term and long term cashflows. The Group carefully and prudently analyses the contributions and premium collections and invests in short-term investments that ensure that the portfolio duration tallies with the benefits payment cycle. The Authority also maintains reasonable levels of liquidity buffer by investing in short term investments such as 30 day investments to ensure that funds are readily available to meet unexpected cash outflows over and above the maturity matching. Concentration limits are used so that funding diversification is maintained across counterparties.

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The table below shows the Group and the Authority's liquid gap analysis.

3.13.1.1 Group liquidity gap analysis

	1 month ZWL$	1 month to 3 months ZWL$	3 months to 1 year ZWL$	1 year to 5 years ZWL$	Total ZWL$
Historical Cost					
Assets					
December 31, 2021					
Trade and other receivables	3 434 420 737	2 060 652 442	1 373 768 295	-	6 868 841 475
Financial assets at amortised cost	365 235 503	730 471 005	1 095 706 508	1 460 942 011	3 652 355 026
Financial assets at fair value through profit and loss	-	-	-	13 193 417 618	13 193 417 618
Financial assets at fair value through other comprehensive income	-	-	-	29 784 921 230	29 784 921 230
Deferred expenditure	-	-	-	4 772 215 180	4 772 215 180
Inventory	155 334 944	-		296 896 224	452 231 168
Cash and cash equivalents	6 927 971 675	2 301 891 469	-	-	9 229 863 145
Total	**10 882 962 859**	**5 093 014 917**	**2 766 371 027**	**49 211 496 039**	**67 953 844 842**
Liabilities					
Trade and other payables	5 261 003 042	3 156 601 825	2 104 401 217	-	10 522 006 083
Investment contract liabilities with DPF	720 210 330	-	-	8 282 418 791	9 002 629 121
Investment contract liabilities without DPF	-	-	-	1 679 388 424	1 679 388 424
Share based payment liability	266 719 835	-	-	-	266 719 835
Members assistance fund	9 040 581	-	-	-	9 040 581
Income tax liability	182 531 598	-	-	-	182 531 598
Life insurance liabilities with DPF	-	-	-	1 728 884 339	1 728 884 339
Life insurance liabilities without DPF	-	-	-	207 496 949	207 496 949
Insurance liabilities life	10 874 927	21 749 854	32 624 782	43 499 709	108 749 272
Deposits from customers	2 045 451 607	1 227 270 964	818 180 643		4 090 903 214
Lease liabilities- Non current	48 997 646	97 995 292	146 992 938	195 990 584	489 976 459
Current lease liabilities	206 233 938	-	-	-	206 233 938
Capitalised values of pension liability	-	-	-	4 796 510 571	4 796 510 571
Unearned premium reserve	-	782 369 900	-	-	782 369 900
Borrowings-Non current	-	-	-	1 769 092	1 769 092
Borrowings	-	-	166 721 471	-	166 721 471
	8 751 063 503	**5 285 987 835**	**3 268 921 050**	**16 935 958 459**	**34 075 209 376**
Liquidity gap	**2 131 899 356**	**(192 972 918)**	**(502 550 023)**	**32 275 537 580**	**33 878 635 466**
Cumulative liquidity gap	**2 131 899 356**	**1 938 926 438**	**1 436 376 415**	**33 711 913 995**	
Assets					
December 31, 2020					
Trade and other receivables	502 493 994	753 740 991	1 256 234 985	-	2 512 469 970
Financial assets at amortised cost	1 643 797	17 249 923	113 400 239	717 614 125	849 908 084
Financial assets at fair value through profit and loss	-	-	-	3 317 188 345	3 317 188 345
Financial assets at fair value through other comprehensive income	-	-	-	13 609 167 821	13 609 167 821
Deferred expenditure	-	-	-	997 851 145	997 851 145
Inventory	55 669 475	-	-	54 560 756	110 230 231
Cash and cash equivalents	3 390 690 449	981 211 862	-	-	4 371 902 311
Total	**3 950 497 715**	**1 752 202 776**	**1 369 635 224**	**18 696 382 192**	**25 768 717 907**
Liabilities					
Trade and other payables	1 125 169 955	1 448 380 229	238 804 125	-	2 812 354 309
Investment contract liabilities with DPF	110 634	-	-	3 830 823 841	3 830 934 475
Investment contract liabilities without DPF	-	-	-	466 918 592	466 918 592
Share based payment liability	90 961 537	-	-	-	90 961 537
Members assistance fund	9 040 581	-	-	-	9 040 581
Income tax liability	69 500 342	-	-	-	69 500 342
life insurance liabilities with DPF	-	-	-	475 700 597	475 700 597
Life insurance liabilities without DPF	-	-	-	187 239 101	187 239 101
Insurance liabilities life	237 452	6 086 365	6 039 025	5 493 735	17 856 577
Deposits from customers	530 500 589	6 206 995	162 629 111		699 336 695
lease liabilities	283 049	8 489 023	2 547 444	124 538 019	135 857 535
Current lease liabilities	42 617 862	-	-	-	42 617 862
Capitalised values of pension liability	-	-	-	989 317 410	989 317 410
Unearned premium reserve	-	261 869 108	-	-	261 869 108
Borrowings	-	-	8 911 475	-	8 911 475
	1 868 422 001	**1 731 031 720**	**418 931 180**	**6 080 031 295**	**10 098 416 196**
Liquidity gap	**2 082 075 714**	**21 171 056**	**950 704 044**	**12 616 350 897**	**15 670 301 711**
Cumulative liquidity gap	**2 082 075 714**	**2 103 246 770**	**3 053 950 814**	**15 670 301 711**	

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3.13.1.2 Authority liquidity gap analysis.

	1 month ZWL$	1 month to 3 months ZWL$	3 months to 1 year ZWL$	1 year to 5 years ZWL$	Total ZWL$
Historical Cost					
Assets					
December 31, 2021					
Trade and other receivables	1 722 036 259	1 033 221 756	688 814 504	-	3 444 072 519
Financial assets at amortised cost	43 713 787	87 427 575	131 141 362	174 855 149	437 137 873
Financial assets at fair value through profit and loss	-	-	-	7 059 657 543	7 059 657 543
Financial assets at fair value through other comprehensive	-	-	-	29 784 921 230	29 784 921 230
Deferred expenditure	-	-	-	4 610 185 606	4 610 185 606
Inventory	36 213 246	-	-	-	36 213 246
Cash and cash equivalents	4 524 302 017	220 317 631	-	-	4 744 619 649
Total	**6 326 265 310**	**1 340 966 962**	**819 955 866**	**41 629 619 528**	**50 116 807 666**
Liabilities					
Trade payables	1 317 155 998	-	-	-	1 317 155 998
Other payables	2 519 921 749	1 511 953 050	1 007 968 700	-	5 039 843 499
Capitalised values of pension liability	-	-	-	4 796 510 571	4 796 510 571
	3 837 077 747	**1 511 953 050**	**1 007 968 700**	**4 796 510 571**	**11 153 510 067**
Liquidity gap	**2 489 187 563**	**(170 986 088)**	**(188 012 834)**	**36 833 108 957**	**38 963 297 598**
Cumulative liquidity gap	**2 489 187 563**	**2 318 201 475**	**2 130 188 641**	**38 963 297 598**	
Assets					
December 31, 2020					
Trade and other receivables	406 108 161	277 715 974	375 754 007	-	1 059 578 142
Financial assets at amortised cost	22 115 698	44 231 397	66 347 095	88 462 793	221 156 983
Financial assets at fair value through profit and loss	-	-	-	948 191 383	948 191 383
Financial assets at fair value through other comprehensive income	-	-	-	13 609 167 821	13 609 167 821
Deferred expenditure	-	-	-	941 068 511	941 068 511
Inventory	13 403 443	-	-	-	13 403 443
Cash and cash equivalents	2 252 133 569	77 066 935	-	-	2 329 200 504
Total	**2 693 760 871**	**399 014 306**	**442 101 102**	**15 586 890 507**	**19 121 766 786**
Liabilities					
Trade and other payables	196 988 627	31 814 472	140 272 438		369 075 537
Capitalised values of pension liability	-	-	-	989 317 410	989 317 410
	196 988 627	**31 814 472**	**140 272 438**	**989 317 410**	**1 358 392 947**
Liquidity gap	**2 496 772 244**	**367 199 834**	**301 828 664**	**14 597 573 098**	**17 763 373 839**
Cumulative liquidity gap	**2 496 772 244**	**2 863 972 078**	**3 165 800 742**	**17 763 373 839**	

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3.13.2 Credit Risk

This is the risk of loss as a result of failure by counterparties to finance instruments/contracts to meet contractual obligations to NSSA in accordance with agreed terms. Credit risk for the Group is primarily on the money market portfolio, loans and receivables. The Group manages, controls and limits credit risk through formulation of credit policies, internal credit evaluation and counterparty limits. Credit risk is mitigated through taking collateral security for all credit-based investment transactions.

Risk analysis is an integral part in all credit risk admissions to ensure that risk is assessed when decisions are initially taken. An Early Warning system is used to regularly monitor credit exposures, counterparty performance and external environmental factors that are likely to impact on credit risk. Counterparties exhibiting material credit weaknesses are put on watch list for close monitoring while dealings are put on hold until improvement in credit status.

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade and other receivables as these items do not have a significant financing component. In measuring the expected credit losses, the trade and other receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

The expected loss rates are based on the payment profile for sales over the past 48 months before December 31, 2021 and January 1, respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The Group has identified gross domestic product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors and accordingly adjusts historical loss rates for expected changes in these factors. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

On the above basis the expected credit loss for trade receivables as at December 31, 2021 and December 31, 2020 for the Group were determined as follows:

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3.13.2.1 Group expected credit losses for trade receivables.

GROUP	Current ZWL$	more than 30 days past due ZWL$	more than 60 days past due ZWL$	more than 120 days past due ZWL$	over 365 days ZWL$	Total ZWL$
Inflation Adjusted						
December 31, 2021						
Expected credit loss rate	**11%**	**29%**	**20%**	**36%**	**100%**	
Gross carrying amount						
Insurance receivables	331 452 986	497 179 480	662 905 973	165 726 493	-	1 657 264 932
Loss allowance	**36 464 272**	**146 107 991**	**130 350 916**	**58 861 606**	-	**371 784 785**
Expected credit loss rate	**1%**	**2%**	**1%**	**44%**		
Gross carrying amount						
Hotel receivables	107 627 159	161 440 739	215 254 318	53 813 580	-	538 135 795
Loss allowance	**12 390 239**	**14 272 052**	**14 841 367**	**23 917 191**	-	**65 420 849**
Expected credit loss rate	**2%**	**4%**	**6%**	**16%**	**100%**	
Gross carrying amount						
contribution receivables	825 037 183	687 530 986	412 518 591	550 024 788	275 012 394	2 750 123 942
Loss allowance	**18 472 247**	**30 787 079**	**23 090 309**	**89 299 735**	**275 012 394**	**436 661 763**
Expected credit loss rate	**3%**	**28%**	**27%**	**38%**	**100%**	
Gross carrying amount						
premium receivables	208 184 573	173 487 144	104 092 287	138 789 715	69 394 858	693 948 577
Loss allowance	**6 075 118**	**49 231 466**	**27 593 898**	**52 581 421**	**69 394 858**	**204 876 761**
Expected credit loss rate	**1%**	**3%**	**3%**	**6%**	**100%**	
Gross carrying amount-						
other receivables	235 276 856	601 631 215	360 978 729	1 203 262 429	24 065 249	2 425 214 478
Loss allowance	**2 352 769**	**18 048 936**	**11 568 511**	**66 870 036**	**24 065 249**	**122 905 501**
December 31, 2020						
Expected credit loss rate	**11%**	**35%**	**28%**	**27%**	**100%**	
Gross carrying amount						
Insurance receivables	494 472 716	248 702 806	414 011 891	537 846 211	-	1 695 033 624
Loss allowance	**54 398 610**	**86 909 196**	**26 251 263**	**58 748 984**	-	**363 744 934**
Expected credit loss rate	**1%**	**2%**	**1%**	**100%**		
Gross carrying amount						
Hotel receivables	65 094 454	69 778 776	93 820 198	57 193 200	-	285 886 628
Loss allowance	**326 477**	**641 569**	**928 352**	**3 178 164**	-	**8 156 344**
Expected credit loss rate	**3%**	**35%**	**19%**	**24%**	**100%**	
Gross carrying amount						
contribution receivables	545 170 417	197 921 964	187 528 064	250 037 418	69 529 227	1 250 187 090
Loss allowance	**15 269 534**	**68 493 764**	**36 076 409**	**59 828 803**	**69 529 227**	**249 197 736**
Expected credit loss rate	**9%**	**12%**	**16%**	**18%**	**100%**	
Gross carrying amount						
premium receivables	166 078 865	129 121 817	100 663 397	103 067 086	33 904 961	532 836 126
Loss allowance	14 302 172	15 619 511	15 635 682	18 635 645	33 904 961	98 097 970
Expected credit loss rate	**1%**	**5%**	**14%**	**20%**	**100%**	
Gross carrying amount						
other receivables	641 908 063	145 378 630	163 416 137	188 275 637	12 910 075	1 151 888 542
Loss allowance	**12 347 854**	**8 468 842**	**14 036 924**	**22 532 317**	**12 910 075**	**70 296 011**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

Expected credit losses

GROUP	Current ZWL$	more than 30 days past due ZWL$	more than 60 days past due ZWL$	more than 120 days past due ZWL$	over 365 days ZWL$	Total ZWL$
Historical Cost						
December 31, 2021						
Expected credit loss rate	11%	29%	20%	36%	100%	
Gross carrying amount						
Insurance receivables	331 452 986	497 179 480	662 905 973	165 726 493	-	1 657 264 932
Loss allowance	**36 464 272**	**146 107 991**	**130 350 916**	**58 861 606**	-	**371 784 785**
Expected credit loss rate	**1%**	**2%**	**1%**	**44%**		
Gross carrying amount						
Hotel receivables	107 627 159	161 440 739	215 254 318	53 813 580	-	538 135 795
Loss allowance	**12 390 239**	**14 272 052**	**14 841 367**	**23 917 191**	-	**65 420 849**
Expected credit loss rate	**2%**	**4%**	**6%**	**16%**	**100%**	
Gross carrying amount						
contribution receivables	825 037 183	687 530 986	412 518 591	550 024 788	275 012 394	2 750 123 942
Loss allowance	**18 472 247**	**30 787 079**	**23 090 309**	**89 299 735**	**275 012 394**	**436 661 763**
Expected credit loss rate	**3%**	**28%**	**27%**	**38%**	**100%**	
Gross carrying amount						
premium receivables	208 184 573	173 487 144	104 092 287	138 789 715	69 394 858	693 948 577
Loss allowance	**6 075 118**	**49 231 466**	**27 593 898**	**52 581 421**	**69 394 858**	**204 876 761**
Expected credit loss rate	**1%**	**3%**	**3%**	**6%**	**100%**	
Gross carrying amount-						
other receivables	235 276 856	601 631 215	360 978 729	1 203 262 429	24 065 249	2 425 214 478
Loss allowance	**2 352 769**	**18 048 936**	**11 568 511**	**66 870 036**	**24 065 249**	**122 905 501**
December 31, 2020						
Expected credit loss rate	**11%**	**35%**	**28%**	**27%**	**100%**	
Gross carrying amount						
Insurance receivables	494 472 716	248 702 806	93 754 511	217 588 831	-	1 054 518 864
Loss allowance	**54 398 610**	**86 909 196**	**26 251 263**	**58 748 984**	-	**226 308 053**
Expected credit loss rate	**1%**	**2%**	**1%**	**100%**		
Gross carrying amount						
hotel receivables	65 094 454	42 771 258	66 812 680	3 178 164	-	177 856 556
Loss allowance	**326 477**	**641 569**	**928 352**	**3 178 164**	-	**5 074 562**
Expected credit loss rate	**5%**	**10%**	**18%**	**25%**	**100%**	
Gross carrying amount						
contribution receivables	305 391 135	214 183 865	198 698 119	51 013 702	69 495 615	838 782 436
Loss allowance	**15 269 534**	**21 418 387**	**36 076 409**	**12 753 426**	**69 495 617**	**155 013 372**
Expected credit loss rate	**5%**	**10%**	**18%**	**25%**	**100%**	
Gross carrying amount						
premium receivables	100 489 157	63 532 109	35 073 689	37 477 378	33 904 961	270 477 294
Loss allowance	**5 035 872**	**6 353 211**	**6 369 382**	**9 369 345**	**33 904 961**	**61 032 770**
Expected credit loss rate	**1%**	**5%**	**14%**	**20%**	**100%**	
Gross carrying amount-						
other receivables	478 470 254	36 560 492	54 597 999	79 457 499	12 910 075	661 996 319
Loss allowance	**5 707 037**	**1 828 025**	**7 396 107**	**15 891 500**	**12 910 075**	**43 732 744**

SUMMARY OF LOSS ALLOWANCES	Inflation adjusted 2021 ZWL$	Inflation adjusted 2020 ZWL$	Historical cost 2021 ZWL$	Historical cost 2020 ZWL$
Loss allowance on insurance receivables	371 784 785	363 744 934	371 784 785	226 308 053
Loss allowance on hotel receivables	65 420 849	8 156 344	65 420 849	5 074 562
Loss allowance on contributions receivables	436 661 763	249 197 736	436 661 763	155 013 372
Loss allowance on premium receivables	204 876 761	98 097 970	204 876 761	61 032 770
Total (note 17.1)	1 078 744 159	719 196 984	1 078 744 159	447 428 758

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

3.13.2.2 Authority expected credit losses for trade receivables.

GROUP	Current ZWL$	more than 30 days past due ZWL$	more than 60 days past due ZWL$	more than 120 days past due ZWL$	over 365 days ZWL$	Total ZWL$
Inflation Adjusted						
December 31, 2021						
Expected credit loss rate	2%	5%	5%	9%	100%	
Gross carrying amount contribution receivables	759 320 401	605 385 009	461 806 178	615 741 570	307 870 785	2 750 123 942
Loss allowance	**18 472 247**	**30 787 079**	**23 090 309**	**56 441 344**	**307 870 785**	**436 661 763**
Expected credit loss rate	4%	19%	18%	26%	100%	
Gross carrying amount premium receivables	144 470 347	93 844 361	151 877 956	202 503 942	101 251 971	693 948 577
Loss allowance	**6 075 118**	**17 374 353**	**27 593 898**	**52 581 421**	**101 251 971**	**204 876 761**
Expected credit loss rate	4%	3%	5%	17%	8%	
Gross carrying amount- other receivables	264 426 799	88 850 450	74 935 047	85 398 729	165 840 845	679 451 870
Loss allowance	**9 630 520**	**2 863 400**	**4 023 840**	**14 102 025**	**12 910 075**	**43 529 860**
December 31, 2020						
Expected credit loss rate	3%	35%	19%	24%	100%	
Gross carrying amount contribution receivables	545 170 417	197 921 964	187 528 064	250 037 418	69 529 227	1 250 187 090
Loss allowance	**15 269 534**	**68 493 764**	**36 076 409**	**59 828 803**	**69 529 227**	**249 197 736**
Expected credit loss rate	9%	12%	16%	18%	100%	
Gross carrying amount premium receivables	166 078 865	129 121 817	100 663 397	103 067 086	33 904 961	532 836 126
Loss allowance	**14 302 172**	**15 619 511**	**15 635 682**	**18 635 645**	**33 904 961**	**98 097 970**
Expected credit loss rate	5%	10%	15%	20%	100%	
Gross carrying amount- other receivables	189 753 571	29 111 868	27 144 181	47 166 036	12 910 075	306 085 731
Loss allowance	**9 630 520**	**2 863 400**	**4 023 840**	**9 243 512**	**12 910 075**	**38 671 347**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

3.13.2.2 Authority expected credit losses for trade receivables (cont.)

GROUP	Current ZWL$	more than 30 days past due ZWL$	more than 60 days past due ZWL$	more than 120 days past due ZWL$	over 365 days ZWL$	Total ZWL$
Historical Cost						
December 31, 2021						
Expected credit loss rate	2%	4%	5%	9%	100%	
Gross carrying amount contribution receivables	759 320 401	605 385 009	461 806 178	615 741 570	307 870 785	2 750 123 942
Loss allowance	**18 472 247**	**30 787 079**	**23 090 309**	**56 441 344**	**307 870 785**	**436 661 763**
Expected credit loss rate	4%	19%	18%	26%	100%	
Gross carrying amount premium receivables	144 470 347	93 844 361	151 877 956	202 503 942	101 251 971	693 948 577
Loss allowance	**6 075 118**	**17 374 353**	**27 593 898**	**52 581 421**	**101 251 971**	**204 876 761**
Expected credit loss rate	4%	3%	5%	17%	8%	
Gross carrying amount- other receivables	264 426 799	88 850 450	74 935 047	85 398 729	165 840 845	679 451 870
Loss allowance	**9 630 520**	**2 863 400**	**4 023 840**	**14 102 025**	**12 910 075**	**43 529 860**
December 31, 2021						
Expected credit loss rate	5%	10%	18%	25%	100%	
Gross carrying amount contribution receivables	305 391 135	214 183 865	198 698 119	51 013 702	69 495 615	838 782 436
Loss allowance	**15 269 534**	**21 418 387**	**36 076 409**	**12 753 426**	**69 495 617**	**155 013 372**
Expected credit loss rate	5%	10%	18%	25%	100%	
Gross carrying amount premium receivables	100 489 157	63 532 109	35 073 689	37 477 378	33 904 961	270 477 294
Loss allowance	**5 035 874**	**6 353 211**	**6 369 380**	**9 369 345**	**33 904 961**	**61 032 770**
Expected credit loss rate	6%	10%	15%	30%	100%	
Gross carrying amount- other receivables	**166 621 001**	**5 979 298**	**4 011 611**	**900 894**	**12 910 075**	**190 422 879**
Loss allowance	**9 678 307**	**597 930**	**601 742**	**270 268**	**12 910 075**	**24 058 322**

SUMMARY OF LOSS ALLOWANCE ON TRADE RECEIVABLES	Inflation adjusted 2021 ZWL$	Inflation adjusted 2020 ZWL$	Historical cost 2021 ZWL$	Historical cost 2020 ZWL$
Loss allowance on contribution receivables	436 661 763	249 174 598	436 661 763	155 013 372
Loss allowance on premium receivables	204 876 761	98 097 970	204 876 761	61 032 770
Total (note 17.1)	**641 538 525**	**347 272 568**	**641 538 525**	**216 046 142**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

3.13.2.3 Group expected credit losses on financial assets at amortised cost.

Financial assets at amortised cost

GROUP	Gross carrying amount Dec 2021 ZWL$	Stage 1 ZWL$	Allowance Stage 2 ZWL$	Stage 3 ZWL$	Total ZWL$
Inflation adjusted					
December 31, 2021					
Agro bills	-	-	-	-	-
BNC Bonds	-	-	-	-	-
Savings bonds	-	-	-	-	-
Treasury bills	460 755 427	-	-	-	460 755 427
Debentures	852 202	-	-	-	852 202
National Building Society (staff loans)	410 308 236	-	-	-	410 308 236
Mortgage loans and other accounts	2 858 305 288	-	(77 866 126)	-	2 780 439 162
Total	**3 730 221 153**	**-**	**(77 866 126)**	**-**	**3 652 355 027**
Loans and advances					
Gweru Housing Project	3 500 000	-	-	(3 500 000)	-
Housing Corporation Zimbabwe	16 000 000	-	-	(16 000 000)	-
Platinum Asset Managers	74 269 964	-			74 269 964
Centagrid	264 197 685	-		(76 807 840)	187 389 845
CICADA	-				-
Dubury Investments	5 977 120	-		(2 988 560)	2 988 560
Sables Chemical	-	-	-	-	-
Total	**363 944 769**	**-**	**-**	**(99 296 400)**	**264 648 369**
December 31, 2020					
Financial assets at amortised cost					
BNC Bonds	1 004 625	-	-	-	1 004 625
Savings bonds	39 596 108	-	-	-	39 596 108
Treasury bills	445 807 581	-	-	-	445 807 581
Mortgage loans and other accounts	798 823 545	-	-		798 823 545
Debentures	6 004 493	-	(105 262)	-	5 899 231
Total	**1 291 236 352**	**-**	**(105 262)**	**-**	**1 291 131 090**
Other receivables (long term)					
Gweru Housing Project	5 625 900	-	-	(5 625 900)	-
Housing Corporation Zimbabwe	25 718 400	-	-	(25 718 400)	-
National Building Society (staff loans)	40 257 184	-	-	-	40 257 184
CICADA	80 370 000	-	-	-	80 370 000
Dubury Investments	9 607 623	-	-	-	9 607 623
Sables Chemical	6 238 482	-	-	-	6 238 482
Total	**167 817 588**	**-**	**-**	**(31 344 300)**	**136 473 288**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

3.13.2.3 Group expected credit losses on financial assets at amortised cost.

Financial assets at amortised cost

GROUP	Gross carrying amount Dec 2021 ZWL$	Stage 1 ZWL$	Allowance Stage 2 ZWL$	Stage 3 ZWL$	Total ZWL$
Historical Cost					
December 31, 2021					
Held to maturity financial investments					
Agro bills	-	-	-	-	-
BNC Bonds	-	-	-	-	-
Savings bonds	-	-	-	-	-
Treasury bills	460 755 427	-	-	-	460 755 427
Debentures	852 202	-	-	-	852 202
National Building Society (staff loans)	410 308 236	-	-	-	410 308 236
Mortgage loans and other accounts	2 858 305 288	-	(77 866 126)	-	2 780 439 162
Total	**3 730 221 153**	**-**	**(77 866 126)**	**-**	**3 652 355 027**
Loans and advances					
Gweru Housing Project	3 500 000	-	-	(3 500 000)	-
Housing Corporation Zimbabwe	16 000 000	-	-	(16 000 000)	-
Platinum Asset Managers	74 269 964	-			74 269 964
Centagrid					
CICADA	264 197 685	-	-	(76 807 840)	187 389 845
Dubury Investments	5 977 120	-		(2 988 560)	2 988 560
Sables Chemical	-	-	-	-	-
Total	**363 944 769**	**-**	**-**	**(99 296 400)**	**264 648 369**
December 31, 2020					
BNC Bonds	625 000	-	-	-	625 000
Savings bonds	24 633 637	-	-	-	24 633 637
Treasury bills	277 347 008	-	-	-	277 347 008
Mortgage loans and other accounts	496 966 247		(12 262 360)		484 703 887
Debentures	3 735 531	-	-	-	3 735 531
Total	**803 307 423**	**-**	**(12 262 360)**	**-**	**791 045 063**
Loans and advances					
Gweru Housing Project	3 500 000	-	-	(3 500 000)	-
Housing Corporation Zimbabwe	16 000 000	-	-	(16 000 000)	-
National Building Society (staff loans)	25 044 907	-	(19 170 446)	-	5 874 461
CICADA	50 000 000	-	-	-	50 000 000
Dubury Investments	5 977 120	-	-	(2 988 560)	2 988 560
Sables Chemical	3 881 101	-	-	(3 881 101)	-
Total	**104 403 128**	**-**	**(19 170 446)**	**(26 369 661)**	**58 863 021**

3.13.2.4 Authority expected credit losses on financial assets at amortised cost.

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

AUTHORITY	Gross carrying amount Dec 2021 ZWL$	Allowance Stage 1 ZWL$	Stage 2 ZWL$	Stage 3 ZWL$	Total ZWL$
Inflation Adjusted					
December 31, 2021					
Expected losses on financial asset at amortised cost					
Treasury bills	25 977 436	-	-	-	25 977 436
National Building Society (staff loans)	410 308 236	-	-	-	410 308 236
Debentures	852 202	-	-	-	852 202
	437 137 873	-	-	-	**437 137 873**
Loans and advances					
Gweru Housing Project	3 500 000	-	-	(3 500 000)	-
Housing Corporation Zimbabwe	16 000 000	-	-	(16 000 000)	-
Platinum investment managers	74 269 964	-	-	-	74 269 964
Dubury Investments	5 977 120	-	(2 988 560)	-	2 988 560
National Building Society	153 615 681		(76 807 840)		76 807 841
Centagrid	264 197 685	-			264 197 685
	517 560 450	-	**(79 815 900)**	**(19 500 000)**	**418 264 050**
December 31, 2020					
Held to maturity investments					
BNC Bonds	1 004 625	-	-	-	1 004 625
Treasury bills	308 221 433	-	-	-	308 221 433
Debentures	6 004 493	-	-	-	6 004 493
National Building Society (staff loans)	40 257 184	-			40 257 184
	355 487 734	-	-	-	**315 230 551**
Loans and advances					
Gweru Housing Project	5 625 900		-	-	(5 625
900)	-				
Housing Corporation Zimbabwe	25 718 400	-	-	(25 718 400)	-
National Building Society	63 291 420	-	(15816 761)	-	47 474 659
Agro Troops Private Limited	-	-	-	-	-
City of Masvingo	-	-	-	-	-
CICADA	80 370 000	-	(19170 446)	-	61 199 554
Dubury Investments	9 607 623	-	(2 988 560)	-	6 619 063
Sables Chemical	6 238 482	-	-	(3 881 101)	2 357 381
	190 851 824	-	**(37 975 767)**	**(35 225 401)**	**117 650 656**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

3.13.2.4 Authority expected credit losses on financial assets at amortised cost (cont.)

AUTHORITY	Gross carrying amount Dec 2021 ZWL$	Allowance Stage 1 ZWL$	Stage 2 ZWL$	Stage 3 ZWL$	Total ZWL$
Historical Cost					
December 31, 2021					
Expected losses on financial asset at amortised cost					
Held to maturity investments					
Treasury bills	25 977 436	-	-	-	25 977 436
National Building Society (staff loans)	410 308 236	-	-	-	410 308 236
Debentures	852 202	-	-	-	852 202
	437 137 873	-	-	-	**437 137 873**
Loans and advances					
Gweru Housing Project	3 500 000	-	-	(3 500 000)	-
Housing Corporation Zimbabwe	16 000 000	-	-	(16 000 000)	-
African Century (Private) Limited	-	-	-	-	-
Agro Troops Private Limited	-	-	-	-	-
City of Masvingo	-	-	-	-	-
Platinum investment managers	74 269 964	-	-	-	74 269 964
	517 560 450	-	**(79 815 900)**	**(19 500 000)**	**418 264 050**
December 31, 2020					
Held to maturity investments					
BNC Bonds	625 000	-	-	-	625 000
Treasury bills	191 751 545	-	-	-	191 751 545
National Building Society (staff loans)	25 044 907	-	-	-	25 044 907
Debentures	3 735 531	-	-	-	3 735 531
	221 156 983	-	-	-	**221 156 983**
Loans and advances					
Gweru Housing Project	3 500 000	-	-	(3 500 000)	-
Housing Corporation Zimbabwe	16 000 000	-	-	(16 000 000)	-
African Century (Private) Limited	-	-	-	-	-
Agro Troops Private Limited	-	-	-	-	-
City of Masvingo	-	-	-	-	-
CICADA	50 000 000	-	-	-	50 000 000
Dubury Investments	5 977 120	-	(2 988 560)	-	2 988 560
National Building Society	39 375 028		(19 170 446)		20 204 582
Sables Chemical	3 881 101	-	-	(3 881 101)	-
	118 733 249	-	**(22 159 006)**	**(23 381 101)**	**73 193 142**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

3.13.3 Market risk

The risk of a loss in the investment portfolio arising from adverse movements in market variables such as bonds, equity prices, interest rates, exchange rates, real estate prices, commodities, credit spreads and increased volatility of market variables.

Market risk on investments is managed in accordance with the purpose and strategic benefits of such investments rather than purely on mark-to-market considerations. Portfolio decisions are made based on reasonable and adequate basis based on detailed research and analysis. The Authority strives to diversify its portfolio across asset classes, industries, within asset classes and within industries. There is close monitoring of investment environment and reporting on developments in key risk Indicators helps to take corrective action before it becomes too late.

3.13.4 Equity price risk

This is the possibility that equity prices will fluctuate affecting the fair value of the equity investments and other instruments that derive their value from a particular equity investment or index of equity prices. The primary exposure to equity prices arises from trading activities. The movement in the index is not likely to adversely affect the Group's earnings as there is a rigorous exercise done to select counters that the Group invests into.

Group Sensitivity analysis

Movement in the industrial index by 10% would affect the Group's profit or loss and reserves in the following way:

	Comprehensive income/(loss)	Reserves
Increase in the industrial index by 10%	4 297 833 885	4 297 833 885
Decrease in industrial index by 10%	(4 297 833 885)	(4 297 833 885)

NSSA (Authority) Sensitivity analysis

Movement in the industrial index by 10% would affect the affect the Authority's profit or loss and reserves in the following way:

	Comprehensive income/(loss)	Reserves
Increase in the industrial index by 10%	3 684 457 877	3 684 457 877
Decrease in industrial index by 10%	(3 684 457 877)	(3 684 457 877)

3.13.5 Interest rates risk

The risk that the money market and fixed income portfolio may be negatively affected by unforeseen changes in interest rate levels. Interest risk is managed at both Board and Management levels. The Board gives guidelines on interest rates charged on NSSA funds in line with regulatory policy directions. Management mitigates this risk by careful analysis of the term structure of assets and liabilities. The optimal maturity profile is determined after advice from Economists on the future direction of interest rates given economic fundamentals. Money market portfolio's performance is reviewed regularly against benchmark targets through daily liquidity position reports.

Group Sensitivity analysis

Movement in the interest rates by 10% would affect the Group's surplus/deficit and reserves in the following way:

	Comprehensive income/(loss)	Reserves
Increase in interest rates by 10%	391 700 340	391 700 340
Decrease in interest rates by 10%	(391 700 340)	(391 700 340)

NSSA (Authority) Sensitivity analysis

Movement in the interest rates by 10% would affect the Authority's surplus or deficit and reserves in the following way:

	Comprehensive income/(loss)	Reserves
Increase in interest rates by 10%	85 540 192	85 540 192
Decrease in interest rates by 10%	(85 540 192)	(85 540 192)

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2021

3.13.6 Foreign currency translation risk

This is the risk that the Group's equities, assets, liabilities or income will change as a result of exchange rate changes.

A reasonably possible weakening or strengthening of the Zimbabwean dollar (ZWL$) against the USD as at December 31, 2021 would affect the measurement of the foreign currency denominated investments of the Group as well as foreign denominated cash balances. This analysis assumes that all other variables remain constant.

The Group operates regionally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States of America Dollar ("USD"), Botswana Pula ("BWP"), Malawi Kwacha ("MWK"), Mozambique Metical ("Metical") and the South African Rand ("ZAR"). The Group manages foreign exchange risk by making prepayments to suppliers to lock prices and increasing investments in illiquid assets such as high value unquoted equity securities in foreign currency generating investments. The following table details the Group's sensitivity to a 10% increase or decrease in the ZWL$ against the relevant foreign currencies with all other variables held constant. 10% represents management's assessment of the reasonable possible change in foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and is calculated by adjusting the translation of foreign currency amounts at the period end for a 10% change in foreign currency rates.

3.13.6.1 Group foreign currency gap analysis as at December 31, 2021

Foreign currency gap analysis as at December 31, 2021

Foreign exchange risk GROUP	USD ZWL$ equivalent	ZAR ZWL$ equivalent	EUR ZWL$ equivalent	BWP ZWL$ equivalent	MWP ZWL$ equivalent	TOTAL ZWL$ equivalent
Balances with other banks	1 286 243 704	1 776 208	-	717 398 269	12 776 728	2 018 194 909
Trade and other receivables	457 809 028	-	-	228 012 166	1 690 442	687 511 636
Financial assets at fair value through other comprehensive income	1 349 489 055	-	-		-	1 349 489 055
Total assets	**3 093 541 787**	**1 776 208**	**-**	**945 410 435**	**14 467 170**	**4 055 195 600**
Liabilities	(715 816 821)	(27 855 388)	-	-	(6 029 719)	(749 701 928)
Net currency position	**2 377 724 966**	**(26 079 180)**	**-**	**945 410 435**	**8 437 451**	**3 305 493 672**
Foreign currency gap analysis as at December 31, 2020						
Foreign exchange risk						
Balances with other banks	165 299 980	756 584	-	131 012 700	-	297 069 264
Trade and other receivables	28 217 697	-	-	61 028 708	-	89 246 405
Financial assets at fair value through other comprehensive income	345 364 401	-	-	-	-	345 364 401
Total assets	**538 882 078**	**756 584**	**-**	**192 041 408**	**-**	**731 680 070**
Liabilities	(8 591 000)	(330 766)	-	(120 973 252)	-	-(129 895 018)
Net currency position	**530 291 078**	**425 818**	**-**	**71 068 156**	**-**	**601 785 052**
Impact of 10% increase in exchange rate Year ended December 31, 2021						
Assets	309 354 179	177 621	-	94 541 044	1 446 717	405 519 560
Liabilities	(71 581 682)	(2 785 539)	-	-	(602 972)	(74 970 193)
Net position	**380 935 861**	**2 963 160**	**-**	**94 541 044**	**2 049 689**	**480 489 753**
Impact of 10% increase in exchange rate Year ended December 31, 2020						
Assets	309 354 179	177 621	-	94 541 044	1,446,717.00	405 519 560
Liabilities	(71 581 682)	(2 785 539)	-	-	(602,971.90)	(74 970 193)
Net position	**380 935 861**	**2 963 160**	**-**	**94 541 044**	**2,049,688.90**	**480 489 753**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

3.13.6.2 Authority foreign currency gap analysis as at December 31, 2021

Foreign exchange risk AUTHORITY	USD ZWL$ equivalent	ZAR ZWL$ equivalent	TOTAL ZWL$ equivalent
Balances with other banks	879 479 202	2 826 571	882 305 773
Financial assets at fair value through other comprehensive income	3 697 799 016	-	3 697 799 016
Total assets	**4 577 278 218**	**2 826 571**	**4 580 104 789**
Liabilities	-	-	-
Net currency position	**4 577 278 218**	**2 826 571**	**4 580 104 789**
Foreign currency gap analysis as at December 31, 2021			
Foreign exchange risk			
Balances with other banks	611 074 222	793 889	611 868 111
Financial assets at fair value through other comprehensive income	1 349 489 055	-	1 349 489 055
Total assets	**1 960 563 277**	**793 889**	**1 961 357 166**
Liabilities	-	-	-
Net currency position	**1 960 563 277**	**793 889**	**1 961 357 166**
Impact of 10% increase in exchange rate			
Year ended December 31, 2021			
Assets	457 727 822	282 657	458 010 479
Liabilities	-	-	-
Net position	**457 727 822**	**282 657**	**458 010 479**
Impact of 10% increase in exchange rate			
Year ended December 31 2020			
Assets	196 056 328	79 389	196 135 717
Liabilities	-	-	-
Net position	**196 056 328**	**79 389**	**196 135 717**

3.13.7 Operational risk

This is the risk of loss arising from failed or inadequate internal processes and systems, human error and fraud, non-adherence to procedures and unauthorized transactions. The objective in managing operational risk is to establish sound control practices. Operational risk management forms a part of the day-to-day responsibilities of all management. The Group maintains a zero appetite for operational risk through policies and internal control environment backed by risk indicators that enable risk to be identified, monitored and mitigated.

The Group manages operational risk through security access programs, strict and robust approval and authorization procedures, trading limits, staff code of conduct and ethical guidelines, periodic comprehensive reconciliations and internal and external audits. Risk control and Self assessments are an integral part of the operational risk management as they cover identification, measurement, mitigation and evolution of risks. The Authority uses risk registers and risk profiles generated from risk assessment exercises to monitor exposures and effectiveness of mitigation strategies.

3.13.8 Project risks

Project risks are present in all investment projects that the Group undertakes and are categorized as financial risks, legal risks, political or government risk, intangible risk, technical and technology risk and security risk. Project risks refer to potential loss arising from failed projects and project management systems. The Authority is a significant player in infrastructure development and hence at any particular moment has significant and high value projects running. Projects risks are managed at both Board and Management levels. Project risks are managed and mitigated through development of 10-year plans, robust contracts, rigorous monitoring and review, strict budgetary controls and feasibility studies.

3.13.9 Real estate risks

These are risks related to the real estate portfolio. They refer to potential loss arising from adverse condition or events relating to real estate in which the Group is invested in. The Group has a substantial investment in various property types to which it is exposed to the following risks: contractual risks, tenancy risks, liquidity risks, void risk, commercial risks, investment quality risks and market risk. To effectively manage real estate risks, the Group developed and periodically updates a detailed risk registers specifically for its projects and real estate investments given that the portfolio faces peculiar risks that cannot be generalized or combined with the equities or money market portfolio.

3.13.10 Reputation risks

This is the risk of potential damage to the Authority's image that arises from the market's perception of the manner in which the Authority's investments are conducted. Reputation risk can result in loss of earnings, investments or potential business to the NSSA as a result of stakeholders adopting a negative view to the Authority and its investment activities. It is the responsibility of every staff member to market and protect the integrity of the Authority. Reputation risk is mitigated through enforcement of code of ethics, code of conduct and operational manuals.

3.14 Taxation

NSSA is not subject to Income tax. However, the subsidiaries are subject to taxation.

3.14.1 Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and laws used to compute the amounts are those that are enacted or substantively enacted by the reporting date. Current income tax relating to items recognised in other comprehensive income is also recognised in other comprehensive income and not in profit or loss. Taxable income for the life assurance subsidiary company is calculated in accordance with the Insurance formulae as laid down in the Eighth Schedule to the Income Tax Act [Chapter 23:06].

3.14.2 Deferred taxation

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and carry forward of unused tax credits and unused tax losses can be utilised except;

- When the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised in other comprehensive income is also recognised in other comprehensive income and not in profit or loss. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

3.14.3 Value added tax (VAT)

Revenues, expenses and assets are recognised net of VAT except where the VAT is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item.

3.15 Goodwill

Goodwill arising on consolidation represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the identifiable assets, liabilities and contingent liabilities of the acquired entity at the date of acquisition. Where the fair value of the group's share of identifiable net assets acquired exceeds the fair value of the consideration, the difference is recorded as gain on bargain purchase. Gain on bargain purchase arising on an acquisition is recognized immediately in the statement of profit or loss and other comprehensive income.

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2021

3.16 Equity, reserves and dividend payments

Accumulated funds include all current and prior period retained profits and share-based employee remuneration. All transactions with owners of the parent are recorded separately within equity.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

Other components of equity include the following:

iv. Revaluation reserve – comprises gains and losses from the revaluation of property and equipment.
v. Translation reserve – comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities into USD.
vi. Share of other comprehensive income from associates- comprises of other comprehensive income of the Group's associates.
vii. Mark to market reserve- consists of fair value gains/losses on financial assets at fair value through other comprehensive income.

3.17 Claims

The Authority recognises claims under the Pension and Other Benefits Scheme and Accident Prevention and Workers Compensation scheme in the profit and loss. Claims are recognised on submission as a demand for payment of a prescribed benefit, because of the occurrence of an insured event, such as retirement, death or disability of the insured and the incurrence of hospital or medical bills.

Claims under Pension and Other Benefits Scheme are based on the last salary of employment and the period of contributions to the scheme whilst claims under the Accident Prevention and Workers Compensation scheme are based on claimant's current salary and percentage of disability as assessed by medical doctors.

3.17.1 Life insurance

Insurance benefits and claims relating to group life insurance contracts are recognised in profit or loss based on the estimated liability for compensation owed to the contract holder. Death, disability and severe illness and surrender claims are accounted for when notified.

These claims include outstanding claims and claims incurred but not reported ("IBNR"). The IBNR estimate is determined taking into account the likelihood of the claim being valid and the expected severity of the claim given that the claim is valid. The proportion to be included is estimated separately for each benefit type. An estimate of the expected claim amount is charged to profit or loss and included in liabilities under insurance contracts. Maturity and income disability are recorded as incurred. Liabilities are held to reflect IBNR claims. The IBNR is modified to reflect actual current operating conditions. The liabilities are calculated gross of reinsurance. An asset is then raised to allow for the expected recoveries from reinsurers.

3.17.2 Non-life insurance

Benefits payable under health insurance contracts are accounted for as incurred. Liabilities are held to reflect IBNR claims. The IBNR calculation is performed using the chain ladder approach. This allows for the historical patterns of claims payment in determining the likely future emergence of claims. The IBNR is further modified to reflect current operational conditions or known events.

Claims are accounted for as incurred and consist of claims paid, movement in the provision for outstanding claims and related claims handling expenses. The provision for outstanding claims is based on estimates of the cost of settling all claims incurred but unpaid at the reporting date, whether reported or not. Related anticipated reinsurance recoveries are disclosed separately as assets in the statement of financial position and are included in recoveries from reinsurers in profit or loss.

3.17.3 Reinsurance recoveries

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

3.18 Acquisition costs and insurance contracts

Acquisition costs and insurance contracts comprises commission and other acquisition costs over the life of the insurance contract.

3.18.1 Commission

Commission is recognised as an expense in statement of comprehensive income when the premium is received or receivable through an intermediary or agent. The period over which commission is paid or payable and the commission rate differ per product depending on the product design structure.

3.18.2 Other acquisition costs

Other acquisition costs are costs incurred for running the Group's branch network for the insurance businesses. Branches are set up to acquire business across the country and the costs are charged to statement of comprehensive income in the period in which they are incurred. Costs of running the branches, cost of supporting the agents and staff expenses for employees working in the branches are included as acquisition costs together with all other costs for maintaining the branches functional.

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

3.19 Insurance contract liabilities

3.19.1 Policyholder insurance and investment contracts

Policyholder contracts are classified into four categories, namely, insurance contracts with discretionary participation features, insurance contracts without discretionary participation features, investment contracts with discretionary participation features and investment contracts without discretionary participation features.

3.19.2 Insurance contract

An insurance contract is one under which the Group accepts significant insurance risk from another party (the "policyholder") by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the "insured event") adversely affects the policyholder. Such contracts may also transfer financial risk. The Group defines significant insurance risk as the possibility of having to pay benefits on the occurrence of the insured event that are significantly more than the benefits payable if the insured event did not occur.

3.19.3 Investment contracts

Investment contracts are those contracts that transfer financial risk with no significant insurance risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variables.

3.19.4 Discretionary participation features ("DPF")

A number of insurance contracts and investment contracts contain a discretionary participation feature. This feature entitles the Policyholder to receive, as a supplement to guaranteed benefits, additional benefits or bonuses:

i) That are likely to be a significant portion of the total contractual benefits;
ii) Whose amount or timing is contractually at the discretion of the Group; and
iii) That are contractually based on:
   - The performance of a specified pool of contracts or a specified type of contract; and/or
   - Realised and/or unrealised investment returns on a specified pool of assets held by the Group.

All components of the DPFs are included in the policyholder liabilities.

3.19.5 Determination of liabilities

The liabilities are determined on the basis derived by the Group's actuary as detailed in note 4.8.1. Actuarial valuation reports for each year are done annually and signed-off by the statutory actuary.

3.19.5.1 Insurance contract liabilities and investment contract liabilities with DPF

The liability for life insurance contracts and investment contracts with DPF are measured using the Financial Soundness Valuation ("FSV") method as set out in the guidelines issued by the Actuarial Society of South Africa in Professional Guidance Note (SAP 104). Under this guideline, provisions are valued using realistic expectations of future experience, with compulsory margins for prudence and deferral of profit emergence. All contracts are subject to a liability adequacy tests, which reflect management's best current estimate of future cash flows.

The main assumptions used relate to mortality, longevity, investment returns, expenses, lapse and surrender rates and discount rates. The Group bases mortality on historical experiences, adjusted when appropriate to reflect the Group's unique risk exposure, product characteristics, target markets and own claims severity and frequency experiences.

Lapse and surrender rates are based on the Group's historical experience of lapses and surrenders. Discount rates are based on current industry risk rates. The liability in respect of some of the investment contracts with DPF is taken as the investment value. The main example is the Deposit Administration business where the reserve is the face value of the accounts together with the bonus smoothing reserve. Although it could be argued that the Group expects the contracts to be profitable, it would not be advisable to account for such profits in advance of them arising. Surplus allocated to policyholders under investment contract liabilities with DPF but not yet distributed (i.e. bonus smoothing reserves) is included in the carrying value of liabilities.

3.19.5.2 Investment contracts without DPF

Investment contracts without DPF are determined by applying deposit accounting where the contributions, claims and benefits paid, investment income and related expenses are not accounted through profit or loss but are accounted as direct increases or decreases to the investment contract liability and the corresponding assets.

3.19.5.3 Life assurance liabilities

Life assurance liabilities comprise the policyholder funds and the shareholder risk reserves. These are determined by the independent actuary as detailed in note 18 Actuarial valuation reports for each year are done annually and signed-off by the statutory actuary.

The liability for life insurance contracts is based on current assumptions reflecting the best estimate at the time increased with a margin for risk and adverse deviation. All contracts are subject to a liability adequacy test, which reflect management's best current estimate of future cash flows.

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2021

The main assumptions used relate to mortality, morbidity, longevity, investment returns, expenses, lapse and surrender rates and discount rates. The Group bases mortality and morbidity on historical experiences, adjusted when appropriate to reflect the Group's unique risk exposure, product characteristics, target markets and own claims severity and frequency experiences. For those contracts that insure risk related to longevity, prudent allowance is made for expected future mortality improvements as well as wide ranging changes to life style that could result in significant changes to the expected future mortality exposure.

Lapse and surrender rates are based on the Group's historical experience of lapses and surrenders. Discount rates are based on current industry risk rates, adjusted for the Group's own risk exposure.

3.19.5.4 Insurance contract liabilities – short term (which comprises general insurance and health care)

These include the outstanding claims provision and the incurred but not reported reserve ("IBNR") (disclosed as insurance payable) and the provision for unearned premium.

a) **Outstanding claims**

The outstanding claims provision is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims handling costs and reduction for the expected salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims, therefore the ultimate cost of these cannot be known with certainty at the reporting date. The liability is calculated at the reporting date using a range of standard actuarial claim project techniques, based on empirical data and current assumptions that include a margin for adverse variation. The liability is not discounted for the time value of money. No provision for equalisation or catastrophe reserves is recognised. The liabilities are derecognised when the obligation to pay a claim expires, is discharged or is cancelled.

b) **Incurred but not reported (IBNR)**

The provision for incurred but not reported claims (IBNR) represents all claims incurred before the reporting date but only reported subsequent to year-end. The IBNR is actuarially determined.

c) **Unearned premium reserves (UPR)**

The provision for unearned premiums represents that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date. The provision is recognized when contracts are entered into and premiums are charged, and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract.

3.20 Deferred acquisition costs

Acquisition costs which represent commission are deferred over a period in which the related premiums are earned. The deferred portion is calculated by applying the actual commission rate on the unearned premium reserve balance.

3.21 Reinsurance

The Group cedes insurance risk in the normal course of business for all of its businesses. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer. The impairment loss is recorded in the income statement. Gains or losses on buying reinsurance are recognized in profit or loss immediately at the date of purchase and are not amortized. Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders.

The Group also assumes reinsurance risk in the normal course of business for life insurance and non-life insurance contracts where applicable. Premiums and claims on assumed reinsurance are recognized as revenue or expenses in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business. Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract. Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance. Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expire or when the contract is transferred to another party. Reinsurance contracts that do not transfer significant insurance risk are accounted for directly through the statement of financial position. These are deposit assets or financial liabilities that are recognized based on the consideration paid or received less any explicit identified premiums or fees to be retained by the reinsured. Investment income on these contracts is accounted for using the effective interest rate method when accrued.

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

3.22 Employees benefits

Employee benefits are all forms of consideration given by the Authority in exchange for services rendered by employees.

3.22.1 Short term employment benefits

Short term employee benefit obligation are measured on an undiscounted basis and are expensed as the related service is provided. An accrual is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Authority has a present legal or constructive obligation to pay this amount as a rest of past service provided by employees and the obligation can be estimated reliably.

3.22.2 Post-employment benefit

The Authority contributes to a post-employment defined benefit plan. The Plan entitles a retired employee to receive an annual pension payment. The employee retires at the age of 65 years and the pension benefit calculated using members' final average salary, commutation factor and pensionable service. The defined benefit plan is administered by a single pension fund that is legally separated from the Authority. The board of the pension fund comprises three employee and three employer representatives and an independent chair. The board of the pension fund is required by law to act in the best interests of the plan participants and is responsible for setting certain policies (e.g. investment, contribution and risk management policies) of the fund. Obligations for contributions to defined benefit pension plan are recognised as an employee benefit expense in profit or loss as the related service is provided. The defined benefit plan exposes the Authority to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The Authority also has a defined contribution plan for some of its employees. The Scheme pays fixed contributions into a separate entity, single pension Fund and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss as the related service is provided. Prepaid, contributions are recognised as an asset to the extent that cash refund or a reduction in future payments is available.

3.22.3 Termination benefits

Termination benefits are expensed at the earlier of when the Authority can no longer withdraw the offer to those benefits and when the Authority recognises costs for restructuring. If the benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted. Termination benefits for voluntary redundancies are recognised as an expense at the earlier of when the employee accepts the offer, and when a restriction on the Authority's ability to withdraw the offer takes effect.

3.22.4 Subsequent events

There were no material subsequent events requiring adjustments to be effected on the financial statements or disclosure in the financial statements, however, non-adjusting as explained below.

The Government of Zimbabwe introduced another national lockdown level 4 in January 2021 as the country experienced a second wave of the COVID-19 pandemic. This meant that the business had to comply with the new lockdown measures which resulted in the reduction of staff members in the work premises, suspension of inter-city travel, only operation of essential services like supermarkets, pharmacies and reduction in the business normal working hours.

The Group has continued to leverage on technology with most business meetings being done online through Microsoft teams and staff members working remotely from home by availing data and airtime to members to allow them to access business systems and deliver service to client.

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

4 BIOLOGICAL ASSETS

	Inflation adjusted		Historical cost	
GROUP	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Opening fair value	118 626	452 358	73 800	62 758
Additions	-	-	-	-
Fair value adjustment	-	(333 732)	-	11 042
Biological assets consumed in operations	(118 626)	-	(73 800)	-
	-	118 626	-	73 800

The Group had cattle during the year and these been consumed in operations

5 PROPERTY, PLANT AND EQUIPMENT

GROUP	Land and buildings ZWL$	Leasehold improvements ZWL$	Computer equipment ZWL$	Furniture and equipment ZWL$	Motor vehicles ZWL$	Total 2021 ZWL$	Total 2020 ZWL$
Inflation adjusted							
Opening carrying amount	**7 704 453 274**	**1 219 063 425**	**379 642 398**	**1 882 220 822**	**901 120 955**	**12 086 500 874**	**7 967 758 853**
Gross carrying amount	7 826 849 438	1 295 922 524	787 354 808	2 460 839 307	1 586 880 422	13 957 846 498	9 323 786 398
Accumulated depreciation	(122 396 164)	(76 859 099)	(407 712 410)	(578 618 485)	(685 759 467)	(1 871 345 624)	(1 356 027 545)
Additions at cost	11 794 715	2 854 129	88 284 765	90 085 955	123 103 543	316 123 107	1 082 073 935
Acquired from business combination	-	-	-	-	-	-	3 968 656
Transfer within classes	-	-	-	-	-	-	84 242 757
Revaluation	(260 591 782)	-	(173 351 494)	(60 427 678)	(209 458 121)	(703 829 075)	3 578 361 022
Prior year adjustment	(92 062 431)	-	-	-	-	(92 062 431)	-
Disposals - carrying amount	-	-	-	(7 179 147)	(57 823 032)	(65 002 179)	(7 169 901)
Disposals at cost	-	-	-	(11 556 761)	(81 578 352)	(93 135 113)	(8 140 944)
Accumulated depreciation	-	-	-	4 377 614	23 755 321	28 132 935	971 043
Depreciation for the year	(102 757 721)	(56 489 977)	(72 741 865)	(144 385 007)	(199 027 056)	(575 401 626)	(622 734 447)
Closing carrying amount	**7 352 898 486**	**1 165 427 577**	**221 833 804**	**1 760 314 945**	**557 916 289**	**11 058 391 101**	**12 086 500 874**
Gross carrying amount	7 485 989 940	1 298 776 653	702 288 079	2 478 940 823	1 418 947 491	13 384 942 986	14 064 291 823
Accumulated depreciation	(133 091 454)	(133 349 076)	(480 454 274)	(718 625 877)	(861 031 202)	(2 326 551 884)	(1 977 790 949)

An independent valuation was carried out as at December 31, 2021 on land and buildings by Southbay Properties. A Directors valuation was also carried out on motor vehicles as at 31, December 2021. The values for land and buildings and motor vehicles are based on market values. Market value is defined as the estimated amount for which a property can exchange hands between a willing buyer and seller in an arms length transaction after proper marketing wherein the parties had each entered into knowledgeably and prudently without compulsion.

5 PROPERTY, PLANT AND EQUIPMENT

GROUP	Land and buildings ZWL$	Leasehold improvements ZWL$	Computer equipment ZWL$	Furniture and equipment ZWL$	Motor vehicles ZWL$	Total 2021 ZWL$	Total 2020 ZWL$
Historical cost							
Opening carrying amount	**3 643 519 551**	**726 902 622**	**130 147 079**	**622 083 194**	**488 282 977**	**5 610 935 423**	**1 071 216 429**
Gross carrying amount	3 667 701 947	727 730 069	156 723 480	658 735 835	537 224 876	5 748 116 207	1 106 589 796
Accumulated depreciation	(24 182 396)	(827 447)	(26 576 401)	(36 652 641)	(48 941 899)	(137 180 784)	(35 373 367)
Additions at cost	10 339 275	3 429 093	77 867 316	155 701 160	80 250 278	327 587 122	463 092 086
Acquired from business combination	-	-	-	-	-	-	2 468 991
Transfer within classes	-	-	-	-	-	-	23 658 789
Revaluation	468 368 078	-	25 614 844	91 641 277	56 908 567	642 532 766	4 166 117 421
Effects of exchange rates	-	-	-	1 240 362	73 422	1 313 784	-
Disposals - carrying amount	-	-	-	(4 174 845)	(55 613 932)	(59 788 777)	(1 786 596)
Disposals at cost	-	-	-	(8 660 918)	(73 715 067)	(82 375 985)	(1 944 695)
Accumulated depreciation	-	-	-	4 486 073	18 101 135	22 587 208	158 099
Depreciation for the year	(82 814 190)	(37 137 161)	(55 819 864)	(95 344 705)	(135 000 816)	(406 116 736)	(110 847 724)
Closing carrying amount	**4 039 412 715**	**693 194 554**	**177 809 375**	**771 146 443**	**434 900 496**	**6 116 463 582**	**5 610 935 423**
Gross carrying amount	4 146 409 300	731 159 162	260 205 640	898 657 716	600 742 076	6 637 173 894	5 748 116 207
Accumulated depreciation	(106 996 586)	(37 964 608)	(82 396 265)	(127 511 273)	(165 841 580)	(520 710 312)	(137 180 784)

An independent valuation was carried out as at December 31, 2021 on land and buildings . A Directors valuation was also carried out on motor vehicles as at 31, December 2021. The values for land and buildings and motor vehicles are based on market values. Market value is defined as the estimated amount for which a property can exchange hands between a willing buyer and seller in an arms length transaction after proper marketing wherein the parties had each entered into knowledgeably and prudently without compulsion.

5 PROPERTY, PLANT AND EQUIPMENT

AUTHORITY	Land and buildings ZWL$	Computer equipment ZWL$	Furniture and equipment ZWL$	Motor vehicles ZWL$	Computer -isation system development ZWL$	Total 2021 ZWL$	Total 2020 ZWL$
Inflation adjusted							
Opening carrying amount January 1, 2021	**1 931 450 217**	**299 372 372**	**161 082 445**	**702 192 447**	**14 045 879**	**3 108 143 360**	**2 176 968 064**
Gross carrying amount	1931 450 217	414 434 674	199 293 438	702 192 447	14 045 879	3261 416 654	2176 968 064
Accumulated depreciation	-	(115 062 302)	(38 210 992)	-	-	(153 273 294)	-
Additions at cost	11 794 715	31 999 954	36 731 271	105 263 860	-	185 789 800	579 788 373
Reclassification to Intangible assets	-	-	-	-	(14 045 676)	(14 045 676)	-
Revaluation	(260 591 782)	(157 656 961)	(51 765 802)	(207 889 894)	-	(677 904 439)	706 390 335
Disposals - carrying amount	-	-	-	(55 483 594)	-	(55 483 594)	-
Disposals at cost	-	-	-	(72 109 081)	-	(72 109 081)	-
Accumulated depreciation	-	-	-	16 625 487	-	16 625 487	-
Depreciation for the year	(32 663 355)	(45 431 173)	(9 464 352)	(140 952 105)	-	(228 510 984)	(355 003 412)
Closing carrying amount December 31, 2021	**1 649 989 795**	**128 284 192**	**136 583 563**	**403 130 714**	**-**	**2 317 988 263**	**3 108 143 360**
Gross carrying amount	1649 989 795	128 284 192	136 583 563	403 130 714	-	2317 988 263	3261 416 654
Accumulated depreciation	-	-	-	-	-	-	(153 273 294)

An independent valuation was carried out as at December 31, 2021 on land and buildings by Southbay Properties. A Directors valuation was also carried out on motor vehicles, Furniture and computer equipment as at 31, December 2021. The values for land and buildings and motor vehicles are based on market values. Market value is defined as the estimated amount for which a property can exchange hands between a willing buyer and seller in an arms length transaction after proper marketing wherein the parties had each entered into knowledgeably and prudently without compulsion.

5 PROPERTY, PLANT AND EQUIPMENT

AUTHORITY	Land and buildings ZWL$	Computer equipment ZWL$	Furniture and equipment ZWL$	Motor vehicles ZWL$	Computer - isation system development ZWL$	Total 2021 ZWL$	Total 2020 ZWL$
Historical cost							
Opening carrying amount January 1, 2021	**1 201 686 503**	**80 209 274**	**24 006 521**	**429 563 702**	**1 948 656**	**1 737 414 656**	**302 021 662**
Gross carrying amount	1 201 686 503	95 095 025	28 618 192	429 563 702	1 948 656	1 756 912 078	302 021 662
Accumulated depreciation	-	(14 885 751)	(4 611 671)	-	-	(19 497 422)	-
Additions at cost	10 339 275	26 270 963	31 295 853	67 251 283	-	135 157 374	296 716 732
Reclassification to intangible assets	-	-	-	-	(1 948 656)	(1 948 656)	-
Revaluation	468 368 078	13 700 039	81 141 478	51 536 431	-	614 746 026	1 197 638 814
Disposals - carrying amount	-	-	-	(54 143 916)	-	(54 143 916)	-
Disposals at cost	-	-	-	(69 864 000)	-	(69 864 000)	-
Accumulated depreciation	-	-	-	15 720 084	-	15 720 084	-
Depreciation for the year	(30 300 645)	(35 669 556)	(7 543 762)	(118 886 687)	-	(192 400 650)	(58 962 552)
Closing carrying amount December 31, 2021	**1 650 093 212**	**84 510 720**	**128 900 090**	**375 320 813**	**-**	**2 238 824 835**	**1 737 414 656**
Gross carrying amount	1 650 093 212	84 510 720	128 900 090	375 320 813	-	2 238 824 835	1 756 912 079
Accumulated depreciation	-	-	-	-	-	-	(19 497 423)

An independent valuation was carried out as at December 31, 2021 on land and buildings by Southbay Properties. A Directors valuation was also carried out on motor vehicles,furniture and computer Equipment as at 31, December 2021. The values for land and buildings and motor vehicles are based on market values. Market value is defined as the estimated amount for which a property can exchange hands between a willing buyer and seller in an arms length transaction after proper marketing wherein the parties had each entered into knowledgeably and prudently without compulsion.

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

6 RIGHT OF USE ASSETS

GROUP	Inflation adjusted 2021 ZWL$	Inflation adjusted 2020 ZWL$	Historical cost 2021 ZWL$	Historical cost 2020 ZWL$
Opening carrying amount	**562 668 542**	**1 780 215 698**	**194 096 838**	**41 826 651**
Gross carrying amount	615 910 906	1 814 952 232	208 373 109	44 728 842
Accumulated depreciation	(53 242 364)	(34 736 534)	(14 276 271)	(2 902 191)
Exchange rates loss/gain	(6 514 207)	29 610 232	1 245 680	18 421 196
Revaluation	530 591 309	(1 280 315 621)	627 533 276	161 732 753
Depreciation charge for the year	(59 694 554)	(186 232 943)	(61 343 571)	(17 325 160)
Closing carrying amount	**1 027 051 090**	**343 277 366**	**761 532 223**	**204 655 440**
Gross carrying amount	1 139 988 008	564 246 843	837 152 065	224 882 791
Accumulated depreciation	(112 936 918)	(220 969 477)	(75 619 842)	(20 227 351)

6.1 Lease liability

As at January 1, 2021	**286 881 353**	**231 083 744**	**178 475 397**	**32 059 403**
Initial recognition of lease liability	-	-	-	-
Additions	517 293 216	-	517 293 216	-
Repayment	(6 011 507)	(24 992 161)	(4 660 083)	(7 131 466)
Exchange rate gain	5 101 867	29 610 230	5 101 867	18 421 196
Interest accrued	1 609 186	58 309 377	1 321 075	136 415 829
Interest paid	(1 609 186)	(2 154 508)	(1 321 075)	(1 289 565)
Monetary adjustment	(107 054 532)	(4 975 331)	-	-
As at December 31, 2021	**696 210 397**	**286 881 353**	**696 210 397**	**178 475 397**
Of which are:				
Current lease liabilities	206 233 938	68 503 951	206 233 938	42 617 862
Non current lease liabilities	489 976 459	218 377 402	489 976 459	135 857 535
	696 210 397	**286 881 353**	**696 210 397**	**178 475 397**

Below is the nature and description of the Group's leasing activities by type of right of use asset recognised on balance sheet

Right of use asset	lease term	Remaining term	Option for an extension
Rainbow Towers Hotel	25-30 years	18 years	Yes
Kadoma Hotel	20-25 years	19years	Yes
New Ambassador Hotel	10-15 years	6 years	Yes
Gaborone	5 years	5 years	Yes
Botswana	5 years	5 years	Yes
Karigamombe	5 years	-	Yes
Chinhoyi	5 years	-	Yes
Gweru	5 years	1 year	Yes
Bulawayo	5 years	-	Yes

Miminum lease payment due

December 31, 2021	Within a year	2-3 years	4-5 years	6 years and over	Total
Lease payments	11 319 516	28 381 520	93 412 096	45 362 265	178 475 397

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

7 INVESTMENT PROPERTY

GROUP	Land ZWL$	Buildings ZWL$	Work in progress ZWL$	Total 2021 ZWL$	Total 2020 ZWL$
Inflation adjusted					
Opening carrying amount	**5 527 861 695**	**30 537 084 864**	**490 665 013**	**36 555 611 572**	**24 326 358 928**
Additions at cost	18 627 018	277 228 315	49 703 920	345 559 252	60 299 182
Fair value adjustment	(730 464 081)	4 383 696 527	-	3 653 232 446	12 636 570 493
Disposal	-	-	-	-	(62 394 446)
Land derecognition	-	-	-	-	(65 257 436)
Reclassification to inventory	-	458 719 143	-	458 719 143	(261 495 658)
Transfer to non current assets held for sale	-	-	-	-	(78 469 492)
	4 816 024 632	**35 656 728 848**	**540 368 933**	**41 013 122 413**	**36 555 611 572**
Historical cost					
Opening carrying amount	**3 410 190 374**	**18 997 813 154**	**8 686 596**	**22 416 690 124**	**3 324 827 566**
Additions at cost	17 811 286	231 282 722	38 053 026	287 147 034	22 134 309
Fair value adjustment	1 388 022 972	16 294 191 124	-	17 682 214 096	19 193 024 500
Disposals	-	-	-	-	(22 700 000)
Land derecognition	-	-	-	-	(15 500 000)
Reclassification from inventory	-	133 441 848	-	133 441 848	(36 278 600)
Transfer to non current assets held for sale	-	-	-	-	(48 817 651)
	4 816 024 632	**35 656 728 848**	**46 739 622**	**40 519 493 102**	**22 416 690 124**
AUTHORITY					
Inflation adjusted					
Opening carrying amount	**5 481 540 007**	**15 187 935 810**	**223 126 141**	**20 892 601 958**	**13 678 173 882**
Additions at cost	18 627 018	256 242 857	49 703 920	324 573 795	60 180 571
Fair value adjustment	(684 089 906)	(2 345 884 421)	-	(3 029 974 327)	7 328 221 075
Transfer to subsidiary	-	(386 222 046)	-	(386 222 046)	-
Land derecognition	-	-	-	-	(65 257 436)
Effects of inflation	-	-	-	-	(46 321 688)
Disposal	-	-	-	-	(62 394 446)
	4 816 077 119	**12 712 072 200**	**272 830 061**	**17 800 979 380**	**20 892 601 958**
Historical cost					
Opening carrying amount	**3 410 190 374**	**9 448 759 369**	**8 686 596**	**12 867 636 339**	**1 875 372 630**
Additions at cost	17 811 286	215 521 250	38 053 026	271 385 562	22 115 218
Fair value adjustment	1 388 075 459	3 291 734 280	-	4 679 809 739	11 008 348 491
Transfer to subsidiary	-	(243 942 699)	-	(243 942 699)	-
Land derecognition	-	-	-	-	(15 500 000)
Disposal	-	-	-	-	(22 700 000)
	4 816 077 119	**12 712 072 200**	**46 739 622**	**17 574 888 941**	**12 867 636 339**

A an independent valuation was carried out as at December 31, 2021 on land and buildings by Southbay Properties. The values for land and buildings are based on market values. Market value is defined as the estimated amount for which a property can exchange hands between a willing buyer and seller in an arms length transaction after proper marketing wherein the parties had each entered into knowledgeably and prudently without compulsion.

	Inflation adjusted		Historical cost	
Work in progress	2 021 ZWL$	2 020 ZWL$	2 021 ZWL$	2 020 ZWL$
Opening carrying amount	226 485 944	226 485 944	8 686 595	8 686 595
Additions at cost	49 703 920	-	38 053 026	-
Closing carrying amount	**276 189 863**	**226 485 944**	**46 739 621**	**8 686 595**

7.1 Investment property held for sale

During the year, the directors of First Mutual Properties Limited, a subsidiary of the Group, decided to dispose a residential parcel of land, known as 103 Kingsmead road Borrowdale, Harare as part of the Groups ongoing capital recycling strategy. There is an interested part whose offer has been accepted and the sale is expected to be completed before the end of 30 June 2021. Conditions for the classification as held for sale (as stipulated in IFRS5-Non current assets held for sale and discontinued operations) were met as at 31 December 2020. The asset was reclassified to current assets from investments property as disclosed below. The reclassification has no effect on prior year figures.

	Inflation adjusted		Historical cost	
	2 021 ZWL$	2 020 ZWL$	2 021 ZWL$	2 020 ZWL$
Investments property held for sale	-	78 469 492	-	48 817 651

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

8 FINANCIAL ASSETS AT AMORTISED COST

GROUP	Inflation adjusted 2021 ZWL$	Inflation adjusted 2020 ZWL$	Historical cost 2021 ZWL$	Historical cost 2020 ZWL$
BNC Bonds	-	1 004 625	-	625 000
Debentures	852 202	6 004 493	852 202	3 735 531
Savings bonds	-	39 596 108	-	24 633 637
Treasury bills	460 755 427	445 807 581	460 755 427	277 347 008
Mortgage loans and other accounts	2 858 305 288	798 823 545	2 858 305 288	496 966 247
National Building Society (staff loans)	410 308 236	40 257 184	410 308 236	25 044 907
Impairment loss	(77 866 126)	(19 710 517)	(77 866 126)	(12 262 360)
	3 652 355 026	**1 311 783 019**	**3 652 355 026**	**816 089 970**
8.1 Loans and advances				
Gweru Housing Project	3 500 000	5 625 900	3 500 000	3 500 000
Housing Corporation Zimbabwe	16 000 000	25 718 400	16 000 000	16 000 000
Platinum Asset Managers	74 269 964	-	74 269 964	-
CICADA	-	80 370 000	-	50 000 000
Dubury Investments	5 977 120	9 607 623	5 977 120	5 977 120
Centagrid	264 197 685	-	264 197 685	-
Sables Chemical	-	6 238 482	-	3 881 101
Impairment	(99 296 400)	(73 201 168)	(99 296 400)	(45 540 107)
	264 648 369	**54 359 236**	**264 648 369**	**33 818 114**
8.2 Financial assets at armotised cost				
Opening balance	1 311 783 019	3 070 011 844	816 089 970	425 918 090
Additions	3 779 713 918	2 199 058 749	2 930 010 789	465 752 813
Receipts	(36 303 137)	(148 974 795)	(28 141 967)	(44 882 504)
Impairments	(65 603 766)	(19 710 517)	(65 603 766)	(30 698 429)
Effects of inflation	(1 356 840 262)	(3 788 602 262)	-	-
Closing balance	**3 632 749 772**	**1 311 783 019**	**3 652 355 026**	**816 089 970**
8.3 Loans and advances				
Opening balance	96 216 104	328 955 223	33 818 114	45 191 597
Additions	436 623 267	163 954 800	338 467 649	50 000 000
Receipts	(69 506 620)	(51 919 160)	(53 881 101)	(15 833 376)
Impairments	(53 756 293)	(73 201 168)	(53 756 293)	(45 540 107)
Effects of inflation	(144 928 089)	(271 573 591)	-	-
Closing balance	**264 648 369**	**96 216 104**	**264 648 369**	**33 818 114**
Maturity analysis for financial assets at armotised costs and loans and advances				
Less than 1 month	51 424 321	2 508 049	51 424 321	1 560 314
1 month to 3 months	121 590 852	27 459 145	121 590 852	17 082 957
3 months to 6 months	51 896 078	663 441	51 896 078	412 742
6 months to 1 year	418 467 555	140 244 099	418 467 555	87 249 035
1 year to 5 years	1 875 647 373	409 345 489	1 875 647 373	437 348 461
More than 5 years	1 575 139 742	878 833 717	1 575 139 742	382 493 111
	4 094 165 921	**1 459 053 940**	**4 094 165 921**	**926 146 620**
The maturity analysis is based on the remaining period to maturity from December 31 2021.				
8.4 Financial asset at amortised cost impairment reconciliation				
Opening balance	**19 710 517**	**13 232 189**	**12 262 360**	**8 232 045**
Charge to profit of loss	65 603 766	6 693 104	65 603 766	4 163 932
Recoveries	-	(214 776)	-	(133 617)
Effects of inflation	(7 448 157)	-	-	-
Balance at year end	**77 866 126**	**19 710 517**	**77 866 126**	**12 262 360**
8.5 Loan and advances impairment reconciliation				
Opening balance	**73 201 168**	**84 694 078**	**45 540 107**	**52 690 107**
Charge to profit of loss	71 937 394	-	71 937 394	-
Recoveries	(18 181 101)	(11 492 910)	(18 181 101)	(7 150 000)
Effects of inflation	(27 661 061)	-	-	-
Balance at year end	**99 296 400**	**73 201 168**	**99 296 400**	**45 540 107**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

8 FINANCIAL ASSETS AT AMORTISED COST (CONT.)

	Inflation adjusted		Historical cost	
AUTHORITY	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
BNC Bonds	-	1 004 625	-	625 000
Debentures	852 202	6 004 493	852 202	3 735 531
National Building Society (staff loans)	410 308 236	40 257 184	410 308 236	25 044 907
Treasury bills	25 977 436	308 221 433	25 977 436	191 751 545
	437 137 873	**355 487 734**	**437 137 873**	**221 156 983**
8.1 Loans and advances				
Gweru Housing Project	3 500 000	5 625 900	3 500 000	3 500 000
Housing Corporation Zimbabwe	16 000 000	25 718 400	16 000 000	16 000 000
National Building Society	153 615 681	63 291 420	153 615 681	39 375 028
Platinum investment managers	74 269 964	-	74 269 964	-
Dubury Investments	5 977 120	9 607 623	5 977 120	5 977 120
Centagrid	264 197 685	-	264 197 685	-
CICARDA	-	80 370 000	-	50 000 000
Sables Chemical	-	6 238 482	-	3 881 101
Impairment	(99 296 400)	(73 201 168)	(99 296 400)	(45 540 107)
	418 264 050	**117 650 656**	**418 264 050**	**73 193 142**
8.2 Financial assets at armotised cost				
Opening balance	**355 487 734**	**619 806 388**	**221 156 983**	**245 642 291**
Additions	497 143 800	-	385 263 329	-
Receipts	(218 442 058)	(264 318 654)	(169 282 438)	(24 485 308)
Effects of inflation	(197 051 603)	-	-	-
Closing balance	**437 137 873**	**355 487 734**	**437 137 873**	**221 156 983**

In 2017, the Authority contracted construction companies to develop low cost houses. The land on which the construction of the houses was being undertaken does not belong to the Authority. The Authority advanced a total of US$27.4 million (Group: US$54.6 million). The contracts specify that the houses will be delivered upon completion and the Authority retains the right to cancel the contracts at any point in time if the construction companies fail on specific performance objectives as set out in the contracts. The prepayment was secured by a advance and performance bonds to the value of US$35.7 million and mortgage bonds of US$18 million.

	Inflation adjusted		Historical cost	
AUTHORITY	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Maturity analysis				
6 months to 1 year	25 977 436	216 796 452	25 977 436	216 796 452
1 year to 5 years	928 720 887	123 093 780	928 720 887	123 093 780
	954 698 323	**339 890 232**	**954 698 323**	**339 890 232**
8.3 Financial asset at amortised cost impairment reconciliation				
Opening balance	-	**5 982 254**	-	**133 647**
Recovery	-	(214 824)	-	(133 647)
Effects of inflation	-	(5 767 430)	-	-
Balance at year end	-	-	-	-
8.4 Loan and advances impairment reconciliation				
Opening balance	**31 344 300**	**140 555 737**	**45 540 107**	**45 540 107**
Charge to profit of loss	71 937 394	-	71 937 394	-
Bad debts recovered	-	-	(18 181 101)	-
Effects of inflation	844 300	(109 211 437)	-	-
Balance at year end	**104 125 994**	**31 344 300**	**99 296 400**	**45 540 107**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

GROUP	Number of shares	Cost 2021 ZWL$	Cost 2020 ZWL$	Fair Value 2021 ZWL$	Fair Value 2020 ZWL$
Inflation adjusted					
Ordinary quoted shares					
African Distillers Limited	32 000	71 614	71 619	4 000 000	1 234 483
Ariston Holdings	140 233 785	31 948 056	77 551 357	521 964 171	302 051 793
Axia Corporation Limited	8 764 129	27 386 803	17 526 314	263 362 077	129 176 839
Cafca Limited	1 125 685	24 151 476	33 538 771	191 366 450	162 667 404
Dairibord Zimbabwe Limited	17 420 540	48 363 087	76 732 180	539 718 900	272 174 536
Edgars Stores Limited	6 863 319	9 311 222	15 693 725	29 855 438	13 793 280
Falgold Zimbabwe Limited	1 639 133	-	4 993 989	-	179 335
Hippo Valley Estate Limited	12 002 759	203 806 724	590 181 896	3 360 772 520	21 193 577
Nampak -(Hunyani Holdings)	20 100 000	13 275 872	82 415 134	224 253 690	73 744 699
Lafarge Cement Zimbabwe	2 488 007	56 616 482	132 340 085	199 040 560	31 993 780
Meikles Limited	722 565	2 527 564	13 655 813	90 393 157	29 558 582
Masimba Holdings	2 650 513	5 798 310	17 727 990	145 778 215	51 025 846
National Tyre Services Limited	12 776 701	-	23 660 621	-	5 637 480
Pretoria Portland Cement Company Limited	86 068	7 136 100	12 268 359	2 637 694	440 560
Pro Plastics Limited	2 607 684	5 994 926	3 722 620	80 422 174	36 088 879
Rio Zim Limited	250 475	27 945 025	27 934 044	9 899 000	5 946 980
Truworths Limited	4 719 889	1 380 717	8 422 141	9 439 778	2 236 584
TSL Limited	15 837 260	55 943 466	106 444 684	1 111 322 707	366 578 089
Zimpapers Limited	10 133 779	288 235	536 085	29 489 297	15 963 256
First Mutual Life (FTPL)		3 298 549 851	5 511 560 752	6 133 602 569	3 422 461 289
Rainbow Tourism Group (FTPL)		14 377 534	138 803 561	157 506	385 464 428
		3 834 873 064	**6 895 781 738**	**12 947 475 903**	**5 329 611 701**
Ordinary unquoted shares					
Africom Holdings	8 206 856	17 202 135	17 202 436	52 479 409	617 744
Chengetedzai Depository Company	168 912	50 655 990	50 656 879	88 120 613	1 819 101
		67 858 125	**67 859 315**	**140 600 022**	**2 436 845**
Non performing investments		**32 824 240**	-	**105 341 693**	-
Apex Holdings Limited	3 550 299	317 634	317 644	-	11 406
Border Timbers	294 307	3 228 308	3 228 366	105 341 693	115 931
Cairns Holdings Limited	3 145	1 408	1 408	-	51
Caps Holdings Limited	22 616 796	11 436 180	11 436 385	-	410 684
Celsys Limited	1 000 000	134 276	134 285	-	4 822
Gulliver Consolidated Limited	3 502 700	2 149 442	2 149 478	-	77 188
Interfresh Limited	336 743	2 808 759	2 808 870	-	100 867
Phoenix Assurance Zimbabwe Limited	72	161	161	-	6
PG Industries Limited	1 026 463	2 053 860	2 053 931	-	73 757
Steelnet Zimbabwe Limited	29 848 449	7 031 696	7 031 833	-	252 514
Trust Holdings	2 542 447	3 662 516	3 662 630	-	131 526
Impairment		-	(32 824 989)	-	(1 178 753)
		3 935 555 429	**6 963 641 052**	**13 193 417 618**	**5 332 048 545**

Fair value reconciliation	
Opening Fair value balance	**5 332 048 545**
Additions during the year	360 321 828
Fair value of disposed shares	(856 602 579)
Fair value movements for the year	8 357 649 824
Closing Fair value balance	**13 193 417 618**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

GROUP	Number of shares	Cost 2021 ZWL$	Cost 2020 ZWL$	Fair Value 2021 ZWL$	Fair Value 2020 ZWL$
Historical cost					
Ordinary quoted shares					
African Distillers Limited	32 000	1 600	1 600	4 000 000	768 000
Ariston Holdings	140 233 785	1 732 542	1 732 542	521 964 171	187 913 272
Axia Corporation Limited	8 764 129	4 423 820	4 423 820	263 362 077	80 363 842
Cafca Limited	1 125 685	749 276	749 276	191 366 450	101 199 082
Dairibord Zimbabwe Limited	17 420 540	1 714 241	1 714 241	539 718 900	169 325 953
Edgars Stores Limited	6 863 319	1 146 492	1 146 492	29 855 438	8 581 112
Falgold Zimbabwe Limited	1 639 133	-	111 569	-	111 569
Hippo Valley Estate Limited	12 002 759	13 185 006	13 185 006	3 360 772 520	13 185 005
Nampak -(Hunyani Holdings)	20 100 000	1 841 202	1 841 202	224 253 690	45 878 250
Lafarge Cement Zimbabwe	2 488 007	2 956 554	2 956 554	199 040 560	19 904 056
Meikles Limited	722 565	305 079	305 079	90 393 157	18 389 065
Masimba Holdings	2 650 513	403 339	403 339	145 778 215	31 744 336
National Tyre Services Limited	12 776 701	-	528 592	-	3 507 204
Pretoria Portland Cement Company Limited	86 068	274 082	274 082	2 637 694	274 083
Pro Plastics Limited	2 607 684	4 981 851	94 970	80 422 174	22 451 710
Rio Zim Limited	250 475	624 063	624 063	9 899 000	3 699 751
Truworths Limited	4 719 889	188 156	188 156	9 439 778	1 391 430
TSL Limited	15 837 260	2 378 036	2 378 036	1 111 322 707	228 056 544
Zimpapers Limited	10 133 779	11 976	11 976	29 489 297	9 931 103
First Mutual Life (FTPL)		402 394 222	502 740 993	6 133 602 569	2 129 190 798
Rainbow Tourism Group (FTPL)		624	3 100 998	157 506	239 806 164
		439 312 161	**538 512 585**	**12 947 475 903**	**3 315 672 328**
Ordinary unquoted shares					
Africom Holdings	8 206 856	384 312	384 312	52 479 409	384 312
Chengetedzai Depository Company	168 912	1 131 704	1 131 704	88 120 613	1 131 704
		1 516 016	**1 516 016**	**140 600 022**	**1 516 016**
Non performing investments		**733 329**	-	**105 341 693**	-
Apex Holdings Limited	3 550 299	7 096	7 096	-	7 096
Border Timbers	294 307	72 124	72 124	105 341 693	72 124
Cairns Holdings Limited	3 145	31	31	-	31
Caps Holdings Limited	22 616 796	255 495	255 495	-	255 496
Celsys Limited	1 000 000	3 000	3 000	-	3 000
Gulliver Consolidated Limited	3 502 700	48 021	48 021	-	48 021
Interfresh Limited	336 743	62 752	62 752	-	62 751
Phoenix Assurance Zimbabwe Limited	72	4	4	-	4
PG Industries Limited	1 026 463	45 886	45 886	-	45 886
Steelnet Zimbabwe Limited	29 848 449	157 095	157 095	-	157 095
Trust Holdings	2 542 447	81 825	81 825	-	81 825
Impairment		-	**(733 330)**	-	**(733 330)**
		441 561 507	**540 028 601**	**13 193 417 618**	**3 317 188 345**

Fair value reconciliation	
Opening Fair value balance	**3 317 188 345**
Additions during the year	280 417 848
Disposals	(379 506 703)
Fair value movements for the year	9 975 318 128
Closing Fair value balance	**13 193 417 618**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

AUTHORITY	Number of shares	Cost 2021 ZWL$	Cost 2020 ZWL$	Fair Value 2021 ZWL$	Fair Value 2020 ZWL$
Inflation adjusted					
Ordinary quoted shares					
African Distillers Limited	32 000	71 614	71 619	4 000 000	1 234 483
Ariston Holdings	140 233 785	31 948 056	77 583 921	521 964 171	302 051 793
Axia Corporation Limited	8 764 129	27 386 803	29 436 275	263 362 077	129 176 839
Cafca Limited	1 125 685	24 151 476	33 545 473	191 366 450	162 667 404
Dairibord Zimbabwe Limited	17 420 540	48 363 087	76 752 437	539 718 900	272 174 536
Edgars Stores Limited	6 863 319	9 311 222	17 309 937	29 855 438	13 793 280
Falgold Zimbabwe Limited	1 639 133	-	4 996 980	-	179 335
Hippo Valley Estate Limited	12 002 759	203 806 724	590 457 802	3 360 772 520	21 193 577
Nampak -(Hunyani Holdings)	20 100 000	13 275 872	82 464 507	224 253 690	73 744 699
Lafarge Cement Zimbabwe	2 488 007	56 616 482	132 394 157	199 040 560	31 993 780
Meikles Limited	722 565	2 527 564	13 663 760	90 393 157	29 558 582
Masimba Holdings	2 650 513	5 798 310	18 017 378	145 778 215	51 025 846
National Tyre Services Limited	12 776 701	-	23 674 048	-	5 637 480
Pretoria Portland Cement Company Limited	86 068	7 136 100	12 272 024	2 637 694	440 560
Pro Plastics Limited	2 607 684	5 994 926	4 179 548	80 422 174	36 088 879
Rio Zim Limited	250 475	27 945 025	27 945 025	9 899 000	5 946 980
Truworths Limited	4 719 889	1 380 717	8 427 169	9 439 778	2 236 584
TSL Limited	15 837 260	55 943 466	106 480 746	1 111 322 707	366 578 089
Zimpapers Limited	10 133 779	288 235	536 262	29 489 297	15 963 256
		521 945 679	**1 260 209 066**	**6 813 715 828**	**1 521 685 984**
Ordinary unquoted shares					
Africom Holdings	7 706 276	17 202 135	3 836 189	52 479 409	617 744
Chengetedzai Depository Company	168 912	50 655 990	11 296 618	88 120 613	1 819 101
		67 858 125	**15 132 806**	**140 600 022**	**2 436 845**
Non performing investments		**32 824 240**	-	**105 341 693**	-
Apex Holdings Limited	3 550 299	317 634	144 295	-	11 406
Border Timbers	294 307	3 228 308	719 934	105 341 693	115 931
Cairns Holdings Limited	3 145	1 408	314	-	51
Caps Holdings Limited	22 616 796	11 436 180	2 645 494	-	410 684
Celsys Limited	1 000 000	134 276	134 285	-	4 822
Gulliver Consolidated Limited	3 502 700	2 149 442	479 340	-	77 188
Interfresh Limited	336 743	2 808 759	1 712 532	-	100 867
Phoenix Assurance Zimbabwe Limited	72	161	36	-	6
PG Industries Limited	1 026 463	2 053 860	1 055 052	-	73 757
Steelnet Zimbabwe Limited	29 848 449	7 031 696	1 817 989	-	252 514
Trust Holdings	2 542 447	3 662 516	1 691 652	-	131 526
Impairment		-	(10 400 923)	-	(1 178 753)
		622 628 044	**1 275 341 873**	**7 059 657 543**	**1 524 122 829**
Fair value reconciliation					
Opening Fair value balance				**1 524 122 829**	**717 038 252**
Additions during the year				6 306 032	23 396 296
Fair value of disposed shares				(826 064)	-
Fair value movements for the year				5 530 054 746	783 688 281
Closing Fair value balance				**7 059 657 543**	**1 524 122 829**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

AUTHORITY	Number of shares	Cost 2021 ZWL$	Cost 2020 ZWL$	Fair Value 2021 ZWL$	Fair Value 2020 ZWL$
Historical cost					
Ordinary quoted shares					
African Distillers Limited	32 000	1 600	1 600	4 000 000	768 000
Ariston Holdings	140 233 785	1 732 542	1 732 542	521 964 171	187 913 272
Axia Corporation Limited	8 764 129	4 423 820	4 423 820	263 362 077	80 363 842
Cafca Limited	1 125 685	749 276	749 276	191 366 450	101 199 082
Dairibord Zimbabwe Limited	17 420 540	1 714 241	1 714 241	539 718 900	169 325 953
Edgars Stores Limited	6 863 319	1 146 492	1 146 492	29 855 438	8 581 112
Falgold Zimbabwe Limited	1 639 133	-	111 569	-	111 569
Hippo Valley Estate Limited	12 002 759	13 185 006	13 185 006	3 360 772 520	13 185 005
Nampak -(Hunyani Holdings)	20 100 000	1 841 202	1 841 202	224 253 690	45 878 250
Lafarge Cement Zimbabwe	2 488 007	2 956 554	2 956 554	199 040 560	19 904 056
Meikles Limited	722 565	305 079	305 079	90 393 157	18 389 065
Masimba Holdings	2 650 513	403 339	403 339	145 778 215	31 744 336
National Tyre Services Limited	12 776 701	-	528 592	-	3 507 204
Pretoria Portland Cement Company Limited	86 068	274 082	274 082	2 637 694	274 083
Pro Plastics Limited	2 607 684	4 981 851	94 970	80 422 174	22 451 710
Rio Zim Limited	250 475	624 063	624 063	9 899 000	3 699 751
Truworths Limited	4 719 889	188 156	188 156	9 439 778	1 391 430
TSL Limited	15 837 260	2 378 036	2 378 036	1 111 322 707	228 056 544
Zimpapers Limited	10 133 779	11 976	11 976	29 489 297	9 931 103
		36 917 315	**32 670 594**	**6 813 715 828**	**946 675 366**
Ordinary unquoted shares					
Africom Holdings	8 206 856	384 312	384 312	52 479 409	384 312
Chengetedzai Depository Company	168 912	1 131 704	1 131 704	88 120 613	1 131 704
		1 516 016	**1 516 016**	**140 600 022**	**1 516 016**
Non performing investments		**733 329**	-	**105 341 693**	-
Apex Holdings Limited	3 550 299	7 096	7 096	-	7 096
Border Timbers	294 307	72 124	72 124	105 341 693	72 124
Cairns Holdings Limited	3 145	31	31	-	31
Caps Holdings Limited	22 616 796	255 496	255 496	-	255 496
Celsys Limited	1 000 000	3 000	3 000	-	3 000
Gulliver Consolidated Limited	3 502 700	48 021	48 021	-	48 021
Interfresh Limited	336 743	62 751	62 751	-	62 751
Phoenix Assurance Zimbabwe Limited	72	4	4	-	4
PG Industries Limited	1 026 463	45 886	45 886	-	45 886
Steelnet Zimbabwe Limited	29 848 449	157 095	157 095	-	157 095
Trust Holdings	2 542 447	81 825	81 825	-	81 825
Impairment		-	(733 330)	-	(733 330)
		39 166 660	**34 186 610**	**7 059 657 543**	**948 191 383**

Fair value reconciliation		
Opening Fair value balance	**948 191 383**	**95 959 207**
Additions during the year	4 886 882	4 088 480
Fair value of disposed shares	(640 161)	-
Fair value movements for the year	6 107 219 440	848 143 696
Closing Fair value balance	**7 059 657 543**	**948 191 383**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

GROUP/AUTHORITY	Number of shares	Cost 2021 ZWL$	Cost 2020 ZWL$	Fair value 2021 ZWL$	Fair value 2020 ZWL$
Inflation adjusted					
Ordinary quoted shares		**8 218 032 973**	**8 354 135 616**	**28 526 851 686**	**21 433 032 320**
Bindura Nickel Corporation	87 177 370	55 152 804	200 571 827	568 392 965	527 707 607
British American Tobacco	257 115	114 033 858	203 512 816	1 021 836 024	282 216 362
Cassava Smartech	17 366 700	770 589 410	1 202 888 730	832 126 054	214 779 304
CBZ Holdings Limited	80 499 805	4 578 924 717	1 163 346 310	7 129 304 237	12 958 551 682
Delta Corporation	40 766 020	940 173 037	1 558 246 550	7 211 113 905	1 662 480 051
Econet Wireless Zimbabwe Limited	21 819 567	366 283 370	487 256 541	2 346 599 773	430 915 623
Hwange Colliery Company Limited	11 980 479	34 714 418	147 027 853	31 551 008	5 279 807
Innscor Africa Limited	10 005 554	290 320 934	376 297 812	1 896 263 300	696 848 776
National foods Limited	1 166 292	46 905 832	88 314 420	1 653 646 100	116 216 661
Old Mutual Zimbabwe	1 396 928	214 332 345	300 091 493	157 088 373	33 821 343
Padenga Holdings	34 485 709	169 247 818	261 649 025	830 220 919	1 353 483 791
Seed Company Limited	25 758 798	348 832 050	1 051 614 779	2 915 645 625	1 111 929 580
Seed International	24 889 204	157 182 651	568 292 697	761 598 653	22 364 468
Simbisa Brands	10 696 006	131 339 729	162 379 851	1 171 464 750	285 005 703
Zimre Holdings	-	-	582 644 913	-	1 731 431 561
Foreign quoted shares		**696 210 160**	**1 073 716 055**	**1 537 586 479**	**2 169 168 707**
Africa Export Import Bank	4 651 162	620 303 238	995 808 460	1 364 642 558	1 999 472 048
Nedbank group limited	42 209	51 604 373	35 916 407	77 454 099	49 089 572
Quilter plc	438 332	24 302 548	41 991 189	95 489 822	120 607 087
Total quoted shares		**8 914 243 133**	**9 427 851 671**	**30 064 438 165**	**23 602 201 027**
Ordinary unquoted shares		**412 663 728**	**67 512 467**	**284 074 578**	**4 606 889**
Stalap Investments	2 336	67 512 467	67 512 467	2 866 050	4 606 889
Africa Reinsurance Corporation	5 000	177 435 382	-	131 268 528	-
Mangwana Opportunities	2 205	167 715 879	-	149 940 000	-
		9 326 906 861	**9 495 364 138**	**30 348 512 743**	**23 606 807 916**
less Econet Holdings shares disposed		(5 460 478)	-	(560 725 463)	-
Less Zimre Holdings transferred to associate		-	(582 644 913)	-	(1 731 431 561)
Less Stalap reclassified to associate		(1 508 263)	-	(2 866 050)	-
Total		**9 319 938 120**	**8 912 719 226**	**29 784 921 230**	**21 875 376 355**

	GROUP		AUTHORITY	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
10.1 Fair value reconciliation				
Cost	9 326 906 861	8 880 503 589	9 326 906 861	9 457 660 342
Net cumulative gains	18 555 371 225	18 792 007 111	18 555 371 225	18 792 007 111
Cumulative gains before transfers	19 111 993 997	19 940 793 759	19 111 993 997	19 940 793 759
Less cumulative gains on transfers/disposals	(556 622 772)	(1 148 786 648)	(556 622 772)	(1 148 786 648)
Exchange gain movement	1 894 603 983	3 999 442 791	1 894 603 983	3 999 442 791
Translation gain movement	15 007 902	218 494 744	15 007 902	218 494 743
Fair value as at end of year	**30 348 512 743**	**23 606 807 916**	**30 348 512 743**	**23 606 807 916**
Less ZIMRE Holdings transferred to associate	-	(1 731 431 561)	-	(1 731 431 561)
Less econet shares disposed	(560 725 463)	-	(560 725 463)	-
Less Stalap reclassified to associate	(2 866 050)	-	(2 866 050)	-
Fair value	**29 784 921 230**	**21 875 376 355**	**29 784 921 230**	**21 875 376 355**
10.2 Cumulative fair value gain				
Opening cumulative fair value gains	18 792 007 111	12 407 545 295	18 792 007 111	12 407 545 295
Fair value gain for the year	319 986 886	7 533 248 464	319 986 886	7 533 248 464
Transfer to Accumulated fund	(556 622 772)	-	(556 622 772)	-
Transfer to associate	-	(1 148 786 648)	-	(1 148 786 648)
Cumulative gains	**18 555 371 225**	**18 792 007 111**	**18 555 371 225**	**18 792 007 111**
10.3 Exchange rate gain				
Exchange rate gain on financial assets at fair value through other comprehensive income	423 570 856	2 370 213 724	423 570 856	1 902 615 767
Exchange rate gain on other items	549 359 087	108 477 946	549 359 087	553 910 037
	972 929 943	**2 478 691 670**	**972 929 943**	**2 456 525 804**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

GROUP/AUTHORITY	Number of shares	Cost 2021 ZWL$	Cost 2020 ZWL$	Fair value 2021 ZWL$	Fair value 2020 ZWL$
Historical cost					
Ordinary quoted shares		**886 474 213**	**1 154 922 096**	**28 526 851 686**	**13 333 975 563**
Bindura Nickel Corporation	87 177 370	4 480 891	4 480 891	568 392 965	328 298 872
British American Tobacco	257 115	9 468 089	9 468 089	1 021 836 024	175 573 200
Cassava Smartech	17 366 700	35 992 097	35 992 097	832 126 054	133 619 077
CBZ Holdings Limited	80 499 805	634 167 285	634 167 285	7 129 304 237	8 061 808 935
Delta Corporation	40 766 020	57 084 449	57 084 449	7 211 113 905	1 034 266 549
Econet Wireless Zimbabwe Limited	21 819 567	26 007 863	26 007 863	2 346 599 773	268 082 383
Hwange Colliery Company Limited	11 980 479	3 284 687	3 284 687	31 551 008	3 284 688
Innscor Africa Limited	10 005 554	21 490 660	21 490 660	1 896 263 300	433 525 430
National Foods Limited	1 166 292	2 548 031	2 548 031	1 653 646 100	72 301 021
Old Mutual Zimbabwe	1 396 928	21 041 025	21 041 025	157 088 373	21 041 025
Padenga Holdings	34 485 709	13 539 051	13 539 051	830 220 919	842 032 967
Seed Company Limited	25 758 798	30 343 691	30 343 691	2 915 645 625	691 756 613
Seed International	24 889 204	13 913 443	13 913 443	761 598 653	13 913 443
Simbisa Brands	10 696 006	13 112 952	13 112 952	1 171 464 750	177 308 512
Zimre Holdings	-	-	268 447 882	-	1 077 162 847
Foreign quoted shares		**61 442 490**	**36 827 934**	**1 537 586 479**	**1 349 489 055**
Africa Export Import Bank	4 651 162	33 953 486	33 953 486	1 364 642 558	1 243 916 914
Nedbank Group Limited	42 209	26 032 533	1 417 978	77 454 099	30 539 736
Quilter plc	438 332	1 456 471	1 456 471	95 489 822	75 032 405
Total quoted shares		**947 916 703**	**1 191 750 030**	**30 064 438 165**	**14 683 464 618**
Ordinary unquoted shares		**284 674 193**	**1 508 263**	**284 074 578**	**2 866 050**
Stalap Investments	2 336	1 508 263	1 508 263	2 866 050	2 866 050
Africa Reinsurance Corporation	5 000	133 225 930	-	131 268 528	-
Mangwana Opportunities	2 205	149 940 000	-	149 940 000	-
		1 232 590 896	**1 193 258 293**	**30 348 512 743**	**14 686 330 668**
Less econet shares disposed		(5 460 478)	-	(560 725 463)	-
Less ZIMRE Holdings transferred to associate		-	(268 447 882)	-	(1 077 162 847)
Less Stalap reclassified to associate		(1 508 263)		(2 866 050)	
Total		**1 225 622 155**	**924 810 411**	**29 784 921 230**	**13 609 167 821**

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2021

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT.)

	GROUP		AUTHORITY	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
10.1 Fair value reconciliation				
Cost	1 232 590 896	1 193 258 293	1 232 590 896	1 193 258 293
Net cummulative gains	26 661 164 499	11 209 793 690	26 661 164 499	11 209 793 690
Cumulative gains before econet disposal	27 217 787 271	12 018 508 655	27 217 787 271	12 018 508 655
Less Econet and Stalap cumulative gains	(556 622 772)	(808 714 965)	(556 622 772)	(808 714 965)
Cumulative exchange rate gain	1 898 134 576	1 474 563 720	1 898 134 576	1 474 563 720
Translation gain movement	30 312 868	-	30 312 868	-
	30 348 512 743	**14 686 330 668**	**30 348 512 743**	**14 686 330 668**
Less ZIMRE Holdings transferred to associate	-	(1 077 162 847)	-	(1 077 162 847)
Less econet shares disposed	(560 725 463)	-	(560 725 463)	-
Less Stalap reclassified to associate	(2 866 050)	-	(2 866 050)	-
Fair value	**29 784 921 230**	**13 609 167 821**	**29 784 921 230**	**13 609 167 821**
10.2 Cumulative fair value gains				
Opening cumulative fair value gains	**11 209 793 690**	**492 058 111**	**11 209 793 690**	**492 058 111**
Fair value gain for the year	16 007 993 581	11 526 450 544	16 007 993 581	11 526 450 544
Transfer to associate	-	(808 714 965)	-	(808 714 965)
Transfer to Accumulated fund	(556 622 772)	-	(556 622 772)	-
Cumulative gains	**26 661 164 499**	**11 209 793 690**	**26 661 164 499**	**11 209 793 690**
10.3 Exchange rate gain				
Exchange rate gain on financial assets at fair value through other comprehensive income	423 570 856	1 183 660 425	423 570 856	1 183 660 425
Exchange rate loss/gain on other items	549 359 087	358 389 886	549 359 087	344 599 998
	972 929 943	**1 542 050 311**	**972 929 943**	**1 528 260 423**

10.4 Determination of fair value and fair values hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
- **Level 1:** quoted (unadjusted) prices in active markets for identical assets and liabilities.
- **Level 2:** other techniques for which all inputs which have a significant effect on the recorded fair value are observable, directly or indirectly.
- **Level 3:** techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value of the fair value hierarchy:

GROUP	Level 1 ZWL$	Level 2 ZWL$	Level 3 ZWL$	Total fair value ZWL$
Inflation adjusted				
At December 31, 2021				
Financial assets at fair value through other comprehensive income	29 503 712 702	-	281 208 528	29 784 921 230
Financial assets at fair value through profit or loss	12 947 475 903	-	245 941 715	13 193 417 618
Total financial assets recorded at fair value	**42 451 188 605**	**-**	**527 150 243**	**42 451 188 605**
At December 31, 2020				
Financial assets at fair value through other comprehensive income	21 870 769 467	-	4 606 889	21 875 376 355
Financial assets at fair value through profit or loss	5 329 611 700	-	2 436 844	5 332 048 544
Total financial assets recorded at fair value	**27 200 381 167**	**-**	**2 436 844**	**27 200 381 167**
Historical cost				
At December 31, 2021				
Financial assets at fair value through other comprehensive income	29 503 712 702	-	281 208 528	29 784 921 230
Financial assets at fair value through profit or loss	12 947 475 903	-	245 941 715	13 193 417 618
Total financial assets recorded at fair value	**42 451 188 605**	**-**	**527 150 243**	**42 978 338 848**
At December 31, 2020				
Financial assets at fair value through other comprehensive income	13 606 301 771	-	2 866 050	13 609 167 821
Financial assets at fair value through profit or loss	3 315 672 328	-	1 516 017	3 317 188 345
Total financial assets recorded at fair value	**16 921 974 099**	**-**	**4 382 067**	**16 926 356 166**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT.)

10.4 Determination of fair value and fair values hierarchy

AUTHORITY	Level 1 ZWL$	Level 2 ZWL$	Level 3 ZWL$	Total fair value ZWL$
Inflation adjusted				
At December 31, 2021				
Financial assets at fair value through other comprehensive income	29 503 712 702	-	281 208 528	29 784 921 230
Financial assets at fair value through profit or loss	6 813 715 828	-	245 941 715	7 059 657 543
Total financial assets recorded at fair value	**36 317 428 530**	**-**	**527 150 243**	**36 844 578 773**
At December 31, 2020				
Financial assets at fair value through other comprehensive income	21 870 769 466	-	4 606 889	21 875 376 355
Financial assets at fair value through profit or loss	1 521 685 984	-	2 436 845	1 524 122 829
Total financial assets recorded at fair value	**23 392 455 450**	**-**	**7 043 734**	**23 399 499 184**
Historical				
At December 31, 2021				
Financial assets at fair value through other comprehensive income	29 503 712 702	-	281 208 528	29 784 921 230
Financial assets at fair value through profit or loss	6 813 715 828	-	245 941 715	7 059 657 543
Total financial assets recorded at fair value	**36 317 428 530**	**-**	**527 150 243**	**36 844 578 773**
At December 31, 2020				
Financial assets at fair value through other comprehensive income	13 606 301 771	-	2 866 049	13 609 167 820
Financial assets at fair value through profit or loss	946 675 366	-	1 516 016	948 191 383
Total financial assets recorded at fair value	**14 552 977 137**	**-**	**4 382 065**	**14 557 359 203**

During the year there were no transfers of financial assets between levels 1, 2 and 3 (2020: ZWL$nil).

Valuation techniques for financial assets measured at fair value

Quoted equity investments valuation

Level 1 is made up of the Group's investments in equities securities quoted on the Zimbabwe Stock Exchange.

11 INVESTMENT IN ASSOCIATES

GROUP	OK Zimbabwe Limited ZWL$	Turnall Holdings Limited ZWL$	FBC Holdings Limited ZWL$	Centragrid (Private) Limited ZWL$	Dubury Investments (Private) Limited ZWL$	Star africa Corporation ZWL$	ZIMRE Holdings ZWL$	First Mutual Holdings Limited ZWL$	Stalap (Private) Limited ZWL$	Total 2021 ZWL$	Total 2020 ZWL$
Inflation adjusted											
Restated opening carrying amount	**2 423 676 519**	**788 977 955**	**3 388 810 485**	**-**	**-**	**298 255 221**	**1 769 976 397**	**546 645 230**	**-**	**9 216 341 807**	**10 632 346 064**
Additions during the year	-	-	-	260 672 828	-	-	-	-	-	260 672 828	-
Reinstatement of an associate	-	-	-	-	5 370 031	-	-	-	-	5 370 031	-
Transfer from financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	2 688 050	2 688 050	1 731 431 561
Cut off adjustment	-	-	-	-	-	-	-	-	-	-	45 801 519
Transfer to subsidiary	-	-	-	-	-	-	-	-	-	-	(17 448 369)
share of movement in foreign currency	-	-	-	-	-	-	-	-	-	-	300 715 724
Share of current year profits/loss (net of dividend received)	**(75 004 320)**	**131 724 670**	**1 291 529 251**	**(2 311 489)**	**(52 681 416)**	**26 047 723**	**588 612 867**	**3 840 331**	**(47 468 698)**	**1 864 288 917**	**1 481 862 588**
Share of current year profits/loss	166 425 853	137 454 853	1 524 897 196	(2 311 489)	(52 681 416)	26 047 723	596 854 578	3 840 331	(47 468 698)	2 353 058 930	1 764 438 016
Dividend received	(241 430 173)	(5 730 183)	(233 367 945)	-	-	-	(8 241 711)	-	-	(488 770 013)	(282 575 428)
Share of current year 's other comprehensive income	13 645 624	-	373 531 930	-	-	70 409 176	16 169 514	(221 187 387)	-	252 568 856	373 387 154
Disposal of an investment in associate	-	-	-	-	-	-	-	-	-	-	(5 331 754 434)
Closing carrying amount	**2 362 317 823**	**920 702 625**	**5 053 871 666**	**258 361 339**	**(47 311 385)**	**394 712 119**	**2 374 758 777**	**329 298 174**	**(44 780 648)**	**11 601 930 489**	**9 216 341 807**
Summary of the financial information:											
Assets	2 575 709 987	1 370 342 450	22 236 390 897	-	-	738 685 664	4 976 366 862	1 870 427 310	5 599 654 384	31 897 495 861	121 277 877 375
Liabilities	1 122 237 696	352 693 879	17 187 142 168	-	-	253 439 059	2 594 527 468	948 821 035	2 760 427 295	21 510 040 271	83 442 433 247
Revenue/total income	7 055 730 510	686 653 006	3 685 420 518	-	-	1 609 242 707	2 238 882 330	1 148 053 501	9 300 135 351	15 275 929 072	44 807 757 201
Total comprehensive income for the year	240 095 303	137 454 853	1 898 429 125	-	-	64 461 745	613 024 035	93 376 518	(150 694 280)	2 953 465 061	7 743 181 221

Quoted	Shares held by NSSA	2021 % Shareholding	2020 % Shareholding	Fair value as at Dec 31, 2021
FBC Holdings Limited	236 037 330	35.13%	35.13%	14 634 314 460
OK Zimbabwe Limited	249 122 997	20.57%	20.57%	8 051 505 789
Star africa Corporation	1 491 505 021	31.67%	31.67%	3 159 156 785
Turnall Holdings Limited	160 491 045	32.55%	32.55%	633 538 400
ZIMRE Holdings	384 649 811	21.15%	21.15%	1 542 445 742
Unquoted				
Dubury Investments (Private) Limited	3 621	36.21%	36.21%	-
Stalap	2 336	31.50%	-	-
Centragrid (Private) Limited	35	26.00%	-	-

Share of profits from associates have been determined using after profit or loss tax figures. Dubury Investments (Private) Limited was reinstated in the current year as it started making profits. Stalap (Private) Limited was reclassified from financial assets held at fair value through profit and loss.

11 INVESTMENT IN ASSOCIATES

GROUP	OK Zimbabwe Limited ZWL$	Turnall Holdings Limited ZWL$	FBC Holdings Limited ZWL$	Centragrid (Private) Limited ZWL$	Dubury Investments (Private) Limited ZWL$	Star africa Corporation ZWL$	ZIMRE Holdings ZWL$	First Mutual Holdings Limited ZWL$	Stalap (Private) Limited ZWL$	Total 2021 ZWL$	Total 2020 ZWL$
Historical cost											
Opening carrying amount	**214 936 906**	**125 941 681**	**1 798 867 400**	-	-	**169 418 704**	**1 146 505 763**	**172 212 552**	-	**3 627 883 006**	**1 267 630 563**
Additions during the year	-	-	-	233 034 890		-	-	-	-	233 034 890	1 077 162 847
Reinstatement of an associate					5 370 031	-				5 370 031	-
Transfer to subsidiary	-	-	-	-	-	-	-	-	-	-	(10 855 026)
Cut off adjustment	-	-	-	-	-	-	-	-	-	-	4 663 789
Reclassified from financial assets at fair through other comprehensive income	-	-	-	-	-	-	-	-	2 866 050	2 866 050	-
Share of current year profits/loss (net of dividend received)	**115 004 921**	**62 284 246**	**2 238 196 675**	**(2 311 489)**	**972 310 290**	**118 047 732**	**1 138 049 707**	**41 631 571**	**24 073 496**	**4 707 287 148**	**2 719 025 600**
Share of current year profits/loss	307 354 832	67 098 978	2 413 832 052	(2 311 489)	972 310 290	118 047 732	1 144 396 429	33 646 606	24 073 496	5 078 448 924	2 881 516 550
Dividend received	(192 349 911)	(4 814 731)	(175 635 377)	-	-	-	(6 346 722)	7 984 965	-	(371 161 776)	(162 490 950)
Share of current year 's other comprehensive income	150 008 988	-	672 267 342	-	-	121 506 504	129 496 248	-	98 154 301	1 171 433 382	1 456 329 257
Disposal of associate	-	-	-	-	-	-	-	-	-	-	(2 886 074 024)
Closing carrying amount	**479 950 815**	**188 225 927**	**4 709 331 417**	**230 723 401**	**977 680 321**	**408 972 939**	**2 414 051 718**	**213 844 123**	**125 093 847**	**9 747 874 507**	**3 627 883 006**
Summary of the financial information:											
Assets	8 371 167 000	1 064 164 221	62 791 242 393	-	-	2 054 281 210	22 844 664 605	1 540 359 469	2 054 281 210	92 799 641 950	59 230 331 918
Liabilities	4 734 462 000	482 602 003	48 460 999 314	-	-	725 370 241	12 111 210 248	31 272 677	725 370 241	65 285 864 255	43 539 677 118
Revenue/total income	26 862 119 000	1 716 246 503	8 337 387 699	-	-	3 832 897 658	13 333 498 922	876 892 554	3 832 897 658	45 548 812 103	20 824 199 565
Total comprehensive income for the year	2 964 601 000	206 141 252	8 784 797 592	-	-	1 008 543 249	6 006 094 657	73 961 252	1 008 543 249	19 166 284 391	12 304 616 938

Quoted	Shares held by NSSA	2021 % Shareholding	2020 % Shareholding	Fair value as at Dec 31, 2021
FBC Holdings Limited	236 037 330	35.13%	35.13%	14 634 314 460
OK Zimbabwe Limited	249 122 997	20.57%	20.57%	8 051 505 789
Star africa Corporation	1 491 505 021	31.67%	31.67%	3 159 156 785
Turnall Holdings Limited	160 491 045	32.55%	32.55%	633 538 400
ZIMRE Holdings	384 649 811	21.15%	21.15%	1 542 445 742
Unquoted				
Dubury Investments (Private) Limited	3 621	36.21%	36.21%	-
Stalap	2 336	31.50%	-	-
Centragrid (Private) Limited	35	26.00%	-	-

Share of profits from associates have been determined using after profit or loss tax figures. Dubury Investments (Private) Limited was reinstated in the current year as it started making profits. Stalap (Private) Limited was reclassified from financial assets held at fair value through profit and loss.

11 INVESTMENT IN ASSOCIATES

AUTHORITY	OK Zimbabwe Limited ZWL$	Holdings Limited ZWL$	Turnall Holdings Limited ZWL$	FBC Centragrid (Private) Limited ZWL$	Investments (Private) Limited ZWL$	Dubury Star africa Corporation ZWL$	ZIMRE Holdings ZWL$	Holdings Limited ZWL$	First Mutual Stalap (Private) Limited ZWL$	Total 2021 ZWL$	Total 2020 ZWL$
Inflation adjusted											
Opening carrying amount		2 423 676 471	788 977 955	3 388 810 485	-	-	298 255 221	1 769 976 399	-	8 669 696 531	10 440 658 913
Additions during the year		-	-	-	260 672 828	-	-	-	-	260 672 828	1 731 431 560
Reinstatement of associate		-	-	-	-	5 370 031	-	-	-	5 370 031	-
Reclassified from financial assets at fair through other comprehensive income		-	-	-	-	-	-	-	2 866 050	2 866 050	-
Share of current year profits/loss (net of dividend received)		**(19 529 036)**	**131 724 670**	**1 291 529 251**	**(2 311 489)**	**(52 681 416)**	**34 730 297**	**588 612 867**	**(47 468 698)**	**1 924 606 445**	**1 484 645 543**
Share of current year profits/loss		221 901 138	137 454 853	1 524 897 196	(2 311 489)	(52 681 416)	34 730 297	596 854 578	(47 468 698)	2 413 376 458	1 767 220 971
Dividend received		(241 430 173)	(5 730 183)	(233 367 945)	-	-	-	(8 241 711)	-	(488 770 013)	(282 575 428)
Share of current year 's other comprehensive income		18 194 165	-	373 531 930	-	-	29 731 448	16 169 514	-	437 627 056	344 714 948
Disposal of an investment in associate		-	-	-	-	-	-	-	-	-	(5 331 754 433)
Closing carrying amount		**2 422 341 601**	**920 702 625**	**5 053 871 666**	**258 361 339**	**(47 311 385)**	**362 716 966**	**2 374 758 779**	**(44 602 648)**	**11 300 838 942**	**8 669 696 531**
Summary of the financial information:											
Assets		2 575 709 987	1 370 342 450	22 236 390 897	-	-	738 685 664	4 976 366 862	5 599 654 384	31 897 495 861	121 277 877 382
Liabilities		1 122 237 696	352 693 879	17 187 142 168	-	-	253 439 059	2 594 527 468	2 760 427 295	21 510 040 271	83 442 433 251
Revenue/total income		7 055 730 510	686 653 006	3 685 420 518	-	-	1 609 242 707	2 238 882 330	9 300 135 351	15 275 929 072	44 807 757 204
Total comprehensive income for the year		240 095 303	137 454 853	1 898 429 125	-	-	64 461 745	613 024 035	(150 694 280)	2 953 465 061	7 743 181 226

Quoted	Shares held by NSSA	2021 % Shareholding	2020 % Shareholding	Fair value as at Dec 31, 2021
FBC Holdings Limited	236 037 330	35.13%	35.13%	14 634 314 460
OK Zimbabwe Limited	249 122 997	20.57%	20.57%	8 051 505 789
Star africa Corporation	1 491 505 021	31.67%	31.67%	3 159 156 785
Turnall Holdings Limited	160 491 045	32.55%	32.55%	633 538 400
ZIMRE Holdings	384 649 811	21.15%	21.15%	1 542 445 742
Unquoted				
Dubury Investments (Private) Limited	3 621	36.21%	36.21%	-
Stalap	2 336	31.50%	-	-
Centragrid (Private) Limited	35	26.00%	-	-

Share of profits from associates have been determined using after profit or loss tax figures. Dubury Investments (Private) Limited was reinstated in the current year as it started making profits. Stalap (Private) Limited was reclassified from financial assets held at fair value through profit and loss.

11 INVESTMENT IN ASSOCIATES

AUTHORITY	OK Zimbabwe Limited ZWL$	Turnall Holdings Limited ZWL$	FBC Holdings Limited ZWL$	Centragrid (Pvt) Ltd ZWL$	Dubury Investments (Pvt) Ltd ZWL$	Star africa Corporation ZWL$	ZIMRE Holdings ZWL$	Stalap ZWL$	Total 2021 ZWL$	Total 2020 ZWL$
Historical cost										
Opening carrying amount	214 936 908	125 941 682	1 797 427 527	-	-	169 418 704	1 146 505 762	-	3 454 230 582	1 257 278 691
Additions during the year	-	-	-	233 034 890	-	-	-	-	233 034 890	1 077 162 847
Reinstatement of associate	-	-	-	-	5 370 031	-	-	-	5 370 031	-
Reclassified from financial assets at fair through other comprehensive income	-	-	-	-	-	-	-	2 866 050	2 866 050	-
Share of current year profits/loss (net of dividend received)	**217 456 531**	**62 284 246**	**2 238 196 675**	**(2 311 489)**	**972 310 290**	**157 396 976**	**1 138 049 707**	**-**	**4 783 382 936**	**2 719 501 377**
Share of current year profits/loss	409 806 442	67 098 978	2 413 832 052	(2 311 489)	972 310 290	157 396 976	1 144 396 429		5 162 529 677	2 883 432 200
Dividend received	(192 349 911)	(4 814 731)	(175 635 377)	-	-	-	(6 346 722)	-	(379 146 741)	(163 930 823)
Share of current year 's other comprehensive income	200 011 984	-	672 267 342	-	-	162 008 671	129 496 248	98 154 301	1 261 938 546	1 286 361 690
Disposal of associate	-	-	-	-	-	-	-	-	-	(2 886 074 023)
Closing carrying amount	**632 405 423**	**188 225 928**	**4 707 891 544**	**230 723 401**	**977 680 321**	**488 824 351**	**2 414 051 717**	**101 020 351**	**9 740 823 035**	**3 454 230 582**
Summary of the financial information:										
Assets	1 940 907 000	397 422 090	62 791 242 393	-	-	2 054 281 210	22 844 664 605	2 054 281 210	92 082 798 508	59 230 331 918
Liabilities	944 709 000	482 602 003	48 460 999 314	-	-	725 370 241	12 111 210 248	725 370 241	63 450 261 047	44 330 063 482
Revenue/total income	4 525 564 000	1 716 246 503	7 208 714 358	-	-	3 832 897 658	13 333 498 922	3 832 897 658	34 449 819 099	20 824 199 561
Total comprehensive income for the year	890 989 000	206 141 252	8 784 797 592	-	-	1 008 543 249	6 006 094 657	1 008 543 249	17 905 108 999	12 304 616 938

Quoted	Shares held by NSSA	2021 % Shareholding	2020 % Shareholding	Fair value as at Dec 31, 2021
FBC Holdings Limited	236 037 330	35.13%	35.13%	14 634 314 460
OK Zimbabwe Limited	249 122 997	20.57%	20.57%	8 051 505 789
Star africa Corporation	1 491 505 021	31.67%	31.67%	3 159 156 785
Turnall Holdings Limited	160 491 045	32.55%	32.55%	633 538 400
ZIMRE Holdings	384 649 811	21.15%	21.15%	1 542 445 742
Unquoted				
Dubury Investments (Private) Limited	3 621	36.21%	36.21%	-
Stalap	2 336	31.50%	-	-
Centragrid (Private) Limited	35	26.00%	-	-

Share of profits from associates have been determined using after profit or loss tax figures. Dubury Investments (Private) Limited was reinstated in the current year as it started making profits. Stalap (Private) Limited was reclassified from financial assets held at fair value through profit and loss.

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

12 INTANGIBLE ASSETS	Inflation adjusted		Historical cost	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
GROUP				
Opening carrying amount	**224 710 139**	**241 535 924**	**14 806 404**	**8 391 210**
Gross carrying amount	397 266 830	351 176 886	19 540 159	10 791 092
Accumulated amortisation and impairment	(172 556 691)	(109 640 962)	(4 733 755)	(2 399 882)
Additions during the year	43 891 387	4 844 623	32 505 884	5 106 178
Revaluation loss/ surplus	-	(14 450 851)	-	3 901 135
Reclassification from property plant and equipment	14 045 879	-	1 948 655	-
Amortisation and impairment loss for the year	(38 785 729)	(18 097 392)	(1 785 181)	(2 592 119)
Closing carrying amount	**243 861 676**	**215 529 883**	**47 475 762**	**14 806 404**
Gross carrying amount	455 204 096	342 419 448	53 994 698	19 798 405
Accumulated amortisation and impairment	(211 342 420)	(126 889 565)	(6 518 936)	(4 992 001)

Intangible assets refer to rights to use certain software products. These software products include the HIP system, Premia system, SunSystem, VIP payrol system and NBS core banking system. The useful lives of these rights vary depending on the nature of the software product. The Group uses a straight line method for amortising the intangible assets with finite life. The amortisation is recognised in the statement of comprehensive income. As at 31 December 2021 some of these assets were tested for impairment, some were revalued and some were maintained at the cost model. Revaluation of some of the intangible assets is done annually.

12.1 Work in progress	Inflation adjusted		Historical cost	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
GROUP				
Opening balance	**158 034 326**	**242 277 083**	**4 540 409**	**28 199 198**
Additions	67 000 839	-	51 922 181	-
Transfer to Leasehold	-	(84 242 757)	-	(23 658 789)
Closing balance	**225 035 165**	**158 034 326**	**56 462 590**	**4 540 409**

Work in progress includes works on computerisation project and installation of new lifts at Bulawayo Compensation House

13 DEFERRED EXPENDITURE	Inflation adjusted		Historical cost	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
GROUP				
Opening carrying amount	**1 603 945 930**	**1 821 702 046**	**997 851 145**	**252 733 831**
Decrease/increase in existing capitalised values	3340 247 537	(120 635 402)	3911 758 442	745 512 108
Net movement in deferred costs	85 099 588	(17 506 319)	105 246 940	49 135 127
Amount expensed in current year	(242 641 347)	(79 614 395)	(242 641 347)	(49 529 921)
	4 786 651 708	**1 603 945 930**	**4 772 215 180**	**997 851 145**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

	Inflation adjusted		Historical cost	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
12 INTANGIBLE ASSETS				
AUTHORITY				
Opening carrying amount	**31 637 845**	**31 637 845**	**706 840**	**706 840**
Additions	15 968 649	-	12 345 364	-
Reclassification from property plant and equipment	14 045 879	-	1 948 655	-
Closing carrying amount	**61 652 373**	**31 637 845**	**15 000 859**	**706 840**

The intangible asset is made up of computer software whose economic life could not be estimated with reasonable certainty. Thus it has been deemed to be an intangible asset with an infinite lifespan. However, this position is subject to review on every reporting period by management.

	Inflation adjusted		Historical cost	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
13 DEFERRED EXPENDITURE				
Opening carrying amount as at January 1, 2021	**1 512 673 524**	**1 766 578 915**	**941 068 511**	**245 086 324**
Increase in existing capitalised values	3 340 153 429	(174 290 996)	3 911 758 442	745 512 108
Amount expensed in current year	(242 641 347)	(79 614 395)	(242 641 347)	(49 529 921)
Closing carrying amount as at December 31, 2021	**4 610 185 606**	**1 512 673 524**	**4 610 185 606**	**941 068 511**

14 INVESTMENT IN SUBSIDIARIES

		National Building Society ZWL$	First Mutual Life Holdings ZWL$	Rainbow Tourism Group ZWL$	Ekusileni Medical (Pvt) Ltd ZWL$	Total 2021 ZWL$	Total 2020 ZWL$
Inflation adjusted							
Opening carrying amount		**2 222 306 760**	**1 883 476 606**	**874 673 024**	-	**4 980 456 390**	**4 980 456 390**
Initial recognition (From investments property)		-	-	-	386 222 046	386 222 046	-
Additions during the year		78 087 044	-	3 606 376 111	-	3 684 463 155	-
Closing carrying amount		**2 300 393 804**	**1 883 476 606**	**4 481 049 135**	**386 222 046**	**9 051 141 591**	**4 980 456 390**
Historical cost							
Opening carrying amount		**49 647 621**	**42 077 959**	**19 540 702**	-	**111 266 282**	**111 266 282**
Initial recognition (From investments property)		-	-	-	243 942 699	243 942 699	-
Additions during the year		69 810 750	-	3 409 989 490	-	3 479 800 240	-
Closing carrying amount		**119 458 371**	**42 077 959**	**3 429 530 192**	**243 942 699**	**3 835 009 221**	**111 266 282**
NSSA's ownership in the subsidiaries is as indicated	2 021	100%	66.22%	91.59%	100%		
	2 020	100%	66.22%	67.23%	-		

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2021

15 GOODWILL

	Inflation adjusted		Historical cost	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
GROUP				
Carrying amount				
At 1 January	25 333 076	-	15 734 830	-
At acquisition	-	24,458,377	-	15 216 111
Foreign exchange remeasurement	(1 029 550)	833,789	8 568 696	518 719
Impairment	-	-	-	-
	24 303 526	**25 292 166**	**24 303 526**	**15 734 830**

Goodwill is classified as a non current asset. The goodwill arose from the acquistion of control in Diamond Seguros Insurance Limited. The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined on value in use calculations which require the use of assumptions. The calculations use cashflow projections based on financial budgets approved by management covering a five year period. Cash flows beyond the five year period are extrapolated using the estimated growths rates estimated

Operating cashflows	Expected growth based on the strategic change in the business model, through introduction of and reduction in operating and administration expenses.
Annual capital expenditure	These are based on the planned strategic change. These are not expected to result in an increase in gross premiums or cost savings.
Weighted average longterm growth rate (5%)	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period.
Discount rate (39.2%)	Discount rates represent the current market assessment of the risks specific Diamond Seguros, taking into consideration the time value of money and its individual risks that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of Diamond Seguros. This has been developed using the Capital asset pricing model (CAPM) which has estimated the Beta, Risk free return and Market return which were developed on the basis of market factors and researched. These adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate. Management recognises that the continous changes in the industry and the possibility of new entrants can have a significant impact on growth rate assumptions. The effect of new entrants is not expected to have an adverse impact on the forecasts,but could yield a reasonably possible alternative to the estimated long-term growth rate.

Impact of possible changes to the key assumptions

Operating cashflows If the operating cashflows

If the operating cashflows are 20% less than estimated by management (holding all other variables constant) as at December 31, 2021, there will still be no impairment to be recognised as the recoverable amount will still have a headroom of $6.7 million over net assets of Diamond Seguros.

Weighted average long term discount rate

The weighted average long-term growth of 5% is the least estimated over the company, calculated on the basis of growth in the cash reserves over the 5 year span. Any decrease in this rate,i.e by 1% to 2% (holding other variables constant) will not result in an impairment of the goodwill.

Discount rate

A rise in the pre-tax discount rate to 45.0%(i.e.,+6%) in the company's current rate would not result in an impairment. The Group would still not have recognised an impairment despite a reduction in the gap between the recoverable amount and cost to $80.8 million. The Directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of Diamond Seguros Insurance Limited to exceed its recoverable amount

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

16 INVENTORY

	Inflation adjusted		Historical cost	
	2021	2020	2021	2020
GROUP	ZWL$	ZWL$	ZWL$	ZWL$
Land - residential stands	2 171 039 645	2 842 176 307	296 896 224	54 560 756
Rehabilitation inventories	3 713 662	13 203 604	2 877 886	3 394 323
Food and beverages	56 818 477	39 708 581	44 031 378	12 081 466
Service stocks	30 220 216	10 896 971	23 419 102	3 315 439
Stationery and consumables	114 291 989	121 393 186	85 006 578	36 878 247
	2 376 083 989	**3 027 378 649**	**452 231 168**	**110 230 231**
AUTHORITY				
Rehabilitation consumables	3 713 662	13 203 604	2 877 886	3 394 323
Stationery and consumables	43 016 072	38 934 556	33 335 360	10 009 120
	46 729 734	**52 138 160**	**36 213 246**	**13 403 443**

17 TRADE AND OTHER RECEIVABLES

17.1 Trade receivables

GROUP				
Contributions and premium receivables	3 449 689 033	1 783 024 090	3 449 689 033	1 109 259 730
Insurance receivables	1 657 264 934	1 695 033 624	1 657 264 932	1 054 518 865
Hotel services receivables	538 135 795	285 886 628	538 135 795	177 856 556
Allowance for credit losses	(1 078 744 159)	(719 196 984)	(1 078 744 159)	(447 428 757)
	4 566 345 603	**3 044 747 358**	**4 566 345 601**	**1 894 206 394**

17.2 Other receivables

Staff loans	426 699 805	231 352 484	426 699 805	143 929 628
Staff insurance	2 266	3 642	2 266	2 266
Interest receivable	24 500 114	31 685 258	24 500 114	19 712 118
Dividend receivable	26 261 094	127 685 989	26 261 094	79 436 350
Rent receivable	190 696 970	153 875 803	190 696 970	95 729 627
Prepayments	358 520 374	230 735 400	231 015 321	88 926 055
Tax receivables	2 317 712	3 725 490	2 317 712	2 317 712
Sundry receivables	1 523 721 196	372 824 476	1 523 721 196	231 942 563
Allowance for credit losses	(122 718 605)	(70 296 011)	(122 718 605)	(43 732 743)
	2 430 000 926	**1 081 592 531**	**2 302 495 873**	**618 263 576**
	6 996 346 530	**4 126 339 889**	**6 868 841 475**	**2 512 469 970**

17.3 Reconciliation of trade receivable allowance for credit losses

Opening carrying amount	719 196 983	829 958 344	447 428 757	115 144 270
Charged to profit or loss	631 315 402	534 114 084	631 315 402	332 284 487
Effects of inflation	(271 768 226)	(644 875 445)	-	-
Closing carrying amount	**1 078 744 159**	**719 196 983**	**1 078 744 159**	**447 428 757**

17.4 Reconciliation of other receivable allowance for credit losses

Opening carrying amount	**70 296 011**	**144 802 502**	**43 732 743**	**20 089 175**
Charges to profit or loss	78 985 862	38 842 895	78 985 862	24 165 046
Bad debts recovered	-	(838 224)	-	(521 478)
Effects of inflation	(26 563 268)	(112 511 162)	-	-
Closing carrying amount	**122 718 605**	**70 296 011**	**122 718 605**	**43 732 743**

Notes to the Consolidated Financial Statements (cont.)
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17 TRADE AND OTHER RECEIVABLES

17.1 Trade receivables

	Inflation adjusted		Historical cost	
AUTHORITY	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Contributions and premium receivables	3 449 689 033	1 783 024 090	3 449 689 033	1 109 259 730
Allowance for credit losses	(641 538 525)	(347 272 569)	(641 538 525)	(216 046 142)
	2 808 150 508	**1 435 751 521**	**2 808 150 508**	**893 213 588**
17.2 Other receivables				
Staff loans	92 941 667	16 145 169	92 941 667	10 044 276
Interest receivable	4 562 030	22 817 538	4 562 030	14 195 308
Rent receivables	67 408 523	68 827 055	67 408 523	42 818 872
Prepayments	22 884 338	26 524 546	22 884 338	16 501 522
Dividend receivable	26 261 094	127 685 989	26 261 094	79 436 350
Tax receivables	2 317 712	3 725 490	2 317 712	2 317 712
Staff insurances	2 266	3 642	2 266	2 266
Sundry receivables	463 074 240	40 356 301	463 074 240	25 106 570
Impairment loss on sundry receivables	(43 529 860)	(38 671 347)	(43 529 860)	(24 058 322)
	635 922 010	**267 414 384**	**635 922 010**	**166 364 554**
	3 444 072 519	**1 703 165 905**	**3 444 072 519**	**1 059 578 142**
17.3 Reconciliation of trade receivable allowance for credit losses				
Opening carrying amount	**347 272 568**	**601 333 655**	**216 046 142**	**83 426 024**
Charged to profit or loss	425 492 383	213 173 578	425 492 383	132 620 118
Inflation effects	(131 226 426)	(467 234 665)	-	-
Closing carrying amount	**641 538 525**	**347 272 568**	**641 538 525**	**216 046 142**
17.4 Reconciliation of other receivable allowance for credit losses				
Opening carrying amount	**38 671 347**	**119 166 210**	**24 058 322**	**16 532 524**
Charges to profit or loss	19 471 538	12 935 193	19 471 538	8 047 277
Bad debts recovered	-	(838 225)	-	(521 479)
Inflation effects	(14 613 025)	(92 591 831)	-	-
Closing carrying amount	**43 529 860**	**38 671 347**	**43 529 860**	**24 058 322**
17.5 Impairment summary				
GROUP				
Trade receivables (note 17.3)	631 315 402	534 114 084	631 315 402	332 284 487
Other receivables (note 17.4)	78 985 862	38 842 895	78 985 862	24 165 046
Cash and cash equivalents	-	(466)	-	(290)
Financial asset at amortised cost (note 8.4)	65 603 766	(4 806 830)	65 603 766	(2 990 438)
Loans and advances (note 8.5)	71 937 394	11 499 934	71 937 394	7 154 370
	847 842 424	**579 649 617**	**847 842 424**	**360 613 175**
AUTHORITY				
Trade receivables (note 17.3)	425 492 383	213 173 578	425 492 383	132 620 118
Other receivables (note 17.4)	19 471 538	12 935 193	19 471 538	8 047 277
Loans and advances (note 8.4)	71 937 394	-	71 937 394	-
	516 901 315	**226 108 771**	**516 901 315**	**140 667 395**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

18 CASH AND CASH EQUIVALENTS

	Inflation adjusted		Historical cost	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
GROUP				
Cash	51 529 112	53 965 936	51 529 112	33 573 433
Bank	6 920 356 640	5 465 950 545	6 920 356 640	3 400 491 816
Funds on placements	2 301 891 469	1 560 751 301	2 301 891 469	970 978 786
Impairment	-	(22 182)	-	(13 800)
Bank overdraft	(43 914 077)	(53 249 825)	(43 914 077)	(33 127 924)
	9 229 863 145	**7 027 395 775**	**9 229 863 145**	**4 371 902 311**

18.1 Impairment provision on cash and cash equivalents

Opening balance	**22 182**	**101 560**	**13 800**	**14 090**
Charge to profit of loss	-	(466)	-	(290)
Recoveries	(13 800)	-	(13 800)	-
Effects of inflation	(8 382)	(78 912)	-	-
Balance at year end	**-**	**22 182**	**-**	**13 800**
AUTHORITY				
Cash	1 738 562	1 953 140	1 738 562	1 215 093
Bank	4 522 563 456	3 618 126 358	4 522 563 456	2 250 918 476
Funds on placements	220 317 631	123 877 391	220 317 631	77 066 935
	4 744 619 649	**3 743 956 890**	**4 744 619 649**	**2 329 200 504**

19 OTHER COMPONENTS OF RESERVES

GROUP				
Mark to market reserve	18 555 371 225	18 792 007 115	26 661 164 499	11 209 793 690
Revaluation reserve	3 113 122 092	3 816 951 167	4 336 345 320	3 693 812 554
Share of other comprehensive income from associates	998 826 091	746 257 234	2 327 891 550	1 156 458 168
Translation reserve	672 782 923	784 292 842	373 976 806	391 260 530
	23 340 102 330	**24 139 508 359**	**33 699 378 175**	**16 451 324 942**
AUTHORITY				
Mark to market reserve	18 555 371 225	18 792 007 110	26 661 164 499	11 209 793 689
Revaluation Reserve	1 324 302 240	2 002 206 678	2 096 262 679	1 481 516 653
Share of other comprehensive income from associates	1 139 998 319	702 371 262	2 253 839 561	991 901 015
Translation reserve	218 494 744	218 494 743	30 312 868	30 312 868
	21 238 166 527	**21 715 079 794**	**31 041 579 607**	**13 713 524 225**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

20 NON CONTROLLING INTEREST

	Inflation adjusted		Historical cost	
GROUP	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Balance at the beginning of the year	**6 834 703 724**	**4 360 139 883**	**3 381 522 683**	**524 857 262**
Profit attributable to non controlling interest	1 195 974 155	1 457 820 089	2 585 614 585	1 835 564 246
Revaluation reserve	-	853 128 119	-	851 665 671
Foreign currency translation reserve and other non distributable reserves	(56 883 193)	153 930 163	(10 112 766)	163 409 953
Reduction of share holding through sell to parent	(705 208 782)	-	(880 190 516)	-
share of other comprehensive income from associate	-	9 685 471	-	6 025 551
Balance at the end of the year	**7 268 585 904**	**6 834 703 724**	**5 076 833 986**	**3 381 522 683**

	Inflation adjusted		Historical cost	
	First Mutual Life Holdings	Rainbow Tourism Group	First Mutual Life Holdings	Rainbow Tourism Group
20.1 Subsidiary financial balances as at December 31, 2021				
Non controlling interest percentage	**33.78%**	**8.40%**	**33.78%**	**8.40%**
Non current assets	30 065 615 920	3 853 227 434	29 489 190 924	4 325 174 197
Current assets	5 863 073 826	982 545 697	5 722 151 189	956 770 570
Non current liabilities	(17 028 508 032)	(1 107 530 074)	(17 011 042 341)	(834 485 433)
Current liabilities	(5 294 774 119)	(834 485 433)	(4 223 547 102)	(835 680 441)
Net assets	**13 605 407 595**	**2 893 757 624**	**13 976 752 670**	**3 611 778 893**
Net assets attributable to non controlling interest	**4 595 906 686**	**243 075 640**	**4 721 347 052**	**303 389 427**
Revenue	21 399 017 902	2 384 401 867	26 627 557 846	1 914 419 289
Profit	3 328 804 050	218 200 022	7 462 946 838	197 226 559
Other comprehensive income	(168 393 112)	-	(29 937 141)	-
Total comprehensive income	2 626 717 905	218 200 022	7 423 009 697	197 226 559
Profit allocated to non controlling interest	1 124 470 008	18 328 802	2 520 983 442	64 631 143
Other comprehensive income allocated to non controlling interest	(56 883 193)	-	(10 112 766)	-
Cashflows from operating activities	540 192 970	57 892 109	911 735 311	89 336 644
Cashflows from investing activities	217 672 456	74 419 180	156 902 177	57 671 012
Cashflows from financing activities	132 141 682	(15 054 685)	100 258 951	(7 142 383)
Net increase (decrease in cash and cash equivalents)	**890 007 108**	**117 256 604**	**1 168 896 439**	**139 865 273**
Subsidiary financial balances as at December 31, 2020				
Non controlling percentage	**33.78%**	**32.77%**	**33.78%**	**32.77%**
Non current assets	20 296 009 268	3 470 244 573	12 128 841 126	3 908 953 667
Current assets	4 714 567 724	899 205 395	2 862 128 409	559 425 880
Non current liabilities	(9 849 573 833)	(778 682 808)	(6 066 694 323)	(569 382 483)
Current liabilities	(4 633 191 026)	(915 209 358)	(230 952 317)	484 444 730
Net assets	**10 527 812 133**	**2 675 557 802**	**8 693 322 895**	**4 383 441 794**
Net assets attributable to non controlling interest	3 556 294 939	876 780 292	2 936 604 474	1 436 453 876
Revenue	12 344 240 326	2 675 297 404	13 368 386 600	523 844 794
Profit	3 772 594 423	560 832 144	5 263 773 297	175 348 264
Other comprehensive income	456 421 402	-	501 585 271	2 598 918 740
Total comprehensive income	**4 229 015 825**	**560 832 144**	**5 765 358 569**	**2 774 267 004**
Profit allocated to non controlling interest	1 274 382 396	183 784 694	1 778 102 620	57 461 626
Other comphrensive income allocated to non controlling interest	154 179 150	-	169 435 505	851 665 671
Cashflows from operating activities	2 484 110 052	533 728 906	87 577 856	161 079 007
cashflows from investing activities	(200 678 618)	(427 454 492)	(209 068 262)	(130 056 705)
Cashflows from financing activities	(108 104 060)	(211 318 991)	(32 906 853)	(16 687 500)
Net increase (decrease in cash and cash equivalents)	**2 175 327 374**	**(105 044 577)**	**(154 397 259)**	**14 334 802**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

21 BORROWINGS

	Inflation adjusted		Historical cost	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
GROUP				
At 1 January	8 911 475	21 117 172	8 911 475	2 929 691
Loan received	271 492 894	14 324 305	271 492 894	8 911 475
Interest charged	34 842 177	-	34 842 177	-
Interest paid	(14 056 325)	-	(14 056 325)	-
Loan repayment	(132 699 658)	(21 117 172)	(132 699 658)	(2 929 691)
Total	**168 490 563**	**14 324 305**	**168 490 563**	**8 911 475**
Current	166 721 471	-	166 721 471	-
Non current	1 769 092	14 324 305	1 769 092	8 911 475
Total	**168 490 563**	**14 324 305**	**168 490 563**	**8 911 475**

22 CAPITALISED VALUE OF THE PENSION LIABILITY

GROUP/AUTHORITY				
Opening carrying amount	**1 590 228 803**	**1 917 360 021**	**989 317 410**	**266 004 940**
Capitalised value adjustment	3 206 281 768	(327 131 218)	3 807 193 161	723 312 470
Increase in existing capitalised values	3 463 188 041	(276 584 366)	3 911 758 442	745 512 108
Provision for new pensions	**41 558 222**	**31 120 899**	**139 363 042**	**7 153 799**
new pensions awarded	11 888 515	30 342 057	109 207 612	6 669 264
less capitalised values accrued in prior year	(1 285 529)	(506 767)	(799 806)	(315 271)
Add new capitalised values accrued	30 955 236	1 285 608	30 955 236	799 806
Less pensions paid during the year	(298 464 495)	(81 667 750)	(243 928 323)	(29 353 438)
Closing carrying amount	**4 796 510 571**	**1 590 228 803**	**4 796 510 571**	**989 317 410**

23 INSURANCE LIABILITIES-LIFE

Outstanding claims	69 684 632	10 617 642	69 684 632	6 605 476
Losses incurred but not reported	34 212 454	11 702 878	34 212 454	7 280 626
Commissions	4 852 186	6 382 142	4 852 186	3 970 475
	108 749 272	**28 702 662**	**108 749 272**	**17 856 577**

24 INSURANCE AND INVESTMENTS CONTRACT LIABILITY

24.1 Insurance contract				
Life insurance contract liabilities with DPF	1 728 884 339	764 641 140	1 728 884 339	475 700 597
Life insurance contract liabilities without DPF	207 496 949	300 968 131	207 496 949	187 239 101
Total insurance contract liabilities	**1 936 381 288**	**1 065 609 271**	**1 936 381 288**	**662 939 698**
24.2 Investment contract				
Investments contract liabilities with DPF	9 002 629 121	6 157 844 075	9 002 629 121	3 830 934 475
Investments contract liabilities without DPF	1 679 388 424	750 524 945	1 679 388 424	466 918 592
Total investments contract liabilities	**10 682 017 545**	**6 908 369 020**	**10 682 017 545**	**4 297 853 067**

24.3 Share based payments

The Group has a Share Option Scheme that was approved by shareholders. The objective is to attract, retain and motivate key employees and agents of the Group. 19 010 038 (nineteen million ten thousand and thirty eight) shares, representing 5% of the issued ordinary share capital of the Company at the commencement of the scheme, were set aside by the Board for purposes of the Share Option Scheme. With effect from 10 August 2017, a further 8,426,271 (eight million four hundred and twenty six thousand two hundred and seventy one) shares were set aside in terms of section 11 of the Scheme Rules. All options having been granted, the Share Option Scheme is now exhausted. Participants to whom an option has been granted under the scheme shall only be entitled to exercise the options as follows:

- On the first anniversary of the date of grant, the participant shall be entitled to exercise up to one third (1/3) of the shares offered to him/her under that particular option;
- On the second anniversary of the date of grant, the participant shall be entitled to exercise an additional one third (1/3) of the shares offered to him/her under that option;
- On the third anniversary of the date of grant, the participant shall be entitled to exercise an additional one third (1/3) of the shares offered to the participant under that option.
- Options not exercised within five (5) years from the date of grant shall lapse.

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2021

24 INSURANCE AND INVESTMENTS CONTRACT LIABILITY

24.3 Share based payments (cont.)

Details of the share options outstanding as at December 31, 2020 are as follows:

	Exercise price US$	Number of options
Date of grant		
April 30, 2015	0.0300	-
April 30, 2016	0.022	-
August 10, 2017	0.117	988 430

In terms of the Share Option Scheme, options were granted on April 30, 2014. The estimated fair value of the options granted on that date was ZWL$72 204. The Group recognized total expenses of ZWL$ nil (2020: ZWL$447 894) in respect of the share options that are granted. The options granted mature in batches at every anniversary date and hence will be amortised over the exercisable periods

The fair value of the options was calculated using the Black-Scholes Merton Optional valuation method under the following assumptions

Grant date	April 30, 2015	April 30, 2016	August 10, 2017
Grant date share prices (US$)	0.030	0.022	0.117
Exercise price of options (US$)	0.030	0.022	0.117
Risk free interest rate	9.00%	9.00%	9.00%
Annualized standard deviation	82.09%	82.09%	82.09%
Dividend yield	0.00%	0.00%	0.00%
Weighted average remaining contractual life	3.25years	3.25years	3.25years
Expected volatility	82.09%	82.09%	82.09%

The standard deviation was calculated over a 3 year period, that from January 2013 to December 2015 but it should be noted that the share is generally not very liquid on the Zimbabwe Stock Exchange. The risk free rate was determined on the power-related bonds issued by Infrastructure Development Bank of Zimbabwe ("IDBZ") on behalf of Zimbabwe Electricity Transmission and Distribution Company (Private) Limited ("ZETDC") and Zimbabwe Power Company (Private) Limited ("ZPC").

	2021 Number of Shares	2020 Number of Shares
Movement for the year		
As at 1 January	3 267 201	6 660 054
Options granted during the year	-	-
Lapsed options	(262 300)	-
Options exercised during the year	(2 016 471)	(3 392 853)
As at 31 December	**988 430**	**3 267 201**
Exercisable	1 343 818	3 267 201

Reconciliation of shares exercised

Grant date	Lapse date	2021 Exercise price	2021 Number of shares Exercised	2021 Cash Received Total	2020 Exercise price	2020 Number of shares Exercised	2020 Cash Received Total
30 April, 2014	30 April, 2019	0.065	-	-	0.065	-	-
30 April, 2015	30 April, 2020	0.03	-	-	0.03	-	-
30 April, 2016	30 April, 2021	0.022	-	-	0.022	236 537	5 204
10 August, 2017	10 August, 2022	0.117	-	-	0.117	3 156 136	369 289
			-	-	-	3 392 673	374 493

Share appreciation rights ("SARs") On June 27, 2019, the shareholders of Company at the Annual General Meeting ("AGM") approved a SAR plan for such Employees and Executive Directors of the Group as the Board (on the recommendation of the Human Resources and Governance Committee) shall determine from time to time. The plan has an operative period of 10 years and an initial 32 432 917 SARs were granted on inception

The exercise of the Company's SAR entitles a participant to receive the gain for each share granted, where, "Gain" means an amount equal to the excess of the market value on the exercise date over the exercise price. As at the grant date, the share price amounted to 21 cents. A participant to whom SARs have been granted shall only be entitled to exercise the Rights in part as follows: i) On the first anniversary of the date of grant, the participant shall be entitled to exercise up to one third (1/3) of the Rights granted on that particular occasion; ii) On second anniversary of the date of grant, the participant shall be entitled to exercise an additional one third (1/3) of the Rights; and iii) On the third anniversary of the date of grant, the Participant shall be entitled to exercise an additional one third (1/3) of the Rights awarded to the Participant under that grant. The fair value of the SARs was determined using the Black-Scholes model as at 31 December 2021 with the following inputs.

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2021

24 INSURANCE AND INVESTMENTS CONTRACT LIABILITY

24.3 Share based payments (cont.)

The fair value of the SARs was determined using the Black-Scholes model as at December 31, 2021 with the following inputs

	Inflation adjusted		Historical cost	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Share price at measurement date (cents)	200	800	200	800
Exercise price (cents)	280.79	370	280.79	370
Risk free interest rate	21.00%	19.14%	21.00%	19.14%
Expected volatility	95.00%	98.00%	95.00%	98.00%
Dividend yield	0.60%	4.70%	0.60%	4.70%
Carrying amount of liability included under share based payment liability	**266 719 835**	**146 448 075**	**266 719 835**	**90 961 537**

In the current year, SARs amounting to ZWL$124 452 059 vested and they were fully exercised. 1/3 of these shares arose from those granted in 2019, the other 1/3 from those granted in 2020. In July 2021, new SARs amounting to ZWL$ 368 676 403 were also granted that will fully vest in 2024.

	Inflation adjusted		Historical cost	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Expenses arising from shared based transactions				
Expenses for the year recognised during the vesting period	-	447 171	-	135 508
Share appreciation rights	311 982 338	136 418 709	311 982 338	100 574 466
	311 982 338	**136 865 879**	**311 982 338**	**100 709 974**

24.4 Members assistance fund

As at January	14 531 830	-	9 040 581	-
Arising during the year	-	22 906 705	-	8 322 777
Transfer from saving pot	-	5 176 003	-	717 804
Monetary loss adjustment	(5 491 249)	(13 550 879)	-	-
As at 31 December	**9 040 581**	**14 531 830**	**9 040 581**	**9 040 581**

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2021

25 TAXATION

	Inflation adjusted		Historical cost	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
25.1 Taxation charge				
GROUP				
Current income tax charge	121 181 759	135 771 267	148 950 280	84 312 252
Intermediary money transfer tax	61 588 974	-	34 459 559	-
Deferred taxation	1 423 351 016	(481 911 611)	2 085 448 087	685 646 880
Tax charge for the year	**1 606 121 749**	**(346 140 343)**	**2 268 857 926**	**769 959 132**
Reconciliation of Income tax expense				
Accounting profit	5 126 632 541	3 986 277 216	9 932 746 445	6 209 149 044
Tax at standard rate 24.72% (24.72%: 2020)	1 267 303 564	718 634 757	2 455 374 921	1 534 901 644
Fair value through profit and loss	(665 936 375)	(263 167 913)	(758 476 471)	(252 058 392)
Investment Property taxed at a different rates	(1 758 083 421)	(1 294 760 726)	(3 199 295 708)	(951 523 865)
Non taxable income	(6 280 975 794)	(1 208 257 341)	(5 415 262 304)	(352 390 430)
Non deductible differences	(23 606 701)	(150 968 513)	9 186 517 488	(50 214 394)
Effect of expenses not deductible for tax purposes	9 067 420 476	3 135 065 089	-	1 639 232 436
Effects of changes on tax rates 24.72% (24.72% 2020)	-	(81 803 737)	-	(50 891 960)
Effects of rebasingt tax bases	-	(1 200 881 961)	-	(747 095 907)
Tax charge for the year	**1 606 121 749**	**(346 140 343)**	**2 268 857 926**	**769 959 132**
25.2 Deferred tax liability				
Opening balance as at January 1, 2020	**2 367 083 193**	**2 902 497 185**	**1 419 913 421**	**393 222 723**
Recognised through profit or loss	(89 734 838)	(29 986 582)	(90 414 640)	685 646 880
Recognised through other comprehensive income	1 513 085 854	(523 304 780)	2 175 862 730	344 057 513
Acquisition of subsidiary	-	(4 852 051)	-	(3 013 695)
Prior year adjustment	-	22 729 421	-	-
Foreign exchange effects	5 648 234	-	5 648 234	-
Closing balance as at December 31, 2021	**3 796 082 443**	**2 367 083 193**	**3 511 009 745**	**1 419 913 421**
25.3 Net current tax asset				
Net current tax asset as at January 1, 2020	**111 201 612**	**33 284 096**	**69 181 045**	**4 617 669**
Tax asset	(513 238)	(843 097)	(319 297)	(116 967)
Tax liability	111 714 850	34 127 192	69 500 342	4 734 636
Charge for the year	153 146 548	135 771 267	182 189 889	84 312 252
Reclassification	-	-	-	-
Paid during the year	(89 337 968)	(64 982 594)	(68 839 336)	(19 748 876)
Monetary gain adjustment	7 521 406	7 128 843	-	-
Closing balance as at December 31, 2021	**182 531 598**	**111 201 612**	**182 531 598**	**69 181 045**
25.4 Disclosed as: Income tax asset	-	**(513 238)**	-	**(319 297)**
Income tax liability	182 531 598	111 714 850	182 531 598	69 500 342

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

26 DEPOSITS FROM CUSTOMERS

	Inflation adjusted		Historical cost	
GROUP	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Transactional and savings deposits	2 855 755 903	844 350 477	2 855 755 903	525 289 584
Term deposits	1 066 147 311	270 118 926	1 066 147 311	168 047 111
Money market deposits	169 000 000	9 644 400	169 000 000	6 000 000
	4 090 903 214	**1 124 113 804**	**4 090 903 214**	**699 336 695**
26.1 Deposits by source				
Banks	169 000 000	9 644 400	169 000 000	6 000 000
Corporates	1 318 335 927	637 959 406	1 318 335 927	396 889 017
Individuals	2 603 567 287	476 509 998	2 603 567 287	296 447 678
	4 090 903 214	**1 124 113 804**	**4 090 903 214**	**699 336 695**
26.2 Maturity analysis				
Less than 1 month	2 995 110 393	852 726 647	2 995 110 393	530 500 589
1 month to 3 months	14 772 493	9 977 124	14 772 493	6 206 995
3 months to 6 months	20 891 268	3 804 316	20 891 268	2 366 751
6 months to 1 year	26 416 037	5 552 119	26 416 037	3 454 099
1 year to 5 years	521 666 304	133 988 376	521 666 304	83 357 208
More than 5 years	512 046 719	118 065 223	512 046 719	73 451 053
	4 090 903 214	**1 124 113 804**	**4 090 903 214**	**699 336 695**

Maturity analysis is based on the remaining period from December 31 to contractual maturity.

27 TRADE AND OTHER PAYABLES

	Inflation adjusted		Historical cost	
GROUP	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
27.1 Trade payables				
Claims payables	1 273 153 625	262 934 430	1 273 153 625	163 577 473
Contribution payables	44 002 372	28 135 798	44 002 372	17 503 918
Insurance payables	2 574 662 360	2 482 996 115	2 574 662 360	1 544 728 204
Hotel services payables	563 381 661	388 203 335	563 381 661	241 510 100
	4 455 200 018	**3 162 269 678**	**4 455 200 018**	**1 967 319 695**
27.2 Other payables				
Provision for leave pay	301 195 289	337 969 685	301 195 289	210 258 607
Staff costs accrual	3 255 433 135	131 435 352	3 255 433 135	81 768 914
Accrued income	35 480 378	-	35 480 378	-
Sundry payables	2 444 969 291	882 068 223	2 444 969 291	548 754 649
Deferred income	29 727 972	6 835 378	29 727 972	4 252 444
	6 066 806 065	**1 358 308 639**	**6 066 806 065**	**845 034 614**
Total trade and other payables	**10 522 006 083**	**4 520 578 316**	**10 522 006 083**	**2 812 354 309**
AUTHORITY				
27.1 Trade payables				
Claims payables	1 273 153 625	28 135 798	1 273 153 625	17 503 918
Contribution payables	44 002 372	262 934 428	44 002 372	163 577 472
	1 317 155 998	**291 070 226**	**1 317 155 998**	**181 081 390**
27.2 Other payables				
Provision for leave pay	125 153 430	187 683 824	125 153 430	116 762 364
Staff costs accrual	3 113 066 690	-	3 113 066 690	-
Sundry payables	1 801 623 379	114 497 968	1 801 623 379	71 231 783
	5 039 843 499	**302 181 792**	**5 039 843 499**	**187 994 147**
Total trade and other payables	**6 356 999 497**	**593 252 018**	**6 356 999 497**	**369 075 537**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

28 UNEARNED PREMIUM RESERVE

	Inflation adjusted		Historical cost	
GROUP	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
As at January	1 336 459 701	861 684 275	261 869 108	51 176 173
Movement	276 014 471	372 595 852	379 226 383	27 471 259
Effects of exchange rates on FMRE Botswana	239 891 901	27 797 753	141 274 409	137 021 787
Acquisition of subsidiary	-	74 381 821	-	46 199 889
As at 31 December	**1 852 366 073**	**1 336 459 701**	**782 369 900**	**261 869 108**

29 REVENUE

GROUP				
Rooms revenue	1 256 650 174	861 181 466	966 653 980	358 364 232
Food, beverages and conferencing	1 318 035 764	893 823 145	1 221 280 675	371 947 444
Other operating activities	265 816 164	23 350 555	204 473 972	9 716 888
	2 840 502 102	**1 778 355 167**	**2 392 408 627**	**740 028 564**

Revenue represents amounts invoiced for sales, less value added tax as appropriate.

29.1 Cost of sales

Opening stock	44 557 608	90 933 026	27 720 785	12 611 083
Purchases	859 027 445	552 408 978	771 817 381	231 293 472
Less Closing stock.	(114 530 646)	(91 110 877)	(88 755 319)	(27 720 785)
	789 054 407	**552 231 127**	**710 782 847**	**216 183 770**

30 INVESTMENTS INCOME

GROUP				
Interest income	224 223 594	104 472 723	186 086 545	36 701 698
Dividend received	1 800 739 697	852 230 386	1 427 594 473	452 128 311
Rental income	980 674 284	839 104 936	783 668 873	341 440 018
Bad debts recovered	5 481 101	11 564 250	5 481 101	7 194 382
Sundry investment income	22 319 769	-	18 768 360	-
	3 033 438 445	**1 807 372 296**	**2 421 599 352**	**837 464 409**
AUTHORITY				
Interest income	129 267 472	96 234 298	106 699 125	29 891 224
Dividend received	1 550 227 321	799 271 977	1 233 398 833	413 012 166
Rental income	375 076 668	240 559 198	298 943 874	110 458 910
Bad debts recovered	26 044 465	11 564 250	18 181 101	7 194 382
Sundry investment income	22 179 149	-	18 768 360	-
	2 102 795 075	**1 147 629 723**	**1 675 991 293**	**560 556 682**

31 NET WRITTEN PREMIUM

GROUP				
Pension and savings business	1 480 873 056	551 021 394	1 180 795 291	198 697 891
Life assurance	347 157 090	283 971 863	287 275 741	114 642 206
Health insurance	5 449 987 528	3 212 182 843	4 350 062 360	1 425 527 630
Property and casualty	7 073 044 851	5 506 671 987	5 588 901 391	2 388 362 789
Gross premium written	**14 351 062 525**	**9 553 848 087**	**11 407 034 783**	**4 127 230 516**
Less: reinsurance	(3 124 675 706)	(2 472 201 215)	(2 489 180 551)	(1 183 180 521)
	11 226 386 819	**7 081 646 872**	**8 917 854 232**	**2 944 049 995**
Less unearned premium reserve	(276 014 471)	(372 595 852)	(379 226 383)	(27 471 257)
Net premium earned	**10 950 372 348**	**6 709 051 020**	**8 538 627 849**	**2 916 578 738**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

32 FEE INCOME

	Inflation adjusted		Historical cost	
GROUP	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
GROUP				
Insurance contracts	450 769 250	317 806 014	324 141 994	123 685 090
Investment contracts	**13 420 831**	**2 696 970**	**10 968 085**	**601 540**
Investment contracts with DPF	11 310 777	2 589 409	9 243 657	(8 924 956)
Investment contracts without DPF	2 110 054	107 561	1 724 428	9 526 496
	464 190 081	**320 502 984**	**335 110 079**	**124 286 630**

Fee income is in respect of investment contracts insurance contracts. The fees include management charges, policy fees and capital guarantee charges.

33 BANKING INTEREST, SIMILAR INCOME AND INTEREST EXPENSE

	Inflation adjusted		Historical cost	
GROUP	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
33.1 Interest income				
Loans and advances	432 157 407	116 081 863	359 998 051	51 589 465
Money market placements	27 602 552	26 375 650	25 286 618	6 985 723
	459 759 959	**142 457 513**	**385 284 669**	**58 575 188**
33.2 Interest expense				
Money market deposits	99 673 749	14 064 705	89 720 734	5 079 184
Borrowings	1 719 850	8 118 487	1 215 035	2 476 478
Savings deposit	413 497	46 390	713 672	14 695
	101 807 096	**22 229 582**	**91 649 441**	**7 570 357**
	357 952 863	**120 227 931**	**293 635 228**	**51 004 831**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

34 OPERATING EXPENSES

	Inflation adjusted		Historical cost	
GROUP	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Actuarial valuation fees	38 608 197	23 697 058	30 219 391	11 401 995
Advertising and publicity	653 562 344	331 451 340	556 179 424	266 414 326
Impairment allowances (note 17.5)	847 842 424	579 649 619	847 842 424	360 613 176
Amortisation and impairment of software	38 785 729	18 097 392	1 785 181	2 592 119
Audit fees	87 535 471	82 851 525	68 974 307	33 793 071
Bad debts	29 011 729	6 728 785	22 802 920	4 186 130
Bank charges	263 541 164	143 141 878	300 199 770	72 571 699
Cleaning and sundries	410 621 927	642 439 562	291 794 123	328 548 154
Clothing and uniforms	10 837 946	11 982 162	8 571 505	4 166 765
Commission	13 871 299	7 420 896	11 017 191	2 823 556
Computer charges	506 106 131	254 261 970	381 482 372	123 369 961
Conferences and functions	41 043 522	2 139 644	32 282 889	1 273 141
Consultancy	43 912 855	13 493 821	33 136 695	6 415 936
Data clean up costs	173 861	477 150	137 162	296 846
Depreciation property plant and equipment (note 5)	575 401 626	622 734 451	406 116 737	110 847 724
Depreciation rights of use asset (note 6)	59 694 554	186 232 943	61 343 571	17 325 160
Electricity and water	123 567 138	80 867 883	78 442 254	34 422 155
Entertainment and Promotion	22 357 849	28 281 946	17 676 301	11 834 596
Fees	894 652	54 638 431	32 567 085	25 816 354
Insurance	78 031 914	55 478 810	61 883 789	23 678 778
Interest expense	-	41 747 467	-	12 442 115
Investment expenses	575 661 394	-	446 249 143	-
Legal fees	48 274 749	36 159 315	38 275 175	15 266 211
Licence fees	74 165 802	84 094 926	25 887 282	35 060 461
Mailing expenses	29 351 814	5 250 993	5 804 827	2 178 068
Motor vehicle expenses	152 177 633	137 659 872	118 783 079	62 607 618
Penalties and interest	36 810	87 046	28 710	35 595
Printing and stationery	43 571 288	34 702 376	54 832 796	12 986 031
Professional fees	43 617 726	14 371 395	33 644 033	6 189 643
Project costs	64 148 425	26 010 350	54 317 011	12 289 745
Reinsurance	2 633 400	1 841 883	2 144 974	726 500
Rent and rates	187 148 338	100 075 745	151 560 013	47 520 991
Repairs and maintenance- buildings	295 992 669	80 153 953	197 363 101	36 839 854
Repairs and maintenance- computers	82 727 633	4 080 202	67 101 795	33 762 197
Repairs and maintenance-furniture and equipment	16 349 419	4 674 880	2 690 086	1 893 036
Security charges	149 073 068	89 432 912	116 755 326	40 363 308
Shows and exhibitions	12 660 984	3 145 184	11 337 674	1 376 129
Social responsibility	39 069 393	8 904 821	32 888 349	4 782 994
Staff social activities	28 719 175	13 470 026	23 273 134	5 394 141
Subscriptions	63 292 802	71 182 333	50 418 950	26 081 768
Telephone expenses	100 350 606	58 688 538	79 714 461	27 238 501
Training, education and seminars	16 604 847	7 799 264	14 432 488	2 929 000
Travelling expenses	152 936 431	99 735 925	123 701 333	45 901 380
Property valuation fees	10 892 369	8 857 251	7 415 835	3 783 946
Value added tax	165 917 802	38 162 216	43 236 588	18 031 435
Works Council expenses	2 142 883	4 581 141	1 863 670	1 810 218
	6 202 919 793	**4 120 937 279**	**4 948 174 922**	**1 899 882 527**

34.1 Loss on disposal of investments

Loss on disposal of other equity instruments	-	223 090 544	-	193 600 610
Loss on disposal of associates	-	2 486 779 358	-	1 116 150 497
Loss on other investments	-	13 327 834	-	4 535 209
	-	**2 723 197 736**	**-**	**1 314 286 316**

35 STAFF COSTS

Basic salary	2 482 353 552	718 901 071	1 941 405 626	480 636 982
Staff pension	4 503 766 566	27 851 680	4 313 167 948	35 883 823
Other staff expenses	3 152 449 568	1 554 490 267	2 745 751 167	986 103 881
	10 138 569 685	**2 301 243 019**	**9 000 324 741**	**1 502 624 686**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

34 OPERATING EXPENSES

	Inflation adjusted		Historical cost	
AUTHORITY	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Actuarial valuation fees	14 546 488	3 533 300	11 213 286	1 874 731
Advertising and publicity	156 781 614	46 847 917	124 380 023	24 206 142
Impairment allowances (note 17.5)	516 901 315	226 108 771	516 901 315	140 667 395
Audit fees	7 496 377	1 749 644	5 740 496	696 151
Bank charges	142 841 491	49 094 738	112 218 939	21 722 430
Cleaning and sundries	75 943 933	55 025 857	64 878 181	21 401 167
Clothing and uniforms	4 972 908	7 734 339	3 973 702	2 430 673
Commission	13 152 198	7 024 193	10 451 985	2 658 142
Computer charges	74 882 054	37 160 463	61 042 493	18 389 540
Conferences and functions	2 921 162	278 644	2 337 604	162 276
Consultancy	26 393 039	1 077 085	19 421 084	424 809
Data clean up costs	173 861	477 150	137 162	296 846
Depreciation	228 510 984	355 003 412	192 400 650	58 962 552
Electricity and water	32 407 490	23 626 878	30 721 488	10 330 051
Entertainment and promotion	608 233	744 371	497 675	352 190
Insurance	36 511 482	33 193 951	29 308 484	14 499 335
Legal fees	22 625 918	17 432 239	18 270 893	7 222 133
Mailing expenses	5 321 518	3 496 707	4 225 533	1 446 579
Motor vehicle expenses	122 476 633	126 984 618	95 478 033	60 282 048
Printing and stationery	29 288 189	26 631 760	22 238 077	9 523 072
Professional fees	26 683 330	6 745 821	26 683 330	2 829 782
Reinsurance	2 633 400	1 841 883	2 144 974	726 500
Rent and rates	58 523 661	20 416 195	49 674 443	10 132 850
Repairs and maintenance- buildings	79 960 004	23 265 869	66 808 891	10 109 623
Repairs and maintenance- computers	82 727 633	76 045 449	67 101 795	31 730 650
Repairs and maintenance-furniture and equipment	3 291 141	2 700 172	2 690 069	1 069 620
Security charges	79 789 765	32 546 000	66 863 364	14 416 149
Shows and exhibitions	12 660 984	1 074 671	11 337 674	512 782
Social responsibility	38 977 195	8 434 182	32 815 882	4 586 751
Staff social activities	4 329 199	4 269 214	4 007 735	1 046 809
Subscriptions	26 826 561	16 730 850	21 637 021	6 590 792
Telephone expenses	46 858 507	29 842 940	37 907 798	14 070 424
Training, education and seminars	14 286 517	7 462 512	12 624 319	2 904 312
Travelling expenses	92 508 705	63 341 892	76 086 743	27 044 459
Valuation fees	8 130 000	8 147 295	7 415 835	3 432 682
Works Council expenses	2 142 883	464 383	1 863 670	93 643
	2 095 086 369	1 326 555 366	1 813 500 644	528 846 090
34.1 Loss on disposal of investments				
Loss on disposal of associates	-	2 486 779 358	-	1 116 150 497
Loss on other investments	-	13 327 834	-	4 535 209
	-	2 500 107 192	-	1 120 685 706

35 STAFF COSTS

Basic salary	1 014 251 476	549 415 251	829 466 025	261 801 304
Staff pension	4 379 258 449	20 477 852	4 219 598 951	9 728 583
Other staff expenses	1 135 788 450	1 187 801 986	1 039 642 387	391 202 720
	6 529 298 375	1 757 695 089	6 088 707 363	662 732 607

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2021

36 ACTUARIAL OBLIGATIONS IN RESPECT OF BENEFITS FOR THE PENSION AND OTHER BENEFITS SCHEME

Social Security Pension Schemes insure a defined group of persons on an obligatory basis and provide benefits according to established laws and regulations of the country. Most of the Social Security Schemes like the POBS are financed on a partial funding basis. The exact funding level of a social security pension scheme varies depending on:

- The need to promote the stability of the contribution rate,
- The necessity to adapt the funding level of the scheme to the present economic situation and expected future developments to make the most effective use of the resources.

Structure of the insured persons of the POBS as at December 31, 2021
Out of the 3.209 million registered insured persons to the POBS, 1.204 million were active and 1.995 million were inactive contributors as at 31 December 2021.

A triennial actuarial valuation was done as at December 31, 2019

The following are the results of the actuarial valuation:

- The number of total pensions in payment at the end of the projection period will be about 24 times than that at the beginning, whereas the number of contributors will be 3.58 times than that at the beginning of the projection period.
- The replacement ratios of the benefits will increase from 6.3% to 35.4%. The replacement ratio each year represents the ratio of average pension to average monthly insurable earnings.
- The pay-as-you-go rates will increase from 6.2% to 28.7%. The Pay-as-you-go (PAYG) rates indicate, which contribution rate would be necessary if the contribution income of a particular year was to meet the expenditure of the same year.
- From the projected Revenue Account of the POBS:
- The Year of Deficit is 2030. This is when the contributions plus investment income is less than the outflow, benefit payment plus expenses.
- The Year of review of the contribution rate is 2028. This is the year when Pay-as-go rate is higher than the contribution rate.
- Year of Depletion of reserves is 2034, this is the year when all the assets have been exhausted and the scheme is on a pay-as-you-go funding basis.

NB the indicators above highlight when necessary reforms will need to be implemented, for example, review contribution rate, in order to maintain scheme sustainability.

Funding Mechanism
In addition, to regular increase in the contribution rate, management has applied to the Authorities for the maximum insurable earnings to increase in line with the poverty datum line. The following is applied to ensure long term sustainability of the scheme:

- Benefit and expense payment should not exceed contributions at any given point in time in the financial developments of the scheme.
- Maximising investment returns subject to acceptable risk.
- Monitoring compliance to maximise contributions.

The scheme is subject to an actuarial valuation every three years to check whether the funding objectives are still on course. When there is volatility in the market, more actuarial valuations are requested in between statutory actuarial valuations, to ensure the financing system is on course.

37 RELATED PARTIES

The Group/Authority has related party relationships with organisations in which it owns, directly or indirectly, by holding 10% or more of its share capital or those shareholders who control in any manner, the election of the majority of the Directors of the investee companies or have the power to exercise controlling influence over the management or financial and operating policies of the investee companies. The Group/Authority carried out investments related transactions with various companies related to it, all of which were undertaken at arm's length terms.

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2021

37 RELATED PARTIES (CONT.)

The Group has related party relationships with organisations in which it owns, directly or indirectly, 10% or more of its share capital or those shareholders who control in any manner, the election of the majority of the Directors of the Investee Companies or have the power to exercise controlling influence over the management or financial and operating policies of the Investee Companies. The Group carried out investments related transactions with various companies related to it, all of which were undertaken at arm's length terms.

The following is a list of related parties to the Group that it had transactions with:

Group entities	Nature of relationship
Africom Continental (Private) Limited	Investee company
CBZ Holdings Limited	Investee company
CFI Holdings Limited	Investee company
Centragrid (Private) Limited	Investee company
Dubury Investments (Private) Limited	Investee company
FBC Holdings Limited	Investee company
First Mutual Holdings Limited	Investee company
Stalap (Private) Limited	Investee company
National Building Society	Investee company
OK Zimbabwe Limited	Investee company
Rainbow Tourism Group	Investee company
Star Africa Corporation	Investee company
Turnall Holdings Limited	Investee company

Key Management Personnel

Board Members (up to May 23, 2021)	
Mr Clifford Matorera	Chairman
Mr Andrew Bvumbe	Member
Mr Authur Manase	Ex-officio

Board Members (appointed May 24, 2021)	
Dr Percy Toriro	Chairman
Mrs Merjury Chinyemba (appointed November 9, 2021)	Vice Chairperson
Mrs Beatrice Ncube	Member
Commissioner George Antony Chigora	Member
Mr Timothy Nherudzo	Member
Dr Chipo Ndudzo (appointed November 9, 2021)	Member
Ms Grace Mathe	Member
Mr Shepherd Mundondo	Member
Mr Tarusenga Chitemere	Member
Mr Clifford Matorera	Member
Mr Authur Manase	Ex-officio

Executive Directors 2021	
Authur Manase	General Manager
Dr Charles Shava	Director Occupational Healthy and Safety
Ms Hope T Mulilo (appointed June 01, 2021)	Acting Director Finance
Mrs Agnes Masiiwa	Director Contributions and Compliance
Mr Shepherd Muperi	Director Social Security
Mrs Prudence Mutsvanga	Director Legal Affairs and Corporate Secretarial Services
Mr Brian Murewa	Director Investments
Mr David Makwara	Director Corporate Affairs

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Authority directly or indirectly.

Declaration of related party interest

The non executive directors confirmed by way of signed affidavits that neither they nor any of their connected persons or related companies transacted with Group during the year.

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2021

37 RELATED PARTIES (CONT.)

37.1 Compensation to key management personnel to NSSA

	Inflation adjusted		Historical cost	
Non Executive Directors' fees	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Chairman	144 705	680 721	112 140	326 400
Deputy Chairman	634 851	572 419	491 980	274 470
Other	1 688 042	2 545 717	1 308 560	1 220 650
	2 467 599	**3 798 857**	**1 912 680**	**1 821 520**
37.2 Executive short term benefits				
General Manager	35 334 783	24 998 384	17 280 713	6 426 472
Acting Director Finance	23 161 717	16 620 876	11 327 393	4 272 820
Other Directors	261 848 194	90 439 506	128 058 619	23 249 780
	320 344 694	**132 058 766**	**156 666 725**	**33 949 072**
37.3 The Group has advanced loans to related parties as follows :				
Loans and advances				
National Building Society	153 615 681	63 291 420	153 615 681	39 375 028
Dubury Investments (Private) Limited	5 977 120	9 607 623	5 977 120	5 977 120
Centragrid (Private) Limited	264 197 685	-	264 197 685	-
	423 790 486	**72 899 043**	**423 790 486**	**45 352 148**
Other receivables				
National Building Society (staff loans)	**410 308 236**	**40 257 184**	**410 308 236**	**25 044 907**

Middle White Pride (Pvt) Ltd

The Authority entered into a loan agreement with Middle White Pride of USD$2 852 135. The loan will be disbursed in phases starting in 2022.

Introducing the NSSA SELF SERVICE Portal

For your added convenience you can now access information through the NSSA Self Service Portal by typing the portal URL https://selfservice.nssa.org.zw onto your browser address bar.

Through a simple process on the Self Service Portal you can now do the following:

- Initiate Employer Registration
- Access the Privacy document
- Create an account on the Member Self-Service Portal.
- Create an account on the Employer Self-Service Portal.

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Pension and Other BENEFITS SCHEME

Cushioning members and their dependants in the event of the former's retirement,invalidity or death.

- Retirement Benefit (Pension or Grant)
- Invalidity Benefit (Pension or Grant)
- Survivors' Benefit (Pension or Grant)
- Funeral Grant

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All communication should be addressed to
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Telegrams: AUDITOR
E-mail: oagzimbabwe263@gmail.com
Website: www.auditorgeneral.gov.zw

OFFICE OF THE AUDITOR - GENERAL
5th Floor, Burroughs House
48 George Silundika Avenue
Harare

Ref: **SB18**

REPORT OF THE AUDITOR-GENERAL

TO

THE MINISTER OF PUBLIC SERVICE, LABOUR AND SOCIAL WELFARE

AND

THE BOARD OF DIRECTORS
IN RESPECT OF THE FINANCIAL STATEMENTS OF
NATIONAL SOCIAL SECURITY AUTHORITY'S

PENSIONS AND OTHER BENEFITS SCHEME

FOR THE YEAR ENDED DECEMBER 31, 2021

Report on the Audit of the Financial Statements

Qualified Opinion

I have audited the accompanying financial statements of the National Social Security Authority' Pensions and Other Benefits Scheme (the Scheme), as set out on pages 116 to 145 which comprise the statement of financial position as at December 31, 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

In my opinion, except for the effects of the matter described in the Basis for qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Social Security Authority' Pensions and Other Benefits Scheme as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

i. **Non-compliance with International Financial Reporting Standard (IFRS) 13 -"Fair value measurement"**
The Scheme determined the value of its investment property and property, plant and equipment through a revaluation exercise. The revaluations were performed in USD and then translated to ZWL$ using the auction rate as at December 31, 2021. The translated ZWL$ values for the investment property and property, plant and equipment did not meet the requirements of International Financial Reporting Standard IFRS 13 -"Fair value measurement" as they did not reflect the assumptions that market participants would apply in valuing similar items in ZWL$. I could not determine the extent of the adjustment necessary.

ii. **Non-compliance with International Accounting Standard (IAS) 21 -"The Effects of Changes in Foreign Exchange Rates"**
In the prior financial year, the Scheme, had foreign currency denominated transactions and balances that were translated into ZWL$ using the interbank exchange rates / foreign currency auction rates which were not considered appropriate spot rates for translations as required by International Accounting Standard (IAS) 21 -"The Effects of Changes in Foreign Exchange Rates". The opinion on the prior year of the Scheme's financial statements was modified in respect of this matter and the misstatements have not been corrected in the financial statements for the year ended December 31, 2021. Had the financial statements been prepared in accordance with the requirements of International Accounting Standard (IAS) 21 -"The Effects of Changes in Foreign Exchange Rates", many elements would have been materially different. The effects of the non-compliance with the requirements of International Accounting Standard (IAS) 21 -"The Effects of Changes in Foreign Exchange Rates" have been considered to be material but not pervasive to the financial statements as a whole.

iii. Non-compliance with International Accounting Standard (IAS) 36, "Impairment of Assets" and International Accounting Standard (IAS) 16 -"Property, plant and equipment"

The Scheme did not review the useful lives of its assets as required by IAS 16, "Property, plant and equipment" paragraph 51, which requires that residual value and the useful life of an asset must be reviewed at least at each financial year-end. In addition, the Scheme did not provide evidence of impairment assessment on its assets as required by IAS 36, "Impairment of Assets" paragraph 9, which requires that an entity should assess at each reporting period, whether there are indicators of impairment regardless of indicators of impairment noted on some of the assets. Had the Scheme reviewed the useful life of its items of property, plant and equipment and carried out an assessment of impairment, the carrying amount of property, plant and equipment would have been materially different. As a result, I could not satisfy myself on the valuation of property, plant and equipment amounting to ZWL$1,2 billion as disclosed in the statement of financial position as at December 31, 2021.

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

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

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the Scheme's financial statements of National Social Security Authority's Pensions and Other Benefits for the year ended December 31, 2021. These matters were addressed in the context of my audit of National Social Security Authority's Pensions and Other Benefits Scheme's financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, I have determined the matters described below to be the key audit matters to be communicated in my report.

Key Audit Matter	How my audit addressed the Key Audit Matter
Revenue recognition. Refer to note 3.1 and 16 to the financial statements. The Pensions and Other Benefits Scheme recognized revenue amounting to ZWL$15.96 billion inflation adjusted for the year ended December 31, 2021 . There is a presumed risk of fraud with regard to revenue recognition as guided by International Standard on Auditing (ISA) 240 revised. This is a significant risk and accordingly revenue recognition has been considered key audit matter.	**My procedures to address the· risk of material misstatement relating to revenue recognition were as follows;** • Reviewed the appropriateness of revenue recognition criteria applied in line with the requirements of IFRS 15. • Performed reasonability tests of budgets and evaluate assumptions and projections made by management. • Tested the design, existence and operating effectiveness of internal controls implemented as well as test of details to ensure that accurate processing of revenue transactions. • Performed substantive analytical procedures on revenue and scrutinising manual journals related to revenue to assess the timing and fair values of revenue recorded. • Recomputed the inflation adjusted figures from the historical cost figures to confirm if they were adjusted in line with requirements of IAS 29. I found management's revenue recognition criteria appropriate.
Valuation of trade receivables. Refer to note 12 of the financial statements. The Pensions and Other Benefits Scheme estimated the recoverable amount of trade receivables to be ZWL$2. 73 billion inflation adjusted as at December 31, 2021 after adjusting allowance for credit loss of ZWL$436.6 million inflation adjusted as at December 31, 2021. In determining expected credit loss allowance, management applied significant judgement in coming up with forward looking information and default rates. IFRS 9 is a complex standard which management had adopted in 2018 and this standard was revised in 2019 to cover the calculation of the expected credit loss and applied the simplified model when they estimated allowance for credit loss. As a result, the valuation of trade receivables was considered to be a key audit matter.	**The audit procedures performed to address the risk of material misstatement relating to valuation of trade receivables included:** • Obtained understanding of the Scheme's key debt management processes and tested the operating effectiveness of key controls over these processes. • Assessment of the recoverability of material long outstanding receivables by assessing the subsequent payment behaviour of the debtor. • Evaluated the strategies implemented by the Authority to recover the debts and how the debtors responded to the strategies implemented. • Evaluated the reasonability of management judgements and assumptions made in estimating the expected credit loss allowance considering the nature, suitability of any historic data and forward-looking information used to support these assumptions. • Recomputed the inflation adjusted figures from the historical cost figures to confirm if they were adjusted in line with requirements of IAS 29. Based on the outcome of the procedures performed, I found the valuation and disclosure of trade receivables to be reasonable.

Report of the independent auditor (cont.)
to the members of NSSA

Other Information
The directors are responsible for the other Information. The other Information comprises all the information in the National Social Security Authority's Pensions and Other Benefits Scheme's 2021 annual report other than the Authority financial statements and my auditor's report thereon ("the other Information").

My opinion on the financial statements does not cover the other Information and I do not express any form of assurance conclusion thereon.
In connection with my audit of the Scheme's financial statements, my responsibility is to read the other Information and, in doing so consider whether the other Information is materially inconsistent with the Scheme's financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of the other Information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
The Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the National Social Security Authority Act [Chapter 17:04] and for such internal controls as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements
The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but it's not a guarantee that an audit conducted in accordance with ISAs 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, I exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

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

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

From the matters communicated with management and Those Charged with Governance, determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report of the independent auditor (cont.)
to the members of NSSA

Report on Other Legal and Regulatory Requirements

In my opinion, the financial statements of National Social Security Authority's Pensions and Other Benefits Scheme have, in all material respect, been prepared in compliance with the disclosure requirements of the National Social Security Authority Act *[Chapter 17:04]*, Public Finance Management Act *[Chapter 22:19]* and other relevant Statutory Instruments except for non-compliance with the Public Procurement and Disposal of Public Assets Act *[Chapter 22:23]*. National Social Security Authority hired service providers without following tender procedures as per the Public Procurement and Disposal of Public Assets Act *[Chapter 22:23]*.

26 March, 2024.

R. KUJINGA,
ACTING AUDITOR-GENERAL

Pensions and Other Benefits Scheme
Statement Of Financial Position
as at December 31, 2021

	Note	Inflation adjusted 2021 ZWL$	Inflation adjusted 2020 ZWL$	Historical cost 2021 ZWL$	Historical cost 2020 ZWL$
Assets					
Non current assets		**66 749 381 286**	**55 628 661 400**	**63 862 548 368**	**31 615 880 568**
Property and equipment	4	1 293 249 416	1 748 769 732	1 293 249 416	997 457 762
Investment property	5	14 426 846 240	16 765 694 593	14 421 501 069	10 430 318 896
Financial assets at fair value through profit or loss	6.1	5 353 684 070	1 034 063 258	5 353 684 070	643 002 067
Financial assets at fair value through other comprehensive income	6.2	26 588 293 285	23 224 812 185	26 588 293 285	13 441 989 685
Investments in associates	7	18 541 825 508	12 482 253 437	15 675 911 025	5 875 324 484
Intangible assets	8	25 865 150	7 353 138	10 291 888	264 053
Financial assets measured at amortised cost	9	18 868 326	296 085 934	18 868 326	184 205 005
Loans and Advances	10	500 749 291	69 629 122	500 749 291	43 318 616
Current assets		**6 547 221 688**	**4 520 984 041**	**6 540 216 161**	**2 802 460 971**
Inventory	11	31 129 243	27 928 482	24 123 716	7 179 854
Trade and other receivables	12	2 733 051 644	1 642 402 249	2 733 051 644	1 021 793 941
Cash and cash equivalents	13	3 783 040 801	2 850 653 310	3 783 040 801	1 773 487 176
Total assets		**73 296 602 974**	**60 149 645 441**	**70 402 764 529**	**34 418 341 539**
Reserves and liabilities					
Equity		**68 061 196 331**	**59 639 279 977**	**65 167 357 886**	**34 100 826 025**
Non distributable reserve		6 480 678 501	6 370 360 512	157 622 512	142 317 546
Other components of reserves	14	20 235 504 999	17 437 890 044	29 884 375 481	15 901 747 620
Accumulated fund		41 345 012 831	35 831 029 421	35 125 359 893	18 056 760 859
Current liabilities		**5 235 406 643**	**510 365 464**	**5 235 406 643**	**317 515 514**
Trade and other payables	15	5 235 406 643	510 365 464	5 235 406 643	317 515 514
Total Reserves and liabilities		**73 296 602 974**	**60 149 645 441**	**70 402 764 529**	**34 418 341 539**

18 March, 2024.

D. Ngwira (RPAcc.03629),
(Director Finance and ICT)

18 March, 2024.

Dr.C. Shava,
(Acting General Manager)

18 March, 2024.

Dr. E. A. Fundira,
(Board Chairman)

Pensions and Other Benefits Scheme
Statement of Profit or Loss and Other Comprehensive Income
for the year ended December 31, 2021

	Note	Inflation adjusted		Historical cost	
		2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Income		**15 965 612 762**	**6 613 904 768**	**13 604 436 472**	**3 248 388 841**
Contributions	16.1	14 314 478 609	5 758 362 600	12 295 593 476	2 819 167 311
Investment income	16.2	1 600 472 808	844 011 029	1 262 214 239	422 975 806
Other income	16.4	50 661 346	11 531 138	46 628 757	6 245 724
Non operating income		**2 325 825 383**	**5 420 248 498**	**9 054 610 715**	**9 229 775 899**
Fair value gain/loss on remeasurement of investment property	5	(2 590 716 279)	5 573 423 440	3 775 966 100	8 897 582 958
Fair value gain on financial assets at fair value through profit and loss	6.1.2	4 336 544 198	262 382 700	4 698 686 088	587 983 559
Exchange rate gain	16.5	579 856 844	1 193 386 582	579 856 844	742 445 878
Profit/(Loss) on disposal of Investemnt	16.3	140 620	(1 608 944 224)	101 684	(998 236 496)
Total expenditure		**16 010 231 977**	**3 241 626 285**	**12 172 011 415**	**2 049 624 496**
Claims		**7 726 854 290**	**2 834 143 022**	**6 495 758 061**	**1 199 007 446**
Retirement grant		7 386 861	8 628 526	6 342 880	2 311 075
Retirement pension		4 771 010 528	1 216 456 679	3 955 289 607	482 855 781
Survivors' grant		2 109 598	2 546 329	1 751 838	712 779
Survivors' pension		2 289 112 806	583 684 701	1 900 304 394	231 341 220
Invalidity pension		82 788 311	17 072 724	65 249 968	6 767 804
Funeral grant		41 994 948	24 134 355	35 096 935	7 564 221
Funeral assurance		2 849 066	6 474 994	2 315 732	2 216 874
Refund contributions		415 080	1 561 071	299 069	251 755
Bonus pensions		528 806 099	973 218 462	528 806 099	464 596 013
Travel and subsistence patients		262 694	10 520	215 717	204 356
Medical services		118 300	354 660	85 822	185 568
Operating expenses		**8 283 377 687**	**407 483 264**	**5 676 253 354**	**850 617 050**
Administration costs	17	1 446 360 430	942 861 366	1 237 468 547	396 778 166
Staff costs	18	4 736 226 327	998 545 636	4 437 159 659	452 264 412
Directors' fees		1 859 844	3 299 531	1 625 148	1 574 472
Net monetary (gain)/loss		2 098 931 085	(1 537 223 269)	-	-
Profit before share of profit from associates		**2 281 206 169**	**8 792 526 980**	**10 487 035 772**	**10 428 540 244**
Share of profit from associates	7	2 677 511 779	4 202 850 161	6 026 297 799	4 452 139 638
Surplus/Deficit for the year after share of profit from associates		**4 958 717 947**	**12 995 377 141**	**16 513 333 571**	**14 880 679 882**
Other comprehensive income		**3 463 198 406**	**10 690 638 922**	**14 553 198 291**	**14 493 794 972**
Items that will not be reclassified to profit or loss		**(87 811 413)**	**(595 161 439)**	**1 233 818 327**	**3 156 492 290**
Revaluation surplus/deficit on property and equipment	4	(413 402 838)	353 068 360	340 920 772	735 232 344
Share of other comprehensive income gain/(loss) from associates	7	325 591 425	(948 229 799)	892 897 555	2 421 259 946
Items that may be reclassified subsequently to profit or loss		**3 551 009 819**	**11 285 800 361**	**13 319 379 964**	**11 337 302 681**
Net gain from financial assets at fair value through other comprehensive income	6.2.2	3 551 009 819	11 285 800 361	13 319 379 964	11 337 302 681
Total comprehensive income for the year		**8 421 916 354**	**23 686 016 064**	**31 066 531 862**	**29 374 474 854**

Pensions and Other Benefits Scheme
Statement Of Changes In Equity
for the year ended December 31, 2021

	Non distributable reserve	Accumulated fund	Other components of reserves: Mark-to-Market reserve	Other components of reserves: Functional currency translation reserve	Other components of reserves: Share of other comprehensive income from associates	Other components of reserves: Revaluation reserve	Dec 31 Total
Inflation adjusted							
Opening balance as at January 1, 2020	6 370 360 512	22 835 652 280	3 095 851 871	110 317 989	2 655 192 272	885 888 990	35 953 263 914
Total comprehensive income	-	12 995 377 141	11 285 800 361	-	(948 229 799)	353 068 360	23 686 016 063
Closing balance as at December 31,2020	6 370 360 512	35 831 029 421	14 381 652 232	110 317 989	1 706 962 473	1 238 957 350	59 639 279 977
Balance as at January 1, 2021	6 370 360 512	35 831 029 421	14 381 652 232	110 317 989	1 706 962 473	1 238 957 350	59 639 279 977
Fair value of disposed shares (note 6.2.2)	-	555 265 463	(555 265 463)	-	-	-	-
Total comprehensive income/(loss)	-	4 958 717 947	3 551 009 819	-	325 591 425	(413 402 838)	8 421 916 353
Transfer from functional translation reserve	110 317 989	-	-	(110 317 989)	-	-	
Closing balance as at December 31, 2021	6 480 678 501	41 345 012 831	17 377 396 588	-	2 032 553 898	825 554 512	68 061 196 331
Historical cost							
Opening balance as at January 1, 2020	142 317 546	3 176 080 977	429 503 005	15 304 966	777 218 635	185 926 043	4 726 351 172
Total comprehensive income	-	14 880 679 882	11 337 302 681	-	2 421 259 946	735 232 343	29 374 474 853
Closing balance as at December 31, 2020	142 317 546	18 056 760 859	11 766 805 686	15 304 966	3 198 478 581	921 158 386	34 100 826 025
Balance as at January 1, 2021	142 317 546	18 056 760 859	11 766 805 686	15 304 966	3 198 478 581	921 158 386	34 100 826 024
Fair value of disposed shares (note 6.2.2)	-	555 265 463	(555 265 463)	-	-	-	-
Transfer from functional translation reserve	15 304 966	-	-	(15 304 966)	-	-	-
Total comprehensive income	-	16 513 333 571	13 319 379 964	-	892 897 555	340 920 772	31 066 531 862
Closing balance as at December 31, 2021	157 622 512	35 125 359 893	24 530 920 188	-	4 091 376 136	1 262 079 158	65 167 357 886

Pensions and Other Benefits Scheme
Statement of Cash Flows
for the year ended December 31, 2021

	Note	Inflation adjusted 2021 ZWL$	Inflation adjusted 2020 ZWL$	Historical cost 2021 ZWL$	Historical cost 2020 ZWL$
Cash flows from operating activities					
Net cash generated from operating activities		**4 562 103 105**	**219 254 156**	**3 808 091 375**	**200 356 551**
Cash generated before working capital changes		**930 912 081**	**1 321 165 334**	**618 401 811**	**906 424 021**
Surplus for the year before share of profit from associates		2 281 206 169	8 792 526 980	10 487 035 772	10 428 540 244
Adjusted for non cash items:					
Depreciation expense	4	111 551 566	164 360 522	94 751 563	27 510 228
Impairment provision		371 124 722	165 877 356	358 424 722	103 197 875
Investment income	16.2	(1 600 472 808)	(844 011 029)	(1 262 214 239)	(422 975 806)
Profit on disposal of property plant and equipment		(5 603 270)	(116 729)	(4 985 292)	(72 621)
Fair value gain/loss on remeasurement of investment property	5	2 590 716 279	(5 573 423 440)	(3 775 966 100)	(8 897 582 958)
Fair value gain on financial assets at fair value through profit or loss	6.1.2	(4 336 544 198)	(262 382 700)	(4 698 686 088)	(587 983 559)
(Profit)/loss on disposal of Investments		(140 620)	1 608 944 224	(101 684)	998 236 496
Net monetary gain		2 098 931 085	(1 537 223 269)	-	-
Exchange rate gain	16.5	(579 856 844)	(1 193 386 582)	(579 856 844)	(742 445 878)
Working capital changes		**3 631 191 023**	**(1 101 911 177)**	**3 189 689 564**	**(706 067 470)**
(Increase)/ decrease in inventories		(3 200 761)	6 038 962	(16 943 862)	(5 130 829)
Increase in trade and other receivables		(1 090 649 395)	(1 048 164 775)	(1 711 257 703)	(939 350 885)
Increase)/ (decrease) in trade and other payables		4 725 041 179	(59 785 364)	4 917 891 129	238 414 244
Cash flow from investing activities					
Net cash inflows/ (outflows) from investing activities		**(2 651 572 291)**	**3 432 349 779**	**(2 512 912 365)**	**1 131 837 990**
Additions to property and equipment	4	(114 832 003)	(202 137 007)	(79 962 875)	(93 836 292)
Additions to investment property	5	(251 867 925)	(9 363 054)	(215 216 073)	(3 154 998)
Purchase of additional Associates	7	(3 054 726 229)	-	(2 874 937 021)	-
Additions to intangible assets	8	(4 466 089)	-	(9 332 099)	-
Receipts from financial assets measured at amortised cost		231 024 663	1 556 817 777	179 033 371	39 203 648
Proceeds from disposal of investment in associates		-	2 654 091 581	-	1 584 261 724
Purchase of financial assets at fair value through profit and loss		(352 172 586)	(26 427 469)	(332 994 890)	(1 972 002)
Purchase of financial assets at fair value through other comprehensive income		(257 997 520)	(1 384 759 806)	(167 066 481)	(815 712 518)
Proceeds from disposal of property plant and equipment		34 630 001	116 729	34 630 000	72 621
Proceeds from disposal of Shares		284 598 025	-	284 516 298	-
Purchase of financial assets measured at amortised cost		(766 235 434)	-	(593 796 834)	-
Investment income		1 600 472 808	844 011 029	1 262 214 239	422 975 806
Net cash inflow for the year		**1 910 530 814**	**3 651 603 936**	**1 295 179 010**	**1 332 194 541**
Cash and cash equivalents at the beginning of the year		2 850 653 310	2 850 703 287	1 773 487 176	275 074 761
Effect of changes in exchange rates		189 822 439	166 217 874	189 822 439	166 217 874
Effect of inflation on cash and cash equivalents		(1 167 965 762)	(3 817 871 786)	524 552 176	-
Cash and cash equivalents at the end of the year	13	**3 783 040 801**	**2 850 653 310**	**3 783 040 801**	**1 773 487 176**

Pensions and Other Benefits Scheme
Notes to the Financial Statements
for the year ended December 31, 2021

1. NATURE OF BUSINESS

The Pension and Other Benefits Scheme is a scheme that was established in terms of the National Social Security Authority Act, [Chapter 17:04] in October,1994 for the provision of benefits to contributors of the Scheme. These financial statements are in respect of the Pension and Other Benefits Scheme only.

2. BASIS OF PREPARATION

2.1 Basis of measurement

The basis of preparation for the Pension and Benefits Scheme is the same as assumed under the consolidated financial statements and as such has not been repeated in this section except where the matters are unique to the Pension and Other Benefits Scheme.

2.2 Going concern assumption

Management have assessed the ability of the Scheme to continue operating as a going concern and are satisfied it has the resources to continue operating for the foreseeable future. Management has engaged to continuously assess the Scheme's ability to continue as a going concern and to determine the continued appropriateness of the going concern assumption that has been used in preparation of the financial statements. Therefore, the preparation of these separate financial statements on a going concern basis is still appropriate

2.3 Application of new and revised International Financial Reporting Standards (IFRS)

2.3.1 New and revised standards in issue with no material effect on the financial statements of the Scheme.

a) Amendments to References to Conceptual Framework in IFRS Standards
b) Definition of Material (Amendment to IAS1 and IAS8)
c) Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS39 and IFRS 7)
d) Covid 19 related rent concessions (Amendments to IFRS 16)

2.3.1.1 Amendments to References to the Conceptual Framework in IFRS Standards

The major change is the definition of an Asset, i.e. replacing resource with economic right and economic benefits by potential economic benefits. The impact to the Scheme is minimal as the Scheme has adopted IFRS 16 which to a larger extent is why this change was made.

This amendment is effective for annual periods beginning on or after 1 January 2021.

2.3.1.2 Amendments to International Accounting Standard (IAS) 1- "Presentation of Financial Statements" and IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors"- Definition of material

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency. The amendments are applied prospectively for annual periods beginning on or after January 1, 2020, with earlier application permitted. All material transactions and disclosures have been made by the scheme.

2.3.1.3 Amendments to International Financial Reporting Standards (IFRS) 9, "Financial Instruments", International Accounting Standards (IAS) 39, "Financial Instruments: Recognition and Measurement" and IFRS 7, "Financial Instruments: Disclosures"- Hedging relationships

These amendments are meant to provide relief which apply to hedging relationships that are directly affected by interest rate benchmark reform. The hedge is affected if the reform gives to uncertainty about the timing or amount of the benchmark based cashflows of the hedged item or hedging instrument.

2.3.1.4 Amendments to International Financial Reporting Standards (IFRS) 16, "Leases"- Covid - 19 related rent concessions.

The amendments provide relief to lessees from applying IFRS16 guidance on lease modification accounting for rent concessions arising as a direct result of the COVID-19 pandemic. A lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. After making this election, the lessee accounts for any change in lease payments resulting from the COVID-19 related rent concession in the same way as it would account for the change under IFRS 16, if the change were not a lease modification.

2.3.2 New standards, amendments and interpretations issued but not effective for December 31, 2021, year-end that are relevant to the Scheme.

The following standards and amendments were issued but not yet effective and are likely to not have a significant

impact on the Scheme. They come into effect on or after January 1, 2021:3)

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Scheme in future periods, except as noted below:

2.3.2.1 International Financial Reporting Standards (IFRS) 17, "Insurance Contracts"

International Financial Reporting Standards (IFRS) 17, "Insurance contracts" establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees. For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

The implementation of the standard is likely to bring significant changes to the entity's processes, systems and will require much greater coordination between many functions of the business including finance, actuarial and information technology. The implementation of this standard is expected to have a material impact on the Scheme liabilities. This standard is effective for annual reporting periods beginning on or after January 1, 2023.

2.4 Comparative figures

All comparative figures as at end of the period 31 December 2020 were restated by applying the change in the index from the date of last re-measurement to 31 December 2021. Monetary assets and liabilities were not restated because they are already stated in terms of the measuring unit current at the reporting date. Non-monetary assets and liabilities held at fair value were not restated because they are already stated in terms of the measuring unit current at the reporting date. Non-monetary assets and liabilities that are not carried at amounts current at balance sheet and components of shareholders' equity were restated by applying the change in the index from the date of the transaction or if applicable from the date of their most recent revaluation to 31 December 2021. Where necessary comparison figures are reclassified in line with current year presentation.

2.5 Accounting judgements, estimates, and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant judgments include the following:

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

The Scheme assesses useful lives and residual values of property, plant and equipment each year taking into account past experience and technology changes. The depreciation rates are set out in note 3.3.2 and no changes to these useful lives have been considered necessary during the year. Management has set residual values for all classes of property, plant and equipment at zero.

2.5.2 Impairment of non-financial assets

At each statement of financial position date, the Scheme reviews the carrying amount of its non-financial assets to determine whether there is an indication that those assets suffered any impairment. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment is recognized as an expense immediately in the statement of profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment is treated as a revaluation decrease.

In the event that, in the subsequent period, an asset that has been subject to an impairment loss is no longer considered to be impaired, the value is restored, and the gain is recognized in the statement of profit or loss and other comprehensive income. The restoration is limited to the value which would have been recorded had the impairment adjustment not taken place.

2.5.3 Computation of expected credit losses

The Scheme makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Scheme uses its historical experience, external indicators

and forward-looking information to calculate the expected credit losses using a provision matrix. No impairment is recognised on equity investments. Under the Approach, the Scheme determines whether the financial asset is in one of three stages in order to determine both the amount of ECL to recognise as well as how interest income should be recognised. Stage 1 is where credit risk has not increased significantly since initial recognition. For financial assets in stage 1, the Society recognises a 12-month EC. Stage 2 is where credit risk has increased significantly since initial recognition. When a financial asset transfers to stage 2 the Scheme recognises lifetime ECL. Stage 3 is where the financial asset is credit impaired. This is effectively the point at which there has been an incurred loss event. For financial assets in stage 3, the Society continues to recognise lifetime ECL.

2.5.4 Fair value measurement

The Scheme measures financial assets such as listed and unlisted investments and non-financial assets such as investment property at fair value at the reporting date. Fair value 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either, in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Scheme. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Scheme uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Scheme determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.5.5 Fair value of investment property

The Scheme carries its investment property at fair value, with changes in fair value being recognised in statement of comprehensive income. The yield method converts anticipated future cash flow benefits in the form of rental income into present value. This approach requires careful estimation of future benefits and the application of investor yield or return requirements. One approach to value property on this basis is to capitalise net rental income on the basis of an initial yield, generally referred to as the "All Risks Yield" approach or "Net Initial Yield" approach. The determined fair value of the investment property is most sensitive to the estimated yield as well as the long-term void rate.

The determined fair value of the investment property is most sensitive to the estimated yield as well as the long-term void rate. The property valuations have been undertaken in an environment of poor liquidity conditions and limited transaction evidence. In undertaking the valuations for commercial, industrial and retail properties, reliance has been placed on rental market evidence, void rates and area currently applying to the individual properties in the portfolio. The achieved rentals for the portfolio are generally in line and in some instances higher than the rental rates being achieved in the market. With regards to the residential properties, various properties were identified that were sold or which are on sale and situated in comparable residential suburbs.

In analysing the comparable properties, the main space equivalent ("MSE") principle was applied. The total MSE of the comparable property was then used to determine a value per square meter of MSE. The objective is to arrive at a common basis of comparison. After adjustments for quality, location and size, the rates per MSE reflected by the comparable were then applied to the subject residential properties. The yields have been obtained from the limited concluded transactions and have also been assessed taking into account asking prices and offers that may have been received for properties currently on the market, formally or otherwise, although the transactions may not have been concluded. Refer to note 5 for the carrying amount of investment property and more information on the estimates and assumptions used to determine the fair, value of investment property.

3. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistent to those applied in the financial statements for the year ended December 31, 2020. Only accounting policies unique to the Pension and Other Benefits scheme have been repeated in this section

3.1 Revenue

IFRS 15:114 requires an entity to disaggregate revenue recognized from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

The Scheme's revenue is made up of contribution income, dividend income, rental income, and interest income.

3.1.1 Contribution income

Contributions are brought to account with effect from the date of registration of the members on an accrual basis. In respect of these, the Scheme estimates outstanding contributions payable by employers at year-end in respect of the month's employers have been in default. The estimate is based on the number of employees registered under the scheme and then multiplied by the total number of such employees by 4.5% (effective June 2020) of their basic monthly wages/salaries up to the maximum insurable earnings cap of ZWL$5,000 (effective June 2021). Employers match these contributions payable by employees by a further 4.5% calculated on the same basis excluding allowances. Following the promulgation of Statutory instrument 169 0f 2021, the maximum pensionable income that had been reviewed from ZWL$700 to ZWL$5,000 in June 2020 was increased to ZWL$21,641 effective June 2021.

3.2 Claims

Claims are recognised at submission as a demand for payment of a prescribed benefit, because of the occurrence of an insured event, such as retirement, death or disability of the insured and the incurrence of hospital or medical bills.

3.9.9 Risk Management for Financial Instruments

The following analysis gives the extent to which the financial instruments held by the Scheme exposes it to various forms of risk.

3.9.9.1 Liquidity risk

This is defined as the risk that the Scheme is unable to meet its payment commitments when they fall due. The primary sources of inflows are the pension contributions and money market maturities. Liquidity risk is managed through matching maturity profile of investments to benefits payments cycle, maintaining sufficient liquidity buffer, diversifying funding base and management of short term and long term cashflows.

- The Authority carefully and prudently analyses the contributions collections and invests in short-term investments that ensure that the portfolio duration tallies with the benefits payment cycle.
- Maintenance of large liquidity buffer: The Investment Division maintains reasonable levels of liquidity buffer by investing in short term investments such as 30-day investments to ensure that funds are readily available to meet unexpected cash outflows over and above the maturity matching.
- Diversified funding base: Concentration limits are used so that funding diversification is maintained across counterparties.
- Management of short- and long-term cash flows: The investment division balances its cashflows between short term and long term by rescheduling or adjusting investment timetables for longer term investments such as real estate, projects and private equity.

Liquidity risk is measured using gap analysis techniques and the term structure of the assets and liabilities.

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2021

Liquidity gap analysis as at December 31, 2021

	Up to 1 month ZWL$	2 to 6 months ZWL$	Above 6 months ZWL$	Non-current Assets/Liabilities ZWL$	Total ZWL$
Assets					
December 31, 2021					
Trade and other receivables	546 610 329	819 915 493	1 366 525 822	-	2 733 051 644
Financial assets at amortised cost	1 886 833	3 773 665	5 660 498	7 547 330	18 868 326
Loans and advances	-	-	-	500 749 291	500 749 291
Financial assets at fair value through profit and loss	-	-	-	5 353 684 070	5 353 684 070
Financial assets at fair value through other comprehensive income	-	-	-	26 588 293 285	26 588 293 285
Cash and cash equivalents	2 648 128 561	1 134 912 240	-	-	3 783 040 801
Total	**3 196 625 722**	**1 958 601 399**	**1 372 186 320**	**32 450 273 976**	**38 977 687 416**
Liabilities					
Trade payables	1 300 325 612	-	-	-	1 300 325 612
Other payables	787 016 206	1 180 524 309	1 967 540 516	-	3 935 081 031
	2 087 341 818	**1 180 524 309**	**1 967 540 516**	**-**	**5 235 406 643**
Liquidity gap	1 109 283 904	778 077 089	(595 354 196)	32 450 273 976	33 742 280 773
Cumulative liquidity gap	**1 109 283 904**	**1 887 360 993**	**1 292 006 797**	**33 742 280 773**	**-**

i. **Credit risk**

This is the risk of loss as a result of failure by counterparties to finance instruments/contracts to meet contractual obligations to the Scheme in accordance with agreed terms. Credit risk for the Scheme is primarily on the money market portfolio and loans and receivables. The Scheme manages, controls and limits credit risk through formulation of credit policies, internal credit assessment and analysis and counterparty limits. Credit risk is mitigated through taking collateral security for all credit-based investment transactions.

Risk analysis is an integral part in all credit risk admissions to ensure that risk is assessed when decisions are initially taken. An Early Warning system is used to regularly monitor credit exposures, counterparty performance and external environmental factors that are likely to impact on credit risk. Counterparties exhibiting material credit weaknesses are put on watch list for close monitoring while dealings are put on hold until improvement in credit status.

The Scheme applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade and other receivables as these items do not have a significant financing component. In measuring the expected credit losses, the trade and other receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been based on the days past due and also according to the geographical location of customers.

The expected loss rates are based on the payment profile for contributions over the past 48 months before December 31, 2021, and January 1, respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding.

Trade receivables are written off (i.e., derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Scheme on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

ii. **Market risk**

The risk of a loss in the investment portfolio arising from adverse movements in market variables such as bonds, equity prices, interest rates, exchange rates, real estate prices, commodities, credit spreads and increased volatility of market variables.

Market risk on investments is managed in accordance with the purpose and strategic benefits of such investments rather than purely on mark-to-market considerations. Portfolio decisions are made based on reasonable and adequate basis based on detailed research and analysis. The Scheme strives to diversify its portfolio across asset classes, industries, within asset classes and within industries. There is close monitoring of investment environment and reporting on developments in Key Risk Indicators helps to take corrective action before it becomes too late.

a. Interest rates risk

The risk that the money market and fixed income portfolio may be negatively affected by unforeseen changes in interest rate levels. Interest risk is managed at both Board and Management levels. The Board gives guidelines on interest rates charged on the Scheme in line with regulatory policy directions. Management mitigates this risk by careful analysis of the term structure of assets and liabilities. The optimal maturity profile is determined after advice from Economists on the future direction of interest rates given economic fundamentals. Money market portfolio's performance is reviewed regularly against benchmark targets through daily liquidity position reports.

Sensitivity analysis

Movement in the interest rates by 10% would affect the Scheme's surplus or deficit in the following way:

		Total Comprehensive Income/(Loss)	Reserves
Increase in interest rates by	10%	51 961 762	51 961 762
Decrease in interest rates by	10%	(51 961 762)	(51 961 762)

b. Equity price risk

This is the possibility that equity prices will fluctuate affecting the fair value of the equity investments and other instruments that derive their value from a particular equity investment or index of equity prices. The primary exposure to equity prices arises from trading activities. The movement in the index is not likely to adversely affect the Scheme's earnings as there is a rigorous exercise done to select counters that the Scheme invests into.

Sensitivity analysis

Movement in the industrial index by 20% would affect the Scheme's surplus or deficit in the following way:

		Total Comprehensive Income/(Loss)	Reserves
Increase in the industrial index by	20%	6 388 395 417	6 388 395 417
Decrease in the industrial index by	20%	(6 388 395 417)	(6 388 395 417)

c. Foreign currency translation risk

This is the risk that the Scheme's equities, assets, liabilities or income will change as a result of exchange rate changes.

Sensitivity analysis

A reasonably possible weakening or strengthening of the Zimbabwean dollar (ZWL$) against the USD as at December 31, 2021 would affect the measurement of the foreign currency denominated investment of the Scheme as well as foreign denominated cash balances. This analysis assumes that all other variables remain constant. Changes in the foreign exchange rates would impact surplus and equity as follows:

		Total Comprehensive Income/(Loss)	Reserves
Exchange rate strengthening by	40%	4 632 431 005	4 632 431 005
Exchange rate weakening by	40%	(4 632 431 005)	(4 632 431 005)

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2021

i. **Operational risk**

This is the risk of loss arising from failed or inadequate internal processes and systems, human error and fraud, non-adherence to procedures and unauthorized transactions. The objective in managing operational risk is to establish sound control practices. Operational risk management forms a part of the day-to-day responsibilities of all management. The Authority maintains a zero appetite for operational risk through robust policies and operational procedures backed by risk indicators that enable risk to be identified, monitored and mitigated.

The Authority manages operational risk through security access programs, strict and robust approval and authorization procedures, Trading limits, Staff code of conduct and ethical guidelines, periodic comprehensive reconciliations and internal and external audits. Quarterly risk assessments are an integral part of the operational risk management as they cover identification, measurement, mitigation and evolution of risks. The authority uses risk registers and risk profiles generated from risk assessment exercises to monitor exposures and effectiveness of mitigation strategies.

ii. **Project risks**

Project risks are present in all investment projects that the Scheme undertakes and are categorized as financial risks, legal risks, political or government risk, intangible risk, technical and technology risk and security risk. Project risks refer to potential loss arising from failed projects and project management systems. The Scheme is a significant player in infrastructure development and hence at any particular moment has significant and high value projects running. Projects risks are managed at both Board and Management levels. Project risks are managed and mitigated through development of 10-year plans, robust contracts, rigorous monitoring and review, budgetary control and feasibility studies.

iii. **Real estate risks**

These are risks related to the real estate portfolio. They refer to potential loss arising from adverse condition or events relating to real estate in which the Scheme is invested in. The Authority has a substantial investment in various property types to which it is exposed to the following risks: contractual risks, tenancy risks, liquidity risks, void risk, commercial risks, investment quality risks and market risk. To effectively manage real estate risks, the Scheme developed and periodically updates a detailed risk registers specifically for its projects and real estate investments given that the portfolio faces peculiar risks that cannot be generalized or combined with the equities or money market portfolio.

iv. **Reputation risks**

This is the risk of potential damage to the Scheme's image that arises from the market's perception of the manner in which the Scheme's investments are conducted. Reputation risk can result in loss of earnings, investments, or potential business to the NSSA as a result of stakeholders adopting a negative view to the Scheme and its investment activities. It is the responsibility of every staff member to market and protect the integrity of the Scheme. Reputation risk is mitigated through enforcement of code of ethics, code of conduct and operational manuals.

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2021

4 PROPERTY AND EQUIPMENT

	Land and buildings ZWL$	Computer equipment ZWL$	Furniture ZWL$	Compute-risation and Data Centre ZWL$	Motor vehicles ZWL$	Total 2021 ZWL$	Total 2020 ZWL$
Inflation adjusted							
Opening carrying amount	**1 229 186 351**	**171 768 993**	**47 503 381**	**286 265 084**	**14 045 923**	**1 748 769 732**	**1357 894 229**
Gross carrying amount	1 229 186 351	244 912 858	59 238 623	286 265 084	14 045 923	1 833 648 838	1357 894 229
Accumulated depreciation	-	(73 143 864)	(11 735 242)	-	-	(84 879 106)	-
Additions at cost	11 794 715	10 411 645	18 331 884	74 293 760	-	114 832 003	202 137 007
Revaluation surplus	(182 504 830)	(117 683 608)	5 143 383	(118 357 783)	-	(413 402 838)	353 068 360
Reclasified to intangible asset	-	-	-	-	(14 045 923)	(14 045 923)	-
Disposals -carrying amount	-	-	-	(31 351 993)	-	(31 351 993)	-
Disposals -cost	-	-	-	(40 672 856)	-	(40 672 856)	-
Disposals -accumulated depreciation	-	-	-	9 320 863	-	9 320 863	-
Depreciation for the year	(21 259 267)	(25 185 599)	(3 204 586)	(61 902 114)	-	(111 551 566)	(164 360 522)
Closing carrying amount	**1 037 216 969**	**39 311 432**	**67 774 061**	**148 946 953**	**-**	**1 293 249 416**	**1 748 769 732**
Gross carrying amount	1 037 216 969	39 311 432	67 774 061	148 946 953	-	1 293 249 416	1 833 648 838
Accumulated depreciation	-	-	-	-	-	-	(84 879 106)
Historical cost							
Opening carrying amount	**764 704 710**	**45 194 850**	**8 770 478**	**178 092 002**	**695 736**	**997 457 762**	**195 899 355**
Gross carrying amount	764 704 710	53 902 849	9 728 462	178 092 002	695 736	1 007 123 745	195 899 355
Accumulated depreciation	-	(8 707 999)	(957 984)	-	-	(9 665 983)	-
Additions at cost	10 339 275	7 448 028	16 925 450	45 250 123	-	79 962 875	93 836 292
Revaluation surplus	281 549 085	6 322 448	44 649 617	8 399 622	-	340 920 772	735 232 344
Reclasified to intangible asset	-	-	-	-	(695 736)	(695 736)	-
Disposals -carrying amount	-	-	-	(29 644 708)	-	(29 644 708)	-
Disposals -cost	-	-	-	(38 458 000)	-	(38 458 000)	-
Disposals -accumulated depreciation	-	-	-	8 813 292	-	8 813 292	-
Depreciation for the year	(19 376 100)	(19 653 894)	(2 571 484)	(53 150 085)	-	(94 751 563)	(27 510 228)
Closing carrying amount	**1 037 216 969**	**39 311 432**	**67 774 061**	**148 946 954**	**-**	**1 293 249 416**	**997 457 762**
Gross carrying amount	1 037 216 969	39 311 432	67 774 061	148 946 954	-	1 293 249 416	1 007 123 745
Accumulated depreciation	-	-	-	-	-	-	(9 665 983)

A independent valuation of land and buildings was carried out by Southbay Real Estate and directors valuation was done on property plant and equipment as at December 31, 2021. The values are based on market values. Market value is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's -length transaction after proper marketing wherein the parties had each knowledgeably, and prudently without compulsion.

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2021

4.1 Land and Buildings Listing

Name of Property	Closing carrying amount 2021 ZWL$	Closing market value 2021 ZWL$	Revaluation gain/(loss) 2021 ZWL$
Bulawayo Manager's house -Hillside	11 961 290	16 299 900	4 338 610
Gwanda House	3 349 161	4 563 971	1 214 811
Kadoma Sub Office	12 200 516	17 169 228	4 968 712
Kariba Sub Office 2 Stand 643	21 530 322	29 339 820	7 809 498
Kariba Sub Office stnd 423	1 993 548	2 716 650	723 102
Marondera Sub Office	22 327 742	30 426 480	8 098 738
Mutare Manager's House stand 1874	11 163 871	15 213 240	4 049 369
NSSA House	533 540 458	733 495 500	199 955 042
OHS Centre	73 807 428	97 799 400	23 991 972
Stand 122A, Kwekwe	12 758 710	18 473 220	5 714 510
Stand 16608, Masvingo Mgr's House	10 366 452	14 126 580	3 760 128
Survey House	40 668 387	57 592 980	16 924 593
	755 667 885	**1 037 216 969**	**281 549 085**

5 INVESTMENT PROPERTY

	Land ZWL$	Buildings ZWL$	Work in progress ZWL$	Total 2021 ZWL$	Total 2020 ZWL$
Inflation adjusted					
Opening carrying amount	**5 481 624 375**	**11 278 803 611**	**5 266 608**	**16 765 694 593**	**11 231 858 063**
Additions at cost	18 627 018	233 240 907	-	251 867 925	9 363 054
Fair value Gain/Loss on remeasurement of investment property	(684 174 274)	(1 906 542 005)	-	(2 590 716 279)	5 573 423 440
Land derecognition	-	-	-	-	(48 949 964)
Closing carrying amount	**4 816 077 119**	**9 605 502 513**	**5 266 608**	**14 426 846 240**	**16 765 694 593**
Historical Cost					
Opening carrying amount	**3 410 242 861**	**7 016 799 559**	**3 276 476**	**10 430 318 896**	**1 541 208 709**
Additions at cost	17 811 286	197 404 787	-	215 216 073	3 154 998
Fair value Gain/Loss on remeasurement of investment property	1 388 022 972	2 387 943 128	-	3 775 966 100	8 897 582 958
Land derecognition	-	-	-	-	(11 627 769)
Closing carrying amount	**4 816 077 119**	**9 602 147 474**	**3 276 476**	**14 421 501 069**	**10 430 318 896**

5.1 An independent valuation on investment property by Southbay Real Estate was carried out as at December 31, 2021 The values are based on market values. Market value is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's -length transaction after proper marketing wherein the parties had each knowledgeably, and prudently without compulsion. However, Madokero Stand 218 & Quinington Stand 14565 acquired in November 2021 were not revalued.

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2021

5.2 Investment properties listing

Name of Property	December 31, 2021 Carrying amount ZWL$	Market value ZWL$	Fair value gain/(loss) ZWL$	December 31, 2020 Carrying amount ZWL$	Market value ZWL$	Fair value gain/(loss) ZWL$
Inflation adjusted						
Investment land						
Borrowdale Stand	239 264 081	210 812 040	(28 452 041)	64 307 732	239 259 887	174 952 155
Borrowdale Estate	216 915 238	179 298 900	(37 616 338)	35 838 444	216 911 436	181 072 991
Borrowdale Subdivision B of Orklands	186 678 569	154 305 720	(32 372 849)	32 153 866	186 675 296	154 521 430
Chinhoyi Brundish Park	347 634 256	278 184 960	(69 449 296)	48 230 799	336 541 379	288 310 580
Chisipite Housing	446 976 855	380 331 000	(66 645 855)	99 409 035	446 969 019	347 559 983
Gwanda Stand 3097	788 783	651 996	(136 787)	24 111	788 769	764 658
Gwanda Stand 3297	788 783	651 996	(136 787)	29 415	788 769	759 354
Gweru Kopje Stand	7 361 972	6 519 960	(842 012)	991 427	7 361 843	6 370 416
Kwekwe CBD Stand	18 404 929	16 299 900	(2 105 029)	1 768 430	18 404 607	16 636 176
Kwekwe Woodlands Farm	473 269 611	391 197 600	(82 072 011)	375 128 435	473 261 314	98 132 879
Karoi Stand	-	-	-	-	-	-
Masvingo Runyararo West	49 956 237	44 444 394	(5 511 843)	34 029 508	49 955 361	15 925 853
Masvingo Stand	5 894 979	-	(5 894 979)	5 894 875	5 894 875	-
Mutare Stand	28 922 032	23 906 520	(5 015 512)	4 287 182	28 921 525	24 634 343
Mutare Stand Umtali	52 585 512	43 466 400	(9 119 112)	9 646 160	52 584 590	42 938 431
New Christmas Gift Gweru	1 239 309 062	1 058 624 172	(180 684 890)	241 153 994	1 239 287 335	998 133 341
Nyarungu Estate	-	-	-	-	-	-
Rainbow Parklane	369 676 152	478 782 395	109 106 243	25 984 291	369 669 671	343 685 380
Snake Park R/E Glaudina A	328 659 452	280 358 280	(48 301 172)	47 694 901	328 653 690	280 958 789
Marondera Stand	15 775 654	14 126 580	(1 649 074)	2 197 117	15 775 377	13 578 261
Twalumba Properties	48 642 379	40 206 420	(8 435 959)	21 372 991	48 640 746	27 267 755
Victoria Falls Stand	107 800 300	96 712 740	(11 087 560)	22 105 863	107 798 410	85 692 547
Meikles Park Mutare	143 295 521	118 445 940	(24 849 581)	25 669 567	143 293 009	117 623 442
Glaudina lot 2/SD	815 515 655	704 373 012	(111 142 643)	212 536 989	807 962 232	595 425 243
Marondera Rusike	356 135 382	294 376 194	(61 759 188)	3 349 441	356 129 138	352 779 697
	5 500 251 393	**4 816 077 119**	**(684 174 274)**	**1 313 804 575**	**5 481 528 277**	**4 167 723 703**
Investment buildings					14 500	
Ballantyne Park	527 370 172	458 570 520	(68 799 652)	16 567 342	527 160 519	510 593 177
Ballantyne Park 2 Spar	-	-	(1)	-	-	-
Beitbridge RTG Hotel	683 348 733	569 518 506	(113 830 227)	66 997 878	683 336 753	616 338 875
Beitbridge Office	-	-	-	-	-	-
Bindura Commercial Centre	227 432 341	187 992 180	(39 440 160)	19 650 603	227 428 354	207 777 751
Celestial Park	2 759 426 261	2 248 299 540	(511 126 721)	238 511 475	2 719 937 940	2 481 426 466
Chipinge Commercial Centre	207 712 774	182 992 180	(24 720 594)	28 220 483	207 709 132	179 488 649
Dips and Chemical - Ventersberg	99 912 473	83 455 488	(16 456 985)	1 349 228	99 910 722	98 561 494
Dominion House (Chibuku House)	177 476 104	149 959 080	(27 517 024)	4 715 547	177 472 993	172 757 446
Ekhusileni Medical Centre	386 222 046	304 264 800	(81 957 246)	51 200 683	368 092 133	316 891 450
Emjay Building -Rusape	56 529 426	47 813 040	(8 716 386)	3 088 726	56 528 435	53 439 709
Eye Centre- Bulawayo	202 497 021	116 924 616	(85 572 405)	15 458 738	134 353 629	118 894 891
Gateway Investments	147 765 290	157 565 700	9 800 410	89 090 994	147 762 699	58 671 705
Gwanda Shopping Mall	220 859 152	185 818 860	(35 040 292)	30 131 953	220 855 280	190 723 327
Linbro Building Willowvale	202 454 222	167 345 640	(35 108 582)	3 541 201	202 450 673	198 909 472
Mutare Shopping Mall	223 488 427	196 685 460	(26 802 967)	28 339 169	223 484 509	195 145 341
National Blankets-Bulawayo	394 391 343	325 998 000	(68 393 343)	12 262 961	394 384 428	382 121 467
Nyanga Chalets	18 404 929	15 213 240	(3 191 689)	3 215 387	18 404 607	15 189 220
PG Mutare	159 071 175	135 832 500	(23 238 675)	28 364 005	159 068 386	130 704 381
Pomona Shopping Centre	858 458 489	754 142 040	(104 316 449)	71 500 078	858 443 439	786 943 361
Social Security Centre	2 766 167 343	2 304 805 860	(461 361 483)	343 323 782	2 733 084 088	2 389 760 306
South Med Chitungwiza	357 193 491	290 138 220	(67 055 271)	6 781 180	336 541 379	329 760 199
Kingfisher Bulawayo	21 034 205	17 386 560	(3 647 645)	3 215 387	21 033 836	17 818 450
Mutare township	18 404 929	15 973 902	(2 431 027)	447 814	18 404 607	17 956 793
Star Africa Building	424 628 012	368 377 740	(56 250 272)	22 814 553	424 620 568	401 806 014
Subvision A of stand 6 Lot C of Borrowdale	31 551 307	28 253 160	(3 298 147)	8 467 649	31 550 754	23 083 105
TM Gokwe	10 517 102	10 323 270	(193 832)	373 232	10 516 918	10 143 686
Stand 2018 Quinnington	44 713 491	44 713 491	-			
Stand 14565 Tynwald Madokero	8 940 321	8 940 321	-			
Car park (Ximex Mall)	276 073 940	228 198 600	(47 875 340)	46 891 054	276 069 100	229 178 045
	11 512 044 519	**9 605 502 513**	**(1 906 542 006)**	**1 144 521 100**	**11 278 605 880**	**10 134 084 780**
Total	**17 012 295 911**	**14 421 579 632**	**(2 590 716 279)**	**2 458 325 675**	**16 760 134 158**	**14 301 808 483**

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2021

5.2 Investment properties listing

Name of Property	December 31, 2021 Carrying amount ZWL$	December 31, 2021 Market value ZWL$	December 31, 2021 Fair value gain/(loss) ZWL$	December 31, 2020 Carrying amount ZWL$	December 31, 2020 Market value ZWL$	December 31, 2020 Fair value gain/(loss) ZWL$
Historical cost						
Investment land						
Borrowdale Stand	148 851 612	210 812 040	61 960 428	40 008 000	148 851 612	108 843 612
Borrowdale Estate	134 947 890	179 298 900	44 351 010	22 296 300	134 947 890	112 651 590
Borrowdale Subdivision B of Orklands	116 136 972	154 305 720	38 168 748	20 004 000	116 136 972	96 132 972
Chinhoyi Brundish Park	220 460 673	278 184 960	57 724 287	30 006 000	209 373 696	179 367 696
Chisipite Housing	278 074 440	380 331 000	102 256 560	61 845 700	278 074 440	216 228 740
Gwanda Stand 3097	490 720	651 996	161 276	15 000	490 720	475 720
Gwanda Stand 3297	490 720	651 996	161 276	18 300	490 720	472 420
Gweru Kopje Stand	4 580 050	6 519 960	1 939 910	617 580	4 580 050	3 962 470
Kwekwe CBD Stand	11 450 124	16 299 900	4 849 776	1 100 200	11 450 124	10 349 924
Kwekwe Woodlands Farm	294 431 760	391 197 600	96 765 840	233 380 000	294 431 760	61 051 760
Masvingo Runyararo West	31 078 908	44 444 394	13 365 486	21 223 389	31 078 908	9 855 519
Masvingo Stand	3 667 400	-	(3 667 400)	3 667 400	3 667 400	-
Mutare Stand	17 993 052	23 906 520	5 913 468	2 667 200	17 993 052	15 325 852
Mutare Stand Umtali	32 714 640	43 466 400	10 751 760	6 001 200	32 714 640	26 713 440
New Christmas Gift Gweru	771 002 278	1 058 624 172	287 621 894	150 030 000	771 002 278	620 972 278
Nyarungu Estate	-	-	-	-	-	-
Rainbow Parklane	229 983 919	478 782 395	248 798 476	16 165 700	229 983 919	213 818 219
Snake Park R/E Glaudina A	204 466 500	280 358 280	75 891 780	29 672 600	204 466 500	174 793 900
Marondera Stand	9 814 392	14 126 580	4 312 188	1 366 900	9 814 392	8 447 492
Twalumba Properties	30 261 822	40 206 420	9 944 598	13 296 076	30 261 042	16 964 966
Victoria Falls Stand	67 065 012	96 712 740	29 647 728	13 752 800	67 065 012	53 312 212
Meikles Park Mutare	89 147 394	118 445 940	29 298 546	15 969 900	89 147 394	73 177 494
Glaudina lot 2/SD	509 383 972	704 373 012	194 989 040	132 226 400	502 660 444	370 434 044
Marondera Rusike	221 559 899	294 376 194	72 816 295	2 083 800	221 559 899	219 476 099
	3 428 054 148	**4 816 077 119**	**1 388 022 971**	**817 414 445**	**3 410 242 863**	**2 592 828 418**
Investment buildings						
Ballantyne Park	328 153 764	458 570 520	130 416 757	10 307 100	327 964 266	317 657 166
Beitbridge RTG Hotel	425 126 747	569 518 506	144 391 759	41 681 630	425 126 747	383 445 116
Bindura Commercial Centre	141 490 818	187 992 180	46 501 362	12 225 300	141 490 818	129 265 518
Celestial Park	1 725 924 340	2 248 299 540	522 375 200	148 386 000	1 692 164 754	1 543 778 754
Chipinge Commercial Centre	129 222 828	182 558 880	53 336 052	17 556 910	129 222 828	111 665 918
Dips and Chemical - Ventersberg	62 157 816	83 455 488	21 297 672	839 400	62 157 816	61 318 416
Dominion House (Chibuku House)	110 411 910	149 959 080	39 547 170	2 933 700	110 411 910	107 478 210
Ekhusileni Medical Centre	243 942 699	304 264 800	60 322 101	31 853 665	229 002 480	197 148 815
Emjay Building -Rusape	35 168 238	47 813 040	12 644 802	1 921 600	35 168 238	33 246 638
Eye Centre- Bulawayo	131 983 270	116 924 616	(15 058 654)	9 617 400	83 585 905	73 968 505
Gateway Investments	91 928 138	157 565 700	65 637 562	55 426 500	91 928 138	36 501 638
Gwanda Shopping Mall	137 401 488	185 818 860	48 417 372	18 746 100	137 401 488	118 655 388
Linbro Building Willowvale	125 951 364	167 345 640	41 394 276	2 203 100	125 951 364	123 748 264
Mutare Shopping Mall	139 037 220	196 685 460	57 648 240	17 630 749	139 037 220	121 406 471
National Blankets-Bulawayo	245 359 800	325 998 000	80 638 200	7 629 200	245 359 800	237 730 600
Nyanga Chalets	11 450 124	15 213 240	3 763 116	2 000 400	11 450 124	9 449 724
PG Mutare	98 961 786	135 832 500	36 870 714	17 646 200	98 961 786	81 315 586
Pomona Shopping Centre	534 066 498	754 142 040	220 075 542	44 482 600	534 066 498	489 583 898
Social Security Centre	1 729 083 246	2 304 805 860	575 722 614	213 630 766	1 700 343 414	1 486 661 117
South Med Chitungwiza	230 019 910	290 138 220	60 118 310	4 218 800	209 373 696	205 154 896
Kingfisher Bulawayo	13 085 856	17 386 560	4 300 704	2 000 400	13 085 856	11 085 456
Mutare township	11 450 124	15 973 902	4 523 778	278 600	11 450 124	11 171 524
Star Africa Building	264 170 718	368 377 740	104 207 022	14 193 700	264 170 715	249 977 015
Subvision A of stand 6 Lot C of Borrowdale	19 628 784	28 253 160	8 624 376	5 268 009	19 628 784	14 360 775
TM Gokwe	6 542 928	10 323 270	3 780 342	232 200	6 542 928	6 310 728
Car park (Ximex Mall)	171 751 860	228 198 600	56 446 740	29 172 500	171 751 860	142 579 360
Stand 2018 Quinnington	-	42 278 600	-	-	-	-
Stand 14565 Tynwald Madokero	-	8 453 472	-	-	-	-
	-	**9 602 147 474**	**2 387 943 128**	**712 082 529**	**7 016 799 557**	**6 304 665 497**
Total	**3 428 054 148**	**14 418 224 593**	**3 775 966 098**	**1 529 496 974**	**10 427 042 420**	**8 897 493 915**

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2021

6 FINANCIAL INSTRUMENTS

6.1 Financial assets at fair value through profit and loss

	Number of Shares	Cost and additions 2021 ZWL$	Cost and additions 2020 ZWL$	Fair value 2021 ZWL$	Fair value 2020 ZWL$
Inflation adjusted					
Ordinary quoted shares					
Ariston Holdings Limited	101 944 258	8 756 304	8 756 304	379 446 723	219 575 519
Axia Corporation Limited	3 741 675	16 191 572	16 191 572	138 283 339	67 823 143
Cafca Limited	413 461	1 802 247	1 802 247	70 288 370	59 746 242
Dairibord Zimbabwe Limited	10 203 649	5 446 818	5 446 818	357 127 715	179 929 445
Edgars Stores Limited	3 570 361	7 754 616	7 754 616	28 473 834	13 154 892
Falgold Zimbabwe Limited	1 639 133	-	804 458	-	179 332
Hippo Valley Estate Limited	9 279 723	74 188 818	74 188 818	2 598 322 440	16 538 387
Lafarge Zimbabwe Limited	1 669 890	14 539 670	14 539 670	133 591 200	21 473 073
Masimba Holdings Limited	2 281 184	2 344 546	2 344 546	125 465 120	43 901 163
Meikles Limited	690 322	2 136 802	2 136 802	86 359 558	28 210 575
Nampak Holdings Limited	20 100 000	13 275 872	13 275 872	224 253 690	64 146 412
National Tyre Services Limited	11 917 454	-	3 610 367	-	5 258 262
Pretoria Portland Cement Company Limited	35 311	985 404	985 404	1 082 163	219 669
Pro Plastics Limited	2 244 323	4 795 287	589 354	69 215 955	31 059 522
Rio Zim Limited	164 537	22 749 817	2 952 491	6 581 480	3 953 858
Truworth Limted	4 687 886	1 352 068	1 352 068	9 375 772	-
Tobacco Sales Limited	10 767 933	9 696 509	9 696 509	755 600 934	2 221 370
Zimpapers (1980) Limited	8 341 602	47 588	47 588	24 274 062	249 236 238
		186 063 940	**166 475 507**	**5 007 742 355**	**1 014 801 873**
Ordinary unquoted shares					
Africom Holdings Limited	7 706 276	17 202 135	17 202 135	52 479 409	2 770 071
Chengetedzai Depository Company	168 912	50 655 990	50 655 990	88 120 613	8 157 164
Border Timbers Limited	294 307	72 124	3 228 308	105 341 693	519 856
Mangwana opportunities	1 470	105 716 853	-	100 000 000	-
Stalap Investments	1 648	48 526 764	48 526 764	1 084 135	7 814 294
Total unquoted shares		**222 173 865**	**119 613 198**	**347 025 850**	**19 261 386**
Less: Stalap transferred to Associate at Cost		(48 526 764)	-	(1 084 135)	-
		173 647 101	**119 613 198**	**345 941 715**	**19 261 386**
Non performing investments					
Apex Holdings Limited	2 494 225	4 984	223 097	-	35 925
Cairns Holdings Limited	3 145	31	1 408	-	227
Caps Holdings Limited	22 343 217	252 760	11 313 729	-	1 821 856
Gulliver Consolidated Limited	3 502 700	48 021	2 149 442	-	346 127
Interfresh Limited	124 449	31 522	1 410 969	-	227 208
PG Industries Limited	168 173	28 720	1 285 539	-	207 012
Phoenix Holdings Limited	72	4	161	-	26
Steelnet Zimbabwe Limited	28 411 565	149 911	6 710 130	-	1 080 536
Trust Holdings Limited	2 284 706	56 670	2 536 616	-	408 473
		572 623	**25 631 090**	**-**	**4 127 390**
Less Impairments		-	(25 631 090)	-	(4 127 390)
Total		**360 283 664**	**286 088 704**	**5 353 684 070**	**1 034 063 258**

6.2.1 Fair value reconciliation

	2021 ZWL$	2020 ZWL$
Year to date cost	360 283 664	286 088 704
Cumulative fair value gains/(losses)	4 993 400 405	747 974 554
Fair value as at year end	**5 353 684 070**	**1 034 063 258**

6.2.2 Cumulative fair value gains

Opening cumulative fair value gains	747 974 554	1 024 817 121
Fair value gain for the year	4 336 544 198	262 382 700
Fair value gain of disposed shares	(91 118 346)	(539 225 267)
Cumulative fair value gains	**4 993 400 405**	**747 974 554**

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2021

6 FINANCIAL INSTRUMENTS (CONT.)

6.1 Financial assets at fair value through profit and loss

	Number of Shares	Cost and additions 2020 ZWL$	Cost and additions 2020 ZWL$	Fair value 2021 ZWL$	Fair value 2020 ZWL$
Historical cost					
Ordinary quoted shares					
Ariston Holdings Limited	101 944 258	1 214 393	1 214 393	379 446 723	136 605 306
Axia Corporation Limited	4 601 775	2 245 574	2,245,574	138 283 339	42 195 056
Cafca Limited	413 461	249 950	249 950	70 288 370	37 170 144
Dairibord Zimbabwe Limited	10 203 649	755 407	755 407	357 127 715	111 940 152
Edgars Stores Limited	6 545 709	1 075 471	1 075 471	28 473 834	8 184 100
Falgold Zimbabwe Limited	1 639 133	-	111 569	-	111 569
Hippo Valley Estate Limited	9 279 723	10 289 086	10 289 086	2 598 322 440	10 289 086
Lafarge Zimbabwe Limited	1 669 890	2 016 475	2 016 475	133 591 200	13 359 120
Masimba Holdings Limited	2 281 184	325 160	325 160	125 465 120	27 312 388
Meikles Limited	690 322	296 348	296 348	86 359 558	17 550 747
Nampak Holdings Limited	20 100 000	1 841 202	1 841 202	224 253 690	45 878 250
National Tyre Services Limited	11 917 454	-	500 714	-	3 271 341
Pretoria Portland Cement Company Limited	35 311	136 664	136 664	1 082 163	136 664
Pro Plastics Limited	2 244 323	4 287 669	81 736	69 215 955	19 323 172
Rio Zim Limited	164 537	409 475	409 475	6 581 480	2 459 828
Truworth Limted	4 687 886	187 515	187 515	9 375 772	1 381 989
Tobacco Sales Limited	10 767 933	1 344 788	1 344 788	755 600 934	155 058 235
Zimpapers (1980) Limited	8 341 602	6 600	6 600	24 274 062	8 174 770
Total quoted shares		**26 681 778**	**23 088 127**	**5 007 742 355**	**640 401 915**
Ordinary unquoted shares					
Africom Holdings Limited	8 206 856	384 312	384 312	52 479 409	384 312
Chengetedzai Depository Company	168 912	1 131 704	1 131 704	88 120 613	1 131 704
Border Timbers Limited	294 307	72 124	-	105 341 693	72 124
Mangwana opportunities	1 470	99 960 000	-	100 000 000	-
Stalap Investments	1 648	1 084 135	1 084 135	1 084 135	1 084 135
Total ordinary unquoted shares		**102 632 275**	**2 600 151**	**347 025 850**	**2 600 151**
Less: Stalap transferred to Associate at Cost		(1 084 135)	-	(1 084 135)	-
Total		**101 548 140**	**2 600 151**	**345 941 715**	**2 600 151**
Non performing investments					
Apex Holdings Limited	2 494 225	4 984	4 984	-	4 984
Border Timbers	-	-	72 124	-	72 124
Cairns Holdings Limited	3 145	31	31	-	31
Caps Holdings Limited	22 343 217	252 760	252 760	-	252 760
Gulliver Consolidated Limited	3 502 700	48 021	48 021	-	48 021
Interfresh Limited	124 449	31 522	31 522	-	31 522
PG Industries Limited	168 173	28 720	28 720	-	28 720
Phoenix Holdings Limited	72	4	4	-	4
Steelnet Zimbabwe Limited	28 411 565	149 911	149 911	-	149 911
Trust Holdings Limited	2 284 706	56 670	56 670	-	56 670
		572 623	**644 747**	**-**	**644 747**
Less Impairments		-	(644 747)	-	(644 747)
Total		**128 802 540**	**25 688 278**	**5 353 684 070**	**643 002 067**

6.1.1 Fair value reconciliation

	2021 ZWL$	2020 ZWL$
Year to date cost	128 802 540	25 688 278
Cumulative fair value gains	5 224 881 529	617 313 788
Fair value as at year end	**5 353 684 070**	**643 002 067**

6.1.2 Cumulative fair value gains

Opening cumulative fair value gains	617 313 788	59 297 712
Fair value gain for the year	4 698 686 088	587 983 559
Fair value of disposed shares	(91 118 346)	(29 967 483)
Closing cumulative fair value gains	**5 224 881 529**	**617 313 788**

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2021

6 FINANCIAL INSTRUMENTS (CONT.)

6.2 Financial assets at fair value through other comprehensive income

	Number of Shares	Cost and additions 2021 ZWL$	Cost and additions 2020 ZWL$	Fair value 2021 ZWL$	Fair value 2020 ZWL$
Inflation adjusted					
Ordinary quoted shares					
British America Tobacco Limited	148 240	45 550 103	45 550 103	589 320 105	162 758 854
Cassava Smartech	8 344 343	152 729 556	152 729 556	451 208 826	116 125 862
CBZ Holdings Limited	75 512 318	4 545 325 112	4545 325 112	6 749 014 763	12 267 104 959
Delta Corporation Limited	24 287 214	203 120 855	203 120 855	4 245 392 471	987 864 166
Econet Wireless Zimbabwe Limited	10 836 639	59 769 699	65 230 178	406 430 815	183 094 578
Hwange Colliery Company Limited (Suspended)	11 294 308	21 565 865	21 565 865	29 743 953	4 807 525
Innscor Africa Limited	4 773 003	89 400 655	89 400 655	988 844 671	363 174 780
National Foods Limited	704 531	7 950 661	7 950 661	968 439 999	68 059 841
OK Zimbabwe Limited	204 481 001	126 457 424	126 457 424	5 702 596 577	2 996 730 589
Old Mutual Zimbabwe Limited	793 276	108 445 664	108 445 664	94 862 647	24 175 023
Seed Co Limited	21 890 182	164 537 160	164 537 160	2 408 278 778	918 773 633
Simbisa Brands Limited	5 241 675	32 456 928	32 456 928	555 090 750	130 885 253
Zimre Holdings Limited	203 830 526	982 545 383	811 049 972	1042 189 947	1 212 876 262
		6 539 855 067	**6 373 820 135**	**24 231 414 302**	**19 436 431 324**
Foreign listed shares					
Africa Export Import Bank depository receipts(233)	2 325 581	172 715 124	172 715 124	682 321 279	1 096 743 997
Nedbank group limited	23 722	27 857 110	8 059 784	44 656 708	71 779 934
Quilter plc	246 222	7 851 626	7 851 626	53 639 011	86 217 834
Bindura Nickel Corporation Limited	73 460 101	27 922 515	27 922 515	478 956 920	769 861 856
Padenga Holdings Limited	16 360 557	54 096 830	54 096 830	373 345 620	600 105 229
Seed International	21 597 691	78 938 937	78 938 937	658 325 181	1 058 173 344
Africa Re	2 500	86 502 109	-	65 634 264	105 498 666
		455 884 249	**349 584 815**	**2 356 878 983**	**3788 380 861**
		6 995 739 316	**6 723 404 950**	**26 588 293 285**	**23 224 812 185**

6.2.1 Fair value reconciliation

	2021 ZWL$	2020 ZWL$
Year to date cost	6 995 739 316	6 723 404 950
Fair value adjustment closing carrying amount	17 377 396 588	14 381 652 232
Cumulative exchange rate movement	2 215 157 381	2 009 438 948
Fuctional currency translation reserve	-	110 316 055
Fair value as at year end	26 588 293 285	23 224 812 185

6.2.2 Cumulative fair value gains

Opening cumulative fair value gains	**14 381 652 232**	**3 095 851 871**
Fair value gain/loss for the year	3 551 009 819	11 285 800 361
Fair value of disposed shares	(555 265 463)	-
Closing carrying amount	**17 377 396 588**	**14 381 652 232**

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2021

6 FINANCIAL INSTRUMENTS (CONT.)

6.2 Financial assets at fair value through other comprehensive income

	Number of Shares	Cost and additions 2021 ZWL$	Cost and additions 2020 ZWL$	Fair value 2021 ZWL$	Fair value 2020 ZWL$
Historical cost					
Ordinary quoted shares					
Bindura Nickel Corporation Limited	73 460 101	-	3 872 513	-	276 173 250
British America Tobacco Limited	184 105	6 317 245	6 317 245	589 320 105	101 257 750
Cassava Smartech	11 099 029	21 181 731	21 181 731	451 208 826	72 245 800
CBZ Holdings Limited	89 785 624	630 381 284	630 381 284	6 749 014 763	7 631 778 040
Delta Corporation Limited	26 120 477	28 170 391	28 170 391	4 245 392 471	614 583 479
Econet Wireless Zimbabwe Limited	4 781 539	3 586 154	9 046 632	406 430 815	113 909 287
Hwange Colliery Company Limited (Suspended)	11 294 308	2 990 923	2 990 923	29 743 953	2 990 923
Innscor Africa Limited	6 089 080	12 398 783	12 398 783	988 844 671	225 943 229
National Foods Limited	704 531	1 102 660	1 102 660	968 439 999	42 342 313
OK Zimbabwe Limited	207 772 872	17 538 106	17 538 106	5 702 596 577	1 864 366 758
Old Mutual Zimbabwe Limited	1 036 510	15 040 094	15 040 094	94 862 647	15 040 094
Padenga Holdings Limited	16 360 557	-	7 502 572	-	381 551 094
Seed Co Limited	22 813 534	22 819 302	22 819 302	2 408 278 778	571 599 938
Seed International	21 597 691	-	10 947 870	-	10 947 870
Simbisa Brands Limited	6 167 675	4 501 381	4 501 381	555 090 750	81 428 112
Zimre Holdings Limited	277 119 216	212 936 279	112 482 762	1 042 189 947	754 571 062
		978 964 332	**906 294 248**	**24 231 414 302**	**12 760 728 999**
Foreign listed shares					
Africa Export Import Bank depository receipts(233)	2 325 581	23 953 486	10 000 000	682 321 279	621 958 457
Nedbank group limited	37 362	15 982 456	384 771	44 656 708	17 151 947
Quilter plc	246 222	1 088 925	471 068	53 639 011	42 150 282
Bindura Nickel Corporation Limited	73 460 101	3 872 513	-	478 956 920	-
Padenga Holdings Limited	16 360 557	7 502 572	-	373 345 620	-
Seed International	21 597 691	10 947 870	-	658 325 181	-
Africa Re	2 500	66 612 965	-	65 634 264	-
		129 960 786	**10 855 839**	**2 356 878 983**	**681 260 686**
		1 108 925 118	**917 150 087**	**26 588 293 285**	**13 441 989 685**

6.2.1 Fair value reconciliation

	2021 ZWL$	2020 ZWL$
Cost	1 108 925 118	917 150 086
Cummulative fair value gains	24 530 920 188	11 766 805 687
Cumulative exchange rate movement	948 447 979	742 729 546
Fuctional currency translation reserve	-	15 304 366
Fair value as at year end	**26 588 293 285**	**13 441 989 685**

6.2.2 Cumulative fair value gains

Opening cumulative fair value gains	**11 766 805 687**	**429 503 006**
Fair value gain/loss for the year	13 319 379 964	11 337 302 681
Fair value of disposed shares	(555 265 463)	-
Closing carrying amount	**24 530 920 188**	**11 766 805 687**

6.3 Fair value measurement

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities. This level includes listed equity securities traded on the Zimbabwe Stock Exchange.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This level includes non-quoted equity investments.

The hierarchy requires the use of observable market data when available. The Scheme considers relevant and observable market prices in its valuations where possible.

The table below summarises the various assets and liabilities measured at fair value and the level on the fair value hierarchy.

	Level 1 ZWL$	Level 2 ZWL$	Level 3 ZWL$	Total ZWL$
Inflation adjusted				
2021				
Financial assets at fair value				
Financial assets at fair value through other comprehensive income	26 588 293 285	-	-	26 588 293 285
Financial assets at fair value through profit or loss	5 007 742 355	-	345 941 715	5 353 684 070
	31 596 035 640	**-**	**345 941 715**	**31 941 977 355**
2020				
Financial assets at fair value				
Financial assets at fair value through other comprehensive income	23 224 812 185	-	-	23 224 812 185
Financial assets at fair value through profit or loss	1 014 801 873	-	19 261 386	1 034 063 258
	24 239 614 058	**-**	**19 261 386**	**24 258 875 443**
Historical Cost				
Financial assets at fair value				
2021				
Financial assets at fair value through other comprehensive income	26 588 293 285	-	-	26 588 293 285
Financial assets at fair value through profit or loss	5 007 742 355	-	345 941 715	5 353 684 070
	31 596 035 640	**-**	**345 941 715**	**31 941 977 355**
2020				
Financial assets at fair value				
Financial assets at fair value				
Financial assets at fair value through other comprehensive income	13 441 989 685	-	-	13 441 989 685
Financial assets at fair value through profit or loss	640 401 915	-	2 600 151	643 002 066
	14 082 391 600	**-**	**2 600 151**	**14 084 991 751**

Pensions and Other Benefits Scheme
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for the year ended December 31, 2021

7 INVESTMENTS IN ASSOCIATES

	Turnall Holdings ZWL$	FBC Holdings Limited ZWL$	First Mutual Holdings Limited ZWL$	Centragrid (Private) Limited ZWL$	Dubury Investments (Private) Limited ZWL$	Rainbow Tourism Group ZWL$	National Building Society ZWL$	Stalap (Private) Limited ZWL$	Starafrica Corporation ZWL$	Dec 31 2021 Total ZWL$	Dec 31 2020 Total ZWL$
Inflation adjusted											
Opening carrying amount	**775 179 600**	**3 650 088 260**	**3 274 355 861**	-	-	**1 667 687 793**	**1 771 219 856**	-	**1343 722 066**	**12 482 253 437**	**13 692 214 406**
Additions during the year	-	-	-	260 672 828	-	2 720 222 141	73 831 260	-	-	3 054 726 229	-
Reinstatement of associate	-	-	-	-	5 370 031	-	-	-	-	5 370 031	-
Reclassified from equity investment held at FVPL	-	-	-	-	-	-	-	1 742 639	-	1 742 639	-
Share of current year profit net of dividends	116 893 824	1 281 391 897	1 037 105 172	(2 311 489)	(52 681 416)	129 610 813	138 469 721	(33 454 130)	62 487 388	2677 511 779	4 202 850 161
Share of current year profit	121 661 269	1 496 248 401	1 071 209 449	(2 311 489)	(52 681 416)	129 610 813	154 774 330	(33 454 130)	62 487 388	2 947 544 615	4 359 064 092
Dividend received	4 767 445	214 856 504	34 104 277	-	-	-	16 304 610	-	-	270 032 836	(156 213 931)
Share of other comprehensive income	-	**366 514 250**	**(54 188 867)**	-	-	-	**(15 554 780)**	-	**28 820 823**	**325 591 425**	**(948 229 799)**
Closing carrying amount	**892 073 424**	**5 297 994 407**	**4 257 272 165**	**258 361 339**	**(47 311 385)**	**4 517 520 748**	**1967 966 057**	**(31 711 492)**	**1435 030 276**	**18 541 825 508**	**12 482 253 437**
Summary of the financial information:											
Assets	17 154 939 433	122 712 648 970	83 771 070	20 512 182	3 040 136 437	8 088 690 962	25 956 496 612	17 626 762 900	8 417 521 867	203 101 480 433	44 470 602 971
Liabilities	4 209 961 444	63 297 440 641	35 928 690	11 275 647	2 886 452 751	4 835 773 331	7 069 310 215	5 599 654 384	2 332 446 050	90 278 243 153	21 375 974 818
Revenue/total income	2 109 533 045	10 490 807 054	21 290 081	486 706	676 105 074	2 840 502 102	14 091 512 109	9 300 135 351	5 081 284 202	44 611 655 724	5 794 642 095
Total comprehensive income for the year	422 288 334	5 404 011 174	4 229 018	(20 537)	(723 000 178)	218 200 022	232 032 583	(33 454 130)	203 541 980	(98 471 242)	1 145 200 609

Share of associates is determined using after tax profits

Shareholding

	Shares in issue	Shares held by NSSA	2021 ` % Share holding	2020 % Share holding	2021 Fair value
FBC Holdings Limited	671 949 927	231 639 427	34.47%	34.47%	7 840 994 604
First Mutual Holdings limited	690 143 060	234 321 614	33.95%	33.95%	4 686 432 280
Rainbow Tourism Group	2 495 495 543	1 027 308 245	59.40%	59.40%	11 562 588 227
Turnall Holdings Limited	493 040 308	142 071 763	28.82%	28.82%	582 494 228
National Building Society	500 000 000	302 400 001	60.00%	60.00%	-
Starafrica Corporation	4 715 084 056	1 447 570 380	30.70%	30.70%	1 679 181 641
Unquoted					
Africom Continental	722 530 961	311 643 329	43.13%	43.13%	
Dubury Investments	10 000	3 621	36.21%	36.21%	
Stalap (Private) Limited	7 423	1 648	22.20%	-	
Centragrid (Private) Limited	135	35	26.00%	-	

The scheme does not consolidate entities whose shareholding is above 50% because the scheme has no control. Control is exercised at Group Authority level at which point consolidation is therefore done. Investment in associates is measured using the equity method. The shareholding is as highlighted above.

Dubury (Private) Limited was reinstated in the current year as it started making profits. Stalap (Private) Limited was reclassified from financial assets held at fair value through profit or loss.

7 INVESTMENTS IN ASSOCIATES

	Turnall Holdings ZWL$	FBC Holdings Limited ZWL$	First Mutual Holdings Limited ZWL$	Centragrid (Private) Limited ZWL$	Dubury Investments (Private) Limited ZWL$	Rainbow Tourism Group ZWL$	National Building Society ZWL$	Stalap (Private) Limited ZWL$	Starafrica Corporation ZWL$	Dec 31 2021 Total ZWL$	Dec 31 2020 Total ZWL$
Historical cost											
Opening carrying amount	**111 427 564**	**1 763 796 467**	**2 232 791 883**	-	-	**1 410 222 003**	**168 346 006**	-	**188 740 562**	**5 875 324 484**	**1 651 599 092**
Additions during the year	-	-	-	233 034 890	-	2 572 091 381	69 810 750	-	-	2 874 937 021	-
Reinstatement of associate	-	-	-	-	5 370 031	-	-	-	-	5 370 031	-
Reclassified from equity investment held at FVPL	-	-	-	-	-	-	-	1 084 135	-	1 084 135	-
Disposal of shares	-	-	-	-	-	-	-	-	-	-	(2 649 674 192)
Share profits for the year	-	-	-	-	-	-	-	-	-	-	-
Share of current year profit net of dividends	55 127 142	2196 213 723	2374 160 394	(2 311 489)	972 310 290	117 152 576	144 102 916	16 966 083	152 576 165	6 026 297 799	4 452 139 638
Share of current year profit	59 389 295	2 368 576 620	2 401 576 023	(2 311 489)	972 310 290	117 152 576	160 407 526	16 966 083	152 576 165	6 246 643 088	4 532 658 345
Dividend received	4 262 153	172 362 898	27 415 629	-	-	-	16 304 610	-	-	220 345 289	(80 518 707)
Share of other comprehensive income	-	**659 637 213**	**(9 633 727)**	-	-	-	**16 672 044**	**69 175 412**	**157 046 612**	**892 897 555**	**2 421 259 946**
Closing carrying amount	**166 554 706**	**4 619 647 402**	**4 597 318 582**	**230 723 433**	**977 680 353**	**4 099 465 992**	**398 931 716**	**87 225 630**	**498 363 340**	**15 675 911 025**	**5 875 324 484**
Summary of the financial information:											
Assets	1 064 164 221	62 791 242 393	35 211 342	11 275 647	2 886 452 751	5 281 944 762	5 097 762 805	2 054 281 210	2 054 281 210	81 276 616 341	26 051 214 447
Liabilities	482 602 003	48 460 999 314	21 234 589	8 770 366	200 578 790	1 670 165 874	4 563 641 704	725 370 241	725 370 241	56 858 733 122	17 434 645 944
Revenue/total income	1716 246 530	8 337 387 699	26 627 557	486 706	61 369 452	2 392 408 627	267 345 876	3 832 897 658	3 832 897 658	20 467 667 763	9 751 607 279
Total comprehensive income for the year	206 141 252	8 784 797 592	7 433 009	(20 537)	565 630 139	197 226 559	295 132 616	1 008 543 249	1 008 543 249	12 073 427 128	7 163 911 587

Share of associates is determined using after tax profits

Shareholding	Shares in issue	Shares held by NSSA	2021 ` % Share holding	2020 % Share holding	Fair value
FBC Holdings Limited	671 949 927	231 639 427	34.47%	34.47%	7 840 994 604
First Mutual Holdings limited	728 180 248	234 321 614	32.18%	32.18%	4 686 432 280
Turnall Holdings Limited	493 040 308	142 071 763	28.82%	28.82%	582 494 228
National Building Society	504 000 000	302 400 001	60%	60%	-
Starafrica Corporation	4 715 084 056	1 447 570 380	30.70%	30.70%	1 679 181 641
Rainbow Tourism Group	2 495 495 543	1 482 383 106	59.40%	59.40%	11 562 588 227
Unquoted					
Africom Continental	722 530 961	311 643 329	43.13%	43.13%	
Dubury Investments	10 000	3 621	36.21%	36.21%	
Stalap	7 423	1 648	22.20%	-	
Centragrid (Private) Limited	135	35	26.00%	-	

The scheme does not consolidate entities whose shareholding is above 50% because the scheme has no control.

Control is exercised at Group Authority level at which point consolidation is therefore done. Investment in associates is measured using the equity method. The shareholding is as highlighted above.

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2021

8 INTANGIBLE ASSETS

	Inflation adjusted		Historical cost	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Opening carrying amount	**7 353 138**	**7 353 138**	**264 053**	**264 053**
Reclasified from property plant and equipment	14 045 923	-	695 736	-
Additions during the year	4 466 089	-	9 332 099	-
Clossing carrying amount	**25 865 150**	**7 353 138**	**10 291 888**	**264 053**

This is an internal auditing software whose economic life could not be estimated with reasonable certainty and has been deemed to be an intangible asset with an indefinate lifespan. This position is subject to review every reporting period by management.

9 FINANCIAL ASSETS MEASURED AT AMORTISED COST

	Inflation adjusted		Historical cost	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Stanbic Bank Zimbabwe limited (Africom)	1 852 408	2 977 508	1 852 408	1 852 408
Bindura Nickel Corporation (Bonds)	-	502 304	-	312 500
Econet Wireless Zimbabwe Limited - Debenture	-	327 319	-	203 636
Treasury bill (SMEDCO)	414 514	666 278	414 514	414 514
Reserve Bank of Zimbabwe (Treasury bills)	16 601 404	291 612 525	16 601 404	181 421 947
	18 868 326	**296 085 934**	**18 868 326**	**184 205 005**

10 LOANS AND ADVANCES

Dubury Investments	5 977 120	9 607 454	5 977 120	5 977 120
Centragrid	264 197 685	-	264 197 685	-
Housing Corporation Zimbabwe	11 115 000	17 865 938	11 115 000	11 115 000
Gweru Housing Project	3 500 000	5 625 801	3 500 000	3 500 000
National Building Society other staff loans	82 485 241	34 920 916	82 485 241	21 725 475
Platinum Investment Managers	74 269 964	-	74 269 964	-
National Building Society Chinhoyi Housing Project	141 912 374	17 319 476	141 912 374	10 775 028
National Building Society Glaudina Housing Project	11 703 307	40 827 244	11 703 307	25 400 000
Impairment	(94 411 400)	(56 537 707)	(94 411 400)	(35 174 006)
	500 749 291	**69 629 122**	**500 749 291**	**43 318 616**

10.1 Reconcilliation of credit losses

Opening balance	77 910 183	77 910 183	48 470 542	48 470 542
Monetary adjustment	(29 439 641)	-	-	-
Closing balance	**48 470 542**	**77 910 183**	**48 470 542**	**48 470 542**

11 INVENTORY

Stationery and consumables	**31 129 243**	**27 928 482**	**24 123 716**	**7 179 854**

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2021

12 TRADE AND OTHER RECEIVABLES

	Inflation adjusted		Historical cost	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Trade receivables				
Contributions receivables	**2 642 046 087**	**1 348 235 251**	**2 642 046 087**	**838 782 436**
Allowance for credit losses	(436 661 763)	(249 164 126)	(436 661 763)	(155 013 372)
	2 205 384 324	**1 099 071 125**	**2 205 384 324**	**683 769 064**
Other receivables		-		
Accident Prevention and Workers Compensation Scheme (inter scheme)	6 403 770	344 998 818	6 403 770	214 635 353
Staff advances	54 806 360	12 169 311	54 806 360	7 570 937
Dividend receivable	10 022 101	86 137 490	10 022 101	53 589 026
Interest receivable	(19 110 766)	21 608 014	(19 110 766)	13 443 071
Rental receivable	51 018 987	60 698 282	51 018 987	37 762 440
Prepayments	22 580 184	26 007 254	22 580 184	16 179 986
ZIMRA receivables	2 317 712	3 725 425	2 317 712	2 317 712
Sundry receivables	436 240 858	18 644 388	436 240 858	11 599 300
Allowance for credit losses	(36 611 886)	(30 657 857)	(36 611 886)	(19 072 948)
	527 667 320	**543 331 124**	**527 667 320**	**338 024 877**
	2 733 051 644	**1642 402 249**	**2 733 051 644**	**1 021 793 941**
12.1 Trade receivable impairments				
Opening balance	249 164 126	7 304 314 836	155 013 372	59 862 774
Change in allowance for credit loss	281 648 391	152 945 071	281 648 391	95 150 598
Monetary Adjustment	(94 150 754)	(7 208 095 781)	-	-
Closing balance	**436 661 763**	**249 164 126**	**436 661 763**	**155 013 372**
12.2 Other receivables short term impairments				
Opening balance	30 657 857	79 472 888	19 072 948	11 025 671
Current year charge	17 538 938	12 935 193	17 538 938	8 047 277
Effects of exchange rate	(11 584 908)	(61 750 224)	-	-
Closing balance	**36 611 886**	**30 657 857**	**36 611 886**	**19 072 948**
12.3 Summary of impairments				
Trade and other receivables	281 648 391	152 942 390	281 648 391	95 150 598
Financial assets at amortised cost	17 538 938	12 934 966	17 538 938	8 047 277
	299 187 329	**165 877 356**	**299 187 329**	**103 197 875**

13 CASH AND CASH EQUIVALENTS

Cash on hand	248 526	411 100	248 526	255 759
Bank balances	3 569 156 907	2 743 875 518	3 569 156 907	1 707 057 125
Funds on placements	213 635 368	106 366 692	213 635 368	66 174 292
	3 783 040 801	**2 850 653 310**	**3 783 040 801**	**1 773 487 176**

14 OTHER COMPONENTS OF RESERVES

Mark-to-market reserve	17 377 396 588	14 381 652 232	24 530 920 188	11 766 805 686
Fuctional currency translation reserve	-	110 317 989	-	15 304 966
Revaluation reserve	825 554 512	1 238 957 350	1 262 079 158	921 158 387
Share of other comprehensive income from associates	2 032 553 898	1 706 962 473	4 091 376 136	3 198 478 581
	20 235 504 999	**17 437 890 044**	**29 884 375 481**	**15 901 747 620**

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
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15 TRADE AND OTHER PAYABLES

	Inflation adjusted		Historical cost	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Trade payables				
Contributions payables (employers)	33 120 058	22 137 237	33 120 058	13 772 319
Claims payable	1 267 205 554	260 712 284	1 267 205 554	162 197 869
	1 300 325 612	282 849 521	1 300 325 612	175 970 188
Other payables				
Provision for leave pay	71 465 705	144 777 396	71 465 705	90 070 881
Staff costs accrual	3 113 066 690	-	3 113 066 690	-
Sundry payables	666 164 625	82 738 547	666 164 625	51 474 445
Accident Prevention Workers Compensation Scheme (inter scheme)	84 384 011	-	84 384 011	-
	3 935 081 031	227 515 943	3 935 081 031	141 545 326
		-		
	5 235 406 643	510 365 464	5 235 406 643	317 515 514

16 INCOME

16.1 Contributions	14 314 478 609	5 758 362 600	12 295 593 476	2 819 167 311
16.2 Investment income				
Interest money market investments	24 684 942	30 088 110	19 102 752	9 459 921
Interest on financial assets measured at amortised cost	25 769 050	32 602 679	21 420 381	10 898 401
Dividend income	1 220 569 518	569 272 034	959 176 261	303 792 040
Rental income	309 524 799	212 048 205	245 569 543	98 825 444
Sundry investment income	19 924 499	-	16 945 302	-
	1 600 472 808	844 011 029	1 262 214 239	422 975 806
16.3 Profit/(loss) on Disposal of Investments				
Profit/(Loss) on disposal of investments	-	(1 596 782 924)	-	(995 233 245)
Profit/(Loss) on other investments	140 620	(12 161 301)	101 684	(3 003 251)
	140 620	(1 608 944 224)	101 684	(998 236 496)
16.4 Other income				
Penalties /surcharges	1 109 927	5	1 014 900	3
Interest on staff loans	2 271 163	52 383	2 271 162	32 589
Bank interest	35 819 660	1 687 787	31 173 526	1 050 029
Profit on disposal of furniture	-	132 538	-	72 621
Profit on disposal of motor vehicles	5 370 031	-	4 985 292	-
Other income	6 090 565	9 658 425	7 183 877	5 090 482
	50 661 346	11 531 138	46 628 757	6 245 724
16.5 Exchange rate gain				
Financial instruments	205 718 433	959 771 872	205 718 433	597 106 320
Other	374 138 412	233 614 710	374 138 412	145 339 558
	579 856 844	1 193 386 582	579 856 844	742 445 878

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
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17 ADMINISTRATION COSTS

	Inflation adjusted		Historical cost	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Actuarial valuation	1 157 797	7 193 727	963 414	970 800
Actuarial valuation	10 459 936	1 861 010	8 175 341	963 414
Advertising and publicity	116 840 955	42 505 789	92 679 800	20 586 745
Audit fees statutory	6 288 335	1 511 762	4 860 919	591 728
Allowance for credit losses	371 124 722	165 877 356	358 424 722	103 197 875
Bank charges	100 862 262	36 677 639	77 804 475	15 198 582
Cleaning and sundries	53 213 490	45 751 071	45 716 920	17 729 400
Clothing and uniforms	3 729 220	6 087 572	2 979 532	1 967 775
Commission	11 273 205	5 390 122	8 927 850	2 107 515
Conferences functions	1 540 532	278 640	1 175 493	162 276
Computer charges	47 169 307	28 141 019	39 154 447	11 651 688
Data clean up costs	130 051	405 570	102 025	252 319
Depreciation	111 551 566	164 360 522	94 751 563	27 510 228
Electricity and water	24 161 040	19 720 367	19 270 123	8 730 933
Entertainment and promotions	456 177	625 557	373 258	295 215
Insurance	27 994 531	28 949 861	22 414 850	12 751 684
Legal fees	17 040 331	14 404 127	13 742 631	5 980 802
Mailing expenses	3 860 222	2 839 612	3 061 545	1 189 259
Motor vehicle expenses	90 038 209	101 403 716	70 089 203	48 397 699
Motor vehicle expenses- personal	481 338	4 161 961	356 943	1 739 905
Printing and stationery	20 931 514	21 698 589	15 882 179	7 841 920
Professional fees	26 683 330	6 745 698	26 683 330	2 829 782
Rent and rates	44 959 973	15 989 357	38 054 584	8 061 946
Repairs and maintenance- Buildings	40 279 864	18 822 906	33 026 053	8 359 465
Repairs and maintenance- Computers	82 727 633	76 044 116	67 101 795	31 730 650
Repairs and maintenance- Furniture and Equipment	2 407 612	2 152 787	1 973 334	821 424
Security charges	56 315 117	20 617 842	47 105 077	9 729 076
Shows and exhibits	9 502 384	691 720	8 509 173	323 439
Social responsibility	30 288 909	8 051 089	25 607 645	3 247 204
Staff social activities	3 293 846	3 627 631	3 053 003	889 626
Subscriptions	18 696 639	12 984 427	15 244 591	5 165 028
Telephone expenses	23 343 218	20 910 126	18 606 142	10 068 316
Training, education and seminars	9 883 807	5 736 257	8 695 883	2 245 509
Travelling expenses	69 779 772	52 057 855	55 635 570	21 792 253
Valuation fees	7 282 294	5 386 432	6 679 547	2 587 227
Works council	1 769 090	391 262	1 549 001	80 259
	1 446 360 430	**942 861 366**	**1 237 468 547**	**396 778 167**

18 STAFF COSTS

Basis salary	700 506 772	391 520 674	573 104 830	186 337 771
Other staff expenses	4 035 719 555	607 024 963	3 864 054 829	265 926 641
	4 736 226 327	**998 545 636**	**4 437 159 659**	**452 264 412**

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
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19 PENSION ARRANGEMENTS

NSSA Staff Pension Fund

Pensions are provided for all permanent employees by two separate funds to which the Authority and employees contribute. The Authority pension fund has both the defined benefit plan and defined contribution plan of which the retirement benefits are determined by reference to the employees' pensionable remuneration and years of service. The recommendation by the acturial to split the assets for the two schemes that is the Defined Benefit (DB) and the Defined Contribution (DC) to avoid cross subsidy as the assets for the two schemes are being jointly managed was done during the year 2020.

The employees contribute 10% and the employer contributes 13.39% . Contributions by the Authority are charged to the statement of profit or loss and other comprehensive income.

Pension and Other Benefits Scheme

All employees of the Scheme are members of the Pension and Other Benefits Scheme, to which both the employer and employees contribute. The Fund's obligations are limited to specific contributions as legislated from time to time and are presently 4.5% of the insurable ceiling of ZW$21 641.21. Contributions by the employer are charged to the statement of profit and loss and other comprehensive income. Contributions by the scheme to both staff pension fund and the scheme's contributions are as follows;

	Inflation adjusted		Historical cost	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZW
Staff pension	4 090 270 144	50 293 152	3 154 531 227	23 555 797
NSSA pension	5 471 680	1 821 128	4 565 614	853 545
	4 095 741 824	**52 114 280**	**3 159 096 841**	**24 409 342**

20 RELATED PARTIES

The Scheme has related party relationships with organisations in which it owns, directly or indirectly, 10% or more of its share capital or those shareholders who control in any manner, the election of the majority of the Directors of the Investee Companies or have the power to exercise controlling influence over the management or financial and operating policies of the Investee Companies. The Scheme carried out investments related transactions with various companies related to it, all of which were undertaken at arm's length terms.

The following is a list of related parties to the Group that it had transactions with:

Group entities	Nature of relationship
Africom Continental (Private) Limited	Investee company
CBZ Holdings Limited	Investee company
CFI Holdings Limited	Investee company
Centragrid (Private) Limited	Investee company
Dubury Investments (Private) Limited	Investee company
FBC Holdings Limited	Investee company
First Mutual Holdings Limited	Investee company
Stalap (Private) Limited	Investee company
National Building Society	Investee company
OK Zimbabwe Limited	Investee company
Rainbow Tourism Group	Investee company
Star Africa Corporation	Investee company
Turnall Holdings Limited	Investee company

Key Management Personnel

Board Members (up to May 23, 2021)	
Mr Clifford Matorera	Chairman
Mr Andrew Bvumbe	Member
Mr Authur Manase	Ex-officio

Board Members (appointed May 24, 2021)	
Dr Percy Toriro	Chairman
Mrs Merjury Chinyemba (appointed November 9, 2021)	Vice Chairperson
Mrs Beatrice Ncube	Member
Commissioner George Antony Chigora	Member
Mr Timothy Nherudzo	Member
Dr Chipo Ndudzo (appointed November 9, 2021)	Member
Ms Grace Mathe	Member
Mr Shepherd Mundondo	Member
Mr Tarusenga Chitemere	Member
Mr Clifford Matorera	Member
Mr Authur Manase	Ex-officio

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2021

Executive Directors 2021

Authur Manase	General Manager
Dr Charles Shava	Director Occupational Healthy and Safety
Ms Hope T Mulilo (appointed June 01, 2021)	Acting Director Finance
Mrs Agnes Masiiwa	Director Contributions and Compliance
Mr Shepherd Muperi	Director Social Security
Mrs Prudence Mutsvanga	Director Legal Affairs and Corporate Secretarial Services
Mr Brian Murewa	Director Investments
Mr David Makwara	Director Corporate Affairs

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Authority directly or indirectly.

Companies related to key management personnel

Declaration of related party interest
The non executive directors confirmed by way of signed affidavits that neither they nor any of their connected persons or related companies transacted with Scheme during the year.

20.1 Compensation to key management personnel to NSSA

	Inflation adjusted		Historical cost	
Non Executive Directors' fees	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Chairman	91 051	419 724	70 560	261 120
Deputy Chairman	589 000	352 946	456 448	219 576
Other	1 179 793	2 526 860	1 098 140	1 093 776
	1 859 844	**3 299 531**	**1 625 148**	**1 574 472**
20.2 Executive short term benefits				
General Manager	35 334 783	7 062 158	17 280 713	4 498 530
Director Finance and ICT	23 161 717	6 368 525	11 327 393	2 990 974
Other Directors	261 848 194	42 120 563	128 058 619	16 274 846
	320 344 694	**55 551 246**	**156 666 725**	**23 764 350**
20.3 The Scheme has advanced loans to related parties as follows :				
Loans and advances				
National Building Society	**36 175 028**	**157 580 612**	**36 175 028**	**36 175 028**
Other receivables				
National building Society (staff Loans)	**11 115 000**	**41 676 776**	**21 725 475**	**21 725 475**

Middle White Pride (Pvt) Ltd
The Authority entered into a loan agreement with Middle White Pride of USD$2 852 135. The loan will be disbursed in phases starting in 2022.

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2021

21.1 Trade and other receivables

The Scheme makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Scheme uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Scheme assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

21.2 Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely the same under IFRS 9 compared to IAS 39, the Scheme's financial liabilities were not impacted by the adoption of IFRS 9. However, for completeness, the accounting policy is disclosed below.

The Scheme financial liabilities include borrowings and trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless theSchemedesignated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

22 ACTUARIAL OBLIGATIONS IN RESPECT OF BENEFITS FOR THE PENSION AND OTHER BENEFITS SCHEME

Social Security Pension Schemes insure a defined group of persons on an obligatory basis and provide benefits according to established laws and regulations of the country. Most of the Social Security Schemes like the POBS are financed on a partial funding basis. The exact funding level of a social security pension scheme varies depending on:

The need to promote the stability of the contribution rate
The necessity to adapt the funding level of the scheme to the present economic situation and expected future developments to make the most effective use of the resources.

Structure of the insured persons of the POBS as at December 31, 2021

Out of the 3.209 million registered insured persons to the POBS, 1.204 million were active and 1.995 million were inactive contributors as at December 31, 2021.

A triennial actuarial valuation was done as at December 31, 2019

The following are the results of the actuarial valuation:

- The number of total pensions in payment at the end of the projection period will be about 24 times than that at the beginning, whereas the number of contributors will be 3.58 times than that at the beginning of the projection period.
- The replacement ratios of the benefits will increase from 6.3% to 35.4%. The replacement ratio each year represents the ratio of average pension to average monthly insurable earnings.
- The pay-as-you-go rates will increase from 6.2% to 28.7%. The Pay-as-you-go (PAYG) rates indicate, which contribution rate would be necessary if the contribution income of a particular year was to meet the expenditure of the same year.

From the projected Revenue Account of the POBS:

- The Year of Deficit is 2030. This is when the contributions plus investment income is less than the outflow, benefit payment plus expenses.
- The Year of review of the contribution rate is 2028. This is the year when Pay-as-go rate is higher than the contribution rate
- Year of Depletion of reserves is 2034, this is the year when all the assets have been exhausted and the scheme is on a pay-as-you-go funding basis.

NB the indicators above highlight when necessary reforms will need to be implemented, for example, review contribution rate, in order to maintain scheme sustainability.

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2021

Funding Mechanism

In addition, to regular increase in the contribution rate, management has applied to the Authorities for the maximum insurable earnings to increase in line with the poverty datum line. The following is applied to ensure long term sustainability of the scheme:

- Benefit and expense payment should not exceed contributions at any given point in time in the financial developments of the scheme.
- Maximising investment returns subject to acceptable risk.
- Monitoring compliance, to maximise contributions.

The scheme is subject to an actuarial valuation every three years to check whether the funding objectives are still on course. When there is volatility in the market, more actuarial valuations are requested in between statutory actuarial valuations, to ensure the financing system is on course.

Accident Prevention and Workers COMPENSATION SCHEME

Cushioning members and their dependants in the event of the former's injury in work-related accidents.

#NSSAHeroes!

nssa
A Lifelong promise

All communication should be addressed to
The Auditor-General
P.O Box CY 143, Causeway, Harare
Telephone 263-242-793611/3/4
Telegrams: AUDITOR
E-mail: oagzimbabwe263@gmail.com
Website: www.auditorgeneral.gov.zw

OFFICE OF THE AUDITOR - GENERAL
5th Floor, Burroughs House
48 George Silundika Avenue
Harare

Ref: **SB18**

REPORT OF THE AUDITOR-GENERAL

TO

THE MINISTER OF PUBLIC SERVICE, LABOUR AND SOCIAL WELFARE

AND

THE BOARD OF DIRECTORS
IN RESPECT OF THE FINANCIAL STATEMENTS OF
NATIONAL SOCIAL SECURITY AUTHORITY'S

ACCIDENT PREVENTION AND WORKERS COMPENSATION SCHEME

FOR THE YEAR ENDED DECEMBER 31, 2021

Report on the Audit of the Financial Statements

Qualified Opinion

I have audited the accompanying financial statements of the National Social Security Authority's Accident Prevention and Workers Compensation Scheme (the Scheme) , as set out on pages 151 to 177 which comprise the statement of financial position as at December 31, 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

In my opinion, except for the effects of the matter described in the Basis for qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Social Security Authority' Accidents Prevention and Workers Compensation Scheme as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

i. **Non-compliance with International Financial Reporting Standard (IFRS) 13 - "Fair value measurement"**
The Scheme determined the value of its investment property and property, plant and equipment through a revaluation exercise. The revaluations were performed in USD and then translated to ZWL$ using the auction rate as at December 31, 2021. The translated ZWL$ values for the investment property and property, plant and equipment did not meet the requirements of International Financial Reporting Standard IFRS 13 - "Fair value measurement" as they did not reflect the assumptions that market participants would apply in valuing similar items in ZWL$. I could not determine the extent of the adjustment necessary.

ii. **Non-compliance with International Accounting Standard (IAS) 21 - "The Effects of Changes in Foreign Exchange Rates"**
In the prior financial year, the Scheme, had foreign currency denominated transactions and balances that were translated into ZWL$ using the interbank exchange rates / foreign currency auction rates which were not considered appropriate spot rates for translations as required by International Accounting Standard (IAS) 21 - "The Effects of Changes in Foreign Exchange Rates". The opinion on the prior year of the Scheme's financial statements was modified in respect of this matter and the misstatements have not been corrected in the financial statements for the year ended 31 December 2021. Had the financial statements been prepared in accordance with the requirements of International Accounting Standard (IAS) 21 - "The Effects of Changes in Foreign Exchange Rates", many elements would have been materially different. The effects of the non-compliance with the requirements of International Accounting Standard (IAS) 21 - "The Effects of Changes in Foreign Exchange Rates" have been considered to be material but not pervasive to the financial statements as a whole.

iii. **Non-compliance with International Accounting Standard (IAS) 36, "Impairment of Assets" and International Accounting Standard (IAS) 16 - "Property, plant and equipment"**

The Scheme did not review the useful lives of its assets as required by IAS 16, "Property, plant and equipment" paragraph 51, which requires that residual value and the useful life of an asset must be reviewed at least at each financial year-end. In addition, the Scheme did not provide evidence of impairment assessment on its assets as required by IAS 36, "Impairment of Assets" paragraph 9, which requires that an entity should assess at each reporting period, whether there are indicators of impairment regardless of indicators of impairment noted on some of the assets. Had the Scheme reviewed the useful life of its items of property, plant and equipment and carried out an assessment of impairment, the carrying amount of property, plant and equipment would have been materially different. As a result, I could not satisfy myself on the valuation of property, plant and equipment amounting to ZWL$.945.5 million as disclosed in the statement of financial position as at December 31, 2021.

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

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

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the Scheme's financial statements of National Social Security Authority's Accident Prevention and Workers Compensation Scheme, for the year ended December 31, 2021. These matters were addressed in the context of my audit of National Social Security Authority's Accident Prevention and Workers Compensation Scheme's financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section I have determined the matters described below to be the key audit matters to be communicated in my report.

Kev Audit Matter	How my audit addressed the Key Audit Matter
Revenue recognition. Refer to note 3.1 and 17 to the financial statements. The Accident Prevention and Workers Compensation Scheme recognized revenue amounting to ZWL$4.04 billion inflation adjusted for the year ended December 31, 2021. There is a presumed risk of fraud with regard to revenue recognition as guided by International Standard on Auditing (ISA 240 revised). This is a significant risk and accordingly revenue recognition has been considered key audit matter.	My procedures to address the risk of material misstatement relating to revenue recognition were as included: • Reviewed the appropriateness of revenue recognition criteria applied in line with the requirements of IFRS 15. • Performed reasonability tests of budgets and evaluate assumptions and projections made by management. • Tested the design, existence and operating effectiveness of internal controls implemented as well as test of details to ensure the accurate processing of revenue transactions. • Performed substantive analytical procedures on revenue and scrutinising manual journals related to revenue to assess the timing and fair values of revenue recorded. • Recomputed the inflation adjusted figures from the historical cost figures to confirm if they were adjusted in line with requirements of IAS 29. I found management's revenue recognition criteria appropriate.
Valuation of trade receivables. **Refer to note 12 of the financial statements.** The Accidents Prevention and Workers' Compensation Scheme estimated the recoverable amount of trade receivables to be ZWL$778.3 million inflation adjusted as at December 31, 2021 after adjusting allowance for credit loss of ZWL$204.8 million inflation adjusted as at December 31, 2021. In determining expected credit loss allowance, management applied significant judgement in coming up with forward looking information and default rates. IFRS 9 is a complex standard which management had adopted in 2018 and this standard was revised in 2019 to cover the calculation of the expected credit loss and applied the simplified model when they estimated allowance for credit loss. As a result, the valuation of trade receivables was considered to be a key audit matter.	**The audit procedures performed to address the risk of material misstatement relating to valuation of trade receivables included:** • Obtained understanding of the Scheme's key debt management processes and tested the operating effectiveness of key controls over these processes. • Assessment of the recoverability of material long outstanding receivables by assessing the subsequent payment behaviour of the debtor. • Evaluated the strategies implemented by the Authority to recover the debts and how the debtors responded to the strategies implemented. • Evaluated the reasonability of management judgements and assumptions made in estimating the expected credit loss allowance considering the nature, suitability of any historic data and forward-looking information used to support these assumptions. • Recomputed the inflation adjusted figures from the historical cost figures to confirm if they were adjusted in line with requirements of IAS 29. Based on the outcome of the procedures performed, I found the valuation and disclosure of trade receivables to be reasonable.

Report of the independent auditor (cont.)
to the members of NSSA

Other Information
The directors are responsible for the other Information. The other Information comprises all the information in the National Social Security Authority's Accident Prevention and Workers Compensation Scheme's 2021 annual report other than the Authority financial statements and my auditor's report thereon ("the other Information").

My opinion on the financial statements does not cover the other Information and I do not express any form of assurance conclusion thereon.
In connection with my audit of the Scheme's financial statements, my responsibility is to read the other Information and, in doing so consider whether the other Information is materially inconsistent with the Scheme's financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of the other Information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
The Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the National Social Security Authority Act [*Chapter* 17:04] and for such internal controls as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements
The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but it's not a guarantee that an audit conducted in accordance with ISAs 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, I exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

I communicated with management and Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit. I also provided management and Those Charged with Governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with management and Those Charged with Governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report of the independent auditor (cont.)
to the members of NSSA

Report on Other Legal and Regulatory Requirements

In my opinion, the financial statements of National Social Security Authority's Accident Prevention and Workers Compensation Scheme have, in all material respect, been prepared in compliance with the disclosure requirements of the National Social Security Authority Act [*Chapter* 17:04] and Public Finance Management Act [*Chapter* 22:19] and other relevant Statutory Instruments except for non-compliance with the Public Procurement and Disposal of Public Assets Act [*Chapter* 22:23}. National Social Security Authority hired service providers without following tender procedures as per the Public Procurement and Disposal of Public Assets Act [*Chapter* 22:23}.

26 March 2024.

R. KUJINGA,
ACTING AUDITOR-GENERAL

Accident Prevention and Workers Compensation Scheme
Statement of Financial Position
As at December 31, 2021

	Note	Inflation adjusted 2021 ZWL$	Inflation adjusted 2020 ZWL$	Historical cost 2021 ZWL$	Historical cost 2020 ZWL$
ASSETS					
Non-current assets		**30 434 090 961**	**18 674 937 294**	**29 684 632 743**	**11 272 030 067**
Property and equipment	4	945 575 415	1 280 214 086	945 575 415	738 703 957
Investment property	5	3 483 399 564	3 988 717 221	3 397 330 569	2 437 369 928
Financial assets at fair value through other comprehensive income	6	11 849 160 606	5 846 480 618	11 849 160 606	3 637 454 500
Financial assets at fair value through profit or loss	6.2	1 805 973 578	492 303 945	1 805 973 578	306 273 451
Financial assets at amortised cost	7.1	335 784 309	24 473 560	335 784 309	15 226 504
Loans and Advances	7.2	-	243 666 841	-	51 600 000
Investment in associates	8	7 379 599 128	5 266 682 986	6 737 166 612	3 143 890 433
Deferred expenditure	9	4 610 185 602	1 512 579 412	4 610 185 602	941 068 507
Intangible asset	10	24 412 758	19 818 625	3 456 052	442 787
Current assets		**1 755 511 923**	**1 323 119 167**	**1 752 000 963**	**814 356 471**
Inventory	11	15 600 491	24 207 683	12 089 530	6 223 589
Trade and other receivables	12	778 332 585	405 713 449	778 332 585	252 419 552
Cash and cash equivalents	13	961 578 847	893 198 035	961 578 847	555 713 330
Total Assets		**32 189 602 884**	**19 998 056 461**	**31 436 633 706**	**12 086 386 538**
Equity and liabilities					
Equity		**26 180 711 678**	**17 877 783 622**	**25 427 742 500**	**10 830 873 686**
Non distributable reserve		890 203 929	890 203 929	19 888 908	19 888 908
Other components of reserves	14	6 403 325 347	1 803 560 965	12 234 409 516	4 092 020 567
Accumulated fund		18 887 182 401	15 184 018 728	13 173 444 076	6 718 964 211
Liabilities		**6 008 891 206**	**2 120 272 839**	**6 008 891 206**	**1 255 512 852**
Non-current liabilities		**4 796 510 572**	**1 692 416 902**	**4 796 510 572**	**989 317 410**
Capitalised value of the pension liability	15	4 796 510 572	1 692 416 902	4 796 510 572	989 317 410
			-		
Current liabilities		**1 212 380 634**	**427 855 936**	**1 212 380 634**	**266 195 442**
Trade and other payables	16	1 212 380 634	427 855 936	1 212 380 634	266 195 442
Total Equity and Liabilities		**32 189 602 884**	**19 998 056 461**	**31 436 633 706**	**12 086 386 538**

18 March, 2024.

D. Ngwira (RPAcc.03629),
(Director Finance and ICT)

18 March, 2024.

Dr.C. Shava,
(Acting General Manager)

18 March, 202.

Dr. E. A. Fundira,
(Board Chairman)

Accident Prevention and Workers Compensation Scheme
Statement of Profit or Loss and other Comprehensive Income
for the year ended December 31, 2021

	Note	Inflation adjusted 2021 ZWL$	Inflation adjusted 2020 ZWL$	Historical cost 2021 ZWL$	Historical cost 2020 ZWL$
Income		**4 630 214 078**	**2 092 797 758**	**3 898 085 018**	**1 099 451 023**
Premium		4 042 666 296	1 739 282 385	3 415 681 804	929 222 607
Investment	17.1	460 665 104	303 585 009	377 600 989	144 868 420
Sundry	17.2	26 512 836	14 421 427	23 480 337	7 320 016
Occupational health and safety		100 369 843	35 508 936	81 321 888	18 039 980
Non operating income					
Fair value gain/loss on investment property	5	(574 727 513)	1 578 672 037	903 791 152	2 110 765 533
Gain on financial assets at fair value through profit and loss	6.2.2	1 158 034 220	322 064 443	1 502 082 320	291 151 312
Exchange rate gains	18.3	393 073 099	1 263 039 718	393 073 099	785 814 545
Less expenditure		**3 199 745 308**	**(886 046 390)**	**2 996 876 924**	**623 032 947**
Claims		**883 338 198**	**620 924 365**	**784 268 433**	**277 083 501**
Periodical and lump sum payments		14 771 732	14 717 320	12 718 421	7 036 802
Medical costs		51 580 893	92 614 155	41 837 692	37 969 262
Occupational health and safety expenses		274 037 114	234 142 680	219 426 791	99 848 712
Funeral grants		378 332	400 634	312 133	169 380
Bonus		29 817 902	37 798 863	29 817 902	23 516 993
Rehabilitation expenses		119 688 406	128 324 691	96 667 154	51 044 935
Travelling and subsistence- patients		1 864 260	2 197 618	1 483 951	813 698
Provision for new pensions		148 558 211	31 118 963	139 363 042	7 153 799
Deferred pension expenses	9	242 641 347	79 609 442	242 641 347	49 529 921
Operating expenses		**2 316 407 110**	**(1 506 970 755)**	**2 212 608 491**	**345 949 446**
Administration expenses	18.1	648 725 936	384 820 036	560 773 255	135 234 204
Staff costs	18.2	1 793 072 048	759 084 720	1 651 547 704	210 468 194
Directors' fees	21.1	329 259	499 237	287 532	247 048
Net monetary gain/ loss		(125 720 134)	(2 651 374 748)	-	-
Surplus before share of profit from associate		**2 406 848 577**	**6 142 620 346**	**3 700 154 665**	**3 664 149 466**
Share of profit from associates	8	1 296 315 096	1 509 529 649	2 754 325 200	1 928 416 426
Surplus for the year after share of profits from associates		**3 703 163 673**	**7 652 149 995**	**6 454 479 865**	**5 592 565 892**
Other comprehensive income		**4 599 764 382**	**(1 027 744 712)**	**8 142 388 949**	**3 737 221 503**
Items that will not be reclassified to profit or loss		**(334 065 442)**	**477 364 568**	**274 878 125**	**1 227 436 653**
Revaluation gain on property, plant and equipment	4	(264 505 449)	337 367 924	273 825 255	462 406 470
Share of other comprehensive income/(loss) from associates	8	(69 559 993)	139 996 644	1 052 870	765 030 183
Items that may be reclassified subsequently to profit or loss		**4 933 829 824**	**(1 505 109 280)**	**7 867 510 825**	**2 509 784 850**
Fair value gain/(loss) on financial assets through other comprehensive income	6.1.1	4 933 829 824	(1 505 109 280)	7 867 510 825	2 509 784 850
Total comprehensive income for the year		**8 302 928 055**	**6 624 405 282**	**14 596 868 814**	**9 329 787 395**

Accident Prevention and Workers Compensation Scheme
Statement of Changes in Equity
for the year ended December 31, 2021

			Other components of reserves				
	Non distributable reserve ZWL$	Accumulated fund ZWL$	Mark to market reserve ZWL$	Share of other comprehensive income from associates ZWL$	Translation and exchange reserve ZWL$	Revaluation reserve ZWL$	Total ZWL$
Inflation adjusted							
Balance as at January 01, 2020	**890 203 929**	**7 431 068 448**	**1 318 315 972**	**1 089 523 777**	**108 170 025**	**416 096 189**	**11 253 378 341**
Total comprehensive income for the year	-	7 652 149 995	(1 505 109 280)	139 996 642	-	337 367 924	6 624 405 281
Realisation of income on disposal of financial assets at fair value through other comprehensive income	-	100 800 285	(100 800 285)	-	-	-	- Balance as at
Balance as at December 31, 2020	**890 203 929**	**15 184 018 728**	**(287 593 592)**	**1 229 520 419**	**108 170 025**	**753 464 113**	**17 877 783 622**
Balance as at January 01, 2021	**890 203 929**	**15 184 018 728**	**(287 593 592)**	**1 229 520 419**	**108 170 025**	**753 464 113**	**17 877 783 622**
Total comprehensive income for the year	-	3 703 163 673	4 933 829 824	(69 559 993)	-	(264 505 449)	8 302 928 056
Balance as at December 31, 2021	**890 203 929**	**18 887 182 401**	**4 646 236 232**	**1 159 960 425**	**108 170 025**	**488 958 664**	**26 180 711 678**
Historical cost							
Balance as at January 01, 2020	**19 888 908**	**1 028 723 183**	**182 907 944**	**154 856 395**	**15 007 902**	**99 701 959**	**1 501 086 291**
Total comprehensive income for the year	-	5 592 565 892	2 509 784 850	765 030 183	-	462 406 470	9 329 787 395
Realisation of income on disposal of financial asset at fair value through other comprehensive income	-	97 675 136	(97 675 136)	-	-	-	-
Balance as at December 31, 2020	**19 888 908**	**6 718 964 212**	**2 595 017 658**	**919 886 578**	**15 007 902**	**562 108 429**	**10 830 873 687**
Balance as at January 01, 2021	**19 888 908**	**6 718 964 212**	**2 595 017 658**	**919 886 578**	**15 007 902**	**562 108 429**	**10 830 873 687**
Total comprehensive income for the year	-	6 454 479 865	7 867 510 825	1 052 870	-	273 825 255	14 596 868 813
Balance as at December 31, 2021	**19 888 908**	**13 173 444 076**	**10 462 528 483**	**920 939 448**	**15 007 902**	**835 933 684**	**25 427 742 500**

Accident Prevention and Workers Compensation Scheme
Statement of Cash Flows
for the year ended December 31, 2021

	Note	Inflation adjusted 2021 ZWL$	Inflation adjusted 2020 ZWL$	Historical cost 2021 ZWL$	Historical cost 2020 ZWL$
Cash flow from operating activities					
Net cash generated from operating activities		**1 615 829 990**	**240 114 559**	**1 316 083 535**	**425 942 124**
Net cash generated before working capital changes		**1 914 294 485**	**321 777 228**	**1 560 011 858**	**455 295 562**
Net cash generated before working capital changes		**1 493 781 731**	**385 465 705**	**1 145 605 640**	**457 155 221**
Surplus for the year before share of profit from associates		**2 406 848 577**	**6 142 620 346**	**3 700 154 665**	**3 664 149 466**
Adjusted for non cash items:					
Depreciation charge for the year	4	116 959 418	190 628 150	97 649 087	31 452 323
Impairment allowances	7.4	145 776 591	60 224 759	145 776 591	37 469 520
Gain on financial assets at fair value through profit and loss		(1 158 034 220)	(322 064 443)	(1 502 082 320)	(291 151 312)
Net monetary gain/(loss)		(125 720 134)	(2 651 374 748)	-	-
Exchange gain		(393 073 099)	(1 263 039 718)	(393 073 099)	(785 814 545)
Investment income	17	(460 665 104)	(303 585 009)	(377 600 989)	(144 868 420)
Fair value adjustment on investment property	5	574 727 513	(1 578 672 037)	(903 791 152)	(2 110 765 533)
Provision for new pensions		148 558 211	31 118 963	139 363 042	7 153 800
Deferred pension expense	9	242 641 347	79 609 442	242 641 347	49 529 921
Profit on disposal of assets	17.2	(4 237 369)	-	(3 431 532)	-
Working capital changes		**420 512 753**	**(63 688 477)**	**414 406 218**	**(1 859 659)**
Increase/(decrease) in inventory		8 607 192	(13 213 213)	(5 865 941)	(5 560 366)
Increase in trade and other receivables		(372 619 137)	(175 908 478)	(525 913 033)	(220 535 508)
Increase in trade and other payables		784 524 698	125 433 215	946 185 192	224 236 215
Pensions paid during the year	15	(298 464 495)	(81 662 670)	(243 928 323)	(29 353 438)
Cash flows from investing activities					
Net cash used in investing activities		**(1 019 600 280)**	**(582 822 468)**	**(920 908 768)**	**(304 253 217)**
Acquisition of property and equipment	4	(70 957 797)	(377 624 328)	(55 194 498)	(202 880 440)
Additions to investment property	5	(69 409 856)	(51 011 257)	(56 169 489)	(19 012 708)
Additions to intangible assets	10	(4 594 134)	-	(3 013 265)	-
Purchases of financial assets at fair value through other comprehensive income		(144 622 984)	(429 732 463)	(116 592 965)	(210 926 748)
Purchase of financial assets at fair value through profit and loss		(842 461)	(3 214 706)	(653 074)	(1 583 399)
Proceeds from disposal of financial assets at fair value through profit and loss		8 522 188	-	6 606 347	-
Purchase of financial assets at amortised cost		(418 739 400)	(23 658 263)	(324 503 565)	(14 718 342)
Receipts from financial assets at amortised cost		5 090 030	-	3 945 760	-
Receipts from loans and advances		73 081 101	-	57 081 101	-
Purchase of investment in associates	8	(886 161 040)	-	(837 898 109)	-
Proceeds from disposal of assets		28 368 970	-	27 882 000	-
Investment income	17	460 665 104	302 418 548	377 600 989	144 868 420
Other components					
Capitalised values					
Net increase / (decrease) of cash and cash equivalents		**596 229 710**	**(342 707 909)**	**395 174 768**	**121 688 907**
Cash and cash equivalents at the beginning of the year		893 198 035	1 011 796 250	555 713 330	140 380 285
Effects of changes in exchange rates		10 690 750	224 109 694	10 690 750	293 644 138
Effects of inflation on cash and cash equivalents		(538 539 647)	-	-	-
Cash and cash equivalents at the end of the year	13	**961 578 847**	**893 198 035**	**961 578 847**	**555 713 330**

Accident Prevention and Workers Compensation Scheme
Notes to the Financial Statements (cont.)
for the year ended December 31, 2021

1. NATURE OF BUSINESS

The Accident Prevention and Workers Compensation Scheme was established in terms of the National Social Security Authority Act, [Chapter 17:04] for the provision of benefits to workers injured at workplaces. These financial statements are in respect of the Accident Prevention and Workers Compensation Scheme only.

2. BASIS OF PREPARATION

The basis of preparation for the Accident Prevention and Workers Compensation Scheme is the same as assumed under the consolidated financial statements and as such has not been repeated in this section except where the matters are unique to the Accident Prevention and Workers Compensation Scheme.

2.1 Basis of measurement

The financial statements of the Scheme are prepared under the historical cost convention as inflation adjusted except for financial assets at fair value through profit and loss, financial assets at fair value through other comprehensive income and Investment property which are all measured at fair values and some items of property, plant and equipment which are shown at revalued amounts.

2.2 Going concern assumption

Management have assessed the ability of the Scheme to continue operating as a going concern and are satisfied it has the resources to continue in business for the foreseeable future. Management have engaged themselves to continuously assess the Scheme's ability to continue as a going concern and to determine the continued appropriateness of the going concern assumption that has been used in preparation of the separate financial statements. Therefore, the preparation of these separate financial statements on a going concern basis is still appropriate.

2.3 Application of new and revised International Financial Reporting Standards (IFRS)

2.3.1 New and revised standards in issue with no material effect on the financial statements of the Scheme.

a) Amendments to References to Conceptual Framework in IFRS Standards
b) Definition of Material (Amendment to IAS1 and IAS8)
c) Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS39 and IFRS 7)
d) Covid-19 related rent concessions (Amendments to IFRS 16)

2.3.1.1 Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual periods beginning on or after 1 January 2021)

The major change is the definition of an Asset, i.e. replacing resource with economic right and economic benefits by potential economic benefits. The impact to the Scheme is minimal as the Scheme has adopted IFRS 16 which to a larger extent is why this change was made.

2.3.1.2 Amendments to International Accounting Standard (IAS) 1, "Presentation of Financial Statements" and IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors"- Definition of material

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency. The amendments are applied prospectively for annual periods beginning on or after January 1, 2020, with earlier application permitted. This is likely to affect the detail and level of information the Scheme will be required to disclose.

2.3.1.3 Amendments to International Financial Reporting Standards (IFRS) 9, "Financial Instruments", International Accounting Standards (IAS) 39, "Financial Instruments: Recognition and Measurement" and IFRS 7, "Financial Instruments: Disclosures"- Hedging relationships

These amendments are meant to provide relief which apply to hedging relationships that are directly affected by interest rate benchmark reform. The hedge is affected if the reform gives to uncertainty about the timing or amount of the benchmark based cashflows of the hedged item or hedging instrument.

2.3.1.4 Amendments to International Financial Reporting Standards (IFRS) 16, "Leases"- Covid - 19 related rent concessions.

The amendments provide relief to lessees from applying IFRS16 guidance on lease modification accounting for rent concessions arising as a direct result of the COVID-19 pandemic. A lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. After making this election, the lessee

Accident Prevention and Workers Compensation Scheme
Notes to the Financial Statements (cont.)
for the year ended December 31, 2021

accounts for any change in lease payments resulting from the COVID-19 related rent concession in the same way as it would account for the change under IFRS 16, if the change were not a lease modification.

2.3.2 New standards, amendments and interpretations issued but not effective for December 31, 2021, year-end that are relevant to the Scheme.

The following standards and amendments were issued but not yet effective and are likely to not have a significant impact on the Scheme. They come into effect on or after January 1, 2021:

a) Amendments to IAS 16 'Property, Plant and Equipment' on Proceeds before Intended Use (effective 1 January 2022).
b) Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' on Onerous Contracts—Cost of Fulfilling a Contract (effective 1 January 2022).
c) Amendments to IAS1 'Classification of Liabilities as Current or Non-current' (effective 1 January 2022).
d) IFRS 17 Insurance Contracts (effective 1 January 2023)

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Scheme in future periods, except as noted below:

2.3.2.1 IFRS 17 Insurance Contracts International Financial Reporting Standards (IFRS) 17, "Insurance Contracts"

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees. For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

The implementation of the standard is likely to bring significant changes to the entity's processes, systems and will require much greater coordination between many functions of the business including finance, actuarial and information technology. The implementation of this standard is expected to have a material impact on the Scheme liabilities. This standard is effective for annual reporting periods beginning on or after January 1, 2023.

2.4 Comparative figures

All comparative figures as at end of the period 31 December 2020 were restated by applying the change in the index from the date of last re-measurement to 31 December 2021. Monetary assets and liabilities were not restated because they are already stated in terms of the measuring unit current at the reporting date. Non-monetary assets and liabilities held at fair value were not restated because they are already stated in terms of the measuring unit current at the reporting date. Non-monetary assets and liabilities that are not carried at amounts current at balance sheet and components of shareholders' equity were restated by applying the change in the index from the date of the transaction or if applicable from the date of their most recent revaluation to 31 December 2021. Where necessary comparison figures are reclassified in line with current year presentation.

2.5 Accounting judgements, estimates, and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant judgments include the following:

2.5.1 Useful lives and residual values of property and equipment

The Scheme assesses useful lives and residual values of property and equipment each year taking into account past experience and technology changes. The depreciation rates are set out in note 3.2 and no changes to these useful lives have been considered necessary during the year. Management has set residual values for all classes of property and equipment at zero.

2.5.2 Impairment of non-financial assets

At each statement of financial position date, the Scheme reviews the carrying amount of its assets to determine whether there is an indication that those assets suffered any impairment. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment is recognized as an expense immediately in the statement of profit or loss and other comprehensive income, unless the relevant asset is

carried at a revalued amount, in which case the impairment is treated as a revaluation decrease.

In the event that, in the subsequent period, an asset that has been subject to an impairment loss is no longer considered to be impaired, the value is restored and the gain is recognized in the statement of profit or loss and other comprehensive income. The restoration is limited to the value which would have been recorded had the impairment adjustment not taken place.

2.5.3 Computation of expected credit losses.

The Scheme makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Scheme uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. No impairment is recognised on equity investments. Under the Approach, the Scheme determines whether the financial asset is in one of three stages in order to determine both the amount of ECL to recognise as well as how interest income should be recognised. Stage 1 is where credit risk has not increased significantly since initial recognition. For financial assets in stage 1, the Society recognises a 12-month EC. Stage 2 is where credit risk has increased significantly since initial recognition. When a financial asset transfers to stage 2 the Scheme recognises lifetime ECL. Stage 3 is where the financial asset is credit impaired. This is effectively the point at which there has been an incurred loss event. For financial assets in stage 3, the Society continues to recognise lifetime ECL.

2.5.5 Fair value measurement

The Scheme measures financial assets such as listed and unlisted investments and non-financial assets such as investment property at fair value at the reporting date. Fair value 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either, in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Scheme. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Scheme uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Scheme determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.5.6 Fair value of investment property

The Scheme carries its investment property at fair value, with changes in fair value being recognised in statement of comprehensive income. The yield method converts anticipated future cash flow benefits in the form of rental income into present value. This approach requires careful estimation of future benefits and the application of investor yield or return requirements. One approach to value property on this basis is to capitalise net rental income on the basis of an initial yield, generally referred to as the "All Risks Yield" approach or "Net Initial Yield" approach. The determined fair value of the investment property is most sensitive to the estimated yield as well as the long-term void rate.

The determined fair value of the investment property is most sensitive to the estimated yield as well as the long-term void rate. The property valuations have been undertaken in an environment of poor liquidity conditions and limited transaction evidence. In undertaking the valuations for commercial, industrial and retail properties, reliance has been placed on rental market evidence, void rates and area currently applying to the individual properties in the portfolio. The achieved rentals for the portfolio are generally in line and in some instances higher than the rental rates being achieved in the market. With regards to the residential properties, various properties were identified that were sold or which are on sale and situated in comparable residential suburbs.

In analysing the comparable properties, the main space equivalent ("MSE") principle was applied. The total MSE of the comparable property was then used to determine a value per square meter of MSE. The objective is to arrive at a common basis of comparison. After adjustments for quality, location and size, the rates per MSE reflected by the

Accident Prevention and Workers Compensation Scheme
Notes to the Financial Statements (cont.)
for the year ended December 31, 2021

comparable were then applied to the subject residential properties. The yields have been obtained from the limited concluded transactions and have also been assessed taking into account asking prices and offers that may have been received for properties currently on the market, formally or otherwise, although the transactions may not have been concluded. Refer to note 5 for the carrying amount of investment property and more information on the estimates and assumptions used to determine the fair, value of investment property.

3. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistent to those applied in the financial statements for the year ended December 31, 2020. Only accounting policies unique to the Accident Prevention and Workers Compensation Scheme have been repeated in this section.

3.1 Revenue

The IFRS 15:114 requires an entity to disaggregate revenue recognized from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Scheme's revenue is made up of premium income, dividend income, rental income and interest income.

3.1.1 Premium income

Premiums are brought to account with effect from the date of registration of members on accrual basis. The monthly premium payable by employers is estimated using predetermined industrial assessment rate applied on the wages or salaries.

3.2 Capitalized value of the pension liability.

The capitalized value of the pension is the total pension that a pensioner will receive during his or her lifetime. The capitalized value of the pension liability is based on the value of the pension award, ages of the beneficiaries and annuity factors based on actuarial advice. New pension awards are charged to the statement of comprehensive income whilst changes in existing capitalized values as result of changes in annuity factors, increase in pensions and changes in mortality rates is debited to the deferred expenditure account.

3.3 Risk Management for Financial Instruments

The following analysis gives the extent to which the financial instruments held by the Scheme exposes it to various forms of risk.

3.1.1 Liquidity risk

This is defined as the risk that the Authority is unable to meet its payment commitments when they fall due. The primary sources of inflows are the employer premiums and money market maturities. Liquidity risk is managed through matching maturity profile of investments to benefits payments cycle, maintaining sufficient liquidity buffer, diversifying funding base and management of short term and long term cashflows.

- The Authority carefully and prudently analyzes the premium collections and invests in short-term investments that ensure that the portfolio duration tallies with the benefits payment cycle.
- Maintenance of large liquidity buffer: The Investment Division maintains reasonable levels of liquidity buffer by investing in short term investments such as 30 day investments to ensure that funds are readily available to meet unexpected cash outflows over and above the maturity matching.
- Diversified funding base: Concentration limits are used so that funding diversification is maintained across counterparties.
- Management of short and long term cash flows: The investment division balances its cashflows between short term and long term by rescheduling or adjusting investment timetables for longer term investments such as real estate, projects and private equity.

Liquidity risk is measured using gap analysis techniques and the term structure of the assets and liabilities.

Liquidity gap analysis as at December 31, 2021

Assets December 31, 2021	1 month ZWL$	1 to 3 months ZWL$	3 months to 1 year ZWL$	1 year to 5 years ZWL$	Total ZWL$
Trade and other receivables	155 666 517	233 499 776	389 166 294	-	778 332 587
Financial assets at amortised cost	33 578 431	67 156 862	100 735 292	134 313 723	335 784 308
Financial assets at fair value through profit and loss	-	-	-	1 805 973 578	1 805 973 578
Financial assets at fair value through other comprehensive income	-	-	-	11 849 160 606	11 849 160 606
Cash and cash equivalents	673 105 194	288 473 654	-	-	961 578 848
Total	**862 350 142**	**589 130 292**	**489 901 586**	**11 983 474 329**	**13 924 856 349**
Liabilities					
Trade payables	16 830 386	-	-	-	16 830 386
Other payables	239 110 050	358 665 074	597 775 124	-	1 195 550 248
Capitalised values of pension liability	-	-	-	4 796 510 572	4 796 510 572
Total	**255 940 436**	**358 665 074**	**597 775 124**	**4 796 510 572**	**6 008 891 206**
Liquidity gap	**606 409 706**	**230 465 218**	**(107 873 538)**	**7 186 963 757**	**7 915 965 143**
Cumulative liquidity gap	**606 409 706**	**836 874 924**	**729 001 386**	**7 915 965 143**	

i) **Credit risk**

This is the risk of loss as a result of failure by counterparties to finance instruments/contracts to meet contractual obligations to the Scheme in accordance with agreed terms. Credit risk for the Scheme is primarily on the money market portfolio and loans and receivables. The Scheme manages, controls and limits credit risk through formulation of credit policies, internal credit assessment and analysis and counterparty limits. Credit risk is mitigated through taking collateral security for all credit based investment transactions.

Risk analysis is an integral part in all credit risk admissions to ensure that risk is assessed when decisions are initially taken. An Early Warning system is used to regularly monitor credit exposures, counterparty performance and external environmental factors that are likely to impact on credit risk. Counterparties exhibiting material credit weaknesses are put on watch list for close monitoring while dealings are put on hold until improvement in credit status.

The Scheme applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade and other receivables as these items do not have a significant financing component. In measuring the expected credit losses, the trade and other receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been based on the days past due and also according to the geographical location of customers.

The expected loss rates are based on the payment profile for premiums over the past 48 months before December, 31 2021 and 1 January respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 360 days from the invoice date and failure to engage with the Scheme on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

ii) **Market risk**

The risk of a loss in the investment portfolio arising from adverse movements in market variables such as bonds, equity prices, interest rates, exchange rates, real estate prices, commodities, credit spreads and increased volatility of market variables. Market risk on investments is managed in accordance with the purpose and strategic benefits of such investments rather than purely on mark-to-market considerations. Portfolio decisions are made based on reasonable and adequate basis based on detailed research and analysis. The Scheme strives to diversify its portfolio across asset classes, industries, within asset classes and within industries. There is close monitoring of investment environment and reporting on developments in Key Risk Indicators helps to take corrective action before it becomes too late.

Accident Prevention and Workers Compensation Scheme
Notes to the Financial Statements (cont.)
for the year ended December 31, 2021

a. Interest rates risk

The risk that the money market and fixed income portfolio may be negatively affected by unforeseen changes in interest rate levels. Interest risk is managed at both Board and Management levels. The Board gives guidelines on interest rates charged on the Scheme in line with regulatory policy directions. Management mitigates this risk by careful analysis of the term structure of assets and liabilities. The optimal maturity profile is determined after advice from Economists on the future direction of interest rates given economic fundamentals. Money market portfolio's performance is reviewed regularly against benchmark targets through daily liquidity position reports.

Sensitivity analysis

Movement in the interest rates by 10% would affect the Scheme's surplus or deficit and reserves in the following way:

	Total comprehensive income/(loss) ZWL$	Reserves ZWL$
Increase in interest rates by 10%	33 578 431	33 578 431
Decrease in interest rates by 10%	(33 578 431)	(33 578 431)

b. Equity price risk

This is the possibility that equity prices will fluctuate affecting the fair value of the equity investments and other instruments that derive their value from a particular equity investment or index of equity prices. The primary exposure to equity prices arises from trading activities. The movement in the index is not likely to adversely affect the Scheme's earnings as there is a rigorous exercise done to select counters that the Scheme invests into.

Sensitivity analysis

Movement in the industrial index by 10% would affect the affect the Scheme's surplus or deficit in the following way:

	Total comprehensive income/(loss) ZWL$	Reserves ZWL$
Increase in the industrial index by 10%	1 353 984 271	1 353 984 271
Decrease in industrial index by 10%	(1 353 984 271)	(1 353 984 271)

c. Foreign currency translation risk

This is the risk that the Scheme's equities, assets, liabilities or income will change as a result of exchange rate changes.

Sensitivity analysis

A reasonably possible weakening or strengthening of the Zimbabwean dollar (ZWL$) against the USD at December 31, 2021 would affect the measurement of the foreign currency denominated investment of the Scheme as well as foreign denominated cash balances. This analysis assumes that all other variables remain constant. Changes in the foreign exchange rates would impact surplus and equity as follows:

	Total comprehensive income/(loss) ZWL$	Reserves ZWL$
Exchange rate strengthening by 40%	1 992 023 582	1 992 023 582
Exchange rate weakening by 40%	(1 992 023 582)	(1 992 023 582)

iii) Operational risk

This is the risk of loss arising from failed or inadequate internal processes and systems, human error and fraud, non-adherence to procedures and unauthorized transactions. The objective in managing operational risk is to establish sound control practices. Operational risk management forms a part of the day-to-day responsibilities of all management. The Authority maintains a zero appetite for operational risk through robust policies and operational procedures backed by risk indicators that enable risk to be identified, monitored and mitigated.

The Authority manages operational risk through security access programs, strict and robust approval and authorization procedures, Trading limits, Staff code of conduct and ethical guidelines, periodic comprehensive reconciliations and internal and external audits. Quarterly risk assessments are an integral part of the operational risk management as they cover identification, measurement, mitigation and evolution of risks. The authority uses risk registers and risk profiles generated from risk assessment exercises to monitor exposures and effectiveness of mitigation strategies.

iv) Project risks

Project risks are present in all investment projects that the Scheme undertakes and are categorized as financial risks, legal risks, political or government risk, intangible risk, technical and technology risk and security risk. Project risks refer to potential loss arising from failed projects and project management systems. The Scheme is a significant player in infrastructure development and hence at any particular moment has significant and high value projects running. Projects risks are managed at both Board and Management levels. Project risks are managed and mitigated through development of 10 year plans, robust contracts, rigorous monitoring and review, budgetary control and feasibility studies.

v) Real estate risks

These are risks related to the real estate portfolio. They refer to potential loss arising from adverse condition or events relating to real estate in which the Scheme is invested in. The Authority has a substantial investment in various property types to which it is exposed to the following risks: contractual risks, tenancy risks, liquidity risks, void risk, commercial risks, investment quality risks and market risk. To effectively manage real estate risks, the Scheme developed and periodically updates a detailed risk registers specifically for its projects and real estate investments given that the portfolio faces peculiar risks that cannot be generalized or combined with the equities or money market portfolio.

vi) Reputation risks

This is the risk of potential damage to the Scheme's image that arises from the market's perception of the manner in which the Scheme's investments are conducted. Reputation risk can result in loss of earnings, investments or potential business to the NSSA as a result of stakeholders adopting a negative view to the Scheme and its investment activities. It is the responsibility of every staff member to market and protect the integrity of the Scheme. Reputation risk is mitigated through enforcement of code of ethics, code of conduct and operational manuals.

3.4 Taxation

The Scheme is exempted from paying Income tax as per the NSSA Act. (Chapter 17.04)

3.4.1 Value added tax (VAT)

Revenues, expenses, and assets are recognised net of Value Added Tax (VAT) except where the VAT is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Accident Prevention and Workers Compensation Scheme
Notes to the Financial Statements (cont.)
for the year ended December 31, 2021

4 PROPERTY AND EQUIPMENT

	Land and buildings ZWL$	Computer equipment ZWL$	Furniture and equipment ZWL$	Motor vehicles ZWL$	2021 ZWL$	2020 ZWL$
Inflation adjusted						
Opening carrying amount	**702 367 283**	**83 832 918**	**105 896 423**	**388 117 463**	**1 280 214 086**	**759 217 116**
Gross carrying amount	702 367 283	125 748 748	132 370 528	388 117 463	**1 348 604 021**	**759 217 116**
Accumulated depreciation	-	(41 915 830)	(26 474 105)	-	**(68 389 935)**	-
Additions at cost	-	21 588 309	18 399 388	30 970 100	**70 957 797**	**377 624 328**
Revaluation (loss)/gain	(78 086 956)	(39 976 365)	(56 910 017)	(89 532 111)	**(264 505 449)**	**337 367 924**
Reclassification to investment properties	-	-	-	-	-	**(3 367 131)**
Disposals - carrying amount	-	-	-	(24 131 601)	**(24 131 601)**	-
Disposals at cost	-	-		(31 436 225)	**(31 436 225)**	-
Accumulated depreciation	-	-	-	7 304 624	**7 304 624**	-
Depreciation for the year	(11 404 088)	(20 245 574)	(6 259 766)	(79 049 991)	**(116 959 418)**	**(190 628 150)**
Closing carrying amount	**612 876 239**	**45 199 288**	**61 126 028**	**226 373 860**	**945 575 415**	**1 280 214 086**
Gross carrying amount	612 876 239	45 199 288	61 126 028	226 373 860	945 575 415	**1 348 604 021**
Accumulated depreciation	-	-	-	-	-	**(68 389 935)**
Historical cost						
Opening carrying amount	**436 981 791**	**35 014 423**	**15 236 043**	**251 471 700**	**738 703 957**	**105 336 538**
Gross carrying amount	436 981 791	41 192 176	18 889 730	251 471 700	**748 535 397**	**105 336 538**
Accumulated depreciation	-	(6 177 753)	(3 653 687)	-	**(9 831 440)**	-
Additions at cost		18 822 935	14 370 403	22 001 160	**55 194 498**	**202 880 440**
Revaluation gain	186 818 993	7 377 591	36 491 861	43 136 809	**273 825 255**	**462 406 470**
Reclassification to investment properties					-	**(467 168)**
Disposals - carrying amount	-	-	-	(24 499 208)	**(24 499 208)**	-
Disposals at cost	-	-	-	(31 406 000)	**(31 406 000)**	-
Accumulated depreciation	-	-	-	6 906 793	**6 906 793**	-
Depreciation for the year	(10 924 545)	(16 015 662)	(4 972 278)	(65 736 602)	**(97 649 087)**	**(31 452 323)**
Closing carrying amount	**612 876 239**	**45 199 288**	**61 126 028**	**226 373 860**	**945 575 415**	**738 703 957**
Gross carrying amount	612 876 239	45 199 288	61 126 028	226 373 860	**945 575 415**	**748 535 397**
Accumulated depreciation	-	-	-	-	-	**(9 831 440)**

An independant valuation was carried out as at December 31, 2021 on buildings by Southbay Real Estate . A Directors valuation was also carried out on motor vehicles as at 31, December 2021. The values for land and buildings and motor vehicles are based on market values. Market value is defined as the estimated amount for which a property can exchange hands between a willing buyer and seller in an arms length transaction after proper marketing wherein the parties had each entered into knowledgeably and prudently without compulsion.

4.1 An independent valuation of buildings was carried out by Southbay Real Estate as at December 31, 2020. The values are based on market values. Market value is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's -length transaction after proper marketing wherein the parties had each knowledgeably, and prudently without compulsion.

Accident Prevention and Workers Compensation Scheme
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5 INVESTMENT PROPERTY

	Land and buildings ZWL$	Work in progress ZWL$	2021 Total ZWL$	2020 Total ZWL$
Inflation adjusted				
Opening carrying amount	**3 908 889 001**	**79 828 220**	**3 988 717 221**	**2 445 966 620**
Additions at cost	19 705 936	49 703 920	69 409 856	51 011 257
Reclassification from land and buildings	-	-	-	3 367 131
Land derecognition	-	-	-	(16 306 457)
Effects of inflation	-	-	-	(11 602 803)
Disposal	-	-	-	(62 390 564)
Fair value loss/(gain)	(574 727 513)	-	(574 727 513)	1 578 672 037
Closing carrying amount	**3 353 867 424**	**129 532 140**	**3 483 399 564**	**3 988 717 221**
Historical Cost				
Opening carrying amount	**2 431 959 809**	**5 410 119**	**2 437 369 928**	**333 696 751**
Additions at cost	18 116 463	38 053 026	56 169 489	19 012 708
Reclassification from land and buildings	-	-	-	467 168
Land derecognised	-	-	-	(3 872 232)
Disposal	-	-	-	(22 700 000)
Fair value gain	903 791 152	-	903 791 152	2 110 765 533
Closing carrying amount	**3 353 867 424**	**43 463 145**	**3 397 330 569**	**2 437 369 928**

An independant valuation was carried out as at December 31, 2021 on investment property by Southbay Properties. The values for land and buildings are based on market values. Market value is defined as the estimated amount for which a property can exchange hands between a willing buyer and seller in an arms length transaction after proper marketing wherein the parties had each entered into knowledgeably and prudently without compulsion.

Accident Prevention and Workers Compensation Scheme
Notes to the Financial Statements (cont.)
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6 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Number of Shares	Cost 2021 ZWL$	Cost 2020 ZWL$	Fair value 2021 ZWL$	Fair value 2020 ZWL$
Inflation adjusted					
Afreximbank	2 325 581	447 588 115	447 588 115	682 321 279	999 673 828
Bindura Nickel Corporation Limited	13 717 269	27 230 289	27 230 289	89 436 045	83 781 513
British American Tobacco Limited	135 119	68 483 755	68 483 755	432 515 919	119 447 223
Cassava Smartech	9 369 966	617 859 854	617 859 854	380 917 228	98 645 269
CBZ Holdings limited	5 059 187	33 599 605	33 599 605	380 289 474	691 188 658
Delta Corporation Limited	18 247 090	737 052 182	737 052 182	2 965 721 434	674 556 598
Econet Wireless Zimbabwe Limited	16 228 747	301 053 193	301 053 193	1 379 443 495	247 802 418
FBC Holdings Limited	4 397 903	6 788 980	6 788 980	148 884 409	106 031 242
Fidelity Life Assurance Company Limited	-	-	56 790 976	-	146 406 294
Hwange Colliery Company Limited	686 171	13 148 553	13 148 553	1 807 055	472 168
Innscor Africa Limited	5 587 677	200 920 279	200 920 279	907 418 633	333 646 871
National Foods Limited	498 481	38 955 171	38 955 171	685 206 101	48 152 632
Nedbank	27 458	23 747 263	13 435 858	32 797 391	21 518 193
OK Zimbabwe Limited	48 318 896	180 279 403	180 279 403	1 326 174 915	698 966 654
Old Mutual Zimbabwe Limited	679 905	105 886 681	105 886 681	62 225 726	9 645 296
Padenga Holdings Limited	20 020 951	115 150 988	115 150 988	456 875 299	740 132 514
Quilter PLC	192 110	16 450 922	16 450 922	41 850 811	52 851 436
Seed Co Limited	4 806 267	184 294 890	184 294 890	507 366 843	193 127 824
SeedCO International	3 388 147	78 243 714	78 243 714	103 273 472	4 766 565
Simbisa Brands Limited	6 848 600	98 882 801	98 882 801	616 374 000	154 108 567
Star Africa Corporation Limited	43 934 641	239 062 242	239 062 242	50 902 675	19 066 360
Turnall Holdings Limited	18 419 282	71 051 167	71 051 167	75 541 160	27 532 940
ZB Financial Holdings Limited	-	-	1 495 051	-	12 680 017
Zimre Holdings Limited	53 384 787	289 828 701	289 828 701	404 401 062	518 501 776
Total quoted shares		**3 895 558 749**	**3 943 533 371**	**11 731 744 427**	**6 002 702 857**
Unquoted shares					
Stalap	688	18 985 703	18 985 703	1 781 915	2 864 072
Africa Reinsurance Corporation	2 500	480 308 649	-	65 634 264	-
Mangwana Opportunities	735	360 377 687	-	50 000 000	-
		859 672 039	**18 985 703**	**117 416 179**	**2 864 072**
		4 755 230 787	**3 962 519 074**	**11 849 160 606**	**6 005 566 929**
Less shares disposed		**-**	**58 286 027**	**-**	**159 086 311**
Fidelity Life Assurance Company Limited	18 753 698	-	56 790 976	-	146 406 294
ZB Financial Holdings Limited	712 224	-	1 495 051	-	12 680 017
Total after disposal		**4 755 230 787**	**3 904 233 047**	**11 849 160 606**	**5 846 480 618**

6.1 Fair value reconciliation of financial assets

	2021 ZWL$	2020 ZWL$
Cost	4 755 230 787	3 904 233 047
Net cumulative gains after disposal	4 646 236 231	(388 393 878)
Cumulative gain on financial assets (note 6.1.1)	4 646 236 231	(287 593 593)
Less shares disposed	-	(100 800 285)
Cumulative exchange rate	2 423 569 886	2 205 717 463
Translation movement	24 123 702	24 123 702
Fair value as at year end before disposal	**11 849 160 606**	**5 846 480 618**

6.1.1 Cumulative gain on financial assets

Opening carrying amount	**(287 593 593)**	**1 318 315 971**
Fair value movement during the year	4 933 829 824	(1 505 109 280)
less transfer to accumulated fund	-	(100 800 285)
Closing carrying amount	**4 646 236 231**	**(287 593 593)**

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Cont.)

	Number of Shares	Cost 2021 ZWL$	Cost 2020 ZWL$	Fair value 2021 ZWL$	Fair value 2020 ZWL$
Historical cost					
Afreximbank	2 325 581	10 000 000	10 000 000	682 321 279	621 958 457
Bindura Nickel Corporation Limited	13 717 269	608 378	608 378	89 436 045	52 125 622
British American Tobacco Limited	135 119	3 150 844	3 150 844	432 515 919	74 315 450
Cassava Smartech	9 369 966	14 810 366	14 810 366	380 917 228	61 373 277
CBZ Holdings limited	5 059 187	3 786 001	3 786 001	380 289 474	430 030 895
Delta Corporation Limited	18 247 090	28 914 058	28 914 058	2 965 721 434	419 683 070
Econet Wireless Zimbabwe Limited	16 228 747	16 961 231	16 961 231	1 379 443 495	154 173 097
FBC Holdings Limited	4 397 903	151 679	151 679	148 884 409	65 968 545
Fidelity Life Assurance Company Limited	-	-	1 268 822	-	91 088 343
Hwange Colliery Company Limited	686 171	293 765	293 765	1 807 055	293 765
Innscor Africa Limited	5 587 677	9 091 877	9 091 877	907 418 629	207 582 201
National Foods Limited	498 481	1 445 371	1 445 371	685 206 101	29 958 708
Nedbank	27 458	10 050 077	300 184	32 797 391	13 387 789
OK Zimbabwe Limited	48 318 896	11 256 681	11 256 681	1 326 174 915	434 870 064
Old Mutual Zimbabwe Limited	679 905	6 000 931	6 000 931	62 225 726	6 000 931
Padenga Holdings Limited	20 020 951	6 036 479	6 036 479	456 875 299	460 481 873
Quilter PLC	192 110	367 546	367 546	41 850 811	32 882 123
Seed Co Limited	4 806 267	7 524 389	7 524 389	507 366 847	120 156 675
SeedCO International	3 388 147	2 965 573	2 965 573	103 273 472	2 965 573
Simbisa Brands Limited	6 848 600	8 611 571	8 611 571	616 374 000	95 880 400
Star Africa Corporation Limited	43 934 641	5 341 121	5 341 121	50 902 675	11 862 353
Turnall Holdings Limited	18 419 282	1 587 423	1 587 423	75 541 160	17 129 932
ZB Financial Holdings Limited	-	-	33 402	-	7 889 017
Zimre Holdings Limited	53 384 787	155 965 120	155 965 120	404 401 062	322 591 785
Total quoted shares		**304 920 481**	**296 472 812**	**11 731 744 427**	**3 734 649 945**
Unquoted shares					
Stalap	688	424 178	424 178	1 781 915	1 781 915
Africa Reinsurance Corporation	2 500	66 612 965	-	65 634 264	-
Mangwana Opportunities	735	49 980 000	-	50 000 000	- 1 781 915
		117 017 143	**424 178**	**117 416 179**	**1 781 915**
		421 937 624	296 896 990	11 849 160 606	3 736 431 860
Less Disposals			**1 302 224**		**98 977 360**
Fidelity Life Assurance Company Limited	18 753 698	-	1 268 822	-	91 088 343
ZB Financial Holdings Limited	712 224	-	33402	-	7 889 017
		421 937 624	295 594 766	11 849 160 606	3 637 454 500

6.1 Fair value reconciliation of financial assets	2021 ZWL$	2020 ZWL$
Cost	421 937 624	296 896 990
Net cumulative gain after disposal	**10 462 528 482**	**2 595 017 658**
Cumulative gain on financial assets (note 6.1.1)	10 462 528 482	2 692 692 794
Less disposed shares	-	(97 675 136)
Cumulative exchange rate gain	949 686 597	731 834 174
Translation movement	15 007 902	15 007 902
Fair value as at year end before disposal	**11 849 160 606**	**3 638 756 724**

6.1.1 Cumulative gain on financial assets		
Opening carrying amount	**2 595 017 658**	**182 907 944**
Fair value movement during the year	7 867 510 825	2 509 784 850
Less transfer to accumulated fund	-	(97 675 136)
Closing carrying amount	**10 462 528 482**	**2 595 017 658**

Accident Prevention and Workers Compensation Scheme
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6.2 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	Number of Shares	Cost 2021 ZWL$	Cost 2020 ZWL$	Fair value 2021 ZWL$	Fair value 2020 ZWL$
Inflation adjusted					
African Distillers Limited	32 000	71 614	71 614	4 000 000	1 234 483
Ariston Holdings Limited	38 289 527	23 191 751	23 191 751	142 517 448	82 472 425
Axia Corporation Limited	4 162 354	11 195 231	11 195 231	125 078 738	61 352 507
Cafca Limited	712 224	22 349 229	22 349 229	121 078 080	102 920 114
Dairibord Zimbabwe Limited	5 216 891	42 916 269	42 916 269	182 591 185	92 241 937
Edgars Stores Limited	317 610	1 556 606	1 556 606	1 381 604	638 158
First Capital Bank	28	6	-	93	-
Hippo Valley Estate Limited	2 723 036	129 617 906	129 617 906	762 450 080	4 654 900
Meikles Limited	32 243	390 762	390 762	4 033 612	1 347 512
Lafarge Cement Limited	818 117	42 076 812	42 076 812	65 449 360	10 520 330
Masimba Holdings Limited	369 329	3 453 764	3 453 764	20 313 095	7 123 913
National Tyre Service Limited	-	-	1 247 788	-	379 127
Pretoria Potland Cement Company Limited	50 757	6 150 695	6 150 695	1 555 531	220 887
Pro Plastics Limited	386 444	1 199 639	518 690	11 206 219	5 028 812
Rio Zim Limited	82 938	9 604 709	9 604 709	3 317 520	1 993 052
Truworths Limited	32 003	28 648	28 648	64 006	15 175
TSL Limited	5 069 327	46 246 957	46 246 957	355 721 773	117 337 482
Zimpapers (1980) Limited	1 792 177	240 647	240 647	5 215 235	2 823 130
Total quoted shares		**340 291 245**	**340 858 079**	**1 805 973 578**	**492 303 945**
Unquoted shares		**162 876 495**	**162 876 495**	**-**	**5 849 298**
Apex Holding Limited	1 056 074	94 537	94 537	-	3 395
CAPS Holdings Limited	273 579	122 451	122 451	-	4 398
Capital Bank	67 184 483	158 911 653	158 911 653	-	5 706 911
Celsys Limited	1 000 000	134 276	134 276	-	4 822
PG Industries Limited	858 290	768 321	768 321	-	27 593
Interfresh Limited	212 294	1 397 790	1 397 790	-	50 197
Steelnet Zimbabwe Limited	1 436 884	321 566	321 566	-	11 548
Trust Holdings Limited	1 257 741	1 125 900	1 125 900	-	40 434
Impairment		-	(162 876 495)	-	(5 849 298)
		503 167 740	**340 858 079**	**1 805 973 578**	**492 303 945**

	2021 ZWL$	2020 ZWL$
6.2.1 Fair value reconciliation		
Cost	503 167 740	340 858 079
Cumulative fair value gains	1 302 805 839	151 445 866
Fair value as at December 31, 2021	**1 805 973 578**	**492 303 945**
6.2.2 Cumulative fair value gain		
Opening cumulative fair value adjustments	**151 445 866**	**35 752 156**
Fair value movement for the year	**1 158 034 220**	**322 064 443**
Effects of inflation	**-**	**(206 370 733)**
Less fair value of disposals	**(6 674 248)**	**-**
Cumulative fair value gains	**1 302 805 839**	**151 445 866**

Accident Prevention and Workers Compensation Scheme
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6.2 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	Number of Shares	Cost 2021 ZWL$	Cost 2020 ZWL$	Fair value 2021 ZWL$	Fair value 2020 ZWL$
Historical cost					
African Distillers Limited	32 000	1 600	1 600	4 000 000	768 000
Ariston Holdings Limited	38 289 527	518 149	518 149	142 517 448	51 307 966
Axia Corporation Limited	4 162 354	2 178 246	2 178 246	125 078 738	38 168 786
Cafca Limited	712 224	499 326	499 326	121 078 080	64 028 938
Dairibord Zimbabwe Limited	5 216 891	958 834	958 834	182 591 185	57 385 801
Edgars Stores Limited	317 610	71 021	71 021	1 381 604	397 013
First Capital Bank	28	3	-	93	-
Hippo Valley Estate Limited	2 723 036	2 895 919	2 895 919	762 450 080	2 895 919
Meikles Limited	32 243	8 730	8 730	4 033 612	838 318
Lafarge Cement Limited	818 117	940 079	940 079	65 449 360	6 544 936
Masimba Holdings Limited	369 329	78 179	78 179	20 313 095	4 431 948
National Tyre Service Limited	-	-	27 878	-	235 863
Pretoria Potland Cement Company Limited	50 757	137 419	137 419	1 555 531	137 419
Pro Plastics Limited	386 444	694 182	13 233	11 206 219	3 128 538
Rio Zim Limited	82 938	214 588	214 588	3 317 520	1 239 923
Truworths Limited	32 003	640	640	64 006	9 441
TSL Limited	5 069 327	1 033 248	1 033 248	355 721 773	72 998 309
Zimpapers (1980) Limited	1 792 177	5 377	5 377	5 215 235	1 756 333
Total quoted shares		**10 235 541**	**9 582 467**	**1 805 973 578**	**306 273 451**
Unquoted shares		**3 638 982**	**3 638 982**	-	**3 638 981**
Apex Holding Limited	1 056 074	2 112	2 112	-	2 112
CAPS Holdings Limited	273 579	2 736	2 736	-	2 736
Capital Bank	67 184 483	3 550 399	3 550 399	-	3 550 399
Celsys Limited	1 000 000	3 000	3 000	-	3 000
PG Industries Limited	858 290	17 166	17 166	-	17 166
Interfresh Limited	212 294	31 229	31 229	-	31 229
Steelnet Zimbabwe Limited	1 436 884	7 184	7 184	-	7 184
Trust Holdings Limited	1 257 741	25 155	25 155	-	25 155
Impairment		-	(3 638 981)	-	(3 638 981)
		13 874 523	**9 582 467**	**1 805 973 578**	**306 273 451**

6.2.1 Fair value reconciliation

	2021 ZWL$	2020 ZWL$
Cost	13 874 523	9 582 467
Cumulative fair value gains	1 792 099 056	296 690 984
Fair value as at December 31, 2021	1 805 973 578	306 273 451

6.2.2 Cumulative fair value gain

Opening cumulative fair value adjustments	**296 690 984**	**5 539 672**
Fair value movement for the year	1 502 082 320	291 151 312
Less fair value of disposed shares	(6 674 248)	-
Cumulative fair value gains	**1 792 099 056**	**296 690 984**

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6.3 FAIR VALUE MEASUREMENT

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Scheme's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities. This level includes listed equity securities traded on the Zimbabwe Stock Exchange.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This level includes non-quoted equity investments.

The hierarchy requires the use of observable market data when available. The Scheme considers relevant and observable market prices in its valuations where possible.

The table below summarises the various assets and liabilities measured at fair value and the level on the fair value hierarchy.

	Level 1 ZWL$	Level 2 ZWL$	Level 3 ZWL$	Total ZWL$
Inflation adjusted				
December 31, 2021				
Quoted investments				
Financial assets at fair value through other comprehensive income (note 6)	11 731 744 427	-	-	11 731 744 427
Financial assets at fair value through profit and loss (note 6.2)	1 805 973 578	-	-	1 805 973 578
Unquoted investments				
Financial assets at fair value through other comprehensive income (note 6)	-	-	117 416 179	117 416 179
Delisted equity investments				
Financial assets at fair value through profit and loss (note 6.2)	-	-	-	-
	13 537 718 005	**-**	**117 416 179**	**13 655 134 184**
December 31, 2020				
Quoted investments				
Financial assets at fair value through other comprehensive income (note 6)	5 843 616 546	-	-	5 843 616 546
Financial assets at fair value through profit and loss (note 6.2)	492 303 945	-	-	492 303 945
Unquoted investments				
Financial assets at fair value through other comprehensive income (note 6)	-	-	2 864 072	2 864 072
Delisted equity investments				
Financial assets at fair value through profit and loss (note 6.2)	-	-	-	-
	6 335 920 491	**-**	**2 864 072**	**6 338 784 563**
Historical cost				
December 31, 2021				
Quoted investments				
Financial assets at fair value through other comprehensive income (note 6)	11 731 744 427	-		11 731 744 427
Financial assets at fair value through profit and loss (note 6.2)	1 805 973 578	-	-	1 805 973 578
Unquoted investments				
	13 537 718 005		**117 416 179**	**13 655 134 184**
December 31, 2020				
Quoted investments				
Financial assets at fair value through other comprehensive income (note 6)	3 734 649 945	-		3 734 649 945
Financial assets at fair value through profit and loss (note 6.2)	306 273 451	-	-	306 273 451
Unquoted investments				
Financial assets at fair value through other comprehensive income (note 6)	-	1 781 915	-	1 781 915
Delisted equity investments				
Financial assets at fair value through profit and loss (note 6.2)	-	-	-	-
	4 040 923 396	**1 781 915**	**-**	**4 042 705 311**

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7 FINANCIAL ASSETS AT AMORTISED COST

	Inflation adjusted		Historical cost	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
7.1 Bonds, debentures and treasury bills				
BNC bonds (BancABC)	-	502 281	-	312 500
Treasury bills (Infrastructure Development Bank of Zimbabwe)	7 523 624	12 092 721	7 523 624	7 523 624
Econet Wireless Zimbabwe Limited (debentures)	-	347 349	-	216 107
Nurture Finance debentures	437 500	964 380	437 500	600 000
Rainbow Tourism Group	188	302	188	188
Small and Medium Enterprise Development Corporation	-	866 420	-	539 053
Honde Hydro Power Consolidated (Private) Limited	-	3 616 425	-	2 250 000
Metropolitan bank Zimbabwe	-	748 359	-	465 600
	7 961 312	**19 138 237**	**7 961 312**	**11 907 072**
Other receivables (long term)				
National Building Society (staff loans)	327 822 997	5 335 324	327 822 997	3 319 432
	327 822 997	**5 335 324**	**327 822 997**	**3 319 432**
Total financial assets at amortised cost	**335 784 309**	**24 473 560**	**335 784 309**	**15 226 504**
7.2 Loans and advances				
CICADA farming Private Limited	-	80 365 000	-	50 000 000
Housing Corporation Zimbabwe	4 885 000	7 852 149	4 885 000	4 885 000
Sable Chemicals Limited	-	6 238 482	-	3 881 101
National Building Society	-	5 143 680	-	3 200 000
less impairment	(4 885 000)	(16 662 471)	(4 885 000)	(10 366 101)
Total loans and advances	-	**243 666 840**	-	**51 600 000**
Opening balance	**16 662 471**	**78 546 609**	**10 366 101**	**17 516 101**
Bad debts recovered	(7 863 364)	(11 492 910)	(5 481 101)	(7 150 000)
Effects of inflation	(3 914 107)	(50 391 228)	-	-
Balance at year end	**4 885 000**	**16 662 471**	**4 885 000**	**10 366 101**
	4 885 000	**21 905 571**	**4 885 000**	**4 885 000**
7.3 Summary of allowance for impairments				
Trade receivables (note 12.1)	143 843 991	60 224 759	143 843 991	37 469 520
Short term receivables (note 12.2)	1 932 600	-	1 932 600	-
	145 776 591	**60 224 759**	**145 776 591**	**37 469 520**

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8 INVESTMENT IN ASSOCIATES

	National Building Society ZWL$	First Mutual Holdings Limited ZWL$	Rainbow Tourism Group Limited ZWL$	Total 2021 ZWL$	Total 2020 ZWL$
Inflation adjusted					
Opening carrying amount	**599 534 235**	**2 855 257 824**	**1 811 890 927**	**5 266 682 986**	**3 617 156 694**
Additions during the year	-	-	886 161 040	**886 161 040**	-
Share of current year profits/(loss)					
(net of dividend received)	**92 487 496**	**1 133 589 012**	**70 238 587**	**1 296 315 096**	**1 509 529 649**
Share of current year profits	103 182 887	1 170 074 958	70 238 587	**1 343 496 431**	1 525 315 954
Dividend received	(10 695 390)	(36 485 945)	-	**(47 181 336)**	(15 786 304)
Share of current year other comprehensive income	(10 369 854)	(59 190 140)	-	**(69 559 993)**	139 996 644
Closing carrying amount	**681 651 877**	**3 929 656 697**	**2 768 290 554**	**7 379 599 128**	**5 266 682 986**
Summary of the financial information:					
Assets	2 247 671 832	15 477 409 626	3 491 668 354	21 216 749 812	34 101 681 973
Liabilities	816 369 436	8 981 388 470	1 053 827 213	10 851 585 119	17 441 752 762
Revenue	393 241 938	7 667 230 017	1 228 810 894	9 289 282 849	14 930 664 323
Total comprehensive income for the year	35 598 009	2 626 717 905	352 154 664	3 014 470 578	4 845 158 560

	Shares in issue	2021 % shareholding	2020 % shareholding	2021 Fair value
National Building Society	500 000 000	40	40	-
First Mutual Holdings Limited	696 137 739	35	35	4 872 964 173
Rainbow Tourism Group	2 495 495 543	32	22	6 228 756 875

The schemes uses the equity method to account for its investment in associates. The results incorporated into these financial statements are based on the audited reports for the year ended December 31, 2021 for all the associates. Share of profits from associates have been determined using after profit or loss tax figures.

	National Building Society ZWL$	First Mutual Holdings Limited ZWL$	Rainbow Tourism Group Limited ZWL$	Total 2021 ZWL$	Total 2020 ZWL$
Historical cost					
Opening carrying amount	**98 563 148**	**2 296 110 815**	**749 216 471**	**3 143 890 433**	**450 443 824**
Additions during the year	-	-	837 898 109	837 898 109	-
Share of current year profits/(loss)					
(net of dividend received)	**96 242 960**	**2 594 595 010**	**63 487 229**	**2 754 325 200**	**1 928 416 426**
Share of current year profits	106 938 350	2 623 225 519	63 487 229	2 793 651 099	1 936 950 426
Dividend received	(10 695 390)	(28 630 509)	-	(39 325 899)	(8 534 000)
Share of current year other comprehensive income	11 114 696	(10 061 826)	-	1 052 870	765 030 183
Closing carrying amount	**205 920 804**	**4 880 643 999**	**1 650 601 809**	**6 737 166 612**	**3 143 890 433**
Summary of the financial information:					
Assets	2 039 105 122	12 376 786 713	1 700 258 020	16 116 149 855	20 541 707 003
Liabilities	1 825 456 682	7 463 958 034	537 626 395	9 827 041 110	10 246 419 289
Revenue	397 393 039	9 359 586 286	770 116 337	10 527 095 662	14 482 488 867
Total comprehensive income for the year	118 053 046	2 612 702 664	63 487 229	2 794 242 939	8 713 518 472

	Shares in issue	2021 % shareholding	2020 % shareholding	2021 Fair value
National Building Society	500 000 000	40	40	-
First Mutual Holdings Limited	696 137 739	35	35	4 872 964 173
Rainbow Tourism Group	2 495 495 543	32	22	6 228 756 875

The results incorporated into these financial statements are based on the audited reports for the year ended December 31, 2021 for all the associates. Share of profits from associates have been determined using after profit or loss tax figures.

Accident Prevention and Workers Compensation Scheme
Notes to the Financial Statements (cont.)
for the year ended December 31, 2021

9 DEFERRED EXPENDITURE

	Inflation adjusted		Historical cost	
	2021 ZWL$	2020 ZWL$	2020 ZWL$	2021 ZWL$
Opening carrying amount	**1 1 512 579 412**	**1 766 468 984**	**941 068 507**	**245 086 320**
Increase in existing capitalised values	3 340 247 537	(174 280 130)	3 911 758 442	745 512 108
Amount expensed in current year	(242 641 347)	(79 609 442)	(242 641 347)	(49 529 921)
Closing carrying amount	**4 610 185 602**	**1 512 579 412**	**4 610 185 602**	**941 068 507**

10 INTANGIBLE ASSETS

Opening carrying amount	**19 818 625**	**19 818 625**	**442 787**	**442 787**
Additions during the year	4 594 134	-	3 013 265	-
Closing carrying amount	**24 412 759**	**19 818 625**	**3 456 052**	**442 787**

The intangible assets is made up of computer software whose economic life could not be estimated with reasonable certainty. The Scheme has contractual arrangement with the vendors to renew the contract for the foreseeable future and in renewing the contract, the Scheme incurs little or no cost. Thus it has been deemed to be an intangible asset with an indifinate lifespan. At the end of each reporting period, the intangible asset is tested for impairment.

11 INVENTORY

	Inflation adjusted		Historical cost	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Rehabilitation inventory	3 713 662	13 202 782	2 877 886	3 394 323
Stationery and consumables	11 886 829	11 004 901	9 211 644	2 829 266
	15 600 491	**24 207 683**	**12 089 530**	**6 223 589**

12 TRADE AND OTHER RECEIVABLES

	778 332 585	**405 713 448**	**778 332 585**	**252 419 552**
Trade receivables	**602 766 184**	**336 640 183**	**602 766 184**	**209 444 524**
Premium debtors	807 642 946	434 738 154	807 642 946	270 477 294
Allowance for credit losses	(204 876 762)	(98 097 971)	(204 876 762)	(61 032 771)
Other receivables	**175 566 402**	**69 073 265**	**175 566 402**	**42 975 028**
Deposits	304 154	516 806	304 154	321 536
Dividend receivable	16 238 993	41 544 404	16 238 993	25 847 324
Intercompany receivables	84 384 011	-	84 384 011	-
Interest receivable	196 728	1 209 069	196 728	752 236
Rental receivable	16 389 536	8 127 204	16 389 536	5 056 432
Staff insurances	2 266	3 641	2 266	2 266
Staff Advances	38 135 306	3 975 397	38 135 306	2 473 339
Sundry receivables	26 833 382	21 710 235	26 833 382	13 507 270
Allowance for credit losses	(6 917 974)	(8 013 491)	(6 917 974)	(4 985 374)

12.1 Reconciliation of trade receivable allowance for credit losses

Opening carrying amount	**98 097 971**	**169 833 023**	**61 032 771**	**23 563 251**
Charged to profit or loss	143 843 991	60 224 759	143 843 991	37 469 520
Effects of inflation	(37 065 201)	(131 959 812)	-	-
Closing carrying amount	**204 876 762**	**98 097 971**	**204 876 762**	**61 032 771**

Accident Prevention and Workers Compensation Scheme
Notes to the Financial Statements (cont.)
for the year ended December 31, 2021

	Inflation adjusted		Historical cost	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
12.2 Reconciliation of other receivable allowance for credit losses				
Charged to profit or loss	1 932 600	-	1 932 600	-
Bad debts recovered	-	(1 505 154)	-	(521 479)
Effects of inflation	(3 028 117)	(30 172 207)	-	-
Closing carrying amount	**6 917 974**	**8 013 491**	**6 917 974**	**4 985 374**
13 CASH AND CASH EQUIVALENTS				
Cash on hand	13 888	1 541 938	13 888	959 334
Bank balances	954 882 696	874 148 349	954 882 696	543 861 351
Funds on placements	6 682 263	17 507 748	6 682 263	10 892 645
	961 578 847	**893 198 035**	**961 578 847**	**555 713 330**
14 OTHER COMPONENTS OF RESERVES				
Share of other comprehensive income of associates	1 159 960 425	1 229 520 419	920 939 448	919 886 578
Revaluation reserve	488 958 664	753 464 113	835 933 684	562 108 429
Translation reserve	108 170 025	108 170 025	15 007 902	15 007 902
Mark to market reserves	4 646 236 232	(287 593 592)	10 462 528 483	2 595 017 658
	6 403 325 346	**1 803 560 965**	**12 234 409 516**	**4 092 020 567**
15 CAPITALISED VALUE OF THE PENSION LIABILITY				
Opening carrying amount	**1 192 833 161**	**2 638 058 450**	**266 004 940**	**94 733 332**
Current year pension liability adjustment:	**3 104 093 670**	**(224 823 837)**	**3 807 193 162**	**723 312 470**
I Increase in existing capitalised values	3 253 999 943	(174 280 130)	3 911 758 442	745 512 108
New pensions awarded	118 888 515	30 340 170	109 207 613	6 669 265
New capitalised values accrued during the year	30 955 236	1 285 529	30 955 236	799 806
Pensions paid during the year	(298 464 495)	(81 662 670)	(243 928 323)	(29 353 438)
Capitalised values accrued in prior year	(1 285 529)	(506 735)	(799 806)	(315 271)
Closing carrying amount	**4 796 510 572**	**1 692 416 902**	**4 796 510 572**	**989 317 410**
16 TRADE AND OTHER PAYABLES				
Trade payables				
Benefit claims	5 948 071	2 217 437	5 948 071	1 379 604
Premiums prepaid	10 882 314	5 997 800	10 882 314	3 731 599
	16 830 386	**8 215 236**	**16 830 386**	**5 111 203**
Other payables				
Provision for leave pay	53 687 725	42 901 221	53 687 725	26 691 483
Interfund-National Pension and Other Benefits Scheme	6 403 770	344 983 504	6 403 770	214 635 416
Sundry payables	1 135 458 753	31 755 975	1 135 458 753	19 757 340
	1 195 550 248	**419 640 700**	**1 195 550 248**	**261 084 239**
	1 212 380 634	**427 855 936**	**1 212 380 634**	**266 195 442**

Accident Prevention and Workers Compensation Scheme
Notes to the Financial Statements (cont.)
for the year ended December 31, 2021

17 INCOME

	Inflation adjusted		Historical cost	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
17.1 Investment income				
Interest on short term investments	31 460 362	17 078 807	24 265 956	3 556 778
Interest on financial assets at amortised cost	23 877 049	16 461 516	18 433 967	5 976 124
Dividend income	329 657 803	229 975 654	274 222 576	116 507 670
Sundry investments income	2 254 656	-	1 823 058	-
Bad debts recovered	7 863 364	11 563 530	5 481 101	7 194 382
Rental income	65 551 869	28 505 502	53 374 331	11 633 466
	460 665 104	**303 585 009**	**377 600 989**	**144 868 420**
17.2 Sundry income				
Rehabilitation income	605 445	956 353	448 675	356 095
Staff loans interest	-	4 735	-	1 277
Penalty and surcharges	102 943	1 715 955	82 010	436 867
Other income	15 843 140	11 455 392	14 221 394	6 376 493
Profit on disposal of assets	4 237 369	-	3 431 532	-
Bank interest	5 723 939	288 993	5 296 727	149 284
	26 512 836	**14 421 427**	**23 480 337**	**7 320 016**

Accident Prevention and Workers Compensation Scheme
Notes to the Financial Statements (cont.)
for the year ended December 31, 2021

18 OPERATING COSTS

	Inflation adjusted		Historical cost	
	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
18.1 Administration expenses				
Actuarial fees	4 086 552	1 672 154	3 037 945	911 317
Advertising publicity and marketing	39 940 659	4 341 110	31 700 259	3 619 397
Allowance for credit loss	145 776 591	60 224 759	145 776 591	37 469 520
Audit fees	1 208 042	237 838	879 577	104 423
Bank charges	41 979 229	12 415 680	34 414 464	6 523 848
Clothing and uniforms	1 243 689	1 646 561	994 170	462 898
Commission	1 878 993	1 633 873	1 524 135	550 627
Computer charges	27 712 747	9 018 392	21 888 046	6 737 857
Consultancy	26 393 039	1 077 018	19 421 084	424 809
Conference and functions	1 380 630	-	1 162 111	-
Data capture	3 775	-	3 375	-
Data clean up	40 034	71 568	31 762	44 527
Depreciation of property and equipment	116 959 418	190 628 150	97 649 088	31 452 323
Electricity and water	8 246 451	3 905 925	8 892 507	1 546 629
Entertainment and promotion	152 056	118 797	124 417	56 977
Insurance	8 516 951	4 243 319	6 893 634	1 747 651
Loss on disposal of investments	-	1 166 461	-	1 531 959
Reinsurance	2 633 400	1 841 768	2 144 974	726 500
Legal fees	5 585 586	3 027 674	4 528 262	1 241 331
Motor vehicle expenses	31 957 086	21 415 757	25 031 887	10 144 444
Postage, mailing and carriage	1 461 295	657 007	1 163 988	257 320
Printing and stationery	8 356 675	4 932 485	6 355 898	1 681 152
Rent and rates	13 563 688	4 426 282	11 619 859	2 070 904
Repairs and maintenance - buildings	39 680 139	4 442 351	33 782 838	1 750 158
Repairs and maintenance - furniture and equipment	883 528	547 303	716 752	248 209
Security charges	23 474 648	11 927 056	19 758 287	6 373 865
Shows and exhibitions	3 158 600	382 918	2 828 501	189 343
Staff social activities	1 035 353	641 485	954 732	157 183
Social responsibility	8 688 286	382 918	7 208 237	1 339 547
Subscriptions	8 129 922	3 745 966	6 392 430	1 425 764
Teas, cleaning and sundries	22 730 443	9 273 407	19 161 261	3 671 767
Telephones	23 515 289	8 931 891	19 301 656	4 002 108
Training, education and seminars	4 402 710	1 726 046	3 928 436	658 803
Travelling and subsistence - foreign	-	1 753	-	1 014
Travelling and subsistence - local	22 728 933	11 280 659	20 451 137	5 251 192
Valuation fees	847 706	2 760 596	736 288	845 455
Works council expenses	373 794	73 110	314 669	13 384
	648 725 936	**384 820 036**	**560 773 255**	**135 234 204**
18.2 Staff costs				
Basic salary	313 744 704	157 877 732	256 361 195	75 463 533
Staff pension	1 066 191 759	20 476 577	1 060 502 110	9 728 583
Other staff costs	413 135 585	580 730 410	334 684 399	125 276 079
	1 793 072 048	**759 084 720**	**1 651 547 704**	**210 468 194**
18.3 Exchange rate gain				
Financial Instruments (note 6.1)	217 852 423	1 176 277 068	217 852 423	589 024 915
Other foreign currency transactions	175 220 676	86 762 651	175 220 676	196 789 630
	393 073 099	**1 263 039 718**	**393 073 099**	**785 814 545**

19 ACTUARIAL VALUATION

In terms of section 26(1)(a)(1) of the National Social Security Authority Act [Chapter 17:04] the long term benefits of the Authority are to be actuarially valued once every three years. An Actuarial valuation of the Accident Prevention and Workers Compensation as at December 31, 2019 was carried out by Beacon Actuarial Services and the valuation results were as follows:

	2021 ZWL$	2020 ZWL$
Net assets	969 838 458	969 838 458
Present value of pension payment	756 621 588	756 621 588
Actuarial surplus	**213 216 870**	**213 216 870**

The principal actuarial assumptions at the valuation date were as follows:

	2021 Percent per annum	2020 Percent per annum
Investment return	10	10
Pension increase	4	4
Expense inflation	4	4

20 CAPITAL COMMITMENTS

	2021 ZWL$	2020 ZWL$
Commitments for the acquisition of property, plant and equipment including WIP:		
Authorised and contracted out	322 111 410	80 124 398
Authorised but not contracted for	310 282 020	462 576 227
	632 393 430	**542 700 625**

21 PENSION ARRANGEMENTS

21.1 NSSA Staff Pension Fund

Pensions are provided for all permanent employees by a separate fund to which the Authority and employees contribute. The pension fund is a defined benefit plan of which the retirement benefits are determined by reference to the employees' pensionable remuneration and years of service. An actuarial valuation of the Authority's pension fund was carried out by Atchison Actuaries in 2017. The acturial valuation resulted in a deficit of US$ 917,857. It being a defined benefit scheme the employer has to make up for the deficit.

The employees are required to contribute 10% and the employer contributes 13.39%. Contributions by the Authority are charged to the statement of profit or loss and other comprehensive income.

21.2 Pension and other benefits scheme

All employees of the Scheme are members of the Pension and Other Benefits Scheme, to which both the employer and employees contribute. The Fund's obligations are limited to specific contributions as legislated from time to time and are presently 9% of the insurable ceiling of ZWL$5000 per month up to May 30, 2021 and effective June 1, 2021 the monthly insurable earnings ceiling is 75% (seventy-five per cent) of the previous month's Total Consumption Poverty Line (TCPL) for an average of five persons per household. Contributions by the employer are charged to the statement of profit and loss and other comprehensive income.

Accident Prevention and Workers Compensation Scheme
Notes to the Financial Statements (cont.)
for the year ended December 31, 2021

		Inflation adjusted		Historical cost	
		2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
21.3	Staff pension	1 066 191 759	19 695 303	1 054 313 776	6 428 667
	NSSA pension	2 102 444	781 273	1 710 347	67 686
		1 068 294 203	**20 476 576**	**1 056 024 123**	**6 496 353**

22 RELATED PARTIES

The Scheme has related party relationships with organisations in which it owns, directly or indirectly, 10% or more of its share capital or those shareholders who control in any manner, the election of the majority of the Directors of the Investee Companies or have the power to exercise controlling influence over the management or financial and operating policies of the Investee Companies. The Scheme carried out investments related transactions with various companies related to it, all of which were undertaken at arm's length terms.

The following is a list of related parties to the Group that it had transactions with:

Group entities	Nature of relationship
Africom Continental (Private) Limited	Investee company
CBZ Holdings Limited	Investee company
CFI Holdings Limited	Investee company
Centragrid (Private) Limited	Investee company
Dubury Investments (Private) Limited	Investee company
FBC Holdings Limited	Investee company
First Mutual Holdings Limited	Investee company
Stalap (Private) Limited	Investee company
National Building Society	Investee company
OK Zimbabwe Limited	Investee company
Rainbow Tourism Group	Investee company
Star Africa Corporation	Investee company
Turnall Holdings Limited	Investee company

Key Management Personnel

Board Members (up to May 23, 2021)	
Mr Clifford Matorera	Chairman
Mr Andrew Bvumbe	Member
Mr Authur Manase	Ex-officio

Board Members (appointed May 24, 2021)	
Dr Percy Toriro	Chairman
Mrs Merjury Chinyemba (appointed November 9, 2021)	Vice Chairperson
Mrs Beatrice Ncube	Member
Commissioner George Antony Chigora	Member
Mr Timothy Nherudzo	Member
Dr Chipo Ndudzo (appointed November 9, 2021)	Member
Ms Grace Mathe	Member
Mr Shepherd Mundondo	Member
Mr Tarusenga Chitemere	Member
Mr Clifford Matorera	Member
Mr Authur Manase	Ex-officio

Executive Directors 2021	
Authur Manase	General Manager
Dr Charles Shava	Director Occupational Healthy and Safety
Ms Hope T Mulilo (appointed June 01, 2021)	Acting Director Finance
Mrs Agnes Masiiwa	Director Contributions and Compliance
Mr Shepherd Muperi	Director Social Security
Mrs Prudence Mutsvanga	Director Legal Affairs and Corporate Secretarial Services
Mr Brian Murewa	Director Investments
Mr David Makwara	Director Corporate Affairs/ Acting Director Finance until 30 May 2021

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Authority directly or indirectly.

Declaration of related party interest

The non executive directors confirmed by way of signed affidavits that neither they nor any of their connected persons or related companies transacted with Scheme during the year.

Accident Prevention and Workers Compensation Scheme
Notes to the Financial Statements (cont.)
for the year ended December 31, 2021

22.1 Compensation to key management personnel to NSSA

	Inflation adjusted		Historical cost	
Non Executive Directors' fees	2021 ZWL$	2020 ZWL$	2021 ZWL$	2020 ZWL$
Chairman	53 655	130 463	41 580	64 560
Deputy Chairman	45 850	109 767	35 532	54 318
Other	229 754	259 007	210 420	128 170
	329 259	**499 237**	**287 532**	**247 048**
22.2 Executive short term benefits				
Acting General Manager	35 334 783	7 061 419	17 280 713	4 498 530
Acting Director Finance	23 161 717	6 381 913	11 327 393	2 990 974
Other Directors	261 848 194	42 119 824	128 058 619	16 274 846
	320 344 694	**55 563 156**	**156 666 725**	**23 764 350**
22.3 The Scheme has advanced loans to related parties as follows:				
National building Society (staff Loans)	327 822 997	5 335 324	327 822 997	3 319 432
	327 822 997	**5 335 324**	**327 822 997**	**3 319 432**

NSSA Heroes are well COVERED

The wellbeing of NSSA pensioners is our top priority. That is why we continuously innovate to offer world class social security amenities.

- ✓ Periodic Review of Pension Payouts
- ✓ Mobile Clinic Medical Outreaches
- ✓ Monthly Pension Payouts
- ✓ Discounted Groceries
- ✓ Zero Bank Charges
- ✓ Pensioner's Loan
- ✓ 13th Cheque

#NSSAHeroes!

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Notice of the 4th National Social Security Authority Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE NATIONAL SOCIAL SECURITY AUTHORITY WILL HOLD ITS 2021 ANNUAL GENERAL MEETING ON A DATE TO BE ADVISED, TO CONDUCT THE FOLLOWING BUSINESS:

1. Constitution of meeting
2. Opening remarks
3. Statement on safety and health
4. Minutes of the 2020 Annual General Meeting
5. Presentation of the 2021 annual report
6. Adoption of the 2021 annual report

Note:

i) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on its behalf.
ii) Proxy forms must reach the Authority's registered office not less than 48 hours before meeting.

By order of the Board

Takudzwa Takawira
Acting Company Secretary

NSSA House,
Corner Sam Nujoma Street/
John Landa Nkomo Avenue,
Harare

Notes

DESIGN AND LAYOUT BY vpcg

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