nssa

A Lifelong promise

Annual Report 2020

#NSSAHeroes!

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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!

A Lifelong promise

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

The Minister of Public Service, Labour and Social Welfare dissolved the NSSA Board on October 12, 2019, following the expiry of its statutory tenure.

The following board, was appointed on February 12, 2019 and was terminated on 2 November 2020:

DIRECTORS

Dr. Cuthbert Chidoori (Chairman)
Dr. Priscilla Mujuru (Vice Chairperson)
Cecilia Alexander
Philip M. Hamadziripi
Ozias E. M. Hove
Arthur J. Manase
Thomas Masvingwe
Jemina Mateko
Arthur Manase (Acting General Manager (ex- officio) -
From 8 February 2019 2 November 2020

BOARD SECRETARIAL SERVICES Emerson Mungwariri

BOARD COMMITTEES

HUMAN RESOURCES, REMUNERATION & NOMINATIONS AND MARKETING, PR & CSR COMMITTEE

Dr. Priscilla Mujuru	– Chairperson
Cecilia Alexendar	– Member
Philip M. Hamadziripi	– Member
Jemina Mateko	– Member
Mr Arthur Manase	– (Acting General Manager) (ex- officio)

Investments and Procurement

Philip M. Hamadziripi	– Chairperson
Natsai Gurupira	– Member
Arthur J. Manase	– Member
Jemina Mateko	– Member
Mr Arthur Manase	– (Acting General Manager) (ex- officio)

Audit, Risk and Corporate Governance

Ozias E. M. Hove	– Chairperson
Natsai Gurupira	– Member
Arthur J. Manase	– Member
Thomas Masvingwe	– Member
Mr Arthur Manase	– (Acting General Manager) (ex- officio)

Corporate information (cont.)

BOARD COMMITTEES (cont.)

Actuarial, Benefits and Occupational Safety and Health

Cecilia Alexander	– Chairperson
Philip M. Hamadziripi	– Member
Jemina Mateko	– Member
Dr. Priscilla Mujuru	– Member
Mr Arthur Manase	– (Acting General Manager) (ex- officio)

Legal, Litigation and Appeals

Arthur J. Manase	– Chairperson
Ozias E. M. Hove	– Member
Thomas Masvingwe	– Member
Dr. Priscilla Mujuru	– Member
Mr Arthur Manase	– (Acting General Manager) (ex- officio)

ICT, Finance and Contributions

Natsai Gurupira	– Chairperson
Cecilia Alexander	– Member
Ozias E. M. Hove	– Member
Thomas Masvingwe	– Member
Mr Arthur Manase	– (Acting General Manager) (ex- officio)

Board Members From 2 November 2020

Mr. Clifford Matorera	Chairman
Mr. Andrew Bvumbe	Member
Mr. Arthur Manase	Member

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
Stanbic Bank Zimbabwe

Investee Companies

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

Investment in Subsidiaries

nbs National Building Society
100%

First Mutual Holdings Limited
69.41%

RTG Rainbow Tourism Group Ltd
67.23%

Investment in Associates

africom
47.67%

zb Financial Holdings
37.97%
Disposed
30 November 2020

Dubury
36.21%

FBC Holdings Limited
35.13%

Fidelity Life
35.09%
Disposed
24 November 2020

Turnall Holdings Limited
32.55%

Starafrica Corporation
31.67%

Zimre Holdings Limited
21.24%

OK Zimbabwe Limited
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.

Africom Continental Private Limited

Africom Continental Private Limited is a converged communication service provider. A licensed telecommunications operator; Africom is the first company in Zimbabwe to challenge all convention by offering converged communication solutions. With all other telecommunications operators offering traditional products, Africom is the first company to integrate data, voice and video over broadband as well as mobility into a single solution. Since its inception in 1995, Africom has made great strides and achievement in the ICT and telecommunications industry. Growing from premise wiring enterprise into a fully fledged converged communication provider that it is today, Africom continues to redefine communication in Zimbabwe.

ZB Financial Holdings Limited

ZB Financial Holdings Limited was incorporated in Zimbabwe in May 1989, as a holding company for a group of companies, which have been providing commercial and merchant banking and other financial services since 1951. Its subsidiaries are: ZB Bank Limited, ZB Building Society, ZB Capital (Private) Limited, ZB Life Assurance Limited, ZB Reinsurance Limited, ZB Transfer Secretaries (Private) Limited and ZB Associated Services (Private) Limited.

Dubury Investments

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, speciality 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 started to occupy offices in the building.

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.

Fidelity Life Assurance Limited

Fidelity Life Assurance was first incorporated in the United Kingdom as Legal and General (Pvt) Ltd. In 1936, Legal and General opened a branch in Bulawayo in the then Rhodesia. In 1988, a local consortium then bought the long-term assurance division and changed its name to Fidelity Life Assurance. Since inception, Fidelity Life Assurance has been offering assurance products.

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.

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.

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

“Despite the various challenges brought by the Covid-19 pandemic the Authority thrived to ensure that business operations continued with minimal disturbances.”

Chairman's Statement

OVERVIEW

The National Social Security Authority (the Authority/ NSSA) experienced major changes in its Board Composition. The Board that was appointed in February 2019 was dissolved in November 2020 and the Honourable Minister appointed an Interim Board of three (3) members to steward the organisation pending the appointment of a substantive Board. A substantive Board was subsequently appointed in May 2021.

COVID-19

Despite the various challenges brought by the Covid-19 pandemic the Authority thrived to ensure that business operations continued with minimal disturbances. The Authority ensured that employee safety and organisational sustainability were balanced in its approach in the management of the pandemic. NSSA assisted where appropriate with covid cases which arose amongst its employees and other vulnerable groups in society.

INVESTMENTS PERFORMANCE

The year 2020 saw a restructuring of the investment portfolio, that is long dated investments either being paid off or tenor reduced. At the beginning of the year the Authority was holding Treasury Bills worth ZWL178 million. These bills were received from the Government in 2017 as settlement on outstanding Contributions. The Bills were due to mature in 2027 and carried a coupon rate of 7%. The hyperinflationary environment saw a reduction in real value of this holding and the Authority negotiated with Treasury for a shorter tenor and a higher coupon. The Treasury agreed to restructuring the Bills to a shorter tenor and a higher coupon rate which then resulted in the Treasury Bills being tradeable in the secondary market for realisation of cash.

The Authority continued to participate in the agriculture value chain working together with the private sector. During the year, the Authority invested ZWL100 million towards winter wheat cropping season.

The year 2020 saw the implementation of a banking sector consolidation strategy that resulted in the disposal for the entire 37.79% stake in ZB Financial Holdings Limited for additional shares in CBZ Holdings Limited and cash consideration. The strategic intent for the Authority is to remain with three solid investments in CBZ Holding Limited, FBC Holdings Limited and National Building Society Limited.

Further to the Banking Sector consolidation, NSSA continued the journey of consolidating the insurance sector investments which had started in 2017. This saw NSSA swapping its entire 35.09% shareholding in Fidelity Life Assurance for shareholding in ZimRe Holdings Limited. Post the transaction NSSA increased its stake in ZimRe Holdings Limited from 16.77% to 21.16%.

SUBSIDIARIES PERFORMANCE

National Building Society (The Society)

The Society recorded a surplus of ZWL66.9 million (2019 ZWL53.37million) in inflation adjusted terms. The Society managed to reverse the adverse performance recorded in the first half of the year to close the financial year profitable. This was largely achieved by top line growth, diversification of the Society's product offering, and benefits of the inflation hedge held in non- monetary assets and disposals of stands.

Operating expenses recorded an 8% decline in inflation terms to close at ZWL357 million from ZWL389 million in 2019. This was achieved through the Society's cost containment efforts, streamlining of the Society's operational activities and a deliberate encouragement of customers to undertake most of their banking activities through digital platforms. The cost to income ratio improved from 97% in 2019 to 91% in 2020.

The total assets declined by 11% to close at ZWL2.25 billion from the December 2019 position of ZWL2.53 billion due to the loss in value of the Society's monetary assets. Efforts to preserve the monetary assets value have been through the Diaspora mortgage scheme and introduction of the Free fund loan facility. These products are foreign currency based and thus track movements in exchange rates. Capital preservation remains central to the operations of the Society.

The Society was compliant with the minimum regulatory capital provisions set by the Reserve Bank as at 31 December 2020. The Society's regulatory capital stood at ZWL187.6million a 193.13% increase from prior year's ZWL64million and was driven by organic growth. The closing capital adequacy ratio was 40% for the year 2020, which is way ahead of the regulatory minimum limit.

First Mutual Holdings Limited (FMHL)

Gross Premium Written ("GPW") achieved was ZWL5.9 billion and this grew by 2% in inflation adjusted terms as a result of organic growth on the existing portfolio and the continuous revaluation of insurance policy values in line with inflation to ensure clients had adequate cover. Rental income for the year amounted to ZWL 257 million inflation adjusted and was ahead of prior year by 9%. The real growth, relative to prior year, was due to quarterly rental reviews and increases in occupancy rates in retail and residential properties.

FMHL achieved investment income of ZWL346million inflation adjusted for the year under review compared to an investment loss of ZWL1.8 billion in 2019. The investment gains were driven by fair value gains on listed and unlisted equities in line with the general performance of the Zimbabwe Stock Exchange Industrial Index.

The FMHL total assets appreciated in value by 43% at ZWL15.4 billion inflation adjusted as at 31 December 2020 compared to ZWL10.7 billion inflation adjusted as at 31 December 2019. The increase is mainly attributable to the fair value adjustment on investment properties and listed equities as well as revaluation of net foreign currency denominated assets.

Rainbow Tourism Group (RTG)

RTG continued to be resilient in the face of significant uncertainty created by the COVID-19 pandemic. At a time when the tourism industry globally faced headwinds arising from the pandemic, RTG fundamentals remained strong despite closing two Victoria Falls hotels for the greater part of the year.

RTG posted revenues of ZWL1.1 billion in inflation adjusted terms, being a 66% decrease from ZWL3.2 billion posted in 2019. Earnings Before

Chairman's Statement (cont.)

Interest, Tax, Depreciation and Amortisation (EBITDA) margin at 42%, was an improvement from 32% posted in 2019. The growth in EBITDA margin was driven by cost reduction initiatives adopted during the year in response to lower business volumes. Meanwhile, net profit margin for the year closed at 32% in 2020 compared to 28% in 2019 resulting in a profit after tax of ZWL352.1million (2019: ZWL 913.9 million)

During the year, RTG repaid the debenture of ZWL16.7 million in full, which was issued in February 2018 at an interest rate of 6% and tenure of 7 years. The early repayment of the debenture released RTG's assets, which were pledged as security.

RTG's total assets appreciated in value by 7% at ZWL3.49 billion inflation adjusted terms as at 31 December 2020 compared to ZWL3.25 billion inflation adjusted as at 31 December 2019. The increase is mainly attributable to acquisition of property plant equipment.

SUSTAINABILITY OF THE PENSION AND OTHER BENEFITS SCHEME (POBS)

To enhance the sustainability of POBS, the Authority adjusted the insurable earnings ceiling from ZWL700 to ZWL5,000 in June 2020 and also adjusted the contribution rate from 7% (split as 3.5% employer contribution and 3.5% employee contribution) to 9% (4.5% employer contribution and 4.5% employee contribution).

PENSIONER WELFARE

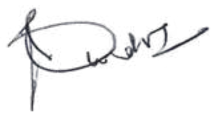
The Authority ensured that the pensioners were paid out their benefits religiously during the year on the 13th of each month. Efforts continued to be made to ensure that the levels of the benefits paid out remain meaningful to the beneficiaries. The pensioners and beneficiaries were paid a 13th cheque bonus in December 2020 which has become a tradition over the years.

OUTLOOK

There is optimism that the operating environment will improve following the mitigation of the Covid-19 pandemic and this is expected to result in improved performance of the Authority.

APPRECIATION

I am appreciative of the support the Authority continues to get from its stakeholders, including the Government, Tripartite partners, the pensioners, fellow directors and finally its committed staff members.



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DR E. FUNDIRA
BOARD CHAIRMAN

2020 Board Members

From 1 January 2020 to November 2020

Dr. Cuthbert Chidoori
Board Chairman

Dr. Pricilla Mujuru
Board Vice Chairperson

Cecilia Alexander
Board Member

Phillip M.Hamadziripi
Board Member

Commissioner Ozias Hove
Board Member

Natsai Gurupira
Board Member

Thomas Masvingwe
Board Member

Jemina Mateko
Board Member

Mr. Arthur Manase
Acting General Manager
(Ex Officio)

Board members (From 2 November 2020)

Mr. Clifford Matorera
Chairman

Mr. Andrew Bvumbe
Board Member

Mr. Arthur Manase
Board Member/
Acting General Manager

Dr. C Shava
Acting General Manager
Appointed July 2022

“The Authority adopted a new logo. The new corporate identity is the mark of a transformed organisation and culture and a dynamic organisation in continuous transformation.”

General Manager's report

OPERATING ENVIRONMENT OVERVIEW

The 2020 financial year operating environment was challenging as the country had to deal with the rising inflation pressures in the economy as well as the effects of the Covid-19 pandemic. In response to the COVID-19 pandemic, the Government of Zimbabwe and the world imposed lockdown measures of varying extents in an effort to curtail the spread of the deadly Corona virus. Various policy pronouncements were made by the Government of Zimbabwe in response to the pandemic and these affected the operations of the Authority and its subsidiaries during the period under review. The hospitality and tourism sector was significantly affected by Covid19 as it had to operate below capacity,

Locally, inflation closed the year at 348% year-on-year thus entailing increased cost of running business whilst on the other hand the local currency depreciated by 389% to ZWL81.77 against the United States Dollar resulting in balance sheet erosion.

The Authority's results are denominated in Zimbabwean dollars (ZWL) following the change in functional and reporting currency on 22 February 2019 as a consequence of Statutory Instruments 33 and 142 of 2019. Inflation adjusted financial statements have been issued as the Authority's primary financial statements as required by the International Financial Reporting Standard 29 – Financial Reporting in Hyperinflationary Economies, following the guidance from the Public Accountants and Auditors Board (PAAB) through Circular 01/19 issued on 11 October 2019 indicating that the economy had become hyper-inflationary. The Directors have thus prepared the accompanying financial statements using the hyperinflationary accounting basis to achieve fair presentation at the reporting date of December 31, 2020.
Historical cost financial statements have been issued for information purposes only.

The financial statements of the Authority show an inflation-adjusted surplus of ZW$15.2bn in 2020 (2019: loss of 12.9bn) against a historical surplus of ZWL30.7bn (2019: ZWL3.9bn)

FINANCIAL PERFORMANCE REVIEW

The Pension and Other Benefits Scheme contribution collections decreased by 28% from ZWL5 billion in 2019 to ZWL3.6 billion in 2020 in inflation terms. Historically, contribution collections went up by 607% from ZWL398.7million in 2019 to ZWL2.8 billion in 2020. Inflation during the year increased as the CPI increased from 551.63 in December 2019 to 2,474.51 in December 2020. The unfavourable macro-economic conditions have seen companies downsizing and some closing. The insurable ceiling and contribution rate was also adjusted during the year June 2020 from 3.5% to 4.5 % with the ceiling from ZWL700 to ZWL 5000.

The Accident Prevention and Worker's Compensation Scheme premiums decreased by 4% from ZWL1.1 billion in 2019 to ZWL1 billion in 2020 in inflation terms. Historically, premiums increased by 802% from ZWL102.7 million in 2019 to ZWL929.2 million in 2020. The increase is due to an increased awareness on the importance of insuring workers against employment injuries and the operating environment. Adjustments to salaries by employers have cushioned employees against the rapidly rising cost of living. The premium assessments rates remained unchanged in 2020.

The Authority's investment income increased from ZWL122.6million in 2019 to ZWL560.6 million in 2020 in historical terms. This was mainly due to the inflation environment as companies were able to service their loans and were also in the position of paying dividends in ZWL. In inflationary terms investment income decreased from ZWL1.4 billion in 2019 to ZWL713.4 million in 2020. The decrease in investment income in inflation-adjusted terms was mainly due to returns lagging behind inflationary pressures.

The Authority's operating expenses increased from ZWL661.0 million in 2019 to ZWL825.3 million in 2020 in inflationary terms, and historically, they also rose from ZWL 69 million in 2019 to ZWL529.0 million. The inflationary increase was caused by suppliers increasing prices as they tried to maintain viability. The Authority reported in historical terms a surplus of ZWL16.7 billion during the year from a surplus position of ZWL2.7 billion in 2019. In inflation adjusted terms the Authority reported a surplus of ZWL9.8 billion in 2020 compared to a deficit of ZWL16.4 billion in 2019.

The Authority's total assets increased from ZWL29.2 billion to ZWL42.7 billion in inflation-adjusted terms whilst historically the total assets increased from ZWL5.7 million to ZWL37.4 billion. The cash and cash equivalents holding balance of ZWL2.3 billion was also reported during the period compared to ZWL1.9 billion reported in 2019.

Contribution and premium debtors increased from ZWL654 million in 2019 to ZWl1.109 billion in inflation-adjusted terms. This is due to the adjustment made to the insurable ceiling and also the contribution rate increase from 3.5% to 4.5%.

CONTRIBUTIONS AND COMPLIANCE

The total number of active employers closed the year at 28,434 compared to 26,177 recorded in 2019 translating to a growth of 9%, whilst active employees increased by 6.5% to 1,362,455 from 1,278,991 in 2019. Positive growth by both employers and employees remains key in our quest to improve social security coverage whilst at the same time enhancing the sustainability of the schemes.

Total contributions and premiums revenue recorded ZWL2.7 billion against a budget of ZWL3.1 billion translating to 87% performance compared to 101% achieved in 2019. The downward trend in revenue collected is attributable to Covid 19 Lockdown restrictions which drastically affected business operations for the greater part of the year. However, to ensure business continuity, the Authority introduced automated online platforms which initiative brought convenience to its clientele. Despite the operation challenges as aforementioned, employee legal compliance rate firmed up to close the year at 93% whilst the Legal compliance rate declined by 8% to close off the year at 51% down from 59% achieved in 2019.

Pension and Other Benefits Scheme (POBS) contribution rates were reviewed during the year from 7% to 9% whilst Insurable earnings ceiling increased from ZWL700 to ZWL5000.

SOCIAL SECURITY

The number of pension claims under the Pension and Other Benefits Scheme increased from 219 937 in 2019 to 220 895 in 2020,

General Manager's report (cont.)

representing a growth rate of 0.44%. Claims paid in 2020 were ZWL1.2 billion compared to ZWL276.7 million in 2019 representing a 240% growth. In 2020, the Scheme paid a bonus to all its pensioners (retirement, survivors and invalidity). The annual bonus amount was ZWL464.6 million. The number of pensioners under the Accident Prevention and Worker's Compensation Scheme (APWCS) decreased by 4.8% from 6 748 in 2019 to 6 423 in 2020. The scheme paid claims worth ZWL73.18 million in 2020. The Scheme also paid a bonus to all its pensioners amounting to ZWL6.2 million in December 2020. Claims paid to APWCS pensions amounted to ZWL277.1 million an increase from 2019 position of ZWL50.5 million.

DIGITALISATION AND AUTOMATION

- Enhancing NSSA Website and Facebook Page

  The official NSSA website was enhanced to become more interactive, user friendly, informative and customer centric. For example, the NSSA website and Facebook page were embedded with live chat and auto-responder platforms. The live chat enabled customers to have a live text chat with a NSSA representative while autoresponder operated on the NSSA Facebook page and pre-empted frequently asked questions to reduce the turnaround time for pressing questions. The Authority envisaged that adopting these global digital best practices would bring it closer to achieving its vision of being a world class provider of social security services.

- Enhancing social media pages

  Measures were taken to enhance the security of the Authorities social media pages. The pages now carry the blue check mark, a sign that the pages are official and cannot be manipulated by social media trolls. At a time when social media is awash with fake news and parody accounts, the blue check mark acts as the first verification stage to separate official from false pages. The Authorities' social media pages continue to bridge the customer service gap as queries are being responded to in real time, saving time, money and shielding staff and customers, particularly pensioners from exposure to covid 19.

OCCUPATIONAL SAFETY AND HEALTH (OSH)

The year under review recorded 3,528 injuries compared to 4,124 recorded in 2019, a 14% decrease from the previous year. However, fatalities sadly remain elevated despite a decrease from 58 in 2019 to 45 in 2020. Despite depressed economic activity due the COVID 19 pandemic, Lost Time Injury Frequency Rate (LTIFR) remain high at 2.4 in 2020, well above the standard of less than 1, same as in 2019.

Overall, regulatory compliance shows an improvement of about 13%, in which 54% of facilities inspected were compliant in 2020 compared to a compliant rate of 48% in 2019. Going forward enforcement and promotional activities will be intensified through blitz exercises with a view to secure a culture of accident prevention in the workplace. Additionally, effort will be directed at high-risk sectors contributing to occupational injuries and diseases so that claims and rehabilitation costs remain minimal.

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 managed to recruit Senior Management employees in Social Security, Finance and Investments.

- Remuneration Framework

  The Minister of Public Service, Labour and Social Welfare on recommendation of the Board approved a new Remuneration Framework which replaced the Total Cost to Employer Remuneration model which was expensive to the business.

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 [Cap 22:19] and Public Entities and Corporate Governance Act [Cap 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. This dual reporting ensures the independence of the Internal Audit function in the execution of its duties.

The department was adequately manned and received the necessary budgetary support in carrying out various audit reviews. However, audit activities were hampered by the Covid19 pandemic which saw travel restrictions and lockdowns being put in place to prevent spread of the virus. As a result, the level of audit assurance was limited to key activities during the period under review.

The division undertook 12 independent audit reviews during the year under review. The audit 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 Financial Markets, Investment Properties, Finance, Human Resources Management, Procurement, APWCS Benefits, Marketing & PR, ICT Disaster Recovery and Corporate Governance.

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

FORMALISATION AND OTHER DEVELOPMENTS

- **Formalisation**

Formalisation refers to the phase when the Authority commenced its current rebranding exercise with the resuscitation of projects left in limbo, enhancement of key organisational pillars, policies and procedures which though in existence may not have been fully operational. Previous establishments had not paid full attention to these, and they remained matters that represented an albatross around the neck of the Authority. As a result of the lack of formalisation of these issues, the Authority was always in fire fighting mode, reactive rather than proactive and thus stuck in a rut not moving on to address key fundamental enablers designed to achieve the NSSA Vision.

- **New Corporate Identity for NSSA**

Over the years the NSSA image had been heavily compromised by acts of dishonesty, opaque transactions, corruption and financial impropriety. There was hence the need to instil a corporate culture anchored on three pillars which are transparency, honesty and accountability. Thus, on 1 December 2020, the Authority unveiled a new corporate identity for the organisation. This was a mark of a transformed organisation and culture coming at a time when the organisation had experienced serious reforms characterised by: -

- Drastic changes in internal communication;
- Significant shift in media coverage tone, from about 70% negative media in Q4 2019 to over 85% positive as of October of 2020;
- Various awards and recognition conferred to NSSA and its employees;
- The Authority's mantra of A Lifelong Promise anchored on the strategic pillars of Transparency, Honesty and Accountability;
- The construct of the new brand involved feedback from a cross section of stakeholders and the rebranding programme covered hundreds of assets and infrastructure, including branches, forms, offices, online platforms, websites, business cards, uniforms and other collateral.

- **New NSSA logo**

The Authority adopted a new logo. The new corporate identity is the mark of a transformed organisation and culture and a dynamic organisation in continuous transformation. This is represented by the logo type which is curvy to represent ingenuity, diversity, continuous and progressive transformation.

The orange circle is a depiction of the sun and means that with NSSA one always looks forward to bright and sunny days during and after working life.

Turquoise, the NSSA corporate colour represents open communication. It's a friendly and happy colour that symbolises hope. It controls and heals the emotion, creating emotional balance and stability. These characteristics augur well with the new brand ethos.

A Lifelong promise" is the new NSSA mantra. It means NSSA is there at every stage of one's life – from the time one is born throughout working life, retirement, to the time one dies. It is a continuous cycle as even after death, one's beneficiaries will continue to benefit from NSSA.

In addition, the Authority devised an advertising campaign that celebrates its stakeholders, e.g., Contributors, pensioners, employers, who are classified as the "NSSA heroes". This is meant to instil a sense of pride and ownership among the stakeholders.

- **The New NSSA Pledge**

NSSA pledges to:

SERVE the nation though providing world class social security products and services.

EMPOWER its workforce and pensioners with schemes that enable them to live undisrupted and progressive lives.

INNOVATE its schemes range with market-relevant and customer-focused solutions.

SECURE investments that enable it to offer quality products and deliver dependable services to its members.

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

The rebranding of NSSA is not an event, but a process. It is an evolutionary process, and we will continue to factor in feedback from our clients and stakeholders as we undertake this exciting journey. Ours is a Lifelong Promise.

....

Dr C. Shava
Acting General Manager

Executive Management Team

Arthur Manase
Acting General Manager

David Makwara
Director Investments/ Acting Director Finance and Operations

Agnes Masiiwa
Acting Director Contributions, Collections and Compliance

Isaac Isaki
Chief Investment Officer

Tambudzai Jongwe
Chief Social Security Officer
from 1 September 2020)

Prudence Mutsvanga
Group Legal Advisor and Corporate Governance Executive
from October 2020

Andrew Nyakonda
Chief Audit Executive

Francis Nyambiri
Chief Properties Investments Officer

Dr. Betty Nyereyegona
Chief Occupational, Safety, Health & Rehabilitation Centre Officer

Perpetua Chimeura
ICT and Digital Strategy Executive

Alexander Kamusoko
Acting Supply Chain and Administration Services Executive
From May 2020 – December 2020

Hope Mulilo
Finance and Cost Management Executive

Shepherd Muperi
Acting Chief Social Security Officer
from 1 January - 30 August 2020)

Tendai Mutseyekwa
Marketing, Communications, Corporate Social Responsibility (CSR) and Public Relations Executive

Charles Nyika
Supply Chain and Administration Services Executive
Upto April 2020

Best Shadaya
Acting Human Capital and Talent Management Executive

Takudzwa Takawira
Acting Group Legal and Secretarial Services Executive
(Upto October 2020)

2020 Highlights

NSSA Rebranding

Amidst the COVID-19 induced disruptions to normal business operations that characterised the year 2020, the Authority rose above the distractions and embarked on a successful rebranding journey.

The new corporate identity was launched to announce a transformed organisation anchored on a new culture premised on the strong pillars of transparency, honesty and accountability. The logo type which is a complete departure from the old one is curvy speaking to ingenuity, continuous, diversity and progressive transformation. The unveiling of the new brand follows huge reforms within the Authority such as a drastic change in internal communication across the board and significant shift in media coverage tone.

The rebranding exercise covered NSSA assets and infrastructure, office branches, online platforms, business cards, forms and other collateral. The process was rolled out in a phased approach.

Introducing The New National Social Security Authority (NSSA) Corporate Identity

nssa
A Lifelong promise

Unlocking The NSSA Corporate Identity

Our new corporate identity is a mark of a transformed organisation and culture.
The logo type is curvy to represent ingenuity, diversity, continuous and progressive transformation.

The orange circle is a depiction of the sun. With NSSA, you can always look forward to bright and sunny days during and after your working life. Turquoise, our corporate colour represents open communication. It's a friendly and happy colour that symbolises enjoying life. Turquoise controls and heals the emotions creating emotional balance and stability. These characteristics augur well with our new brand ethos.

Our new look comes at a time when the organisation has experienced serious reforms characterised by:

- Drastic changes in internal communications.
- Significant shift in media coverage tone, from about 70% negative media in Q4 2019 to over 85% positive as at October 2020.
- Various awards and recognition conferred to NSSA and colleagues during 2020.
- The organisation's mantra of **A Lifelong Promise** anchored on the strategic pillars of **Transparency, Honesty and Accountability** will fit well at this particular moment, hence driving this theme and look to instil ownership.

This exercise will be phased. The rebranding programme will cover hundreds of assets and infrastructure, including branches, forms, offices, online platforms, websites, business cards, uniforms and other collateral.

We invite you to walk with us on this transformation journey as we keep our LifeLong Promise of ensuring the wellbeing of Zimbabweans during and after their work life.

2020 Highlights (cont.)

NSSA Contact Centre

The year saw increased usage of digital channels as NSSA sought to provide clients with the convenience of communicating the Authority remotely. Towards this, works began on an integrated contact centre project that will improve communication further.

The contact centre project was brought about a result of the need to have a virtual one-stop-shop to deliver services to NSSA customers through touchpoints such as telephone calls, email and various social media platforms (WhatsApp, Facebook and Twitter).

According to statistics from the Security and Loss Control department, NSSA receives an average of 1,500 clients at its Head Office on a daily basis. As NSSA positions itself to be a customer centric organisation, the quality of service delivered to the pensioner should not be left to chance and therefore the contact centre will play a pivotal role in delivering superior customer service to NSSA customers while drastically reducing the number of walk-in clients at its respective offices.

Mashonaland East (Mudzi) Outreach

Just before the outbreak of Covid-19, NSSA conducted a rural outreach programme in Mudzi West, Mudzi South, Mudzi Central and Uzumba Districts in Mash-East Province. This initiative was meant to market the NSSA brand and all its products through increased visibility and improved information dissemination in remote areas that are far away and hard to reach from our offices and other sources of information.

The team collaborated with community leaders like Chiefs, Village Heads, District Administrators and Rural District Council CEOs and councillors to invite and gather all their communities within their areas of operation. Besides the traditional leadership, NSSA officers also targeted the business community in these areas to remind them of their obligations in terms of the NSSA act and to promote compliance within the business community.

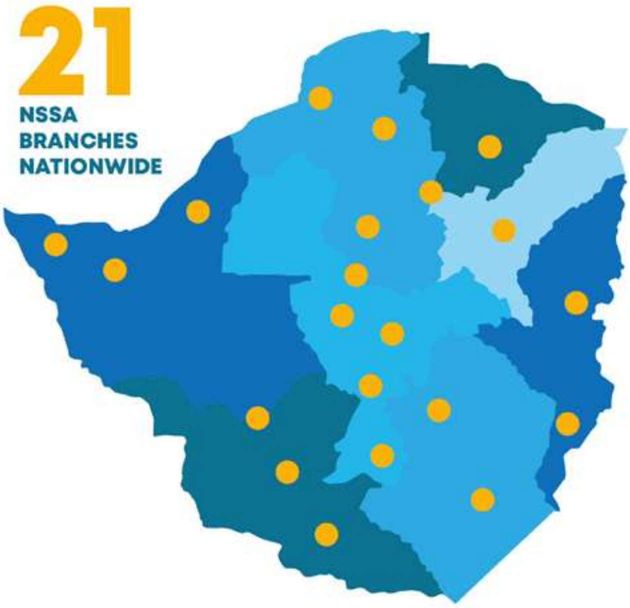
Officers carried out a total of 83 community meetings and 50 teach ins, addressing 24,817 people. The road shows which were attended by a total of 18,500 people.

2020 Highlights (cont.)

Satellite Offices

The Authority introduced satellite offices to enable clients to access services within proximity to their communities. 14 satellite offices have been set-up in the following areas has already been identified.

- Willowvale
- Mrewa
- Murambinda
- Gutu
- Nyanga
- Bing
- Guruve
- Chitungwiza
- Nkayi
- Gokwe
- Ngundu
- Zvishavane
- Karoi
- Chivhu



The new set up provided convenience and reduced transport costs for our pensioners.

National Clean-Up Campaign

The Authority participates in the National Clean-up campaign held every first Friday of the month. The event has ignited a lot of interest within NSSA staff who will be clad in their branded corporate wear that includes t-shirts, hats and dust coats. All the regions have religiously participated in the clean-up. The initiative is fast instilling a sense of responsibility in NSSA employees as they strive to keep their surroundings clean. The teams represented in the pictures below are from Head Office, Harare, Gweru, Mutare, Bulawayo, Chinhoyi and Masvingo.

2020 Highlights (cont.)

Coporate Social Responsibility

NSSA under its 'NSSA For Good Banner" complemented government's efforts by handing over the former Beitbridge Rainbow Hotel to be used as a transit isolation centre to cater for returning residents from South Africa. The Authority also availed Ekusileni Medical Centre in Bulawayo for accommodation of patients undergoing treatment for COVID-19. In addition to the two facilities, NSSA funded the refurbishment of an ICU ventilator at Mutare General Hospital.

During the period, the NSSA donated to labour bodies towards the fight against COVID-19.

Donations to grossly disabled pensioners

One of our values is that of Ubuntu/Hunhu – caring for our stakeholders and customers is central to the way we do business at NSSA. Further to paying disability payouts on time, building houses suitable for people living with disabilities under Project Dzimba/Izindlo, the Authority donated food hampers to 156 grossly disabled pensioners under the Accident Prevention and Workers Compensation Scheme.
Findings and recommendations

Regular vistis to grossly disabled pensioners in all our regions. They need us and they need love and care.

Delivery of medications should be continued until the lockdown restrictions have been uplifted.

Corporate Governance Statement

THE BOARD

The National Social Security Authority Board was appointed by the Minister of Public Service, Labour and Social Welfare in February 2019 and was dissolved on 2 November 2020. The Board was chaired by Dr C. Chidoori, deputised by Dr P. Mujuru, and assisted by Mr P. Hamadziripi, Commissioner O. Hove, Ms C. Alexander, Mrs N. Gurupira, Mr T. Masvingwe and Ms J. Mateko.

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 C. Matorera (Chairperson), Mr A. Bvumbe and Mr A. Manase (General Manager).

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

O.E.M Hove
N. Gurupira
T. Masvingwe
A.J Manase (General Manager & Ex-Officio member)

HUMAN RESOURCES, REMUNERATION & NOMINATIONS AND MARKETING, PUBLIC RELATIONS & 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

P. Mujurua
C. Alexander
P.M Hamadziripi
J. Mateko
A.J Manase (General Manager & 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

P. Hamadziripi
J. Mateko
N. Gurupira
A.J Manase (General Manager & Ex-Officio member)

Corporate Governance Statement (cont.)

ICT, FINANCE AND CONTRIBUTIONS, COLLECTIONS & COMPLIANCE COMMITTEE

The ICT, Finance and Contributions, Collections & 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
N. Gurupira
C. Alexander
O.E Hove
T. Masvingwe
A.J Manase (General Manager & Ex-Officio member)

ACTUARIAL, BENEFITS, CONTRIBUTIONS AND OSH & 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
C. Alexander
P.M Hamadziripi
J. Mateko
P. Mujuru
A.J Manase (General Manager & 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. Masvingwe
P. Mujuru
O.E.M Hove
A.J Manase (General Manager & 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
C. Chidoori	√√√						√√
P. Mujuru	√√√		√√√		√√√		√√√
J. Mateko	√√√	√√√	√√√		√√√		
C. Alexander	√√√		√√√		√√√	√√√	
N. Gurupira	√√√	√√√		√√√		√√√	
P. Hamadziripi	√√√	√√√	√√√		√√√		
O.E.M Hove	√√√			√√√		√√	√√√
T. Masvingwe	√√√			√		√√	√√√
A.J Manase	√√√	√√√	√√√	√√√	√√	√√√	√√√

ATTENDANCE REGISTER FOR INTERIM BOARD MEETINGS

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

Key
√ Meetings attended
A Apologies

Directors' Responsibility Statement

RESPONSIBILITY

The directors are responsible for the preparation and fair presentation of the Group and the Authority annual financial statements, comprising the statement of financial position as at December 31, 2020; 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 the 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 3, 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), 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 (IFRSS)

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 of the , 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, 2019; 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 2019 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 2020 financial statements only to the extent of the 2019 comparative financial information presented. For 2020 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.

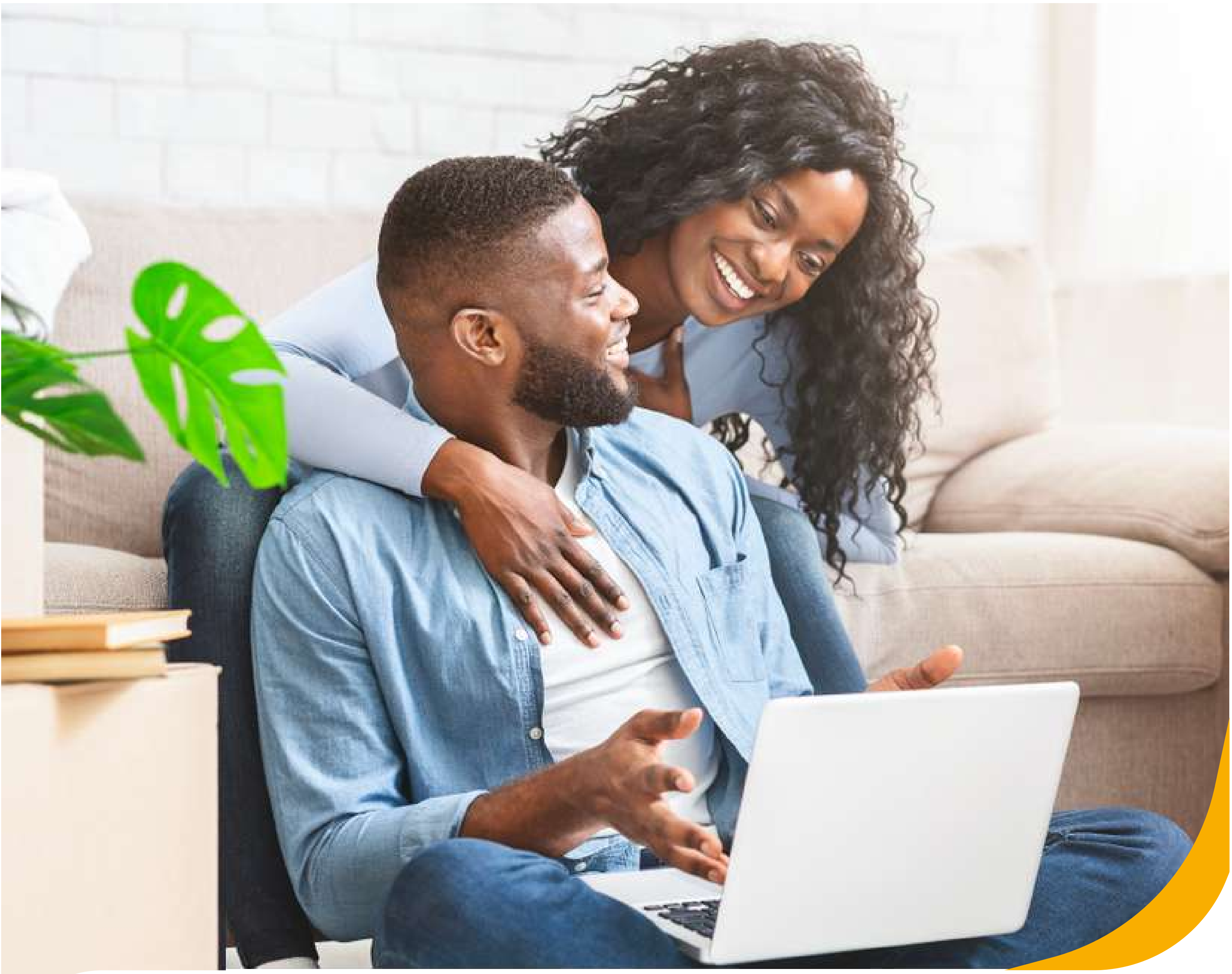
Approval of financial statements

The annual financial statements for the year ended December 31, 2020 set out on pages 31 - 108 were approved by the Board of Directors on 25 July 2023.

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),	**Dr. C. Shava**	**Dr. E. A. Fundira,**
Director Finance and ICT	**Acting General Manager**	**Board Chairman**



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.

#NSSAHeroes!

nssa
A Lifelong promise

All communication should be addressed to
The Auditor-General
P.O Box CY 143, Causeway, Harare
Telephone No.:+263-242-793611/3/4
Telegrams: AUDITOR
E-mail: oagzimbabwe263@gmail.com
Website:www.auditorgeneral.gov.zw

We assure accountability

OAG ZIMBABWE
Office of the Auditor-General

Office of the Auditor - General of Zimbabwe
5th Floor, Burroughs House
48 George Silundika Avenue
Harare, Zimbabwe

Ref: **SB 18**

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, 2020

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 31 to 108 which comprise the consolidated statement of financial position as at December 31, 2020, 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, 2020, 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, 2020 and its financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non -compliance with International Accounting Standard (IAS) 21- "The Effects of Changes in Foreign Exchange Rates"

Opening balances

The prior year financial statements did not comply with the requirements of IAS 21 'The effects of changes in foreign exchange rates" on the opening balances as the Group had been unable to use an appropriate exchange rate on change of functional currency on February 2019. The Group and the Authority translated its comparative financial statements using the interbank rate which came into existence on February 22, 2019 through Exchange Control Directive RU 28 of 2019 issued by the Reserve Bank of Zimbabwe.

The Group and the Authority adopted January 1, 2019 as the date of change in functional currency and translated its foreign denominated balances to ZWL at a rate of USD1:1 RTGS. Statutory Instrument 33 of 2019 prescribed that all assets and liabilities that were denominated in USD before February 22, 2019 be deemed to be RTGS dollars at a rate of 1:1 and all transactions subsequent to February 22, 2019 at interbank rate starting at USD1: 2.5RTGS. The Group and the Authority's inability to assess the appropriateness of using the interbank rate in achieving fair presentation was primarily due to lack of an observable foreign exchange market between October 2018 and February 2019. In that regard the Group and the Authority's 2020 opening balances misstatements have an impact on the current year financial statements.

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

Had the Group and the Authority's financial statements been prepared in accordance with the requirements of IAS 21, many elements would have been materially affected. As a result, the impact of the Group's inability to comply with IAS 21 has been determined as significant.
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 statement of the National Social Security Authority for the year ended December 31, 2020. 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.

Key Audit Matter	How my audit addressed the Key Audit Matter
Revenue recognition. Refer to note 3.1 and 28 -32 to the financial statements. The Authority recognized revenue amounting to ZWL5.41 billion for the year ended December 31, 2020. 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 • Re-computed and analysed revenue streams and the collections. • Tested the design and operating effectiveness of internal controls implemented. Performed test of details on revenue to ensure that processing of revenue transactions was done accurately . • Performed cut off tests on the year end balances to determine whether revenue had been recorded in the correct period and also the accuracy and completeness of revenue. Based on the evidence gathered, I found management's revenue recognition adequate and appropriate.
Valuation of receivables. Refer to note 3.5 and 6 to the financial statements The Group estimated the recoverable amount of trade receivables to be ZWL2.6 billion as at December 31, 2020 after adjusting for expected credit loss allowance of ZWL447.4 million. 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. • 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. Based on the procedures performed, I found the valuation of trade receivables to be reasonable and the disclosures to be appropriate.

Other matter - Forensic Audit

Forensic audit was conducted into the affairs of National Social Security Authority at the request of Ministry of Public Service, Labour and Social Welfare for the period covering January 2020 to October 2022. At the time of conclusion of the 2020 financial audit, the forensic audit had not been finalized. The outcome and findings of the forensic audit may have a material impact on the audited financial statements. The effect of this matter could not be determined at the conclusion of the audit.

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 2020 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

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 the 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.

31 July, **2023.**

R. KUJINGA,
ACTING AUDITOR-GENERAL.

Consolidated Statement Of Financial Position

as at December 31, 2020

	Note	Inflation adjusted 2020 ZWL	Inflation adjusted Restated 2019 ZWL	Inflation adjusted Original 2019 ZWL	Historical cost 2020 ZWL	Historical cost Restated 2019 ZWL	Historical cost Original 2019 ZWL
Assets							
Non-current assets		**55 280 081 148**	**37 630 109 433**	**37 542 587 616**	**50 718 571 779**	**7 864 202 326**	**7 759 303 535**
Biological assets	4	73 800	281 422	281 422	73 800	62 758	62 758
Property, plant and equipment	5	7 519 286 347	4 956 923 512	4 956 923 512	5 610 935 423	1 071 216 429	966 317 638
Right of use assets	6	213 560 636	1 107 512 566	1 107 512 566	204 655 440	41 826 651	41 826 651
Investment property	7	22 742 075 135	15 133 979 673	15 133 979 673	22 416 690 124	3 324 827 566	3 324 827 566
Non current assets held for sale	7.1	48 817 651	-	-	48 817 651	-	-
Financial assets at amortised cost	8	849 908 084	1 909 924 004	1 909 924 004	849 908 084	425 918 090	425 918 090
Financial assets at fair value through profit or loss	9	3 317 188 345	2 029 096 605	2 029 096 605	3 317 188 345	452 493 894	452 493 894
Financial assets through other comprehensive income	10	13 609 167 821	4 442 930 275	4 442 930 275	13 609 167 821	990 785 169	990 785 169
Investment in associates	11	5 733 695 290	6 614 623 656	6 518 363 579	3 627 883 006	1 267 630 563	1 267 630 563
Intangible assets	12	134 086 029	150 264 977	150 264 977	14 806 404	8 391 210	8 391 210
Work in progress	12.1	98 316 739	150 726 069	159 464 329	4 540 409	28 199 198	28 199 198
Deferred expenditure	13	997 851 145	1 133 322 164	1 133 322 164	997 851 145	252 733 831	252 733 831
Goodwill	15	15 734 830	-	-	15 734 830	-	-
Income tax asset	25	319 297	524 510	524 510	319 297	116 967	116 967
Current assets		**8 822 392 879**	**6 260 026 692**	**5 959 766 003**	**6 994 602 512**	**1 239 541 038**	**1 239 541 038**
Inventory	16	1 883 400 927	970 453 670	670 192 981	110 230 231	59 952 303	59 952 303
Trade and other receivables	17	2 567 089 641	1 793 779 459	1 793 779 459	2 512 469 970	400 017 551	400 017 551
Cash and cash equivalents	18	4 371 902 311	3 495 793 563	3 495 793 563	4 371 902 311	779 571 184	779 571 184
Total assets		**64 102 474 027**	**43 890 136 125**	**43 502 353 619**	**57 713 174 291**	**9 103 743 364**	**8 998 844 573**
Reserves and liabilities							
Reserves attributable to owners of the parent		**47 683 852 343**	**30 666 918 758**	**30 422 898 690**	**42 813 321 991**	**6 311 954 713**	**6 311 954 713**
Non distributable reserve		4 698 141 424	4 698 141 424	4 698 141 424	168 711 422	168 711 422	168 711 422
Other components of reserves	19	15 017 735 697	10 603 943 477	10 603 943 477	16 451 324 942	1 852 391 561	1 852 391 561
Accumulated fund		27 967 975 223	15 364 833 858	15 120 813 789	26 193 285 628	4 290 851 730	4 290 851 730
Non-controlling interest	20	4 252 024 216	2 712 541 920	2 712 541 920	3 381 522 683	524 857 262	524 857 262
Total reserves		**51 935 876 559**	**33 379 460 678**	**33 135 440 610**	**46 194 844 674**	**6 836 811 975**	**6 836 811 975**
Liabilities							
Non-current liabilities		**7 694 928 218**	**6 626 538 204**	**6 494 514 383**	**7 614 699 245**	**1 468 892 439**	**1 363 993 648**
Lease liabilities	6	135 857 535	132 023 820	-	135 857 535	29 441 660	29 441 660
Capitalised value of the pension liability	22	989 317 410	1 192 833 160	1 192 833 160	989 317 410	266 004 940	266 004 940
Insurance liabilities life	23	17 856 577	18 290 107	18 290 107	17 856 577	4 078 742	4 078 742
Policyholders funds	24.1	-	119 490 542	119 490 542	-	26 646 706	26 646 706
Life insurance contract liabilities with discretionary participating features	24.1	475 700 597	247 069 235	247 069 235	475 700 597	55 097 091	55 097 091
Life insurance contract liabilities without discretionary participating features	24.1	187 239 101	168 183 791	168 183 791	187 239 101	37 505 429	37 505 429
Investments contract liabilities with discretionary participating features	24.2	3 830 934 475	2 741 024 830	2 741 024 830	3 830 934 475	611 255 766	611 255 766
Investments contract liabilitieswithout discretionaryparticipating features	24.2	466 918 592	204 658 485	204 658 485	466 918 592	45 639 382	45 639 382
Share based payment liability	24.3	90 961 537	-	-	90 961 537	-	-
Deferred taxation liability	25	1 500 142 394	1 802 964 233	1 802 964 233	1 419 913 421	393 222 723	288 323 932
Current liabilities		**4 471 669 250**	**3 884 137 243**	**3 872 398 626**	**3 903 630 372**	**798 038 950**	**798 038 950**
Lease liabilities	6.1	42 617 862	11 738 619	-	42 617 862	2 617 743	2 617 743
Borrowings	21	8 911 475	13 137 472	13 137 472	8 911 475	2 929 691	2 929 691
Members assistance fund	24.4	9 040 581	-	-	9 040 581	-	-
Income tax liability	25	69 500 342	21 231 300	21 231 300	69 500 342	4 734 636	4 734 636
Deposits from customers	26	699 336 695	822 221 523	822 221 523	699 336 695	183 357 568	183 357 568
Trade and other payables	27	2 812 354 309	2 480 791 912	2 480 791 913	2 812 354 309	553 223 139	553 223 139
Unearned premium reserve	28	829 907 986	535 016 417	535 016 417	261 869 108	51 176 173	51 176 173
Total liabilities		**12 166 597 468**	**10 510 675 447**	**10 366 913 009**	**11 518 329 617**	**2 266 931 389**	**2 162 032 598**
Total reserves and liabilities		**64 102 474 027**	**43 890 136 125**	**43 502 353 619**	**57 713 174 291**	**9 103 743 364**	**8 998 844 573**

D. Ngwira (RPAcc.03629),
(Director Finance and ICT)
31 July, 2023

Dr.C. Shava,
(Acting General Manager)
31 July, 2023

Dr. E. A. Fundira,
(Board Chairman)
31 July, 2023

Authority Statement Of Financial Position

as at December 31, 2020

	Note	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
Assets					
Non-current assets		**39 235 939 175**	**26 879 355 319**	**33 964 032 539**	**5 197 312 238**
Property, plant and equipment	5	1 933 646 485	1 354 341 212	1 737 414 656	302 021 662
Investment property	7	12 997 761 576	8 509 502 228	12 867 636 339	1 875 372 630
Financial assets at amortised cost	8	294 350 125	1 429 738 396	294 350 125	318 835 433
Financial assets at fair value through profit and loss	9	948 191 383	430 305 256	948 191 383	95 959 207
Financial assets at fair value through other comprehensive income	10	13 609 167 821	4 442 930 275	13 609 167 821	990 785 169
Investment in associates	11	5 393 614 863	6 495 370 731	3 454 230 582	1 257 278 691
Intangible assets	12	19 683 521	19 683 516	706 840	706 840
Deferred expenditure	13	941 068 511	1 099 028 814	941 068 511	245 086 324
Investment in subsidiaries	14	3 098 454 890	3 098 454 890	111 266 282	111 266 282
Current assets		**3 421 214 978**	**2 284 661 526**	**3 402 182 089**	**505 959 622**
Inventory	16	32 436 332	27 973 548	13 403 443	2 712 251
Trade and other receivables	17	1 059 578 142	393 682 898	1 059 578 142	87 792 325
Cash and cash equivalents	18	2 329 200 504	1 863 005 080	2 329 200 504	415 455 046
Total assets		**42 657 154 153**	**29 164 016 845**	**37 366 214 628**	**5 703 271 860**
Reserves and liabilities					
Reserves		**41 298 761 206**	**27 547 306 534**	**36 007 821 681**	**5 342 741 197**
Non distributable reserve		4 519 504 573	4 519 504 573	162 296 528	162 296 528
Other components of reserves	19	13 509 443 694	10 333 143 702	13 713 524 225	1 398 921 389
Accumulated fund		23 269 812 939	12 694 658 260	22 132 000 928	3 781 523 280
Non current liabilities					
Capitalised value of the pension liability	22	989 317 410	1 192 833 160	989 317 410	266 004 940
Current liabilities		**369 075 537**	**423 877 151**	**369 075 537**	**94 525 723**
Trade and other payables	27	369 075 537	423 877 151	369 075 537	94 525 723
Total liabilities		**1 358 392 947**	**1 616 710 311**	**1 358 392 947**	**360 530 663**
Total reserves and liabilities		**42 657 154 153**	**29 164 016 845**	**37 366 214 628**	**5 703 271 860**

31 July, **2023.**

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

31 July, **2023.**

Dr.C. Shava,
(Acting General Manager)

31 July, **2023.**

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

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended December 31, 2020

	Note	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
Income		**12 238 606 077**	**15 231 434 579**	**8 970 055 831**	**1 337 382 559**
Contributions		3 582 470 791	4 982 800 071	2 819 167 311	398 678 877
Premiums		1 082 114 344	1 123 069 220	929 222 607	102 664 137
Revenue	29	1 106 355 087	2 038 717 826	740 028 564	219 355 239
Cost of sales	29.1	(343 555 510)	(495 908 095)	(216 183 770)	(52 170 516)
Investment income	30	1 124 407 301	1 836 490 752	837 464 409	158 185 593
Occupational safety and health income		22 092 289	39 253 020	18 039 980	3 498 966
Net written premium	31	4 405 653 149	4 410 467 741	2 944 049 995	401 289 299
Movement in unearned premium reserve	28	(231 425 995)	(152 764 781)	(27 471 257)	(7 897 748)
Fees income	32	199 392 176	148 199 297	124 286 630	15 838 089
Banking interest and similar income	33.1	88 626 050	226 325 045	58 575 188	17 815 392
Banking interest expense	33.2	(13 829 527)	(82 521 603)	(7 570 357)	(6 178 152)
Other income		1 216 305 922	1 157 306 084	750 446 531	86 303 383
		8 252 648 374	**5 211 911 456**	**21 971 349 870**	**3 523 656 610**
Gain on remeasurement of investment property	7	7 861 497 134	5 575 353 068	19 193 024 500	2 982 255 245
Loss/gain on financial assets at fair value through profit and loss		543 471 632	(1 644 315 190)	2 550 550 333	255 720 999
Loss on disposal of investments	34.1	(1 694 163 081)	-	(1 314 286 316)	-
Fair value gain on biological assets	4	(207 622)	55 972	11 042	54 662
Exchange rate gain	10.3	1 542 050 311	1 471 035 495	1 542 050 311	328 044 795
Increase in allowance for credit loss	17.5	-	(90 217 889)	-	(42 419 091)
Expenses		**10 282 633 416**	**35 573 796 781**	**10 848 322 237**	**1 627 408 321**
Claims and benefits		4 312 429 488	5 819 716 869	3 139 587 189	538 346 812
Operating expenses	34	2 563 728 555	2 461 778 814	1 899 882 527	220 504 160
Staff costs	35	1 431 655 480	1 441 824 832	1 502 624 686	198 341 122
Directors fees		49 947 280	230 663 738	37 960 919	16 379 697
Change in shareholders reserve		(119 533 246)	205 554 668	(26 646 706)	14 977 172
Change in insurance contract liabilities		1 153 438 555	(780 477 707)	3 602 820 063	568 050 201
Acquisition expenses		261 126 361	347 493 150	247 946 726	38 548 956
Movement in members assistance fund		14 250 781	-	8 322 777	-
Finance costs		27 312 414	49 881 159	13 731 680	3 412 918
Investment profit on investment contract liabilities		265 288 680	(575 511 508)	422 092 376	28 847 283
Net monetary adjustments		322 989 068	26 372 872 766	-	-
Profit/(Loss) before share of profit from associates		**10 208 621 035**	**(15 130 450 746)**	**20 093 083 464**	**3 233 630 847**
Share of profit from associates	11	921 900 328	613 068 077	2 719 025 600	511 551 300
Profit/(Loss) before taxation		**11 130 521 363**	**(14 517 382 669)**	**22 812 109 064**	**3 745 182 147**
Taxation	25	215 341 759	(1 765 371 736)	(769 959 132)	(280 043 793)
Profit/(Loss) for the year		**11 345 863 122**	**(16 282 754 405)**	**22 042 149 932**	**3 465 138 354**
Other comprehensive income		**7 210 552 759**	**3 816 974 258**	**17 315 882 768**	**1 798 834 698**
Items that will not be reclassified to profit or loss		**232 292 618**	**1 378 231 862**	**1 456 329 257**	**582 210 719**
Share of other comprehensive income from associates	11	232 292 618	1 378 231 862	1 456 329 257	582 210 719
Items that may be reclassified subsequently to profit or loss		**6 978 260 141**	**2 438 742 396**	**15 859 553 511**	**1 216 623 979**
Revaluation gain on property, plant and equipment		2 026 001 473	879 360 780	3 849 355 325	868 877 766
Fair value gain on financial assets at fair value through other comprehensive income	10.2	4 686 604 742	1 148 450 548	11 526 450 544	256 107 501
Exchange differences on translation of foreign operations		265 653 925	410 931 068	483 747 642	91 638 712
Total comprehensive income for the year		**18 556 415 881**	**(12 465 780 147)**	**39 358 032 700**	**5 263 973 052**
Profit/ (Loss) attributable to:					
Equity holders of the parent company		10 438 920 177	(16 672 407 483)	20 206 585 686	3 225 734 912
Non controlling interest		906 942 945	389 653 078	1 835 564 246	239 403 442
Profit/(Loss) for the year		**11 345 863 122**	**(16 282 754 405)**	**22 042 149 932**	**3 465 138 354**
Total comprehensive income attributable to:					
Equity holders of the parent company		17 016 933 585	(12 948 488 927)	36 501 367 278	4 819 189 650
Non-controlling interest		1 539 482 296	482 708 780	2 856 665 421	444 783 402
Total comprehensive income		**18 556 415 881**	**(12 465 780 147)**	**39 358 032 700**	**5 263 973 052**

Authority Statement of Profit or Loss and Other Comprehensive Income

for the year ended December 31, 2020

		Inflation adjusted		Historical cost	
	Note	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Income		**5 416 707 815**	**7 747 292 382**	**4 340 552 320**	**637 636 033**
Contributions		3 582 470 791	4 982 800 071	2 819 167 311	398 678 877
Premiums		1 082 114 344	1 123 069 220	929 222 607	102 664 137
Investment income	30	713 966 482	1 425 388 717	560 556 682	122 649 651
Sundry income		16 063 909	176 781 353	13 565 740	10 144 402
Occupational safety and health income		22 092 289	39 253 020	18 039 980	3 498 966
		5 019 489 840	**4 986 815 965**	**12 264 066 904**	**2 057 058 449**
Revaluation gain on investment property	7	4 559 052 554	3 303 665 149	11 008 348 491	1 681 711 378
Gain on financial assets at fair value through profit and loss		487 550 256	212 115 321	848 143 696	47 302 276
Loss on disposal of investments	34.1	(1 555 373 393)	-	(1 120 685 706)	-
Exchange rate gain	10.3	1 528 260 423	1 471 035 495	1 528 260 423	328 044 795
Total Expenditure		**1 519 523 371**	**29 726 193 118**	**2 669 491 165**	**466 669 676**
Claims		**2 149 530 736**	**3 699 607 274**	**1 476 090 948**	**327 182 865**
Retirement pension		756 798 560	1 878 660 177	482 855 781	147 690 227
Survivors pension		363 129 858	930 740 827	231 341 220	72 969 319
Invalidity pension		10 621 515	37 610 712	6 767 804	2 804 962
Retirement grant		5 368 096	88 466 339	2 311 075	5 521 566
Survivor›s grant		1 584 157	24 572 508	712 779	1 509 969
Invalidity grant		-	26 946	-	1 089
Refund contributions		971 195	2 297 323	251 755	213 542
Funeral grant		15 264 052	33 675 198	7 733 601	2 618 592
Funeral assurance		4 028 311	14 112 542	2 216 874	967 139
Provision for new pension		19 361 017	45 249 743	7 153 799	3 667 687
Periodical and lump sum payments		9 156 548	23 912 955	7 036 802	1 665 755
Medical costs		57 841 597	50 484 618	38 154 830	4 805 896
Pension bonus		628 988 888	293 716 562	488 113 006	44 425 624
Travelling and subsistence for patients		1 373 818	2 364 734	1 018 054	263 947
Occupational Safety and Health expenses		145 674 535	142 125 458	99 848 712	16 963 475
Rehabilitation expenses		79 838 668	73 747 011	51 044 935	8 194 796
Deferred pension expense		49 529 921	57 843 621	49 529 921	12 899 280
Operating expenses		**(630 007 365)**	**26 026 585 844**	**1 193 400 217**	**139 486 811**
Operating expenses	34	825 280 183	660 503 716	528 846 090	68 620 268
Staff costs	35	1 093 501 984	636 163 046	662 732 607	70 461 950
Directors fees	36	2 363 355	4 259 770	1 821 520	404 593
Net monetary adjustment		(2 551 152 887)	24 725 659 312	-	-
Surplus before share of profits from associate		**8 916 674 284**	**(16 992 084 771)**	**13 935 128 059**	**2 228 024 806**
Share of profit from associates	11	923 631 668	632 071 597	2 719 501 377	514 097 004
Surplus /(deficit) for the year		**9 840 305 951**	**(16 360 013 174)**	**16 654 629 436**	**2 742 121 810**
Other comprehensive income		**5 340 521 181**	**3 468 294 480**	**14 010 451 048**	**1 148 443 980**
Revaluation gain on property and equipment	5	439 461 450	806 156 740	1 197 638 814	279 918 865
Fair value gain from financial assets at fair value through other comprehensive income	10	4 686 604 742	1 148 450 548	11 526 450 544	256 107 501
Translation gain		-	135 930 536	-	30 312 868
Share of other comprehensive income from associates	11	214 454 988	1 377 756 657	1 286 361 690	582 104 746
Total comprehensive income for the year		**15 180 827 132**	**(12 891 718 694)**	**30 665 080 484**	**3 890 565 790**

Consolidated Statement Of Changes In Equity
for the year ended December 31, 2020

GROUP	Non distributable reserve ZWL	Accumulated fund ZWL	Other component reserves: Mark to market reserve ZWL	Other component reserves: Share of other comprehensive income from associates ZWL	Other component reserves: Revaluation reserve ZWL	Translation reserve ZWL	Total ZWL	Non controlling interests ZWL	Total equity ZWL
Inflation adjusted									
Opening balance as at January 1, 2019	**4 698 141 424**	**31 784 483 013**	**6 570 564 818**	**309 460 103**	-	-	**43 362 649 357**	**2 229 833 140**	**45 592 482 498**
Profit / (loss) for the year	-	(16 672 407 483)	-	-	-	-	(16 672 407 483)	389 653 078	(16 282 754 405)
Fair value gain on financial assets through other comprehensive income	-	-	1 148 450 548	-	-	-	1 148 450 548	-	1 148 450 548
Share of other comprehensive income from associates	-	-	-	1 378 071 339	-	-	1 378 071 339	160 522	1 378 231 861
Revaluation gains on property plant and equipment	-	-	-	-	879 360 780	-	879 360 780	-	879 360 780
Translation of foreign operations	-	-	-	-	-	318 035 889	318 035 889	92 895 179	410 931 068
Balance as at December 31, 2019	**4 698 141 424**	**15 112 075 530**	**7 719 015 366**	**1 687 531 442**	**879 360 780**	**318 035 889**	**30 414 160 430**	**2 712 541 920**	**33 126 702 349**
Prior year adjustments (note 37.5)	-	252 758 328	-	-	-	-	252 758 328	-	252 758 328
Restated balance as at December 31, 2019	**4 698 141 424**	**15 364 833 858**	**7 719 015 366**	**1 687 531 442**	**879 360 780**	**318 035 889**	**30 666 918 758**	**2 712 541 920**	**33 379 460 678**
Opening balance as at January 1, 2020	**4 698 141 424**	**15 364 833 858**	**7 719 015 366**	**1 687 531 442**	**879 360 780**	**318 035 889**	**30 666 918 758**	**2 712 541 920**	**33 379 460 678**
Total comprehensive income / (loss) for the year	-	10 438 920 178	-	-	-	-	10 438 920 178	906 942 945	11 345 863 123
Other Comprehensive income									
Fair value gain on financial assets through other comprehensive income	-	-	4 686 604 742	-	-	-	4 686 604 742	-	4 686 604 742
Share of other comprehensive income from associates	-	-	-	226 267 067	-	-	226 267 067	6 025 551	232 292 618
Revaluation gains on property plant and equipment	-	-	-	-	1 495 251 120	-	1 495 251 120	530 750 354	2 026 001 473
Translation of foreign operations	-	-	-	-	-	169 890 478	169 890 478	95 763 447	265 653 925
Reclassification of cummulative gains on financial assets at fair value through other comprehensive income to investments in associate (note 10)		714 686 231	(714 686 231)				-		-
Reclassification on derecognition of associates	-	1 449 534 956	-	(1 449 534 956)	-	-	-	-	-
Closing balance as at December 31, 2020	**4 698 141 424**	**27 967 975 223**	**11 690 933 878**	**464 263 552**	**2 374 611 899**	**487 926 367**	**47 683 852 343**	**4 252 024 216**	**51 935 876 559**

Consolidated Statement Of Changes In Equity

for the year ended December 31, 2020

GROUP	Non distributable reserve ZWL	Accumulated fund ZWL	Other component reserves: Mark to market reserve ZWL	Other component reserves: Share of other comprehensive income from associates ZWL	Other component reserves: Revaluation reserve ZWL	Translation reserve ZWL	Total ZWL	Non controlling interests ZWL	Total equity ZWL
Historical cost									
Opening balance as at January 1, 2019	**168 711 422**	**1 065 116 817**	**235 950 609**	**11 112 788**	**11 873 426**	**-**	**1 492 765 062**	**80 073 860**	**1 572 838 922**
Total comprehensive income for the year	-	3 225 734 912	-	-	-	-	3 225 734 912	239 403 442	3 465 138 354
Other Comprehensive income									
Fair value gain on financial assets through other comprehensive income	-	-	256 107 501	-	-	-	256 107 501	-	256 107 501
Share of other comprehensive income from associates	-	-	-	582 174 921	-	-	582 174 921	35 797	582 210 719
Revaluation gains on property plant and equipment	-	-	-	-	684 249 474	-	684 249 474	184 628 292	868 877 766
Translation of foreign operations	-	-	-	-	-	70 922 842	70 922 842	20 715 870	91 638 712
Restated balance as at December 31, 2019	**168 711 422**	**4 290 851 730**	**492 058 110**	**593 287 709**	**696 122 900**	**70 922 842**	**6 311 954 713**	**524 857 262**	**6 836 811 975**
Opening balance as at January 1, 2020	**168 711 422**	**4 290 851 730**	**492 058 111**	**593 287 709**	**696 122 900**	**70 922 842**	**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 gains on property plant and equipment	-	-	-	-	2 997 689 654	-	2 997 689 654	851 665 671	3 849 355 325
Translation of foreign operations	-	-	-	-	-	320 337 689	320 337 689	163 409 953	483 747 642
Reclassification of cummulative 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 December 31, 2020	**168 711 422**	**26 193 285 628**	**11 209 793 690**	**1 156 458 168**	**3 693 812 554**	**391 260 530**	**42 813 321 991**	**3 381 522 683**	**46 194 844 675**

Authority Statement Of Changes In Equity

for the year ended December 31, 2020

AUTHORITY	Non distributable reserve ZWL	Accumulated fund ZWL	Other component reserves: Mark to market reserve ZWL	Other component reserves: Share of other comprehensive income from associates ZWL	Revaluation reserve ZWL	Translation reserve ZWL	Total ZWL
Inflation adjusted							
Opening balance as at as January 1, 2019	**4 519 504 573**	**29 054 671 436**	**6 570 564 814**	**294 284 408**	**-**	**-**	**40 439 025 230**
Total comprehensive income for the year	-	(16 360 013 176)	1 148 450 549	1 377 756 655	806 156 740	135 930 536	(12 891 718 697)
Closing balance as at December 31, 2019	**4 519 504 573**	**12 694 658 260**	**7 719 015 363**	**1 672 041 062**	**806 156 740**	**135 930 536**	**27 547 306 533**
Opening balance at as January 1, 2020	**4 519 504 573**	**12 694 658 260**	**7 719 015 363**	**1 672 041 062**	**806 156 740**	**135 930 536**	**27 411 375 997**
Total comprehensive Income for the year	-	9 840 305 954	4 686 604 742	214 454 988	439 461 450	-	15 180 827 135
Reclassification of cumulative gains on financial assets at fair value through other comprehensive income to investments in associate (note 10)	-	(714 686 231)	(714 686 231)	-	-	-	-
Reclassification of gains on derecognition of associates	-	1 449 534 956	-	(1 449 534 956)	-	-	-
Closing balance as at December 31, 2020	**4 519 504 573**	**23 269 812 939**	**11 690 933 875**	**436 961 094**	**1 245 618 190**	**135 930 536**	**41 298 761 206**
Historical cost							
Opening balance at as January 1, 2019	**162 296 528**	**1 039 401 470**	**235 950 609**	**10 567 826**	**3 958 974**	**-**	**1 448 216 433**
Total comprehensive income for the year	-	2 742 121 810	256 107 501	582 104 746	279 918 865	30 312 868	3 890 565 790
Closing balance as at December 31, 2019	**162 296 528**	**3 781 523 280**	**492 058 110**	**592 672 572**	**283 877 839**	**30 312 868**	**5 338 782 223**
Opening balance as at January 1, 2020	**162 296 528**	**3 781 523 280**	**492 058 110**	**592 672 572**	**283 877 839**	**30 312 868**	**5 342 741 197**
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 December 31, 2020	**162 296 528**	**22 132 000 928**	**11 209 793 689**	**991 901 015**	**1 481 516 653**	**30 312 868**	**36 007 821 681**

Consolidated Statement Of Cashflows

for the year ended December 31, 2020

	Note	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
Cashflow from operating activities					
Profit /(Loss) for the year before share of profit from associates		10 208 621 035	(15 193 671 264)	20 093 083 464	3 233 630 847
Adjusted for non cash items:					
Fair value gain on biological assets	4	207 622	(55 972)	(11 042)	(54 662)
Depreciation expense	5	387 417 225	134 900 629	110 847 724	8 235 019
Depreciation on rights of use assets	6	115 859 738	21 610 386	17 325 160	2 902 191
Fair value adjustment on investment property	7	(7 861 497 134)	(5 575 353 068)	(19 193 024 500)	(2 982 255 245)
Amortisation of software	12	11 258 798	13 610 144	2 592 119	520 414
Deferred pension expense	13	49 529 921	57 843 621	49 529 921	12 899 280
Decrease in allowance for credit losses	17.5	360 613 176	190 217 889	360 613 176	42 419 091
Provision for new pensions	22	19 361 017	45 249 743	7 153 799	3 667 687
Gain on financial assets through profit and loss		(543 471 632)	1 644 315 190	(2 550 550 333)	(255 720 999)
Investment income	30	(1 124 407 301)	(1 836 490 752)	(837 464 409)	(158 185 593)
Exchange rate gain		(1 542 050 311)	(1 471 035 495)	(1 542 050 311)	(328 044 795)
Bad debts written off		-	3 062 802	-	683 013
Profit on disposal of property, plant and equipment		(2 682 177)	-	(2 150 944)	-
Loss on disposal of investments		1 694 163 081	39 722	1 314 286 316	3 858
Movement in investment contract liabilities		247 686 672	780 477 710	570 337 178	568 050 201
Movement in insurance contract liabilities		1 153 438 555	575 511 508	3 602 820 063	28 847 283
Movement in member assistance		14 250 781	-	8 322 777	-
Movement in incurred but not reported provision		(164 499 111)	209 461 760	(318 726 989)	(30 541 593)
Movement in shareholder risk reserves		(119 533 246)	205 554 668	(26 646 706)	14 977 172
Unearned premium reserve movement		231 425 995	152 764 781	27 471 257	7 897 748
Cash settlement shared based payment		-	22 501 680	-	5 017 934
Deferred acquisition costs		(10 891 078)	1 516 444	49 135 127	4 713 834
Monetary loss		322 989 068	26 372 872 766	-	-
Finance income		(88 626 050)	(1 169 462)	(58 575 188)	(79 480)
Interest paid		21 333 645	82 521 603	11 103 658	6 178 152
Finance costs on borrowings		27 312 414	49 881 159	13 731 680	3 412 918
Net cash generated before working capital changes		**3 407 810 703**	**6 486 138 192**	**1 709 152 997**	**189 174 275**
Working capital changes					
Decrease/increase in inventories		(912 947 257)	(568 305 629)	(50 277 928)	(56 293 503)
(Increase)/ decrease in trade receivables		(773 310 182)	1 801 861 637	(2 112 452 419)	(270 897 189)
Borrowings		(4 225 997)	-	5 981 784	-
Members assistance fund		9 040 581	-	9 040 581	-
Unearned premium reserve		294 891 569	-	210 692 935	-
(Decrease)/increase in deposits		(122 884 828)	(1 448 015 449)	515 979 127	103 881 607
Increase/ (decrease) in trade and other payables		331 562 397	(592 046 559)	2 259 131 170	442 080 002
Sub total		*(1 177 873 717)*	*(806 506 000)*	*838 095 250*	*218 770 918*
Net cash generated after working capital changes		**2 229 936 987**	**5 679 632 192**	**2 547 248 247**	**407 945 193**
Pensions paid during the year	22	(50 807 360)	(72 879 371)	(29 353 438)	(10 501 271)
Finance costs on borrowings		(27 312 414)	(132 402 762)	(13 731 680)	(9 591 070)
Interest received		88 626 050	-	58 575 188	-
Income tax paid		(40 427 146)	(122 890 031)	(19 748 876)	(8 564 000)
Net cash generated from operating activities		**2 200 016 116**	**5 351 460 028**	**2 542 989 442**	**379 288 852**
Cashflow from investing activities					
Additions to property and equipment	5	(673 182 739)	(377 088 917)	(463 092 086)	(57 068 621)
Additions to investment property	7	(37 513 489)	(236 894 207)	(22 134 309)	(11 386 174)
Proceeds from disposal of investments property		38 817 000	-	22 700 000	-
Proceeds from disposal of property and equipment		4 026 658	19 591 315	2 595 646	1 372 531
Purchase of intangible assets	12	(3 013 950)	(13 515 311)	(5 106 178)	(2 912 316)
Purchase of financial assets at amortised cost		(1 368 084 328)	(134 506 635)	(465 752 813)	(40 978 486)
Repayment of financial assets at amortised cost		92 680 599	(174 223 471)	44 882 504	53 078 527
Disposal of Investment in associates		1 769 923 526	-	1 769 923 526	-
Purchases of financial assets at fair value through profit and loss		(71 177 659)	(561 173 386)	(366 481 313)	(54 410 063)
purchase of financial assets at fair value through other comprehensive income		(869 587 466)	(171 434 869)	(747 299 516)	(16 621 277)
Investment income less non cash items		*1 047 118 682*	*1 836 490 752*	*684 987 818*	*158 185 593*
Dividend received		530 191 854	755 479 016	452 128 311	64 282 223
Interest received		71 158 601	414 437 596	39 716 121	34 348 031
Other investment income		445 768 227	666 574 139	193 143 386	59 555 339
Net cash used in investing activities		**(69 993 166)**	**187 245 271**	**455 223 278**	**187 445 307**
Cashflow from financing activities					
Issue of shares		-	1 923 538	-	203 727
Lease liability repayment	6.1	(15 548 190)	(1 408 015)	(7 131 466)	(313 991)
Dividend paid controlling interest		-	(86 605 074)	-	(7 630 862)
Loan repayment		-	(2 552 616)	-	(91 665)
Dividend paid non-controlling interest		-	(5 443 936)	-	(214 210)
loan received		-	13 137 472	-	2 929 691
Net cash used in financing activities		**(15 548 190)**	**(80 948 630)**	**(7 131 466)**	**(5 117 310)**
Net cash inflow for the year		**2 114 474 761**	**5 457 756 668**	**2 991 081 254**	**561 616 849**
Cash and cash equivalents at the beginning on the year		3 495 793 563	6 773 457 204	779 571 184	243 236 525
Effects of inflation and exchange rates on cash and cash equivalents		(1 238 366 012)	(8 735 420 309)	601 249 873	(25 282 190)
Cash and cash equivalents at the end of the year	18	**4 371 902 312**	**3 495 793 563**	**4 371 902 311**	**779 571 184**

Authority Statement Of Cashflows

for the year ended December 31, 2020

	Note	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
Cashflow from operating activities					
Surplus/ (deficit) for the period before share of profit from associates		8 916 674 284	(16 992 084 771)	13 935 128 059	2 228 024 806
Adjusted for non cash items:					
Depreciation expense	5	220 855 675	32 614 300	58 962 552	2 339 826
Increase in allowance for credit losses	34	140 667 395	36 909 513	140 667 395	7 315 926
Gain on financial assets through profit and loss		(487 550 256)	(212 115 321)	(848 143 696)	(47 302 276)
Investment income	30	(713 966 477)	(1 425 388 717)	(560 556 682)	(122 649 651)
Fair value adjustment on investment property	7	(4 559 052 554)	(3 303 665 149)	(11 008 348 491)	(1 681 711 378)
Exchange rate gain		(1 528 260 423)	(1 471 035 495)	(1 528 260 423)	(328 044 795)
Bad debts written off	34	-	3 062 802	-	683 013
Loss on disposal of property, plant and equipment		-	39 722	-	3 859
Net monetary loss		(2 551 152 887)	24 729 762 378	-	-
Loss on disposal of investments		1 555 373 393	-	1 120 685 706	-
Provision for new pensions		19 361 017	45 249 743	7 153 799	3 667 687
Deferred pension expense	13	49 529 921	57 843 621	49 529 921	12 899 280
		1 062 479 088	**1 501 192 626**	**1 366 818 141**	**75 226 297**
Working capital changes					
Increase in inventories		(4 462 784)	(13 610 211)	(10 691 192)	(2 196 460)
Decrease/(increase) in trade and other receivables		(665 895 244)	487 776 994	(971 785 817)	(56 138 882)
(Decrease)/increase in trade and other payables		(54 801 614)	(1 138 638 364)	274 549 814	38 415 404
Net cash generated after working capital changes		**337 319 447**	**836 721 045**	**658 890 945**	**55 306 359**
Pensions paid during the year	22	(50 807 360)	(72 879 371)	(29 353 438)	(10 501 271)
Net cash generated from operating activities		**286 512 087**	**763 841 673**	**629 537 507**	**44 805 088**
Cashflow from investing activities					
Additions to property, plant and equipment	5	(360 699 498)	(34 652 222)	(296 716 732)	(4 830 365)
Additions to investment property	7	(37 439 698)	(70 452 207)	(22 115 218)	(9 248 310)
Proceeds from disposal of investments property		38 817 000	-	22 700 000	-
Proceeds from disposal of property, plant and equipment		-	231 813	-	22 473
Purchases of financial assets at fair value through other comprehensive income		(869 587 466)	(171 428 699)	(731 994 550)	(16 621 277)
Purchases of financial assets at fair value through profit and loss		14 555 367	(2 447 913)	(4 088 479)	(237 344)
Proceeds from disposal of associates		1 769 923 526	-	1 769 923 526	-
Repayment of financial assets at amortised cost		164 438 630	734 257 039	24 485 308	71 191 851
Investment income less bad debts recoveries		713 966 482	1 425 388 717	560 556 682	122 649 651
Net cash used in investing activities		**1 433 974 343**	**1 880 896 528**	**1 322 750 537**	**162 926 679**
Net cash inflow for the year		**1 720 486 430**	**2 644 738 201**	**1 952 288 044**	**207 731 767**
Cash and cash equivalents at the beginning of the year		1 863 005 080	4 798 453 305	415 455 046	172 313 646
Effects of inflation and exchange rates movements		(1 254 291 008)	(5 580 186 427)	(38 542 587)	35 409 633
Cash and cash equivalents at the end of the year	18	**2 329 200 501**	**1 863 005 080**	**2 329 200 503**	**415 455 046**

Notes to the consolidated financial statements
for the year ended December 31, 2020

1. NATURE OF BUSINESS

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. It 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, 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 2.5.

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") 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, 2020

Consequently, the new RTGS Dollars started to trade officially with the USD on February 22, 2019 and the maiden rate of USD1: ZWL2.5 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 July 1, 2019. The Group has applied the requirement of IAS 29 for the period ended December 31, 2020. 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, 2020 are as follows:

Period	Index	Conversion Factors
CPI as at December 31, 2019	551.63	4.48
CPI as at December 31, 2020	2 474.51	1.00

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

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

- The Group had a historical profit of ZWL 22 billion (2019: ZWL 3.5 billion) and an inflation adjusted profit of ZWL 11.3 billion (2019: 16.3 billion deficit). The Group also had historical net assets of ZWL 46.2 billion (2019: ZWL 6.8 billion) and inflation adjusted net assets of ZWL 51.9 billion (2019: ZWL 33.4 billion).
- 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.
- The Government of Zimbabwe is the largest tenant of the Group's property and is therefore expected to continue meeting its rental obligations. Some of the Group's property are occupied by foreign tenants who pay in foreign currency hence guaranteed cash flows.
- 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

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)
e) 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,

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

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.

2.4.1.2 Amendments to IAS 1 and IAS 8 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 IFRS 9, IAS 39 and IFRS 7

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 IFRS 16

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 IFRS 3

The amendments clarify that while businesses usually have outputs, 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, 2020, with early application permitted.

2.4.2 New standards, amendments and interpretations issued but not effective for December 31, 2020-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 'Classification of Liabilities as Current or Non-current's (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 Group in future periods, except as noted below:

2.4.2.1 Amendments to IAS 16

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.

2.4.2.2 Amendments to IFRS 3

The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. Further, an addition on the exception to the recognition principle of IFRS 3 to avoid the issue of potential "day 2" gains or losses arising for liabilities and contingent liabilities within the scope of IAS37 or IFRIC 21 Levies when incurred separately. The board also clarified the existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation of Financial Statements.

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

2.4.2.3 Amendments to IAS 37

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.

2.4.2.4 Amendments to IAS1

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.

2.4.2.5 Amendments to 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.

2.5 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:

2.5.1 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 3.2.1 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 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.

2.5.3 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.

2.5.4 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

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2020

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.

2.5.5 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.

2.5.6 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.

2.5.7 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.

2.5.8 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.

2.5.9 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% (2019: 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.

2.6 Basis for consolidation

The consolidated financial statements comprise the financial statements of the NSSA and its subsidiaries as at December 31, 2020.

2.6.1 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.

2.6.1.1 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.

2.6.1.2 Loss of control

If the Group loses control over a subsidiary, it;

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

2.6.2 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, 2020 unless stated.

Comparative figures

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

3.1 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
- 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.

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

3 ACCOUNTING POLICIES (Cont.)

3.1.1 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 of ZWL5000 with effect from July 1, 2020, for the prior period up to June 30, 2020, the rate was 3.5% and the insurable earnings cap of ZWL 700. Employers match these contributions payable by employees by a further 4.5% with effect from July 1, 2020, and for the prior period up to June 30, 2020, calculated on the same basis excluding allowances.

3.1.2 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.

3.1.3 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.

3.1.4 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.

3.1.5 Dividend income

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

3.1.6 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.

3.2 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

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

3 ACCOUNTING POLICIES (Cont.)

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% (2019: 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.

3.2.1 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.

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:

Furniture and Equipment	10-20%
Motor Vehicles	20-25%
Buildings	2-2.5%
Computers	33.33%

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

3.2.1.1 Reclassification to investment property

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.

3.2.1.2 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.

3.2.2 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.

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

3.2.2.1 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).

3.2.2.2 Buildings

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

3.2.2.3 Work in Progress

It is property that is being constructed or developed for future use as investment property.

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2020

3 ACCOUNTING POLICIES (Cont.)

3.2.2.4 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.

3.3 Intangible assets

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

3.3.1 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.

3.4 Biological assets

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

3.5 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.

3.6 Leases

3.6.1 Leases - Group as lessee

3.6.1.1 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).

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

3 ACCOUNTING POLICIES (Cont.)

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.

3.6.1.2 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

3.6.1.3 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.

3.6.1.4 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.

3.6.2 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.

3.7 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.

3.8 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 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.

3.9 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.

3.10 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).

3.11 Financial assets

3.11.1 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.

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2020

3 ACCOUNTING POLICIES (Cont.)

3.11.2 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.

3.11.3 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:

- 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;
- 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;
- 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
- 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.
- 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.

3.11.4 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.

3.11.5 Subsequent measurement of financial assets

3.11.5.1 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);

- The Group's business model on these financial assets is to hold the financial assets and collect its contractual cash flows
- 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.

3.11.5.2 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

3 ACCOUNTING POLICIES (Cont.)

fair value being recognised in other comprehensive income (OCI).

3.11.5.3 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').

3.11.6 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.

3.11.7 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 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.

3.12 Taxation

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

3.12.1 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

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2020

3 ACCOUNTING POLICIES (Cont.)

company is calculated in accordance with the Insurance formulae as laid down in the Eighth Schedule to the Income Tax Act [Chapter 23:06].

3.12.2 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.

3.12.3 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.

3.13 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.

3.14 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:

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

3.15 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.

3.15.1 Life insurance

Insurance benefits and claims relating to group life insurance

3 ACCOUNTING POLICIES (Cont.)

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.

3.15.2 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.

3.15.3 Reinsurance recoveries

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

3.16 Acquisition costs and insurance contracts

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

3.16.1 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.

3.16.2 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.

3.17 Insurance contract liabilities

3.17.1 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.

3.17.2 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.

3.17.3 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.

3.17.4 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.

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2020

3 ACCOUNTING POLICIES (Cont.)

3.17.5 Determination of liabilities

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

3.17.5.1 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.

3.17.5.2 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.

3.17.5.3 Life assurance liabilities

Life assurance liabilities comprise the policyholder funds and the shareholder risk reserves. These are determined by the independent actuary. 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 tests, which reflect management's best current estimate of future cash flows.

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.

3.17.5.4 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.

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

3 ACCOUNTING POLICIES (Cont.)

3.18 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.

3.19 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.

3.20 Employees benefits

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

3.20.1 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.

3.20.2 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.

3.20.3 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.

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

3 ACCOUNTING POLICIES (Cont.)

3.21 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.

3.21.1 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.

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

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

3.21.1.1 Group liquidity gap analysis

Inflation adjusted	1 month ZWL	1 month to 3 month ZWL	3 month to 1 year ZWL	1 year to 5 years ZWL	Total ZWL
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	-	261 869 109	-	-	261 869 109
Borrowings	-	-	8 911 475	-	8 911 475
Total	**1 868 422 001**	**1 731 031 721**	**418 931 180**	**6 080 031 295**	**10 098 416 197**
Liquidity gap	**2 082 075 714**	**21 171 055**	**950 704 044**	**12 616 350 897**	**15 670 301 710**
Cumulative liquidity gap	**2 082 075 714**	**2 103 246 769**	**3 053 950 813**	**15 670 301 710**	
Assets					
December 31, 2019					
Trade and other receivables	54 035 557	231 896 394	56 996 149	57 089 451	400 017 551
Financial assets at amortised cost	5 294 037	2 291 392	34 932 824	383 399 837	425 918 090
Financial assets at fair value through profit and loss	-	-	-	452 493 894	452 493 894
Financial assets at fair value through other comprehensive income	-	-	-	990 785 169	990 785 169
Deferred expenditure				252 733 831	252 733 831
Inventory	59 952 303	-	-	-	59 952 303
Cash and cash equivalents	533 125 526	246 445 658	-	-	779 571 184
Total	**652 407 423**	**480 633 444**	**91 928 973**	**2 136 502 182**	**3 361 472 022**
Liabilities					
Trade and other payables	82 979 436	305 005 829	153 510 138	11 727 736	553 223 139
Investment contract liabilities with DPF	17 892	5 765 895	2 487 869	602 984 110	611 255 766
Investment contract liabilities without DPF	-	-	-	45 639 382	45 639 382
Policyholders' funds	-	-	-	26 646 706	26 646 706
life insurance liabilities with DPF	-	-	-	55 097 091	55 097 091
Life insurance liabilities without DPF	-	-	-	37 505 429	37 505 429
Insurance liabilities life	-	-	-	4 078 742	4 078 742
Capitalised values of pension liability	1 108 353	2 216 707	9 975 185	252 704 695	266 004 940
Deposits from customers	143 587 346	8 997 261	30 772 961	-	183 357 568
Unearned premium reserve	51 176 173	-	-	-	51 176 173
lease liabilities	2 617 743	-	-	29 441 660	32 059 403
Income tax liability	4 734 636	-	-	-	4 734 636
Borrowings	2 929 691	-	-	-	2 929 691
Total	**289 151 270**	**321 985 692**	**196 746 153**	**1 065 825 551**	**1 873 708 666**
Liquidity gap	**363 256 153**	**158 647 752**	**(104 817 180)**	**1 070 676 631**	**1 487 763 356**
Cumulative liquidity gap	**363 256 153**	**521 903 905**	**417 086 725**	**1 487 763 356**	

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2020

3.21.1.2 Authority liquidity gap analysis.

	1 month ZWL	1 month to 3 month ZWL	3 month to 1 year ZWL	1 year to 5 years ZWL	total ZWL
Historical cost					
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	83 483	166 966	79 632 448	214 467 228	294 350 125
Financial assets at fair value through profit and loss	-	-	-	948 191 383	948 191 383
Financial assets at fair value through other comprehensive	-	-	-	13 609 167 821	13 609 167 821
Deferred expenditure	-	-	-	941 068 511	941 068 511
Inventory	59 952 303	-	-	-	59 952 303
Cash and cash equivalents	2 252 133 569	77 066 935	-	-	2 329 200 504
Total	**2 718 277 516**	**354 949 875**	**455 386 455**	**15 712 894 942**	**19 241 508 788**
Liabilities					
Trade payables	181 081 391	-	-	-	181 081 391
Other payables	15 907 236	31 814 472	140 272 438	-	187 994 146
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	**2 521 288 889**	**323 135 403**	**315 114 017**	**14 723 577 532**	**17 883 115 841**
Cumulative liquidity gap	**2 521 288 889**	**2 844 424 292**	**3 159 538 309**	**17 883 115 841**	
Assets					
December 31, 2019					
Trade and other receivables	17 308 376	3 105 744	67 378 205	-	87 792 325
Financial assets at amortised cost	5 294 037	2 291 392	34 932 824	444 321 989	486 840 242
Financial assets at fair value through profit and loss	-	-	-	95 959 207	95 959 207
Financial assets at fair value through other comprehensive income	-	-	-	990 785 169	990 785 169
Deferred expenditure	-	-	-	245 086 324	245 086 324
Inventory	2 712 251	-	-	-	2 712 251
Cash and cash equivalents	242 309 341	173 145 705	-	-	415 455 046
Total	**267 624 005**	**178 542 841**	**102 311 029**	**1 776 152 688**	**2 324 630 563**
Liabilities					
Trade payables	59 909 057	-	-	-	59 909 057
Other payables	2 884 722	8 654 167	23 077 777	-	34 616 666
Capitalised values of pension liability	-	-	-	266 004 940	266 004 940
Total	**62 793 779**	**8 654 167**	**23 077 777**	**266 004 940**	**360 530 663**
Liquidity gap	**204 830 226**	**169 888 674**	**79 233 252**	**1 510 147 748**	**1 964 099 900**
Cumulative liquidity gap	**204 830 226**	**374 718 900**	**453 952 152**	**1 964 099 900**	

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

3.21.2 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, 2020 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. 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, 2020 and December 31, 2019 for the Group were determined as follows:

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2020

3.21.2.1 Group expected credit losses for trade receivables.

GROUP	Current	more than 30 days past due	more than 60 days past due	more than 120 days past due	over 365 days	Total
Inflation adjusted						
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	533 089 925	36 560 492	54 597 999	79 457 499	12 910 075	716 615 990
loss allowance	5 707 037	1 828 025	7 396 107	15 891 500	12 910 075	43 732 743
December 31, 2019						
Expected credit loss rate	12%	15%	15%	19%	-	
Gross carrying amount Insurance receivables	300 657 341	133 406 678	162 640 094	280 781 034	-	877 485 147
loss allowance	**36 078 883**	**20 011 001**	**24 396 016**	**52 666 184**	-	**133 152 084**
Expected credit loss rate	-	5%	9%	-	-	
Gross carrying amount Hotel receivables	-	51 838 849	69 493 734	-	-	121 332 583
loss allowance	-	**2 591 942**	**6 488 591**	-	-	**9 080 534**
Expected credit loss rate	2%	10%	20%	30%	87%	
Gross carrying amount contribution receivables	72 053 946	30 910 527	20 441 525	16 212 781	292 870 101	432 488 880
loss allowance	**1 276 369**	**3 091 053**	**4 088 305**	**4 863 834**	**255 120 198**	**268 439 758**
Expected credit loss rate	2%	10%	20%	30%	87%	
Gross carrying amount premium receivables	57 364 555	27 581 947	16 468 491	10 595 422	109 847 835	221 858 251
loss allowance	**1 147 291**	**2 758 196**	**3 293 696**	**3 178 626**	**95 285 739**	**105 663 549**
Expected credit loss rate	3%	3%	4%	10%	45%	
Gross carrying amount other receivables	330 643 955	17 805 153	10 970 888	152 949 465	145 604 919	657 974 380
loss allowance	**8 414 578**	**534 155**	**438 833**	**15 294 945**	**65 402 406**	**90 084 918**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

GROUP	Current	more than 30 days past due	more than 60 days past due	more than 120 days past due	over 365 days	Total
Historical cost						
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	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**
December 31, 2019						
Expected credit loss rate	12%	15%	15%	19%	100%	
Gross carrying amount						
Insurance receivables	67 047 380	29 750 041	36 269 170	62 614 911	-	195 681 502
Loss allowance	**10 609 586**	**4 923 260**	**5 860 418**	**28 389 176**	**-**	**49 782 440**
Expected credit loss rate	-	5%	9%	-	-	
Gross carrying amount						
Hotel receivables	-	11 560 200	15 497 286	-	-	27 057 486
Loss allowance	**-**	**578 010**	**1 446 973**	**-**	**-**	**2 024 983**
Expected credit loss rate	2%	10%	20%	30%	87%	
Gross carrying amount						
contribution receivables	16 068 220	6 893 129	4 558 514	3 615 493	65 310 805	96 446 161
loss allowance	**284 632**	**689 313**	**911 703**	**1 084 648**	**56 892 477**	**59 862 772**
Expected credit loss rate	2%	10%	20%	30%	87%	
Gross carrying amount						
premium receivables	12 792 447	6 150 847	3 672 517	2 362 807	24 496 357	49 474 975
loss allowance	**255 849**	**615 085**	**734 503**	**708 842**	**21 248 971**	**23 563 250**
Expected credit loss rate	2%	3%	4%	10%	45%	
Gross carrying amount						
other receivables	93 823 649	3 970 596	2 446 537	34 108 134	32 470 281	166 819 197
loss allowance	**1 876 473**	**119 118**	**97 861**	**3 410 813**	**14 584 909**	**20 089 175**

	Inflation adjusted		Historical cost	
SUMMARY OF LOSS ALLOWANCES	ZWL 2020	ZWL 2019	ZWL 2020	ZWL 2019
Loss allowance on insurance receivables	226 308 053	133 152 084	226 308 053	29 693 265
Loss allowance on hotel receivables	5 074 562	9 080 534	5 074 562	2 024 983
Loss allowance on contributions receivables	155 013 372	268 439 758	155 013 372	59 862 772
Loss allowance on premium receivables	61 032 770	105 663 549	61 032 770	23 563 250
Total (note 17.1)	**447 428 758**	**516 335 925**	**447 428 758**	**115 144 270**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

3.21.2.2 Authority expected credit losses for trade receivables.

AUTHORITY	Current	more than 30 days past due	more than 60 days past due	more than 120 days past due	over 365 days	Total
Inflation adjusted						
December 31, 2020						
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
December 31, 2019						
Expected credit loss rate	2%	10%	20%	30%	87%	
Gross carrying amount contribution receivables	72 053 946	30 910 527	20 441 525	16 212 781	292 870 101	432 488 880
loss allowance	1 276 360	3 091 053	4 088 305	4 863 843	255 120 197	268 439 758
Expected credit loss rate	2%	10%	20%	30%	87%	
Gross carrying amount premium receivables	57 364 555	27 581 947	16 468 491	10 595 422	109 847 835	221 858 251
loss allowance	1 147 291	2 758 195	3 293 698	3 178 627	95 285 738	105 663 549
Expected credit loss rate	12%	31%	46%	53%	72%	
Gross carrying amount other receivables	77 615 118	13 926 938	22 247 419	19 533 401	55 276 067	188 598 943
Loss allowance	9 683 503	4 299 859	10 209 617	10 284 193	39 658 830	74 136 002

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

AUTHORITY	Current	more than 30 days past due	more than 60 days past due	more than 120 days past due	over 365 days	Total
Historical cost						
December 31, 2020						
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**
December 31, 2019						
Expected credit loss rate	2%	10%	20%	30%	87%	
Gross carrying amount contribution receivables	16 068 220	6 893 129	4 558 514	3 615 493	65 310 805	96 446 161
loss allowance	**284 632**	**689 313**	**911 703**	**1 084 648**	**56 892 479**	**59 862 774**
Expected credit loss rate	2%	10%	20%	30%	87%	
Gross carrying amount premium receivables	12 792 447	6 150 847	3 672 517	2 362 807	24 496 357	49 474 975
loss allowance	**255 849**	**615 085**	**734 503**	**708 842**	**21 248 971**	**23 563 250**
Expected credit loss rate	7%	15%	15%	34%	100%	
Gross carrying amount other receivables	17 308 376	3 105 744	4 961 233	3 770 309	12 912 400	42 058 062
Loss allowance	**1 142 353**	**450 333**	**751 131**	**1 276 308**	**12 912 400**	**16 532 524**

	Inflation adjusted		Historical cost	
SUMMARY OF LOSS ALLOWANCES	ZWL 2020	ZWL 2019	ZWL 2020	ZWL 2019
Loss allowance on contribution receivables	155 013 372	268 439 758	155 013 372	59 862 774
Loss allowance on premium receivables	61 032 770	105 663 549	61 032 770	23 563 250
Total (note 17.1)	**216 046 142**	**374 103 307**	**216 046 142**	**83 426 024**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

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

Financial assets at amortised cost

GROUP	Gross carrying amount ZWL	Stage 1 ZWL	Allowance Stage 2 ZWL	Stage 3 ZWL	Total ZWL
Inflation adjusted					
December 31, 2020					
Held to maturity financial investments					
Agro bills	-	-	-	-	-
BNC Bonds	625 000	-	-	-	625 000
Savings bonds	24 633 637	-	-	-	24 633 637
Treasury bills	277 347 008	-	-	-	277 347 008
Debentures	3 735 531	-	(65 486)	-	3 670 045
Total	306 341 176	-	(65 486)	-	306 275 690
Other receivables (long term)					
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	-	-	-	25 044 907
Universal Service Fund Trust	-	-	-	-	-
Total	44 544 907	-	-	(19 500 000)	25 044 907
Loans and advances					
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)	-
Mortgage loans and other accounts	496 966 247		(12 196 874)		484 769 373
Total	556 824 468	-	(12 196 874)	(6 869 661)	537 757 933
December 31, 2019					
Held to maturity financial investments					
BNC Bonds	8 407 972	-	-	-	8 407 972
Savings bonds	107 622 046	-	-	-	107 622 046
Treasury bills	1 317 685 542	-	-	-	1 317 685 542
Debentures	67 417 660	-	(14 302 705)	-	53 114 955
Total	1 501 133 220	-	(14 302 705)	-	1 486 830 515
Other receivables (long term)					
Gweru Housing Project	15 694 882	-	-	(15 694 882)	-
Housing Corporation Zimbabwe	71 748 030	-	-	(71 748 030)	-
National Building Society (staff loans)	24 646 399	-			24 646 399
Universal Service Fund Trust	13 964 893	-			13 964 893
Total	126 054 204	-	-	(87 442 912)	38 611 292
Loans and advances					
African Century (Private) Limited	1 494 736	-	-	-	1 494 736
Agro Troops Private Limited	8 822 281	-	-	-	8 822 281
City of Masvingo	456 403	-	-	-	456 403
Dubury Investments	26 802 912	-	(13 401 456)	-	13 401 456
Metropolitan Bank	14 200 133	-	-		14 200 133
Sables Chemical	49 466 236	-	-	(49 466 236)	-
Mortgage loans and other accounts	454 684 156		(108 576 967)		346 107 189
Total	555 926 856	-	(121 978 423)	(49 466 236)	384 482 197

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2020

Financial assets at amortised cost

GROUP	Gross carrying amount ZWL	Allowance Stage 1 ZWL	Stage 2 ZWL	Stage 3 ZWL	Total ZWL
Historical cost					
December 31, 2020					
Held to maturity financial investments					
BNC Bonds	625 000	-	-	-	625 000
Savings bonds	24 633 637	-	-	-	24 633 637
Treasury bills	277 347 008	-	-	-	277 347 008
Debentures	3 735 531	-	(65 486)	-	3 670 045
Total	**306 341 176**	**-**	**(65 486)**	**-**	**306 275 690**
Other receivables (long term)					
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	-			25 044 907
Total	**44 544 907**	**-**	**-**	**(19 500 000)**	**25 044 907**
Loans and advances					
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)	-
Mortgage loans and other accounts	496 966 247		(31 367 320)		465 598 927
Total	**556 824 468**	**-**	**(31 367 320)**	**(6 869 661)**	**518 587 487**
December 31, 2019					
Held to maturity financial investments					
BNC Bonds	1 875 000	-	-	-	1 875 000
Savings bonds	24 000 000	-	-	-	24 000 000
Treasury bills	293 847 351	-	-	-	293 847 351
Debentures	15 034 316	-	(3 189 541)	-	11 844 775
Total	**334 756 667**	**-**	**(3 189 541)**	**-**	**331 567 126**
Other receivables (long term)					
Gweru Housing Project	3 500 000	-	-	(3 500 000)	-
Housing Corporation Zimbabwe	16 000 000	-	-	(16 000 000)	-
National Building Society (staff loans)	5 496 212	-			5 496 212
Universal Service Fund Trust	3 114 208	-			3 114 208
Total	**28 110 420**	**-**	**-**	**(19 500 000)**	**8 610 420**
Loans and advances					
African Century (Private) Limited	333 330	-	-	-	333 330
Agro Troops Private Limited	1 967 392	-	-	-	1 967 392
City of Masvingo	101 779	-	-	-	101 779
Dubury Investments	5 977 120	-	(2 988 560)	-	2 988 560
Metropolitan Bank	3 166 667	-	-		3 166 667
Sables Chemical	11 031 101	-	-	(11 031 101)	-
Mortgage loans and other accounts	101 395 766		(24 212 950)		77 182 816
Total	**123 973 155**	**-**	**(27 201 510)**	**(11 031 101)**	**85 740 544**

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2020

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

Expected losses on financial asset at amortised cost AUTHORITY	Gross carrying amount ZWL	Stage 1 ZWL	Allowance Stage 2 ZWL	Stage 3 ZWL	Total ZWL
Inflation adjusted					
December 31, 2020					
Held to maturity investments					
BNC Bonds	625 000	-	-	-	625 000
Treasury bills	191 751 545	-	-	-	191 751 545
Debentures	3 735 531	-	-	-	3 735 531
	196 112 076	-	-	-	**196 112 076**
Other receivables (long term)					
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	-			25 044 907
Total	**44 544 907**	-	-	**(19 500 000)**	**25 044 907**
Loans and advances					
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)	-
	99 233 249	-	**(22 159 006)**	**(3 881 101)**	**73 193 142**
December 31, 2019					
Held to maturity investments					
BNC Bonds	8 407 972	-	-	-	8 407 972
Treasury bills	1134 057 418	-	-	-	1134 057 418
Debentures	99 889 801	-	(599 169)	-	99 290 631
	1242 355 191	-	**(599 169)**	-	**1241 756 021**
Other receivables (long term)					
Gweru Housing Project	15 694 882	-	-	(15 694 882)	-
Housing Corporation Zimbabwe	71 748 030	-	-	(71 748 030)	-
National Building Society (staff loans)	49 677 363	-			49 677 363
Universal Service Fund Trust	13 964 893	-		-	13 964 893
	151 085 168	-	-	**(87 442 912)**	**63 642 256**
Loans and advances					
African Century (Private) Limited	1 494 825	-	-	-	1 494 825
Agro Troops Private Limited	8 822 807	-	-	-	8 822 807
City of Masvingo	456 430	-	-	-	456 430
Dubury Investments	26 804 508	-	(13 401 456)	-	13 403 052
Metropolitan Bank	14 200 978	-	-		14 200 978
National Building Society	171 940 459		(85 965 109)	-	85 975 350
Sables Chemical	49 469 182	-	-	(49 466 236)	2 946
	273 189 189	-	**(99 366 565)**	**(49 466 236)**	**124 356 388**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

Expected losses on financial asset at amortised cost AUTHORITY	Gross carrying amount ZWL	Stage 1 ZWL	Allowance Stage 2 ZWL	Stage 3 ZWL	Total ZWL
Historical cost					
Decembe 31, 2020					
Held to maturity investments					
BNC Bonds	625 000	-	-	-	625 000
Treasury bills	191 751 545	-	-	-	191 751 545
Debentures	3 735 531	-	-	-	3 735 531
	196 112 076	-	-	-	**196 112 076**
Other receivables (long term)					
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	-			25 044 907
	44 544 907	-	-	**(19 500 000)**	**25 044 907**
Loans and advances					
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)	-
	99 233 249	-	**(22 159 006)**	**(3 881 101)**	**73 193 142**
December 31, 2019					
Held to maturity financial investments					
BNC Bonds	1 875 000	-	-	-	1 875 000
Treasury bills	252 897 795	-	-	-	252 897 795
Debentures	22 275 689	-	(133 617)	-	22 142 072
	277 048 484	-	**(133 617)**	-	**276 914 867**
Other receivables (long term)					
Gweru Housing Project	3 500 000	-	-	(3 500 000)	-
Housing Corporation Zimbabwe	16 000 000	-	-	(16 000 000)	-
National Building Society (staff loans)	11 078 183	-			11 078 183
Universal Service Fund Trust	3 114 208	-			3 114 208
	33 692 391	-	-	**(19 500 000)**	**14 192 391**
Loans and advances					
African Century (Private) Limited	333 330	-	-	-	333 330
Agro Troops Private Limited	1 967 392	-	-	-	1 967 392
City of Masvingo	101 779	-	-	-	101 779
Dubury Investments	5 977 120	-	(2 988 560)	-	2 988 560
Metropolitan Bank	3 166 667	-	-		3 166 667
National Building Society	38 340 892		(19 170 446)		19 170 446
Sables Chemical	11 031 101	-	-	(11 031 101)	-
	60 918 281	-	**(22 159 006)**	**(11 031 101)**	**27 728 174**

3.21.3 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.becomes too late.

3.21.4 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.

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2020

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) ZWL	Reserves ZWL
Increase in the industrial index by 10%	1 692 635 617	1 692 635 617
Decrease in industrial index by 10%	(1 692 635 617)	(1 692 635 617)

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) ZWL	Reserves ZWL
Increase in the industrial index by 10%	1 455 735 920	1 455 735 920
Decrease in industrial index by 10%	(1 455 735 920)	(1 455 735 920)

3.21.5 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) ZWL	Reserves ZWL
Increase in interest rates by 10%	83 040 808	830 040 808
Decrease in interest rates by 10%	(83 040 808)	(83 040 808)

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) ZWL	Reserves ZWL
Increase in interest rates by 10%	27 485 013	27 485 013
Decrease in interest rates by 10%	(27 485 013)	(27 485 013)

3.21.6 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, 2020 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.

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

3.21.6.1 Group foreign currency gap analysis as at December 31, 2020

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**
December 31, 2019						
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, 2020						
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, 2019						
Assets	53 888 208	75 658	-	19 204 141	-	73 168 007
liabilities	(859 100)	(33 077)	-	(12 097 325)	-	(12 989 502)
Net position	**53 029 108**	**42 582**	**-**	**7 106 816**	**-**	**60 178 505**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

3.21.6.2 Authority foreign currency gap analysis as at December 31, 2020.

Foreign exchange risk AUTHORITY	USD ZWL equivalent	ZAR ZWL equivalent	TOTAL ZWL equivalent
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**
December 31, 2019			
Balances with other banks	68 444 135	453 639	68 897 774
Financial assets at fair value through other comprehensive income	345 364 400	-	345 364 400
Total assets	**413 808 535**	**453 639**	**414 262 174**
Liabilities	-	-	-
Net currency position	**413 808 535**	**453 639**	**414 262 174**
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**
Impact of 10% increase in exchange rate Year ended December 31, 2019			
Assets	41 380 854	45 364	41 426 217
liabilities	-	-	-
Net position	**41 380 854**	**45 364**	**41 426 217**

3.21.7 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.

3.21.8 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.

3.21.9 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.

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

3.21.10 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.

3.21.11 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.

4 BIOLOGICAL ASSETS

	Inflation adjusted		Historical cost	
GROUP	**2020 ZWL**	**2019 ZWL**	**2020 ZWL**	**2019 ZWL**
Opening fair value	281 422	225 450	62 758	8 096
Fair value adjustment	(207 622)	55 972	11 042	54 662
	73 800	**281 422**	**73 800**	**62 758**

Measurement of fair values

The fair value measurements of livestock have been categorised as Level 2 fair values based on observable market sales data.

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used..

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key observable input at fair value measurement
Livestock comprises of cattle characterised as growers	Market comparison technique: The fair values are based on the market price of livestock of similar age, weight and market values	Not applicable	Not applicable

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

5 PROPERTY AND EQUIPMENT

GROUP	Land and buildings ZWL	Leasehold improvements ZWL	Computer equipment ZWL	Furniture and equipment ZWL	Motor vehicles ZWL	Total 2020 ZWL	Total 2019 ZWL
Inflation adjusted							
Opening carrying amount	**2 820 025 900**	**654 534 430**	**274 144 220**	**888 901 003**	**319 317 959**	**4 956 923 512**	**4 141 555 038**
Gross carrying amount	2 913 035 060	681 268 737	436 944 196	1 161 646 764	607 644 249	5 800 539 006	4 852 914 989
Accumulated depreciation	(93 009 160)	(26 734 307)	(162 799 976)	(272 745 761)	(288 326 290)	(843 615 494)	(711 359 950)
Additions at cost	406 288	148 344 505	76 233 070	139 418 909	308 779 967	673 182 739	245 502 518
Acquired from business combination	-	-	-	1 433 673	1 035 318	2 468 991	-
Transfer within classes	-	52 409 330	-	-	-	52 409 330	-
Revaluation**	2 022 041 272	(75 799 775)	(23 078 989)	231 297 723	71 719 327	2 226 179 558	879 360 780
Reclassification to investment property (note 7)	-	-	-	-	-	-	(171 692 804)
Disposals - carrying amount	-	-	(160 390)	(2 841 751)	(1 458 417)	(4 460 558)	(2 901 392)
Disposals at cost	-	-	(266 992)	(2 853 118)	(1 944 556)	(5 064 666)	(5 546 477)
Accumulated depreciation	-	-	106 602	11 367	486 139	604 108	2 645 085
Depreciation for the year	(49 358 321)	(21 081 482)	(90 953 764)	(87 237 290)	(138 786 368)	(387 417 225)	(134 900 629)
Closing carrying amount	**4 793 115 139**	**758 407 008**	**236 184 147**	**1 170 972 267**	**560 607 786**	**7 519 286 347**	**4 956 923 512**
Gross carrying amount	4 935 482 620	806 222 797	489 831 285	1 530 943 951	987 234 305	8 749 714 958	5 800 539 006
Accumulated depreciation	(142 367 481)	(47 815 789)	(253 647 138)	(359 971 684)	(426 626 519)	(1 230 428 611)	(843 615 494)

**Revaluation gains reported are gross of tax, the statement of comprehensive income shows net of tax revaluation gains.

An independent valuation was carried out as at December 31, 2020 on land and buildings by Southbay Properties. A Directors valuation was also carried out on motor vehicles as at December 31, 2020. 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 AND EQUIPMENT

GROUP	Land and buildings ZWL	Leasehold improvements ZWL	Computer equipment ZWL	Furniture and equipment ZWL	Motor vehicles ZWL	Total 2020 ZWL	Total 2019 ZWL
Historical Cost							
Opening carrying amount	**702 199 641**	**117 126 018**	**61 134 884**	**131 381 806**	**57 425 425**	**1 071 216 429**	**82 762 433**
Gross carrying amount	708 519 997	119 063 752	67 289 049	143 238 499	66 529 844	1 106 589 796	110 072 721
Accumulated depreciation	(6 320 356)	(1 937 734)	(6 154 165)	(11 856 693)	(9 104 419)	(35 373 367)	(27 310 288)
Additions at cost	321 600	72 548 877	59 237 346	79 240 138	251 744 125	463 092 086	29 247 616
Revaluation	2 958 860 350	521 340 859	30 263 895	436 214 820	219 437 497	4 166 117 421	973 776 557
Reclassification to investment property (note 7)	-	-	-	-	-	-	(6 165 531)
Acquired from business combination	-	-	-	1 433 673	1 035 318	2 468 991	-
Transfer within classes	-	23 658 789	-	-	-	23 658 789	-
Disposals - carrying amount	-	-	(34 333)	(1 387 321)	(364 942)	(1 786 596)	(169 627)
Disposals at cost	-	-	(66 810)	(1 391 295)	(486 590)	(1 944 695)	(341 567)
Accumulated depreciation	-	-	32 477	3 974	121 648	158 099	171 940
Depreciation for the year	17 862 040)	(7 771 921)	(20 454 713)	(24 799 922)	(39 959 128)	(110 847 724)	(8 235 019)
Closing 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)

**Revaluation gains reported are gross of tax, the statement of comprehensive income shows net of tax revaluation gains.

An independent valuation was carried out as at December 31, 2020 on land and buildings by Southbay Properties. A Directors valuation was also carried out on motor vehicles as at December 31, 2020. 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, 2020

5 PROPERTY AND EQUIPMENT

AUTHORITY	Land and buildings ZWL	Computer equipment ZWL	Furniture and equipment ZWL	Motor vehicles ZWL	Computerisation system development ZWL	Total 2020 ZWL	Total 2019 ZWL
Inflation adjusted							
Opening carrying amount	**855 256 217**	**188 605 559**	**121 673 673**	**180 067 503**	**8 738 260**	**1 354 341 212**	**718 623 250**
Gross carrying amount	855 256 217	188 605 559	121 673 673	180 067 503	8 738 260	1 354 341 212	1 020 241 194
Accumulated depreciation	-	-	-	-	-	-	(301 617 944)
Additions at cost	406 288	69 223 652	2 311 295	288 758 263	-	360 699 498	34 652 222
Reclassification to investment property (note7)	-	-	-	-	-	-	(171 692 804)
Revaluation	367 322 969	-	-	72 138 481	-	439 461 450	806 156 740
Disposals - carrying amount	-	-	-	-	-	-	(783 897)
Disposals at cost	-	-	-	-	-	-	(863 263)
Accumulated depreciation	-	-	-	-	-	-	79 367
Depreciation for the year	(21 386 484)	(71 582 868)	(23 771 925)	(104 114 398)	-	(220 855 675)	(32 614 300)
Closing carrying amount	**1 201 598 990**	**186 246 343**	**100 213 043**	**436 849 849**	**8 738 260**	**1 933 646 485**	**1 354 341 212**
Gross carrying amount	1 201 598 990	257 829 211	123 984 968	436 849 849	8 738 260	2 029 001 278	1 354 341 212
Accumulated depreciation	-	(71 582 868)	(23 771 925)	-	-	(95 354 793)	-

An independant valuation was carried out as at December 31, 2020 on land and buildings by Southbay Properties. A Directors valuation was also carried out on motor vehicles as at December 31, 2020. 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 AND EQUIPMENT

AUTHORITY	Land and buildings ZWL	Computer equipment ZWL	Furniture and equipment ZWL	Motor vehicles ZWL	Computerisation system development ZWL	Total 2020 ZWL	Total 2019 ZWL
Historical Cost							
Opening carrying amount	**190 724 392**	**42 059 537**	**27 133 550**	**40 155 528**	**1 948 655**	**302 021 662**	**25 805 939**
Gross carrying amount	190 724 392	42 059 537	27 133 550	40 155 528	1 948 655	302 021 662	36 637 114
Accumulated depreciation	-	-	-	-	-	-	(10 831 175)
Additions at cost	321 600	53 035 489	1 484 643	241 875 000	-	296 716 732	4 830 365
Reclassification to investment property (note7)	-	-	-	-	-	-	(6 165 531)
Revaluation	1 015 416 655	-	-	182 222 159	-	1 197 638 814	279 918 865
Disposals - carrying amount	-	-	-	-	-	-	(28 150)
Disposals at cost	-	-	-	-	-	-	(31 000)
Accumulated depreciation	-	-	-	-	-	-	2 850
Depreciation for the year	(4 776 144)	(14 885 752)	(4 611 671)	(34 688 985)	-	(58 962 552)	(2 339 826)
Closing carrying amount	**1 201 686 503**	**80 209 274**	**24 006 522**	**429 563 702**	**1 948 655**	**1 737 414 656**	**302 021 662**
Gross carrying amount	1 201 686 503	95 095 026	28 618 193	429 563 702	1 948 655	1 756 912 079	302 021 662
Accumulated depreciation	-	(14 885 752)	(4 611 671)	-	-	(19 497 423)	-

An independant valuation was carried out as at December 31, 2020 on land and buildings by Southbay Properties. A Directors valuation was also carried out on motor vehicles as at December 31, 2020. 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, 2020

6 RIGHT OF USE ASSETS

GROUP	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
Opening carrying amount	**1 107 512 566**	**1 137 279 963**	**41 826 651**	**44 612 078**
Gross carrying amount	1 129 122 951	1 137 279 963	44 728 842	44 612 078
Acculamulated depreciation	(21 610 386)	-	(2 902 191)	-
Exchange rates loss/gain	18 421 197	-	18 421 196	-
Additions	-	4 580 394	-	116 764
Inflation changes	-	(12 737 405)	-	-
Revaluation	(796 513 389)	-	161 732 753	-
Depreciation charge for the year	(115 859 738)	(21 610 386)	(17 325 160)	(2 902 191)
Closing carrying amount	**213 560 636**	**1 107 512 566**	**204 655 440**	**41 826 651**
Gross carrying amount	351 030 759	1 129 122 951	224 882 791	44 728 842
Accumulated depreciation	(137 470 124)	(21 610 386)	(20 227 351)	(2 902 191)
6.1 Lease liability				
As at January 1,	**143 762 439**	-	**32 059 403**	-
Initial recognition of lease liability	-	145 170 454	-	32 373 394
Repayment	(15 548 190)	(1 408 015)	(7 131 466)	(313 991)
Exchange rate gain	18 421 196	-	18 421 196	-
Interest accrued	36 275 586	-	136 415 829	-
Interest paid	(1 340 368)	-	(1 289 565)	-
Monetary adjustment	(3 095 266)	-	-	-
As at December 31,	**178 475 397**	**143 762 439**	**178 475 397**	**32 059 403**
Of which are:				
Current lease liabilities	42 617 862	11 738 619	42 617 862	2 617 743
Non current lease liabilities	135 857 535	132 023 820	135 857 535	29 441 660
	178 475 397	**143 762 439**	**178 475 397**	**32 059 403**

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	0	Yes
Chinhoyi	5 years	0	Yes
Gweru	5 years	1 year	Yes
Bulawayo	5 years	0	Yes

Miminum lease payment due

December 31, 2020	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, 2020

7 INVESTMENT PROPERTY

GROUP	Land ZWL	Work in Buildings ZWL	Total progress ZWL	Total 2020 ZWL	2019 ZWL
Inflation adjusted					
Opening carrying amount	**3 717 398 745**	**11 111 327 095**	**305 253 834**	**15 133 979 674**	**9 171 459 355**
Additions at cost	-	37 513 489	-	37 513 489	236 894 207
Fair value adjustment	(255 156 531)	8 116 653 665	-	7 861 497 134	5 575 353 068
Disposal	-	(38 817 000)	-	(38 817 000)	(18 913 512)
Land derecognition	(40 598 131)	-	-	(40 598 131)	(2 506 248)
Effects of inflation	(28 817 773)	-	-	-	-
Transfer within classes	17 364 064	(17 364 064)	-	-	-
Reclassification to inventory	-	(162 682 380)	-	(162 682 380)	-
Reclassification from property and equipment (note 5)	-	-	-	-	171 692 804
Transfer to non current assets held for sale	-	(48 817 651)	-	(48 817 651)	-
Closing carrying amount	**3 410 190 374**	**18 997 813 154**	**305 253 834**	**22 742 075 135**	**15 133 979 674**
Historical cost					
Opening carrying amount	**828 989 724**	**2 487 151 246**	**8 686 596**	**3 324 827 566**	**326 430 411**
Additions at cost	-	22 134 309	-	22 134 309	11 386 174
Fair value adjustment	2 592 828 418	16 600 196 082	-	19 193 024 500	2 982 255 245
Disposals	-	(22 700 000)	-	(22 700 000)	(1 319 795)
Land derecognition	(15 500 000)		-	(15 500 000)	(90 000)
Transfer within classes	3 872 232	(3 872 232)	-	-	-
Reclassification to inventory	-	(36 278 600)	-	(36 278 600)	-
Reclassification from property and equipment (note 5)	-	-	-	-	6 165 531
Transfer to non current assets held for sale	-	(48 817 651)	-	(48 817 651)	-
Closing carrying amount	**3 410 190 374**	**18 997 813 154**	**8 686 596**	**22 416 690 124**	**3 324 827 566**

A an independant valuation was carried out as at December 31, 2020 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.

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 investment property, 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 June 30, 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 December 31, 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	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Investments property held for sale	48 817 651	-	48 817 651	-

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

7 INVESTMENT PROPERTY

AUTHORITY	Land ZWL	Buildings ZWL	Work in progress ZWL	Total 2020 ZWL	2019 ZWL
Inflation adjusted					
Opening carrying amount	**3 717 398 745**	**4 653 291 650**	**138 811 834**	**8 509 502 228**	**4 966 198 317**
Additions at cost	-	37 439 698	-	37 439 698	70 452 207
Fair value adjustment	(255 156 531)	4 814 209 085	-	4 559 052 554	3 303 665 149
Land derecognition	(40 598 131)	-	-	(40 598 131)	(2 506 248)
Effects of inflation	(28 817 773)	-	-	(28 817 773)	-
Disposal	-	(38 817 000)	-	(38 817 000)	-
Transfer within classes	17 364 064	(17 364 064)	-	-	-
Reclassification from property and equipment (note 5)	-	-	-	-	171 692 804
Closing carrying amount	**3 410 190 374**	**9 448 759 369**	**138 811 834**	**12 997 761 576**	**8 509 502 228**
Historical cost					
Opening carrying amount	**828 989 724**	**1 037 696 310**	**8 686 596**	**1 875 372 630**	**178 337 411**
Additions at cost	-	22 115 218	-	22 115 218	9 248 310
Fair value adjustment	2 592 828 418	8 415 520 073	-	11 008 348 491	1 681 711 378
Land derecognition	(15 500 000)	-	-	(15 500 000)	(90 000)
Disposal	-	(22 700 000)	-	(22 700 000)	-
Reclassification from property and equipment (note 5)	-	-	-	-	6 165 531
Transfer within classes	3 872 232	(3 872 232)	-	-	-
Closing carrying amount	**3 410 190 374**	**9 448 759 369**	**8 686 596**	**12 867 636 339**	**1 875 372 630**

An independant valuation on investment property was carried out as at December 31, 2020 by Southbay Properties. 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.

8 FINANCIAL ASSETS AT AMORTISED COST

		Inflation adjusted		Historical cost	
	GROUP	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
8.1	**Held to maturity investments**				
	BNC Bonds	625 000	8 407 972	625 000	1 875 000
	Debentures	3 735 531	67 417 660	3 735 531	15 034 316
	Savings bonds	24 633 637	107 622 046	24 633 637	24 000 000
	Treasury bills	277 347 008	1 317 685 542	277 347 008	293 847 351
	Impairment loss	(65 486)	(14 302 705)	(65 486)	(3 189 541)
		306 275 690	**1 486 830 515**	**306 275 690**	**331 567 126**
8.2	**Other receivables**				
	Gweru Housing Project	3 500 000	15 694 882	3 500 000	3 500 000
	Housing Corporation Zimbabwe	16 000 000	71 748 030	16 000 000	16 000 000
	National Building Society (staff loans)	25 044 907	24 646 399	25 044 907	5 496 212
	Universal Service Fund Trust		13 964 893	-	3 114 208
	Impairment	(19 500 000)	(87 442 912)	(19 500 000)	(19 500 000)
		25 044 907	**38 611 292**	**25 044 907**	**8 610 420**
8.3	**Loans and advances**				
	African Century (Private) Limited	-	1 494 736	-	333 330
	Agro Troops Private Limited	-	8 822 281		1 967 392
	City of Masvingo	-	456 403	-	101 779
	CICADA	50 000 000	-	50 000 000	-
	Dubury Investments	5 977 120	26 802 912	5 977 120	5 977 120
	Metropolitan Bank	-	14 200 133	-	3 166 667
	Sables Chemical	3 881 101	49 466 236	3 881 101	11 031 101
		59 858 221	**101 242 700**	**59 858 221**	**22 577 389**
	Mortgage loans and other accounts	496 966 247	454 684 156	496 966 247	101 395 766
		556 824 468	**555 926 856**	**556 824 468**	**123 973 155**
	Impairment provision	(38 236 981)	(171 444 659)	(38 236 981)	(38 232 611)
		518 587 487	**384 482 197**	**518 587 487**	**85 740 544**
	Total financial assets at amortised cost	**849 908 084**	**1 909 924 004**	**849 908 084**	**425 918 090**
	Financial assets at amortised cost reconciliation				
	Opening balance	**1 909 924 004**	**13 894 091 992**	**425 918 090**	**460 504 269**
	Additions	1 368 084 328	134 506 635	465 752 813	40 978 486
	Receipts	(92 680 599)	(174 223 471)	(44 882 504)	(53 078 527)
	Impairments	215 387 809	(273 190 276)	3 119 685	(22 486 138)
	Effects of inflation	(2 550 807 458)	(11 671 260 876)	-	-
	Closing balance	**849 908 084**	**1 909 924 004**	**849 908 084**	**425 918 090**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

8 FINANCIAL ASSETS AT AMORTISED COS

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 USD27.4 million (Group: USD54.6 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 an advance and performance bonds to the value of USD35.7 million and mortgage bonds of USD18 million.

Maturity analysis	Inflation adjusted		Historical cost	
GROUP	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Maturity analysis				
Less than 1 month	1 560 314	2 117 728	1 560 314	472 259
1 month to 3 months	17 082 957	1 737 065	17 082 957	387 370
3 months to 6 months	412 742	5 262 758	412 742	1 173 609
6 months to 1 year	87 249 035	16 226 373	87 249 035	3 618 524
1 year to 5 years	68 026 309	10 632 551	68 026 309	2 371 087
More than 5 years	382 493 111	348 505 721	382 493 111	77 717 695
	556 824 468	**384 482 197**	**556 824 468**	**85 740 544**

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

8.4 Held to maturity impairment reconciliation				
Opening balance	**14 302 705**	**5 911 657**	**3 189 541**	**212 289**
Charge to profit of loss	(2 990 438)	13 350 748	(2 990 438)	2 977 252
Recoveries	(133 617)	-	(133 617)	-
IAS 29 adjusttment	(11 113 164)	(4 959 699)	-	-
Balance at year end	**65 486**	**14 302 705**	**65 486**	**3 189 541**
8.5 Other receivables impairment reconciliation				
Opening balance	**87 442 912**	**381 924 407**	**19 500 000**	**13 715 000**
Bad debts recovered	-	(17 780 059)	-	(3 965 000)
IAS 29 adjustment	(67 942 912)	(320 422 892)	-	-
Charge to profit of loss	-	43 721 456	-	9 750 000
Balance at year end	**19 500 000**	**87 442 912**	**19 500 000**	**19 500 000**
8.6 Loan and advances impairment reconciliation				
Opening balance	**171 444 659**	**238 340 015**	**38 232 611**	**8 558 849**
Recoveries	(7 150 000)	(13 975 315)	(7 150 000)	(3 116 532)
IAS 29 adjustment	(133 212 048)	(199 959 980)	-	-
Charge to profit of loss	7 154 370	147 039 938	7 154 370	32 790 294
Balance at year end	**38 236 981**	**171 444 659**	**38 236 981**	**38 232 611**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

8 FINANCIAL ASSETS AT AMORTISED COST

		Inflation adjusted		Historical cost	
	AUTHORITY	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
8.1	Held to maturity investments				
	BNC Bonds	625 000	8 407 972	625 000	1 875 000
	Debentures	3 735 531	99 889 801	3 735 531	22 275 689
	Treasury bills	191 751 545	1 134 057 418	191 751 545	252 897 795
	Impairment loss	-	(599 170)	-	(133 617)
		196 112 076	**1 241 756 021**	**196 112 076**	**276 914 868**
8.2	Other receivables				
	Gweru Housing Project	3 500 000	15 694 882	3 500 000	3 500 000
	Housing Corporation Zimbabwe	16 000 000	71 748 030	16 000 000	16 000 000
	National Building Society (staff loans)	25 044 907	49 677 363	25 044 907	11 078 183
	Universal Service Fund Trust	-	13 964 893	-	3 114 208
	Impairment	(19 500 000)	(87 442 912)	(19 500 000)	(19 500 000)
		25 044 907	**63 642 256**	**25 044 907**	**14 192 391**
8.3	Loans and advances				
	African Century (Private) Limited	-	1 494 825	-	333 330
	Agro Troops Private Limited	-	8 822 807	-	1 967 392
	City of Masvingo	-	456 430	-	101 779
	CICARDA	50 000 000	-	50 000 000	-
	Dubury Investments	5 977 120	26 804 508	5 977 120	5 977 120
	Metropolitan Bank	-	14 200 978	-	3 166 667
	National Building Society	39 375 028	171 940 459	39 375 028	38 340 892
	Sables Chemical	3 881 101	49 469 182	3 881 101	11 031 101
		99 233 249	**273 189 189**	**99 233 249**	**60 918 281**
	Impairment provision	(26 040 107)	(148 832 800)	(26 040 107)	(33 190 107)
		73 193 142	**124 356 388**	**73 193 142**	**27 728 174**
	Total financial assets at armotised cost	**294 350 125**	**1 429 754 665**	**294 350 125**	**318 835 433**
8.4	Held to maturity impairment reconciliation				
	Opening balance	**549 170**	**549 170**	**133 647**	**133 647**
	Recovery	(133 647)	-	(133 647)	-
	Inflation adjustment	(415 523)	-	-	-
	Balance at year end	**-**	**549 170**	**-**	**133 647**
8.5	Other receivables impairment reconciliation				
	Opening balance	**87 442 912**	**381 924 407**	**19 500 000**	**13 715 000**
	Bad debts recovered	-	(17 780 059)	-	(3 965 000)
	Charge to profit of loss	-	43 721 456	-	9 750 000
	IAS 29 adjustment	(67 942 912)	(320 422 892)	-	-
	Balance at year end	**19 500 000**	**87 442 912**	**19 500 000**	**19 500 000**
8.6	Loan and advances impairment reconciliation				
	Opening balance	**148 832 800**	**27 376 770**	**33 190 107**	**6 105 092**
	Bad debts recovered	(7 150 000)	(13 975 315)	(7 150 000)	(3 116 532)
	IAS 29 adjustment	(115 642 693)	-	-	-
	Charge to prof it of loss	-	135 431 345	-	30 201 547
	Balance at year end	**26 040 107**	**148 832 800**	**26 040 107**	**33 190 107**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

GROUP

Inflation adjusted	Number of shares	Cost 2020 ZWL	Cost 2019 ZWL	Fair Value 2020 ZWL	Fair Value 2019 ZWL
Ordinary quoted shares					
African Distillers Limited	32 000	44 556	44 556	768 000	457 752
Ariston Holdings	140 233 785	48 266 717	48 246 458	187 913 272	119 165 865
Axia Corporation Limited	6 870 329	18 312 974	10 903 517	80 363 842	19 717 303
Cafca Limited	1 125 685	20 869 400	20 865 230	101 199 082	8 986 192
Dairibord Zimbabwe Limited	17 420 540	47 749 432	47 736 830	169 325 953	29 561 448
Edgars Stores Limited	6 863 319	10 768 904	9 763 422	8 581 112	3 525 324
Falcon gold Zimbabwe Limited	1 639 133	3 108 735	3 106 874	111 569	220 509
First Capital Bank (Barclays)	2 146 704	-	6 722 780	-	957 823
Hippo Valley Estate Limited	12 002 759	367 337 192	367 165 544	13 185 005	59 124 888
Nampak -(Hunyani Holdings)	20 100 000	51 303 040	51 272 324	45 878 250	64 896 093
Lafarge Cement Zimbabwe	2 488 007	82 365 408	82 331 769	19 904 056	20 082 330
Meikles Limited	722 565	8 500 535	8 495 591	18 389 065	8 132 810
Masimba Holdings	2 650 513	11 209 020	11 028 985	31 744 336	2 145 345
National Tyre Services Limited	12 776 701	14 728 162	14 719 809	3 507 204	1 231 820
Pretoria Portland Cement Company Limited	86 068	7 634 704	7 632 424	274 083	1 543 802
Pro Plastics Limited	2 607 684	2 600 192	2 315 926	22 451 710	9 588 680
Rio Zim Limited	250 475	17 385 234	17 378 403	3 699 751	2 603 451
Truworths Limited	4 719 889	5 242 733	5 239 605	1 391 430	482 566
TSL Limited	15 837 260	66 244 087	66 221 653	228 056 544	53 796 334
Willdale Limited	34 052 006	-	3 256 333	-	4 779 440
Zimpapers Limited	10 133 779	333 621	333 511	9 931 103	6 089 284
Zimre Property Investments	25 109 304	-	7 818 100	-	6 417 997
Shares held by First Mutual Holdings Limited		3 541 441 973	3 428 866 960	2 129 190 798	1 563 958 764
Shares held by Rainbow Tourism Group		86 352 844	86 352 844	239 806 164	34 832 584
		4 411 799 462	**4 307 819 446**	**3 315 672 328**	**2 022 298 406**
Ordinary unquoted shares					
Africom Holdings	7 706 276	2 386 580	10 702 026	384 312	1 723 354
Chengetedzai Depository Company	168 912	7 027 882	31 514 793	1 131 704	5 074 846
		9 414 462	**42 216 819**	**1 516 016**	**6 798 199**
Non performing investments		-	-	-	-
Apex Holdings Limited	3 550 299	197 613	197 613	7 096	31 820
Border Timbers	294 307	2 008 440	2 008 440	72 124	323 422
Cairns Holdings Limited	3 145	876	876	31	139
Caps Holdings Limited	22 616 796	7 114 835	7 114 835	255 496	1 145 708
Celsys Limited	1 000 000	83 542	83 542	3 000	13 453
Gulliver Consolidated Limited	3 502 700	1 337 240	1 337 240	48 021	215 338
Interfresh Limited	336 743	1 747 462	1 747 462	62 751	281 391
Phoenix Assurance Zimbabwe Limited	72	100	100	4	18
PG Industries Limited	1 026 463	1 277 797	1 277 797	45 886	205 764
Steelnet Zimbabwe Limited	29 848 449	4 374 663	4 374 663	157 095	704 454
Trust Holdings	2 542 447	2 278 605	2 278 605	81 825	366 924
Impairment		(20 421 170)	(20 421 170)	(733 329)	(3 288 436)
		4 421 213 924	**4 350 036 265**	**3 317 188 345**	**2 029 096 605**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

AUTHORITY Inflation adjusted	Number of shares	Cost 2020 ZWL	Cost 2019 ZWL	Fair Value 2020 ZWL	Fair Value 2019 ZWL
Ordinary quoted shares					
African Distillers Limited	32 000	44 556	44 556	768 000	457 752
Ariston Holdings	140 233 785	48 266 717	48 266 717	187 913 272	119 165 865
Axia Corporation Limited	8 764 129	18 312 974	10 907 075	80 363 842	19 717 303
Cafca Limited	1 125 685	20 869 400	20 869 400	101 199 082	8 986 192
Dairibord Zimbabwe Limited	17 420 540	47 749 432	47 749 432	169 325 953	29 561 448
Edgars Stores Limited	6 863 319	10 768 904	9 774 363	8 581 112	3 525 324
Falcon gold Zimbabwe Limited	1 639 133	3 108 735	3 108 735	111 569	220 509
First Capital Bank (Barclays)	2 146 704	-	6 725 237	-	957 823
Hippo Valley Estate Limited	12 002 759	367 337 192	367 337 192	13 185 005	59 124 888
Nampak -(Hunyani Holdings)	20 100 000	51 303 040	51 303 040	45 878 250	64 896 093
Lafarge Cement Zimbabwe	2 488 007	82 365 408	82 365 408	19 904 056	20 082 330
Meikles Limited	722 565	8 500 535	9 095 736	18 389 065	8 132 810
Masimba Holdings	2 650 513	11 209 020	11 209 020	31 744 336	2 145 345
National Tyre Services Limited	11 917 454	14 728 162	14 728 162	3 507 204	1 231 820
Pretoria Portland Cement Company Limited	86 068	7 634 704	7 634 704	274 083	1 543 802
Pro Plastics Limited	2 607 684	2 600 192	2 600 192	22 451 710	9 588 680
Rio Zim Limited	250 475	17 385 234	17 385 234	3 699 751	2 603 451
Truworths Limited	4 719 889	5 242 733	5 242 733	1 391 430	482 565
TSL Limited	15 837 260	66 244 087	66 244 087	228 056 544	53 796 334
Willdale Limited	-	-	1 082 192	-	4 779 440
Zimpapers Limited	10 133 779	333 621	333 621	9 931 103	6 089 284
Zimre Property Investments		-	14 553 177	-	6 417 997
		784 004 645	**798 560 012**	**946 675 366**	**423 507 057**
Ordinary unquoted shares					
Africom Holdings	7 706 276	2 386 580	2 386 580	384 312	1 723 354
Chengetedzai Depository Company	168 912	7 027 882	7 027 882	1 131 704	5 074 846
		9 414 462	**9 414 462**	**1 516 016**	**6 798 199**
Non performing investments		-	-	-	-
Apex Holdings Limited	3 550 299	197 613	197 613	7 096	31 820
Border Timbers	294 307	2 008 440	2 008 440	72 124	323 422
Cairns Holdings Limited	3 145	876	876	31	139
Caps Holdings Limited	22 616 796	7 114 835	7 114 835	255 496	1 145 708
Celsys Limited	1 000 000	83 542	83 542	3 000	13 453
Gulliver Consolidated Limited	3 502 700	1 337 240	1 337 240	48 021	215 338
Interfresh Limited	336 743	1 747 462	1 747 462	62 751	281 391
Phoenix Assurance Zimbabwe Limited	72	100	100	4	18
PG Industries Limited	1 026 463	1 277 797	1 277 797	45 886	205 764
Steelnet Zimbabwe Limited	29 848 449	4 374 663	4 374 663	157 095	704 454
Trust Holdings	2 542 447	2 278 605	2 278 605	81 825	366 924
Impairment		(20 421 170)	(20 421 170)	(733 329)	(3 288 436
		793 419 107	**807 974 474**	**948 191 383**	**430 305 256**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

GROUP

Historical cost	Number of shares	Cost 2020 ZWL	Cost 2019 ZWL	Fair Value 2020 ZWL	Fair Value 2019 ZWL
Ordinary quoted shares					
African Distillers Limited	32 000	1 600	1 600	768 000	102 080
Ariston Holdings	140 233 785	1 732 542	1 732 542	187 913 272	26 574 302
Axia Corporation Limited	6 870 329	4 423 820	391 548	80 363 842	4 397 011
Cafca Limited	1 125 685	749 276	749 276	101 199 082	2 003 944
Dairibord Zimbabwe Limited	17 420 540	1 714 241	1 714 241	169 325 953	6 592 281
Edgars Stores Limited	6 863 319	1 146 492	351 588	8 581 112	786 157
Falcon gold Zimbabwe Limited	1 639 133	111 569	111 569	111 569	49 174
First Capital Bank (Barclays)	2 146 704	-	241 417	-	213 597
Hippo Valley Estate Limited	12 002 759	13 185 006	13 185 006	13 185 005	13 185 006
Nampak -(Hunyani Holdings)	20 100 000	1 841 202	1 841 202	45 878 250	14 472 000
Lafarge Cement Zimbabwe	2 488 007	2 956 554	2 956 554	19 904 056	4 478 413
Meikles Limited	722 565	305 079	305 079	18 389 065	1 813 638
Masimba Holdings	2 650 513	403 339	403 339	31 744 336	478 418
National Tyre Services Limited	12 776 701	528 592	528 592	3 507 204	274 699
Pretoria Portland Cement Company Limited	86 068	274 082	274 082	274 083	344 272
Pro Plastics Limited	2 607 684	94 970	94 970	22 451 710	2 138 301
Rio Zim Limited	250 475	624 063	624 063	3 699 751	580 576
Truworths Limited	4 719 889	188 156	188 156	1 391 430	107 613
TSL Limited	15 837 260	2 378 036	2 378 034	228 056 544	11 996 724
Willdale Limited	34 052 006	-	116 936	-	1 065 828
Zimpapers Limited	10 133 779	11 976	11 976	9 931 103	1 357 926
Zimre Property Investments	25 109 304	-	380 343	-	1 431 230
Shares held by First Mutual Holdings Limited		502 740 993	140 348 206	2 129 190 798	348 766 929
Shares held by Rainbow Tourism Group		3 100 998	3 100 952	239 806 164	7 767 758
		538 512 585	**172 031 271**	**3 315 672 328**	**450 977 878**
Ordinary unquoted shares					
Africom Holdings	7 706 276	384 312	384 312	384 312	384 312
Chengetedzai Depository Company	168 912	1 131 704	1 131 704	1 131 704	1 131 704
		1 516 016	**1 516 016**	**1 516 016**	**1 516 016**
Non performing investments		-	-	-	-
Apex Holdings Limited	3 550 299	7 096	7 096	7 096	7 096
Border Timbers	294 307	72 124	72 124	72 124	72 124
Cairns Holdings Limited	3 145	31	31	31	31
Caps Holdings Limited	22 616 796	255 495	255 495	255 496	255 496
Celsys Limited	1 000 000	3 000	3 000	3 000	3 000
Gulliver Consolidated Limited	3 502 700	48 021	48 021	48 021	48 021
Interfresh Limited	336 743	62 752	62 752	62 751	62 751
Phoenix Assurance Zimbabwe Limited	72	4	4	4	4
PG Industries Limited	1 026 463	45 886	45 886	45 886	45 886
Steelnet Zimbabwe Limited	29 848 449	157 095	157 095	157 095	157 095
Trust Holdings	3 542 447	81 825	81 825	81 825	81 825
Impairment		(733 330)	(733 330)	(733 330)	(733 330)
		540 028 601	**173 547 288**	**3 317 188 345**	**452 493 894**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

AUTHORITY

Historical cost	Number of shares	Cost 2020 ZWL	Cost 2019 ZWL	Fair Value 2020 ZWL	Fair Value 2019 ZWL
Ordinary quoted shares					
African Distillers Limited	32 000	1 600	1 600	768 000	102 080
Ariston Holdings	140 233 785	1 732 542	1 732 542	187 913 272	26 574 302
Axia Corporation Limited	8 764 129	4 423 820	391 548	80 363 842	4 397 011
Cafca Limited	1 125 685	749 276	749 276	101 199 082	2 003 944
Dairibord Zimbabwe Limited	17 420 540	1 714 241	1 714 241	169 325 953	6 592 281
Edgars Stores Limited	6 863 319	1 146 492	351 588	8 581 112	786 157
Falcon gold Zimbabwe Limited	1 639 133	111 569	111 569	111 569	49 174
First Capital Bank (Barclays)	2 146 704	-	241 417	-	213 597
Hippo Valley Estate Limited	12 002 759	13 185 006	13 185 006	13 185 005	13 185 006
Nampak -(Hunyani Holdings)	20 100 000	1 841 202	1 841 202	45 878 250	14 472 000
Lafarge Cement Zimbabwe	2 488 007	2 956 554	2 956 554	19 904 056	4 478 413
Meikles Limited	722 565	305 079	305 079	18 389 065	1 813 638
Masimba Holdings	2 650 513	403 339	403 339	31 744 336	478 418
National Tyre Services Limited	11 917 454	528 592	528 592	3 507 204	274 699
Pretoria Portland Cement Company Limited	86 068	274 082	274 082	274 083	344 272
Pro Plastics Limited	2 607 684	94 970	94 970	22 451 710	2 138 301
Rio Zim Limited	250 475	624 063	624 063	3 699 751	580 576
Truworths Limited	4 719 889	188 156	188 156	1 391 430	107 613
TSL Limited	15 837 260	2 378 036	2 378 036	228 056 544	11 996 724
Willdale Limited	-	-	116 936	-	1 065 828
Zimpapers Limited	10 133 779	11 976	11 976	9 931 103	1 357 926
Zimre Property Investments	-	-	380 343	-	1 431 230
		32 670 594	**28 582 115**	**946 675 366**	**94 443 191**
Ordinary unquoted shares					
Africom Holdings	8 206 856	384 312	384 312	384 312	384 312
Chengetedzai Depository Company	168 912	1 131 704	1 131 704	1 131 704	1 131 704
		1 516 016	**1 516 016**	**1 516 016**	**1 516 016**
Non performing investments		-	-	-	-
Apex Holdings Limited	3 550 299	7 096	7 096	7 096	7 096
Border Timbers	294 307	72 124	72 124	72 124	72 124
Cairns Holdings Limited	3 145	31	31	31	31
Caps Holdings Limited	22 616 796	255 495	255 495	255 496	255 496
Celsys Limited	1 000 000	3 000	3 000	3 000	3 000
Gulliver Consolidated Limited	3 502 700	48 021	48 021	48 021	48 021
Interfresh Limited	336 743	62 752	62 752	62 751	62 751
Phoenix Assurance Zimbabwe Limited	72	4	4	4	4
PG Industries Limited	1 026 463	45 886	45 886	45 886	45 886
Steelnet Zimbabwe Limited	29 848 449	157 095	157 095	157 095	157 095
Trust Holdings	2 542 447	81 825	81 825	81 825	81 825
Impairment		(733 330)	(733 330)	(733 330)	(733 330)
		34 186 610	**30 098 131**	**948 191 383**	**95 959 207**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

GROUP/AUTHORITY	Number of shares	Cost 2020 ZWL	Cost 2019 ZWL	Fair value 2019 ZWL	Fair value 2020 ZWL
Inflation adjusted					
Ordinary quoted shares		**5 197 297 260**	**4 010 387 445**	**13 333 975 563**	**2 867 098 582**
Bindura Nickel Corporation	87 177 370	124 780 283	124 780 283	328 298 872	63 264 014
British American Tobacco	236 413	126 609 939	103 351 869	175 573 200	55 054 242
Cassava Smartech	17 366 700	748 344 364	739 929 480	133 619 077	109 948 745
CBZ Holdings Limited	80 499 805	723 744 127	92 782 564	8 061 808 935	251 640 136
Delta Corporation	39 936 861	969 420 524	924 732 360	1 034 266 549	621 602 695
Econet Wireless Zimbabwe Limited	21 819 567	303 133 346	261 475 822	268 082 383	144 903 793
Hwange Colliery Company Limited	11 980 479	91 469 363	91 469 363	3 284 688	14 729 368
Innscor Africa Limited	9 220 096	234 103 404	215 998 302	433 525 430	158 263 021
National foods Limited	1 166 292	54 942 404	54 942 404	72 301 021	47 121 824
Old Mutual Zimbabwe	1 315 008	186 693 724	128 044 811	21 041 025	228 955 671
Padenga Holdings	33 793 939	162 777 793	111 917 145	842 032 967	378 874 385
Seed Company Limited	24 889 204	654 233 407	615 504 644	691 756 613	219 755 756
Seed International	24 889 204	353 547 777	366 719 654	13 913 443	335 386 428
Simbisa Brands	9 939 582	101 020 189	81 114 757	177 308 512	60 015 628
Zimre Holdings	252 537 575	362 476 616	97 623 988	1 077 162 847	177 582 876
Foreign quoted shares		**667 983 113**	**599 371 194**	**1 349 489 055**	**1 548 700 969**
Africa Export Import Bank	4 651 162	619 515 030	556 944 086	1 243 916 914	1 430 855 833
Nedbank group limited	42 229	22 344 411	19 074 065	30 539 736	48 202 304
Quilter plc	438 332	26 123 671	23 353 044	75 032 405	69 642 832
Total quoted shares		**5 865 280 373**	**4 609 758 639**	**14 683 464 618**	**4 415 799 552**
Ordinary unquoted shares					
Stalap Investments	2 336	18 544 650	42 002 301	2 866 050	27 130 724
		5 883 825 023	**4 651 760 941**	**14 686 330 668**	**4 442 930 275**
Less Zimre Holdings transferred to associate (note 11)		**(362 476 616)**	**-**	**(1 077 162 847)**	**-**
Total		**5 521 348 407**	**4 651 760 941**	**13 609 167 821**	**4 442 930 275**

	GROUP 2020 ZWL	GROUP 2019 ZWL	AUTHORITY 2020 ZWL	AUTHORITY 2019 ZWL
10.1 Fair value reconciliation				
Cost	5 883 825 023	4 651 760 941	5 883 825 023	4 651 760 941
Net cumulative gains after transfer to associate	**6 178 431 032**	**2 206 512 517**	**6 178 431 032**	**2 206 512 517**
Cumulative gains on financial assets before transfer to associate	6 893 117 263	-	6 893 117 263	-
Less cummulative gains for ZIMRE Holdings transferred to associate	(714 686 231)	-	(714 686 231)	-
Exchange gain movement	2 488 144 078	1 304 483 653	2 488 144 078	1 304 483 653
Translation gain movement	135 930 536	135 930 536	135 930 536	135 930 536
IAS 29 adjustment	-	(3 855 757 373)	-	(3 855 757 373)
Fair value before transfer of ZIMRE to associates	**14 686 330 668**	**4 442 930 274**	**14 686 330 668**	**4 442 930 274**
Less ZIMRE holdings transferred to associate at fair value	(1 077 162 847)	-	(1 077 162 847)	-
Fair value after transfer of ZIMRE to associates	**13 609 167 821**	**4 442 930 274**	**13 609 167 821**	**4 442 930 274**
10.2 Cumulative fair value gain				
Opening cumulative fair value gains	**2 206 512 520**	**6 570 564 813**	**2 206 512 520**	**6 570 564 813**
Fair value gain for the year	4 686 604 742	1 148 450 549	4 686 604 742	1 148 450 549
IAS 29 adjustment	-	(5 512 502 843)	-	(5 512 502 843)
Transfer to investment in associate	(714 686 231)	-	(714 686 231)	-
Cumulative gains	**6 178 431 032**	**2 206 512 520**	**6 178 431 032**	**2 206 512 520**
10.3 Exchange rate gain				
Exchange rate gain on financial assets at fair value through other comprehensive income	1 474 563 720	1 304 483 653	1 183 660 425	1 304 483 653
Exchange rate gain on other items	67 486 591	166 551 842	344 599 998	166 551 842
	1 542 050 311	**1 471 035 495**	**1 528 260 423**	**1 471 035 495**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

GROUP/AUTHORITY	Number of shares	Cost 2020 ZWL	Cost 2019 ZWL	Fair value 2020 ZWL	Fair value 2019 ZWL
Historical cost					
Ordinary quoted shares		**1 154 922 096**	**154 479 663**	**13 333 975 563**	**639 370 545**
Bindura Nickel Corporation	87 177 370	4 480 891	4 480 891	328 298 872	14 108 042
British American Tobacco	257 115	9 468 089	4 341 016	175 573 200	12 277 241
Cassava Smartech	17 366 700	35 992 097	26 571 051	133 619 077	24 518 860
CBZ Holdings Limited	80 499 805	634 167 285	3 331 845	8 061 808 935	56 116 414
Delta Corporation	40 766 020	57 084 449	35 096 067	1 034 266 549	138 619 040
Econet Wireless Zimbabwe Limited	21 819 567	26 007 863	10 641 292	268 082 383	32 313 928
Hwange Colliery Company Limited	11 980 479	3 284 687	3 284 687	3 284 688	3 284 688
Innscor Africa Limited	10 005 554	21 490 660	9 645 436	433 525 430	35 293 071
National Foods Limited	1 166 292	2 548 031	1 972 995	72 301 021	10 508 291
Old Mutual Zimbabwe	1 396 928	21 041 025	6 486 984	21 041 025	51 057 718
Padenga Holdings	34 485 709	13 539 051	5 278 230	842 032 967	84 489 987
Seed Company Limited	25 758 798	30 343 691	23 595 095	691 756 613	49 006 113
Seed International	24 889 204	13 913 443	12 616 338	13 913 443	74 792 058
Simbisa Brands	10 696 006	13 112 952	3 542 480	177 308 512	13 383 643
Zimre Holdings	257 215 313	268 447 882	3 595 255	1 077 162 847	39 601 450
Foreign quoted shares		**36 827 935**	**21 522 969**	**1 349 489 055**	**345 364 401**
Africa Export Import Bank	4 651 162	33 953 486	20 000 000	1 243 916 914	319 084 624
Nedbank Group Limited	42 209	1 417 978	684 355	30 539 736	10 749 241
Quilter plc	438 332	1 456 471	838 614	75 032 405	15 530 535
Total quoted shares		**1 191 750 031**	**176 002 632**	**14 683 464 618**	**984 734 946**
Ordinary unquoted shares					
Stalap Investments	2 336	1 508 263	1 508 263	2 866 050	6 050 223
		1 193 258 294	**177 510 895**	**14 686 330 668**	**990 785 169**
Less ZIMRE holdings transferred to associate at fair value (note 11)		(268 447 882)	-	(1 077 162 847)	-
Total		**924 810 411**	**177 510 895**	**13 609 167 821**	**990 785 169**

	GROUP 2020 ZWL	GROUP 2019 ZWL	AUTHORITY 2020 ZWL	AUTHORITY 2019 ZWL
10.1 Fair value reconciliation				
Cost	1 193 258 294	177 510 895	1 193 258 294	177 510 895
Net cumulative gains after transfer to associate	**11 209 793 690**	**492 058 111**	**11 209 793 690**	**492 058 111**
Cumulative gains on financial assets before transfer to associate	12 018 508 655	492 058 111	12 018 508 655	492 058 111
Less cummulative gains for ZIMRE Holdings transferred to associate	(808 714 965)	-	(808 714 965)	-
Exchange rate gain movement	1 474 563 720	290 903 295	1 474 563 720	290 903 295
Translation gain movement	-	30 312 868	-	30 312 868
Fair value before transfer of ZIMRE to associates	**14 686 330 668**	**990 785 169**	**14 686 330 668**	**990 785 169**
Less ZIMRE holdings transferred to associate at fair value	(1 077 162 847)	-	(1 077 162 847)	-
Fair value after transfer of ZIMRE to associates	**13 609 167 821**	**990 785 169**	**13 609 167 821**	**990 785 169**
10.2 Cumulative fair value gains				
Opening cumulative fair value gains	**492 058 111**	**235 950 609**	**492 058 111**	**235 950 609**
Fair value gain for the year	11 526 450 544	256 107 501	11 526 450 544	256 107 501
Transfer to investment in associate	(808 714 965)	-	(808 714 965)	-
Cumulative gains	**11 209 793 690**	**492 058 111**	**11 209 793 690**	**492 058 111**
10.3 Exchange rate gain				
Exchange rate gain on financial assets at fair value through other comprehensive income	1 183 660 425	290 903 295	1 183 660 425	290 903 295
Exchange rate gain on other items	358 389 886	37 141 500	344 599 998	37 141 500
	1 542 050 311	**328 044 795**	**1 528 260 423**	**328 044 795**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

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, 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	-	1 516 016	3 317 188 345
Total financial assets recorded at fair value	**16 921 974 099**	**-**	**4 382 066**	**16 921 974 099**
At December 31, 2019				
Financial assets at fair value through other comprehensive income	4 415 799 552	-	27 130 724	4 442 930 275
Financial assets at fair value through profit or loss	2 022 298 406	-	6 798 199	2 029 096 605
Total financial assets recorded at fair value	**2 022 298 406**	**-**	**6 798 199**	**2 022 298 406**
Historical cost				
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	-	1 516 016	3 317 188 345
Total financial assets recorded at fair value	**16 921 974 099**	**-**	**4 382 066**	**16 926 356 166**
At December 31, 2019				
Financial assets at fair value through other comprehensive income	984 734 946	-	6 050 223	990 785 169
Financial assets at fair value through profit or loss	450 977 878	-	1 516 016	452 493 894
Total financial assets recorded at fair value	**1 435 712 824**	**-**	**7 566 239**	**1 443 279 063**
AUTHORITY				
Inflation adjusted				
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	946 675 366	-	1 516 016	948 191 383
Total financial assets recorded at fair value	**14 552 977 137**	**-**	**4 382 066**	**14 557 359 204**
At December 31, 2019				
Financial assets at fair value through other comprehensive income	4 415 799 552	-	27 130 724	4 442 930 275
Financial assets at fair value through profit or loss	423 507 057	-	6 798 199	430 305 256
Total financial assets recorded at fair value	**4 839 306 609**	**-**	**33 928 923**	**4 873 235 532**
Historical				
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	946 675 366	-	1 516 016	948 191 383
Total financial assets recorded at fair value	**14 552 977 137**	**-**	**4 382 066**	**14 557 359 204**
At December 31, 2019				
Financial assets at fair value through other comprehensive income	984 734 946	-	6 050 223	990 785 169
Financial assets at fair value through profit or loss	94 443 191	-	1 516 016	95 959 207
Total financial assets recorded at fair value	**1 079 178 137**	**-**	**7 566 239**	**1 086 744 376**

During the year there were no transfers of financial assets between levels 1, 2 and 3 (2019: ZWLnil).

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 Inflation adjusted	OK Zimbabwe Limited ZWL	Turnall Holdings Limited ZWL	FBC Holdings Limited ZWL	ZB Financial Holdings Limited ZWL	Fidelity Life Assurance Company ZWL	Star Africa Corporation ZWL	ZIMRE Holdings ZWL	First Mutual Holdings Associates ZWL	Total 2020 ZWL	Restated Total 2019 ZWL
Restated opening carrying amount	**1 476 642 375**	**436 262 272**	**1 679 183 045**	**2 419 356 819**	**327 776 170**	**156 150 079**	**-**	**119 252 895**	**6 614 623 656**	**4 527 063 640**
Prior year adjustment (note 37)	-	-	-	-	-	-	-	-	-	96 260 077
Transfer from financial assets at fairvalue through other comprehensive income (note 10)	-	-	-	-	-	-	1 077 162 847	-	1 077 162 847	-
Cut off adjustment	-	-	-	-	-	-	-	28 494 164	28 494 164	-
Transfer to subsidiary	-	-	-	-	-	-	-	(10 855 026)	(10 855 026)	-
share of movement in foreign currency	-	-	-	-	-	-	-	187 082 073	187 082 073	-
Share of current year profits/loss (net of dividend received)	**(2 502 640)**	**53 549 932**	**455 319 219**	**365 222 404**	**17 429 063**	**17 285 584**	**17 328 106**	**(1 731 339)**	**921 900 328**	**613 068 077**
Share of current year profits/loss	90 501 418	53 549 932	532 671 434	370 662 714	17 429 063	17 285 584	17 328 106	(1 731 339)	1 097 696 912	946 368 884
Dividend received	(93 004 058)	-	(77 352 215)	(5 440 310)	-	-	-	-	(175 796 584)	(333 300 807)
Share of current year other comprehensive income	33 684 404	1 028 878	(26 246 394)	178 539 877	8 681 038	12 115 675	6 651 511	17 837 630	232 292 618	1378 231 862
Disposal of an investment in associate	-	-	-	(2 963 119 101)	(353 886 270)	-	-	-	(3 317 005 371)	-
Closing carrying amount	**1 507 824 138**	**490 841 082**	**2 108 255 870**	**-**	**-**	**185 551 338**	**1 101 142 464**	**340 080 397**	**5 733 695 290**	**6 614 623 656**
Summary of the financial information:	ZWL	ZWL	ZWL	ZWL	ZWl	ZWL	ZWL	ZWL	ZWL	ZWL
Assets	2 931 682 000	2 383 846 204	32 401 836 446	18 977 407 123	5 473 603 764	805 974 394	12 475 368 481	1 955 386 461	75 449 718 412	15 003 457 328
Liabilities	1 082 862 000	690 364 182	27 312 334 945	10 939 799 157	4 746 525 608	415 825 995	6 723 718 527	972 440 166	51 911 430 414	9 751 695 400
Revenue/total income	10 272 455 000	999 569 948	8 147 551 371	3 322 896 053	1 149 961 961	1 209 823 481	2 773 664 297	473 285 243	27 875 922 111	14 018 323 178
Total comprehensive income for the year	608 458 000	167 676 835	1 441 574 267	1 064 944 232	81 173 400	92 836 309	1 360 545 630	195 964 847	4 817 208 673	1 764 151 665

	Shares in issue	Shares held by NSSA	2020 % Shareholding	2019 % Shareholding
Quoted				
FBC Holdings Limited	671 949 927	236 037 330	13%	35.13%
Fidelity Life Assurance Company (Disposed 24 November 2020)	108 923 291	38 224 928	35.09%	35.09%
OK Zimbabwe Limited	1 210 988 294	249 122 997	20.57%	20.57%
Star africa Corporation	4 715 084 056	1 491 505 021	31.67%	31.67%
Turnall Holdings Limited	493 040 308	160 491 045	32.55%	32.55%
ZB Financial Holdings Limited (Disposed 30 November 2020)	175 190 642	66 528 608	37.97%	37.97%
ZIMRE Holdings Limited	1 811 218 786	384 649 811	21.24%	13.94%
Unquoted				
Africom Continental (Private) Limited	653 751 477	311 643 329	47.67%	47.67%
Dubury Investments (Private) Limited	10 000	3 621	36.21%	36.21%

11 INVESTMENT IN ASSOCIATES

GROUP	OK Zimbabwe Limited ZWL	Turnall Holdings Limited ZWL	FBC Holdings Limited ZWL	ZB Financial Holdings Limited ZWL	Fidelity Life Assurance Company ZWL	Star Africa Corporation ZWL	ZIMRE Holdings ZWL	First Mutual Holdings Associates ZWL	Total 2020 ZWL	Total 2019 ZWL
Historical cost										
Opening carrying amount	**166 717 786**	**100 037 390**	**339 089 474**	**511 337 308**	**55 440 910**	**84 655 823**	-	**10 351 872**	**1 267 630 563**	**162 567 974**
Transfer from financial assets at fairvalue through other comprehensive income (note 10)	-	-	-	-	-	-	1 077 162 847		1 077 162 847	-
Transfer to subsidiary	-	-	-	-	-	-	-	(10 855 026)	(10 855 026)	-
Cut off adjustment	-	-	-	-	-	-	-	4 663 789	4 663 789	-
Recapitalisation	-	-	-	-	-	-	-	-	-	11 300 570
Share of current year profits/loss (net of dividend received)	**(1 889 398)**	**25 674 940**	**1059 924 540**	**1452 629 080**	**113 011 647**	**20 977 805**	**50 612 636**	**(1 915 650)**	**2719 025 600**	**511 551 300**
Share of current year profits/loss	87 348 808	25 674 940	1128 859 577	1456 946 787	113 011 647	20 977 805	50 612 636	(1 915 650)	2 881 516 550	544 424 465
Dividend received	(89 238 206)	-	(68 935 037)	(4 317 707)	-		-		(162 490 950)	(32 873 165)
Share of current year 's other comprehensive income	50 108 520	229 351	399 853 386	701 781 060	51 874 018	63 785 076	18 730 279	169 967 567	1 456 329 257	582 210 719
Disposal of associate	-	-	-	(2 665 747 448)	(220 326 576)	-		-	(2 886 074 024)	-
Closing carrying amount	**214 936 908**	**125 941 681**	**1798 867 400**	-	-	**169 418 704**	**1146 505 763**	**172 212 552**	**3 627 883 006**	**1267 630 563**

Summary of the financial information:	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Assets	1 940 907 000	706 466 352	31 959 057 383	18 518 787 126	5 384 398 996	720 715 061	12 000 505 326	1 403 457 200	59 230 331 918	13 036 564 810
Liabilities	944 709 000	315 958 769	27 042 570 383	10 882 430 697	3 954 842 898	399 165 371	6 623 291 315	903 316 196	43 539 677 118	9 021 099 875
Revenue/total income	4 525 564 000	718 334 536	7 208 714 358	4 800 161 243	2 974 208 792	597 216 636	4 365 827 478	368 475 503	20 824 199 565	7 193 668 703
Total comprehensive income for the year	890 989 000	79 583 074	4 351 588 280	6 202 201 298	512 611 204	267 644 082	3 934 349 797	(980 966)	12 304 616 938	3374 580 122

	Shares in issue	Shares held by NSSA	2020 % Shareholding	2019 % Shareholding
Quoted				
FBC Holdings Limited	671 949 927	236 037 330	35.13%	35.13%
Fidelity Life Assurance Company (Disposed 24 November 2020)	108 923 291	38 224 928	35.09%	35.09%
OK Zimbabwe Limited	1 210 988 294	249 122 997	20.57%	20.57%
Star africa Corporation	4 715 084 056	1 491 505 021	31.67%	31.67%
Turnall Holdings Limited	493 040 308	160 491 045	32.55%	32.55%
ZB Financial Holdings Limited (Disposed 30 November 2020)	175 190 642	66 528 608	37.97%	37.97%
ZIMRE Holdings Limited	1 811 218 786	384 649 811	21.24%	13.94%
Unquoted				
Africom Continental (Private) Limited	653 751 477	311 643 329	47.67%	47.67%
Dubury Investments (Private) Limited	10 000	3 621	36.21%	36.21%

Share of profits from associates have been determined using after profit or loss tax figures. Star africa Corporation made losses in prior periods which fully impaired the investment . The associate had been recognised at nil value as required by IAS 28 in instances when an entity continuously make losses to an extent of impairing the capital outlay. Dubury Investments and Africom Continental (Private) Limited have also been making losses in the past years and have been assessed for impairment as at December 31, 2019. Management expects that these companies will continue to make losses and will not earn positive cash flows in the future as such the investments have been impaired in full.

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2020

11 INVESTMENT IN ASSOCIATES

AUTHORITY Inflation adjusted	OK Zimbabwe Limited ZWL	Turnall Holdings Limited ZWL	FBC Holdings Limited ZWL	ZB Financial Holdings Limited ZWL	Fidelity Life Assurance Company ZWL	Star Africa Corporation ZWL	ZIMRE Holdings ZWL	Total 2020 ZWL	Total 2019 ZWL
Opening carrying amount	**1 476 642 345**	**436 262 272**	**1 679 183 045**	**2 419 356 819**	**327 776 170**	**156 150 079**	-	**6 495 370 731**	**4 485 542 481**
Transfer from financial assets at fairvalue through other comprehensive income (note10)	-	-	-	-	-	-	1 077 162 847	1 077 162 847	-
Share of current year profits/loss (net of dividend received)	**(2 502 640)**	**53 549 932**	**455 319 219**	**365 222 404**	**17 429 063**	**17 285 584**	**17 328 106**	**923 631 668**	**632 071 595**
Share of current year profits/loss	90 501 418	53 549 932	532 671 434	370 662 714	17 429 063	17 285 584	17 328 106	1 099 428 251	941 012 275
Dividend received	(93 004 058)	-	(77 352 215)	(5 440 310)	-	-	-	(175 796 583)	(308 940 680)
Share of current year 's other comprehensive income	33 684 404	1 028 878	(26 246 394)	178 539 877	8 681 038	12 115 675	6 651 511	214 454 988	1 377 756 655
Disposal of an investment in associate	-	-	-	(2 963 119 101)	(353 886 270)	-	-	(3 317 005 371)	-
Closing carrying amount	**1 507 824 108**	**490 841 082**	**2 108 255 870**	-	-	**185 551 338**	**1 101 142 464**	**5 393 614 863**	**6 495 370 731**

Summary of the financial information:	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Assets	2 931 682 000	2 383 846 204	32 401 836 446	18 977 407 123	5 473 603 768	805 974 394	12 475 368 481	75 449 718 416	15 003 457 328
Liabilities	1082 862 000	690 364 182	27 312 334 945	10 939 799 157	4 746 525 610	415 825 995	6 723 718 527	51 911 430 416	9 751 695 400
Revenue/total income	10 272 455 000	999 569 948	8 147 551 371	3 322 896 053	1 149 961 963	1 209 823 481	2 773 664 297	27 875 922 113	14 018 323 178
Total comprehensive income for the year	608 458 000	167 676 835	1 441 574 267	1 064 944 232	81 173 403	92 836 309	1 360 545 630	4 817 208 676	1 764 151 665

	Shares in issue	Shares held by NSSA	2020` % Shareholding	2019 % Shareholding
Quoted				
FBC Holdings Limited	671 949 927	236 037 330	35.13%	35.13%
Fidelity Life Assurance Company (Disposed 24 November 2020)	108 923 291	38 224 928	35.09%	35.09%
OK Zimbabwe Limited	1 210 988 294	249 122 997	20.57%	20.57%
Star africa Corporation	4 715 084 056	1 491 505 021	31.67%	31.67%
Turnall Holdings Limited	493 040 308	160 491 045	32.55%	32.55%
ZB Financial Holdings Limited (Disposed 30 November 2020)	175 190 642	66 528 608	37.97%	37.97%
ZIMRE Holdings Limited	1 811 218 786	384 649 811	21.24%	13.94%
Unquoted				
Africom Continental (Private) Limited	653 751 477	311 643 329	47.67%	47.67%
Dubury Investments (Private) Limited	10 000	3 621	36.21%	36.21%

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

11 INVESTMENT IN ASSOCIATES

AUTHORITY	OK Zimbabwe Limited ZWL	Turnall Holdings Limited ZWL	FBC Holdings Limited ZWL	ZB Financial Holdings Limited ZWL	Fidelity Life Assurance Company ZWL	Star Africa Corporation ZWL	ZIMRE Holdings ZWL	Total 2020 ZWL	Total 2019 ZWL
Historical cost									
Opening carrying amount	**166 717 786**	**100 037 391**	**339 089 474**	**511 337 307**	**55 440 910**	**84 655 823**	**-**	**1 257 278 691**	**161 076 941**
Transfer from financial assets at fairvalue through other comprehensive income (note 10)	-	-	-	-	-	-	1 077 162 847	1 077 162 847	-
Share of current year profits/loss (net of dividend received)	**(1 889 398)**	**25 674 940**	**1 058 484 667**	**1 452 629 080**	**113 011 647**	**20 977 805**	**50 612 636**	**2 719 501 377**	**514 097 004**
Share of current year profits/loss	87 348 808	25 674 940	1 128 859 577	1 456 946 787	113 011 647	20 977 805	50 612 636	2 883 432 200	544 051 172
Dividend received	(89 238 206)	-	(70 374 910)	(4 317 707)	-	-	-	(163 930 823)	(29 954 168)
Share of current year 's other comprehensive income	50 108 520	229 351	399 853 386	701 781 060	51 874 018	63 785 076	18 730 279	1 286 361 690	582 104 746
Disposal of associate	-	-	-	(2 665 747 447)	(220 326 576)	-	-	(2 886 074 023)	-
Closing carrying amount	**214 936 908**	**125 941 682**	**1 797 427 527**	**-**	**-**	**169 418 704**	**1 146 505 763**	**3 454 230 582**	**1 257 278 691**
Summary of the financial information:	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Assets	1 940 907 000	706 466 352	31 959 057 383	18 518 787 126	5 384 398 996	720 715 061	12 000 505 326	59 230 331 918	13 756 739 871
Liabilities	944 709 000	315 958 769	27 042 570 383	10 882 430 697	4 745 229 262	399 165 371	6 623 291 315	44 330 063 482	9 420 265 254
Revenue/total income	4 525 564 000	718 334 536	7 208 714 358	4 800 161 243	2 974 208 788	597 216 636	4 365 827 478	20 824 199 561	7 931 134 403
Total comprehensive income for the year	890 989 000	79 583 074	4 351 588 280	6 202 201 298	512 611 204	267 644 082	3 934 349 797	12 304 616 938	3 642 224 204

	Shares in issue	Shares held by NSSA	2020 ` % Shareholding	2019 % Shareholding
Quoted				
FBC Holdings Limited	671 949 927	236 037 330	35.13%	35.13%
Fidelity Life Assurance Company (Disposed 24 November 2020)	108 923 291	38 224 928	35.09%	35.09%
OK Zimbabwe Limited	1 210 988 294	249 122 997	20.57%	20.57%
Star africa Corporation	4 715 084 056	1 491 505 021	31.67%	31.67%
Turnall Holdings Limited	493 040 308	160 491 045	32.55%	32.55%
ZB Financial Holdings Limited (Disposed 30 November 2020)	175 190 642	66 528 608	37.97%	37.97%
ZIMRE Holdings Limited	1 811 218 786	384 649 811	21.24%	13.94%
Unquoted				
Africom Continental (Private) Limited	653 751 477	311 643 329	47.67%	
Dubury Investments (Private) Limited	10 000	3 621	36.21%	

Share of profits from associates have been determined using after profit or loss tax figures. Star africa Corporation made losses in prior periods which fully impaired the investment . The associate had been recognised at nil value as required by IAS 28 in instances when an entity continuously make losses to an extent of impairing the capital outlay. Dubury Investments and Africom Continental (Private) Limited have also been making losses in the past years and have been assessed for impairment as at December 31, 2019. Management expects that these companies will continue to make losses and will not earn positive cash flows in the future as such the investments have been impaired in full.

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2020

12 INTANGIBLE ASSETS

GROUP

	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
Opening carrying amount	**150 264 977**	**150 359 810**	**8 391 210**	**5 399 458**
Gross carrying amount	218 475 107	204 959 796	10 791 092	7 360 157
Accumulated amortisation and impairment	(68 210 130)	(54 599 986)	(2 399 882)	(1 960 699)
Additions during the year	3 013 950	13 515 311	5 106 178	2 912 316
Revaluation loss/ surplus	(8 990 202)	-	3 901 135	599 850
Amortisation and impairment loss for the year	(11 258 798)	(13 610 144)	(2 592 119)	(520 414)
Closing carrying amount	**134 086 029**	**150 264 977**	**14 806 404**	**8 391 210**
Gross carrying amount	213 026 906	218 475 107	19 798 405	10 872 323
Accumulated amortisation and impairment	(78 940 877)	(68 210 130)	(4 992 001)	(2 481 113)

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 December 31, 2020 some of these assets were tested for impairment, some were revalued and some were mantained at the cost model. Revaluation of some of the intangible assets is done annually.

12 INTANGIBLE ASSETS

AUTHORITY

	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
Opening carrying amount	**19 683 521**	**19 683 516**	**706 840**	**706 840**
Closing carrying amount	**19 683 521**	**19 683 516**	**706 840**	**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.

12.1 WORK IN PROGRESS

GROUP

	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
Opening balance	**150 726 069**	**25 969 675**	**28 199 198**	**378 193**
Additions	-	124 756 395	-	27 821 005
Transfer to Leasehold	(52 409 330)	-	(23 658 789)	-
Closing balance	**98 316 739**	**150 726 069**	**4 540 409**	**28 199 198**

Work in progress includes refurbishment works on leasehold property

13 DEFERRED EXPENDITURE

GROUP

	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
Opening carrying amount	**1 133 322 164**	**2 294 213 690**	**252 733 831**	**82 814 085**
Decrease/increase in existing capitalised values	(75 050 020)	800 184 990	745 512 108	182 819 026
Net movement in deferred costs	(10 891 078)	-	49 135 127	-
IAS 29 adjustment	-	(1 903 232 895)	-	-
Amount expensed in current year	(49 529 921)	(57 843 621)	(49 529 921)	(12 899 280)
	997 851 145	**1 133 322 164**	**997 851 145**	**252 733 831**

13 DEFERRED EXPENDITURE

AUTHORITY

	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
Opening carrying amount as at January 1, 2020	**1 099 028 814**	**2 224 446 141**	**245 086 324**	**79 880 412**
Increase in existing capitalised values	(108 430 382)	798 668 546	745 512 108	178 105 192
IAS 29 adjustment	-	(1 866 242 252)	-	-
Amount expensed in current year	(49 529 921)	(57 843 621)	(49 529 921)	(12 899 280)
Closing carrying amount as at December 31, 2020	**941 068 511**	**1 099 028 814**	**941 068 511**	**245 086 324**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

14 INVESTMENT IN SUBSIDIARIES

AUTHORITY	National Building Society ZWL	First Mutual Life Holdings ZWL	Rainbow Tourism Group ZWL	Total 2019 ZWL	Total 2019 ZWL
Inflation adjusted					
Opening carrying amount	1 382 547 443	1 171 753 519	544 153 928	3 098 454 890	3 098 454 890
Additions during the year	-	-	-	-	-
Closing carrying amount	1 382 547 443	1 171 753 519	544 153 928	3 098 454 890	3 098 454 890
Historical cost					
Opening carrying amount	49 647 621	42 077 959	19 540 702	111 266 282	111 266 282
Additions during the year	-	-	-	-	-
Closing carrying amount	49 647 621	42 077 959	19 540 702	111 266 282	111 266 282
NSSA's ownership in the subsidiaries is as indicated	100%	66.22%	67.23%		

15 GOODWILL

	Inflation adjusted		Historical cost	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
GROUP				
Carrying amount				
At 1 January	-	-	-	-
At acquisition	15 216 111	-	15 216 111	-
Foreign exchange remeasurement	518 719	-	518 719	-
	15 734 830	-	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 (3%)	"This is the weighted average growth rate used to extrapolate cash flows beyond the budget period
Discount rate (41.81%)	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 erstimated 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.

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

15 GOODWILL

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 2020, there will still be no impairment to be recognised as the recoverable amount will still have a headroom of $8.9 million over net assets of Diamond Seguros.

Weighted average long term discount rate
The weighted average long-term growth of 3% 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.,+3.19%) 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 ZWL74.4 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

NicozDiamond Insurance Limited injected additional capital into Diamond Seguros Insurance Company Limited during August and September 2019. The capital injection was pursuant to a rights offer in which all shareholders of Diamond Seguros Insurance Company Limited were invited to participate. NicozDiamond Insurance Limited underwrote shares for shareholders that did not follow their rights. This increased the shareholding from 20.26% to 50.6%. However, at the date of reporting, the additional capital had not been recognised as at December 31 2019. NicozDiamond recognised additional shares in Diamond Seguros on December 1, 2020 as the acquisition date.

	Inflation adjusted		Historical cost	
16 INVENTORY	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
GROUP				
Land - residential stands	1 768 182 349	300 260 690	54 560 756	10 892 754
Rehabilitation inventories	8 214 262	4 013 921	3 394 323	389 181
Food and beverages	24 703 609	29 855 687	12 081 466	4 863 053
Service stocks	6 779 253	200 608 542	3 315 439	5 484 439
Housing developments stocks	-	330 574 682	-	26 469 163
Stationery and consumables	75 521 454	105 140 147	36 878 247	11 853 713
	1 883 400 927	**970 453 670**	**110 230 231**	**59 952 303**
AUTHORITY				
Rehabilitation consumables	8 214 262	4 013 921	3 394 323	389 181
Stationery and consumables	24 222 070	23 959 627	10 009 120	2 323 070
	32 436 332	**27 973 548**	**13 403 443**	**2 712 251**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

17 TRADE AND OTHER RECEIVABLES

GROUP`	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
17.1 Trade receivables				
Contributions and premium receivables	1 109 259 730	654 347 131	1 109 259 730	145 921 136
Insurance receivables	1 054 518 865	877 485 147	1 054 518 865	195 681 502
Housing development	-	-	-	-
Hotel services receivables	177 856 556	121 332 583	177 856 556	27 057 486
Bad debts written off	-	(1 023 867)	-	(228 325)
Allowance for credit losses	(447 428 757)	(516 335 916)	(447 428 757)	(115 144 270)
	1 894 206 394	**1 135 805 079**	**1 894 206 394**	**253 287 529**
17.2 Other receivables				
Staff loans	143 929 628	179 095 519	143 929 628	39 938 773
Staff insurance	2 266	10 161	2 266	2 266
Interest receivable	19 712 118	40 506 530	19 712 118	9 033 063
Dividend receivable	79 436 350	33 234 011	79 436 350	7 411 272
Rent receivable	95 729 627	86 876 430	95 729 627	19 373 673
Prepayments	143 545 726	67 045 727	88 926 055	14 951 374
Tax receivables	2 317 712	11 985 114	2 317 712	2 672 712
Sundry receivables	231 942 563	329 305 810	231 942 563	73 436 064
Allowance for credit losses	(43 732 743)	(90 084 921)	(43 732 743)	(20 089 175)
	672 883 247	**657 974 380**	**618 263 576**	**146 730 022**
	2 567 089 641	**1 793 779 459**	**2 512 469 970**	**400 017 551**
17.3 Reconciliation of trade receivable allowance for credit losses				
Opening carrying amount	516 335 912	3 600 560 113	115 144 270	129 297 005
Charged to profit or loss	332 284 487	(63 466 133)	332 284 487	(14 153 115)
Adjustment	-	1 704	-	380
IAS 29 adjustment	(401 191 642)	(3 020 759 768)	-	-
Closing carrying amount	**447 428 757**	**516 335 916**	**447 428 757**	**115 144 270**
17.4 Reconciliation of other receivable allowance for credit losses				
Opening carrying amount	90 084 921	553 726 868	20 089 175	19 884 469
Charges to profit or loss	24 165 046	33 310 023	24 165 046	7 428 223
Bad debts recovered	(521 478)	(32 392 070)	(521 478)	(7 223 517)
IAS 29 adjustment	(69 995 746)	(464 559 901)	-	-
Closing carrying amount	**43 732 743**	**90 084 921**	**43 732 743**	**20 089 175**
17.5 Impairment summarry				
Trade recievables (note 17.3)	332 284 487	(63 466 133)	332 284 487	(14 153 115)
Other recievables (note 17.4)	24 165 046	33 310 023	24 165 046	7 428 223
Financial assets at fair value through profit and loss (note 9)	-	20 421 170	-	3 638 982
Cash and cash equivalents	(290)	(56 255)	(290)	(12 545)
Held to maturity (note 8.4)	(2 990 438)	13 350 748	(2 990 438)	2 977 252
Other receivables (note 8.5)	-	43 721 456	-	9 750 000
Loans and advances (note 8.6)	7 154 370	147 039 938	7 154 370	32 790 294
	360 613 175	**194 320 947**	**360 613 175**	**42 419 091**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

17 TRADE AND OTHER RECEIVABLES

	Inflation adjusted		Historical cost	
AUTHORITY	**2020 ZWL**	**2019 ZWL**	**2020 ZWL**	**2019 ZWL**
17.1 Trade receivables				
Contributions and premium receivables	1 109 259 730	654 347 131	1 109 259 730	145 921 136
Bad debts written off	-	(1 023 867)	-	(228 325)
Allowance for credit losses	(216 046 142)	(374 103 307)	(216 046 142)	(83 426 024)
	893 213 588	**279 219 958**	**893 213 588**	**62 266 787**
17.2 Other receivables				
Staff loans	10 044 276	2 896 193	10 044 276	645 859
Interest receivable	14 195 308	32 532 342	14 195 308	7 254 798
Rent receivables	42 818 872	55 707 758	42 818 872	12 422 977
Prepayments	16 501 522	8 952 571	16 501 522	1 996 447
Dividend receivable	79 436 350	33 234 011	79 436 350	7 411 272
Tax receivables	2 317 712	11 985 114	2 317 712	2 672 712
Staff insurances	2 266	10 161	2 266	2 266
Sundry receivables	25 106 570	43 280 793	25 106 570	9 651 731
Impairment loss on sundry receivables	(24 058 322)	(74 136 002)	(24 058 322)	(16 532 524)
	166 364 554	**114 462 940**	**166 364 554**	**25 525 538**
	1 059 578 142	**393 682 898**	**1 059 578 142**	**87 792 325**
17.3 Reconciliation of trade receivable allowance for credit losses				
Opening carrying amount	**374 103 307**	**3 503 436 248**	**83 426 024**	**125 809 263**
Charged to profit or loss	132 620 118	(190 057 120)	132 620 118	(42 383 239)
Inflation effects	(290 677 283)	(2 939 275 822)	-	-
Closing carrying amount	**216 046 142**	**374 103 307**	**216 046 142**	**83 426 024**
17.4 Reconciliation of other receivable allowance for credit losses				
Opening carrying amount	74 136 002	491 430 892	16 532 524	17 647 405
Charges to profit or loss	8 047 277	27 392 663	8 047 277	6 108 636
Bad debts recovered	(521 479)	(32 392 070)	(521 479)	(7 223 517)
Inflation effects	(57 603 478)	(412 295 483)	-	-
Closing carrying amount	**24 058 322**	**74 136 002**	**24 058 322**	**16 532 524**
17.5 Impairment summary				
Trade receivables (note 17.3)	132 620 118	(190 057 120)	132 620 118	(42 383 239)
Other receivables (note 17.4)	8 047 277	27 392 663	8 047 277	6 108 636
Financial assets at fair value through profit and loss (note 10)	-	20 421 170	-	3 638 982
Financial assets at amortised costs	-	179 152 801	-	39 951 547
	140 667 395	**36 909 513**	**140 667 395**	**7 315 926**

18 CASH AND CASH EQUIVALENTS

GROUP				
Cash	33 573 433	11 355 852	33 573 433	2 532 385
Bank	3 400 491 816	2 379 313 301	3 400 491 816	530 593 141
Funds on placements	970 978 786	1 105 187 593	970 978 786	246 459 748
Impairment	(13 800)	(63 183)	(13 800)	(14 090)
Bank overdraft	(33 127 924)	-	(33 127 924)	-
	4 371 902 311	**3 495 793 563**	**4 371 902 311**	**779 571 184**

The impairment on cash and cash equivalents relates to impairment of money investments

Included in cash and cash equivalents are nostro balances of:	USD	19 098 676
	ZAR	466 928
	GBP	10 930

18.1 Impairment provision on cash and cash equivalents				
Opening balance	**63 183**	**741 709**	**14 090**	**26 635**
Charge to profit of loss	(290)	(56 255)	(290)	(12 545)
IAS 29 adjustment	(49 093)	(622 271)	-	-
Balance at year end	**13 800**	**63 183**	**13 800**	**14 090**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

18 CASH AND CASH EQUIVALENTS

AUTHORITY	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
18 Cash and cash equivalents				
Cash	1 215 093	887 232	1 215 093	197 855
Bank	2 250 918 476	1 085 688 891	2 250 918 476	242 111 486
Funds on placements	77 066 935	776 428 957	77 066 935	173 145 705
	2 329 200 504	**1 863 005 080**	**2 329 200 504**	**415 455 046**

Included in cash and cash equivalents are nostro balances of:		
	USD	19 098 676
	ZAR	466 928
	GBP	10 930

19 OTHER COMPONENTS OF RESERVES

	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
GROUP				
Mark to market reserve	11 690 933 878	7 719 015 368	11 209 793 690	492 058 110
Revaluation reserve	2 374 611 899	879 360 780	3 693 812 554	696 122 900
Share of other comprehensive income from associates	464 263 552	1 687 531 442	1 156 458 168	593 287 709
Translation reserve	487 926 367	318 035 889	391 260 530	70 922 842
	15 017 735 697	**10 603 943 477**	**16 451 324 942**	**1 852 391 561**
AUTHORITY				
Mark to market reserve	11 690 933 875	7 719 015 363	11 209 793 689	492 058 110
Revaluation Reserve	1 245 618 190	806 156 740	1 481 516 653	283 877 839
Share of other comprehensive income from associates	436 961 094	1 672 041 064	991 901 015	592 672 572
Translation reserve	135 930 536	135 930 535	30 312 868	30 312 868
	13 509 443 694	**10 333 143 702**	**13 713 524 225**	**1 398 921 389**

20 NON CONTROLLING INTEREST

	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
Balance at the beginning of the year	2 712 541 920	2 229 833 136	524 857 262	80 073 860
Profit attributable to non controlling interest	906 942 945	389 653 078	1 835 564 246	239 403 442
Acquistion of additional interest in subsidiary by First Mutual Holdings	-	-	-	184 628 292
Revaluation reserve	530 750 354	-	851 665 671	-
Foreign currency translation reserve	95 763 446	92 895 184	163 409 953	20 715 871
Share of other comprehensive income from associate	6 025 551	160 523	6 025 551	35 797
Balance at the end of the year	**4 252 024 216**	**2 712 541 920**	**3 381 522 683**	**524 857 262**

20.1 December 31, 2020

Summary of Financial Information	Inflation adjusted First Mutual Holdings (Pvt) Ltd	Inflation adjusted Rainbow Tourism Group	Historical cost First Mutual Holdings (Pvt) Ltd	Historical cost Rainbow Tourism Group
Non controlling interest percentage	**33.78%**	**32.77%**	**33.78%**	**32.77%**
Non current assets	1 904 043 003	2 903 281 116	12 128 841 126	3 908 953 667
Current assets	500 858 891	588 387 238	2 862 128 409	559 425 880
Non current liabilities	(1 454 944 281)	(569 382 483)	(6 066 694 323)	(569 382 483)
Current liabilities	(81 662 119)	(484 444 730)	(230 952 317)	484 444 730
Net assets	**868 295 494**	**2 437 841 141**	**8 693 322 895**	**4 383 441 794**
Net assets attributable to non controlling interest	**293 310 218**	**1 262 897 710**	**2 936 604 474**	**1 436 453 876**
Revenue	7 667 230 017	762 799 577	13 368 386 600	523 844 794
Profit	2 343 226 351	352 154 664	5 263 773 297	175 348 264
Other comprehensive income	61 431 816	-	501 585 271	2 598 918 740
Total comprehensive income	**2 626 717 905**	**352 154 664**	**5 765 358 569**	**2 774 267 004**
Profit allocated to non controlling interest	791 541 861	115 401 083	1 778 102 620	57 461 626
Other comprehensive income allocated to non controlling interest	20 751 667	-	169 435 505	851 665 671
Cashflows from operating activities	1 542 926 503	415 359 443	87 577 856	161 079 007
Cashflows from investing activities	(124 645 101)	(266 497 094)	(209 068 262)	(130 056 705)
Cashflows from financing activities	(67 145 379)	(16 687 500)	(32 906 853)	(16 687 500)
Net increase (decrease in cash and cash equivalents)	**1 351 136 023**	**132 174 849**	**(154 397 259)**	**14 334 802**

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2020

20 NON CONTROLLING INTEREST (CONT.)

20.1 December 31, 2019

	Inflation adjusted		Historical cost	
	First Mutual Holdings (Pvt) Ltd	Rainbow Tourism Group	First Mutual Holdings (Pvt) Ltd	Rainbow Tourism Group
Summary of Financial Information				
Non controlling percentage	**33.78%**	**32.77%**	**33.78%**	**32.77%**
Non current assets	8 538 208 454	4 330 071 396	1 813 735 778	788 372 119
Current assets	2 245 977 434	685 440 858	494 172 142	110 973 039
Non current liabilities	(6 524 336 656)	(680 720 618)	(1 372 774 654)	(151 802 493)
Current liabilities	(366 193 512)	(480 968 908)	(81 662 119)	(107 257 335)
Net assets	**3 893 655 719**	**3 853 822 728**	**853 471 147**	**640 285 330**
Net assets attributable to non controlling interest	1 315 276 902	1 262 897 708	288 302 553	209 821 503
Revenue	4 589 961 784	1 708 115 736	1 960 242 584	182 619 673
Profit	123 924 978	1 061 309 794	658 180 994	52 090 029
Other comphrensive income	275 475 738	-	61 431 816	563 406 446
Total comprehensive income	**399 400 716**	**1 061 309 794**	**719 612 810**	**615 496 475**
Profit allocated to non controlling interest	41 861 858	347 791 219	222 333 540	17 069 903
Other comphrensive income allocated to non controlling interest	93 055 704	-	20 751 667	184 628 292
Cashflows from operating activities	412 786 930	355 657 673	189 570 201	70 279 725
cashflows from investing activities	(491 037 749)	(243 796 099)	(5 391 791)	(44 771 982)
Cashflows from financing activities	(47 948 141)	(26 966 910)	(4 066 150)	(3 255 851)
Net increase (decrease in cash and cash equivalents)	**(126 198 960)**	**84 894 664**	**180 112 260**	**22 251 892**

	Inflation adjusted		Historical cost	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
21 BORROWINGS				
GROUP				
At January 1	13 137 472	2 552 614	2 929 691	91 665
Loan received	8 911 475	13 137 472	8 911 475	2 929 691
Interest charged	-	4 548	-	441
Interest paid	-	(4 548)	-	(441)
Loan repayment	(13 137 472)	(2 552 615)	(2 929 691)	(91 665)
Total	**8 911 475**	**13 137 472**	**8 911 475**	**2 929 691**
Current	8 911 475	-	8 911 475	-
Non current	-	13 137 472	-	2 929 691
Total	**8 911 475**	**13 137 472**	**8 911 475**	**2 929 691**
22 CAPITALISED VALUE OF THE PENSION LIABILITY				
GROUP/AUTHORITY				
Opening carrying amount	**1 192 833 160**	**2 638 058 451**	**266 004 940**	**94 733 332**
Capitalised value adjustment	(203 515 751)	(1 445 225 291)	723 312 470	171 271 608
Increase in existing capitalised values	(172 069 408)	(1 388 792 751)	745 512 108	178 105 192
Provision for new pensions	**19 361 017**	**16 446 831**	**7 153 799**	**3 667 687**
new pensions awarded	18 876 482	15 821 516	6 669 264	3 528 240
less capitalised values accrued in prior year	(315 271)	(788 439)	(315 271)	(175 824)
Add new capitalised values accrued	799 806	1 413 754	799 806	315 271
Less pensions paid during the year	(50 807 360)	(72 879 371)	(29 353 438)	(10 501 271)
Closing carrying amount	**989 317 410**	**1 192 833 160**	**989 317 410**	**266 004 940**
23 INSURANCE LIABILITIES-LIFE				
Outstanding claims	6 605 476	11 688 117	6 605 476	2 606 481
Losses incurred but not reported	7 280 626	4 878 915	7 280 626	1 088 011
Commissions	3 970 475	1 723 074	3 970 475	384 250
	17 856 577	**18 290 107**	**17 856 577**	**4 078 742**
24 INSURANCE AND INVESTMENTS CONTRACT LIABILITY				
24.1 Insurance contract				
Policyholders' funds	-	119 490 542	-	26 646 706
Life insurance contract liabilities with DPF	475 700 597	247 069 235	475 700 597	55 097 091
Life insurance contract liabilities without DPF	187 239 101	168 183 791	187 239 101	37 505 429
Total insurance contract liabilities	**662 939 698**	**534 743 568**	**662 939 698**	**119 249 226**
24.2 Investment contract				
Investments contract liabilities with DPF	3 830 934 475	2 741 024 830	3 830 934 475	611 255 766
Investments contract liabilities without DPF	466 918 592	204 658 485	466 918 592	45 639 382
Total investments contract liabilities	**4 297 853 067**	**2 945 683 316**	**4 297 853 067**	**656 895 148**

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

24 INSURANCE AND INVESTMENTS CONTRACT LIABILITY (CONT.)

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 First Mutual Holdings at the commencement of the scheme, were set aside by the Board for purposes of the Share Option Scheme. With effect from August 10, 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

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

Date of grant	Exercise price USD	Number of options
April 30, 2015	0.030	73 613
April 30, 2016	0.022	393 512
August 10, 2017	0.110	2 800 078

In terms of the Share Option Scheme, options were granted on 30 April 2014. The estimated fair value of the options granted on that date was ZWL72 204. The Group recognized total expenses of ZWL278 195 (2019: ZWL11 580 974) 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 (USD)	0.030	0.022	0.110
Exercise price of options (USD)	0.030	0.022	0.110
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 contrctual life	3.25 years	3.25 years	3.25 years
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").

Movement for the year	2020 Number of Shares	2019 Number of Shares
As at 1 January	6 660 054	9 372 133
Options exercised during the year	(3 392 853)	(2 712 079)
As at December 31	3 267 201	703 662
Exercisable	**3 267 201**	**703 662**

Reconciliation of shares exercised

			2020			2019	
Grant date	Lapse date	Exercise price	Number of shares Exercised	Cash Received Total	Exercise price	Number of shares Exercised	Cash Received Total
April 30, 2014	April 30, 2019	0.065	-	-	0.065	-	-
April 30, 2015	April 30, 2020	0.03	-	-	0.03	131 828	3 955
April 30, 2016	April 30, 2021	0.022	236 537	5 204	0.022	1 074 921	23 648
August 10, 2017	August 10, 2022	0.117	3 156 136	369 289	0.117	1 505 330	176 124
			3 392 673	**374 493**		**2 712 079**	**203 727**

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2020

24.3 Share based payments

Share appreciation rights ("SARs") On June 27 2019, the shareholders of First Mutual Holdings 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 First Mutual Holdings'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 December 31, 2020 with the following inputs

The fair value of the SARs was determined using the Black-Scholes model as at December 31, 2020 with the following inputs

	Inflation adjusted		Historical cost	
	2020	2019	2020	2019
Share price at measurement date (cents)	800	139.41	800	31.05
Exercise price (cents)	370	21	370	21
Risk free interest rate	19.14%	15.00%	19.14%	15.00%
Expected volatility	98.00%	83.00%	98.00%	83.00%
Dividend yield	4.70%	0.90%	4.70%	0.90%
Carrying amount of liability included under share based payment liability	**90 961 537**	**22 509 722**	**90 961 537**	**5 017 934**

There were no SARs fully vested in 2019, however one third of the SARs granted in 2019 vested on June 30, 2020 and were fully exercised.

	Inflation adjusted		Historical cost	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Expenses arising from shared based transactions				
Expenses for the year recognised during the vesting period	278 195	13 505 200	135 508	327 201
Share appreciation rights	84 869 173	22 509 722	100 574 466	5 017 934
	85 147 368	**36 014 922**	**100 709 974**	**5 345 135**

24.4 Members assistance fund

	Inflation adjusted 2020	Inflation adjusted 2019	Historical cost 2020	Historical cost 2019
As at January	-	-	-	-
Arising during the year	**14 250 781**	-	**8 322 777**	-
Transfer from saving pot	3 220 109	-	717 804	-
Monetary loss adjustment	(8 430 309)	-	-	-
As at December 31	**9 040 581**	-	**9 040 581**	-

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

25 TAXATION

GROUP

	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost Restated 2019 ZWL
25.1 Taxation charge				
Current income tax charge	84 466 385	61 797 780	84 312 252	13 779 961
Deferred taxation	(299 808 144)	1 703 573 956	685 646 880	266 263 832
Tax charge for the year	**(215 341 759)**	**1 765 371 736**	**769 959 132**	**280 043 793**
Reconciliation of Income tax expense				
Accounting profit	**2 479 953 475**	**675 187 439**	**6 209 149 044**	**1 013 427 914**
Tax at standard rate 24.72% (25.75% 2019)	447 078 983	225 042 953	1 534 901 644	244 231 590
Fair value through profit and loss	(163 722 728)	178 394 639	(252 058 392)	4 748 557
Investment Property taxed at a different rates	(805 500 016)	879 521 347	(951 523 865)	24 609 820
Non taxable income	(751 684 298)	-	(352 390 430)	-
Non deductible differences	(93 920 936)	482 412 797	(50 214 394)	6 453 826
Effect of expenses not deductible for tax purposes	1 950 395 103	-	1 639 232 436	-
Effects of changes on tax rates 24.72% (25.75% 2019)	(50 891 960)	-	(50 891 960)	-
Effects of rebasingt tax bases	(747 095 907)	-	(747 095 907)	-
Tax charge for the year	**(215 341 759)**	**1 765 371 736**	**769 959 132**	**280 043 793**
25.2 Deferred tax liability				
Restated opening balance as at January 1	1 802 964 233	76 062 437	393 222 723	16 435 961
Recognised through profit or loss	(299 808 144)	1 726 901 797	685 646 880	271 887 971
Recognised through other comprehensive income	-	-	344 057 513	104 898 791
acquisition of subsidiary	(3 013 695)	-	(3 013 695)	-
Closing balance as at December 31	**1 500 142 394**	**1 802 964 233**	**1 419 913 421**	**393 222 723**
25.3 Net current tax asset				
Net current tax asset as at January 1	**20 706 791**	**31 852 632**	**4 617 669**	**1 143 836**
Tax asset	(524 509)	(17 309 768)	(116 967)	(621 598)
Tax liability	21 231 300	49 162 401	4 734 636	1 765 434
Charge for the year	84 466 385	161 343 626	84 312 252	13 748 436
Reclassification	-	(49 599 440)	-	(1 710 603)
Paid during the year	(40 427 146)	(122 890 027)	(19 748 876)	(8 564 000)
Monetary gain adjustment	4 435 015	-	-	-
Closing balance as at December 31	**69 181 045**	**20 706 791**	**69 181 045**	**4 617 669**
25.4 Disclosed as: Income tax asset	**(319 297)**	**(524 509)**	**(319 297)**	**(116 967)**
: Income tax liability	69 500 342	21 231 300	69 500 342	4 734 636
	69 181 045	**20 706 791**	**69 181 045**	**4 617 669**

26 DEPOSITS TO CUSTOMERS

	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost Restated 2019 ZWL
Transactional and savings deposits	525 289 584	473 254 695	525 289 584	105 537 045
Term deposits	168 047 111	308 608 561	168 047 111	68 820 523
Money market deposits	6 000 000	40 358 267	6 000 000	9 000 000
	699 336 695	**822 221 523**	**699 336 695**	**183 357 568**
26.1 Deposits by source				
Banks	6 000 000	40 358 267	6 000 000	9 000 000
Corporates	396 889 017	707 776 060	396 889 017	157 835 928
Individuals	296 447 678	74 087 196	296 447 678	16 521 640
	699 336 695	**822 221 523**	**699 336 695**	**183 357 568**
26.2 Maturity analysis				
Less than 1 month	530 500 589	643 881 829	530 500 589	143 587 346
1 month to 3 months	6 206 995	40 345 985	6 206 995	8 997 261
3 months to 6 months	2 366 751	30 634 391	2 366 751	6 831 550
6 months to 1 year	3 454 099	59 465 579	3 454 099	13 260 981
1 year to 5 years	83 357 208	3 008 287	83 357 208	670 856
More than 5 years	73 451 053	44 885 451	73 451 053	10 009 574
	699 336 695	**822 221 523**	**699 336 695**	**183 357 568**

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

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2020

	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
27 TRADE AND OTHER PAYABLES				
GROUP				
27.1 Trade payables				
Claims payables	163 577 473	240 413 874	163 577 473	53 612 928
Contribution payables	17 503 918	28 233 428	17 503 918	6 296 129
Insurance payables	1 544 728 204	1 149 668 430	1 544 728 204	256 379 092
Hotel services payables	241 510 100	41 509 662	241 510 100	9 256 764
	1 967 319 695	**1 459 825 395**	**1 967 319 695**	**325 544 913**
27.2 Other payables				
Provision for leave pay	210 258 607	77 466 375	210 258 607	17 275 206
Staff costs accrual	81 768 914	-	81 768 914	-
Sundry payables	548 754 649	930 036 140	548 754 649	207 400 512
Deferred income	4 252 444	13 464 002	4 252 444	3 002 508
	845 034 614	**1 020 966 518**	**845 034 614**	**227 678 226**
Total trade and other payables	**2 812 354 309**	**2 480 791 912**	**2 812 354 309**	**553 223 139**
AUTHORITY				
27.1 Trade payables				
Claims payables	17 503 918	240 413 874	17 503 918	53 612 928
Contribution payables	163 577 472	28 233 428	163 577 472	6 296 129
	181 081 390	**268 647 303**	**181 081 390**	**59 909 057**
27.2 Other payables				
Provision for leave pay	116 762 364	77 466 375	116 762 364	17 275 206
Sundry payables	71 231 783	75 425 785	71 231 783	16 820 149
Deferred income	-	2 337 687	-	521 311
	187 994 147	**155 229 848**	**187 994 147**	**34 616 666**
Total trade and other payables	**369 075 537**	**423 877 151**	**369 075 537**	**94 525 723**
28 UNEARNED PREMIUM RESERVE				
As at January	535 016 417	382 251 636	51 176 173	12 930 002
Movement	231 425 995	152 764 781	27 471 259	7 897 748
Effects of exchange rates on FMRE Botswana	17 265 685	-	137 021 787	30 348 423
Acquistion of subsidiary	46 199 889	-	46 199 889	-
As at December 31	**829 907 986**	**535 016 417**	**261 869 108**	**51 176 173**
29 REVENUE				
Rooms revenue	535 760 524	997 541 010	358 364 232	107 329 994
Food, beverages and conferencing	556 067 653	994 463 010	371 947 444	106 998 952
Other operating activities	14 526 910	46 713 806	9 716 888	5 026 293
	1 106 355 087	**2 038 717 826**	**740 028 564**	**219 355 239**
Revenue represents amounts invoiced for sales, less value added tax as appropriate.				
29.1 Cost of sales				
Opening stock	56 571 498	20 640 794	12 611 083	2 338 890
Purchases	343 666 155	531 838 799	231 293 472	62 442 709
Less Closing stock.	(56 682 143)	(56 571 498)	(27 720 785)	(12 611 083)
	343 555 510	**495 908 095**	**216 183 770**	**52 170 516**
30 INVESTMENTS INCOME				
GROUP				
Interest income	64 994 851	414 437 596	36 701 698	34 348 031
Dividend received	530 191 854	755 479 016	452 128 311	64 282 223
Gain from disposal of quoted investments at fair value through profit or loss	-	49 462 859	-	3 446 983
Rental income	522 026 214	385 635 090	341 440 018	36 305 879
Bad debts recovered	7 194 382	-	7 194 382	-
Sundry investment income	-	231 476 191	-	19 802 477
	1 124 407 301	**1 836 490 752**	**837 464 409**	**158 185 593**

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2020

30 INVESTMENTS INCOME

AUTHORITY

	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
Interest income	59 869 540	333 490 581	29 891 224	28 706 968
Dividend received	497 245 226	710 141 857	413 012 166	61 122 752
Rental income	149 657 334	150 280 088	110 458 910	13 017 444
Bad debts recovered	7 194 382	39 054 547	7 194 382	3 194 846
Sundry investment income	-	192 421 644	-	16 607 641
	713 966 482	**1 425 388 717**	**560 556 682**	**122 649 651**

31 NET WRITTEN PREMIUM

GROUP

	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
Pension and savings business	342 802 908	452 016 923	198 697 891	43 964 264
Life assurance	176 665 337	207 348 131	114 642 206	20 167 183
Health insurance	1 998 371 807	1 373 798 219	1 425 527 630	133 618 952
Property and casualty	3 425 825 549	3 777 527 047	2 388 362 789	367 411 459
Gross premium written	5 943 665 601	5 810 690 321	4 127 230 516	565 161 858
Less: reinsurance	(1 538 012 452)	(1 400 222 579)	(1 183 180 521)	(163 872 559)
	4 405 653 149	**4 410 467 741**	**2 944 049 995**	**401 289 299**

32 FEE INCOME

GROUP

	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
Insurance contracts	197 714 330	29 912 730	123 685 090	3 233 686
Investment contracts	1 677 846	118 290 390	601 540	12 604 403
Investment contracts with discretionary participating features	1 610 930	111 930 748	(8 924 956)	12 101 708
Investment contracts without discretionary participating features	66 916	6 359 642	9 526 496	502 695
	199 392 176	**148 203 120**	**124 286 630**	**15 838 089**

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

GROUP

	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
33.1 Interest income				
Loans and advances	72 217 160	185 660 320	51 589 465	14 504 172
Money market placements	16 408 890	40 664 725	6 985 723	3 311 220
	88 626 050	**226 325 045**	**58 575 188**	**17 815 392**
33.2 Interest expense				
Money market deposits	8 749 972	49 013 147	5 079 184	3 809 832
Borrowings	5 050 695	33 282 808	2 476 478	2 356 180
Savings deposit	28 860	225 648	14 695	12 140
	13 829 527	**82 521 603**	**7 570 357**	**6 178 152**
	74 796 523	**143 803 443**	**51 004 831**	**11 637 240**

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2020

34 OPERATING EXPENSES

GROUP	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
Actuarial valuation fees	14 742 477	26 713 523	11 401 995	3 167 801
Advertising and publicity	206 203 397	286 518 959	266 414 326	24 832 164
Impairment allowances (note 18)	360 613 176	-	360 613 176	-
Amortisation of software (note 12)	11 258 798	13 610 144	2 592 119	520 414
Audit fees	51 543 813	21 640 367	33 793 071	8 555 106
Bad debts	4 186 130	3 062 802	4 186 130	683 013
Bank charges	89 051 809	142 011 033	72 571 699	9 564 375
Cleaning and sundries	399 676 224	70 216 246	328 548 154	24 837 129
Clothing and uniforms	7 454 375	10 617 404	4 166 765	737 618
Commission	4 616 708	13 332 344	2 823 556	1 049 755
Computer charges	158 182 139	212 860 697	123 369 961	19 519 837
Conferences and functions	1 331 121	18 771 425	1 273 141	2 254 358
Consultancy	8 394 812	18 926 374	6 415 936	2 705 749
Data clean up costs	296 846	-	296 846	-
Depreciation property plant and equipment (note 5)	387 417 227	134 900 629	110 847 724	8 235 019
Depreciation rights of use asset (note 6)	115 859 738	16 233 379	17 325 160	2 226 094
Electricity and water	50 309 744	119 354 488	34 422 155	4 649 084
Entertainment and Promotion	17 594 840	20 250 304	11 834 596	1 617 902
Equipment hiring costs	-	12 278 285	-	834 784
Guarantees called and paid	-	15 251 950	-	606 279
Fees	33 991 807	43 414 231	25 816 354	7 661 947
Insurance	34 514 626	40 781 774	23 678 778	3 598 233
Interest expense	25 972 046	46 863 379	12 442 115	316 414
Legal fees	22 495 530	45 132 489	15 266 211	3 203 754
License fees	52 317 361	-	35 060 461	-
Loss on disposal of assets	-	39 722	-	3 858
Mailing expenses	3 266 762	8 210 867	2 178 068	733 320
Motor vehicle expenses	85 641 329	81 410 925	62 607 618	7 484 961
Penalties and interest	54 153	78 053	35 595	33 958
Printing and stationery	21 589 135	252 329 873	12 986 031	3 374 033
Professional fees	8 940 771	30 486 985	6 189 643	1 363 739
Project costs	16 181 629	29 692 232	12 289 745	5 140 777
Reinsurance	1 145 877	1 044 687	726 500	74 750
Rent and rates	62 259 391	42 249 010	47 520 991	3 991 114
Repairs and maintenance- buildings	49 865 592	175 065 159	36 839 854	13 615 804
Repairs and maintenance- computers	2 538 386	45 755 239	33 762 197	4 244 330
Repairs and maintenance-furniture and equipment	2 908 349	1 721 581	1 893 036	198 820
Security charges	55 638 243	54 613 764	40 363 308	5 187 932
Share Based payments	-	53 832 547	-	3 660 000
Shows and exhibitions	1 956 690	12 574 161	1 376 129	1 106 826
Social responsibility	5 539 891	60 378 032	4 782 994	1 311 372
Staff social activities	8 380 009	28 296 638	5 394 141	3 368 225
Subscriptions	44 284 144	24 053 445	26 081 768	4 542 273
Telephone expenses	36 511 471	24 667 013	27 238 501	2 736 489
Training, education and seminars	4 852 099	29 624 682	2 929 000	2 508 163
Travelling expenses	62 047 981	157 119 336	45 901 380	20 038 529
Property valuation fees	5 510 297	369 036	3 783 946	54 333
Value added tax	23 741 580	14 328 763	18 031 435	4 266 841
Works Council expenses	2 850 032	1 094 839	1 810 218	86 884
	2 563 728 555	**2 461 778 814**	**1 899 882 527**	**220 504 160**

34.1 LOSS ON DISPOSAL OF INVESTMENTS

	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
Loss on disposal of other equity instruments	138 789 688	-	193 600 610	-
Loss on disposal of associates	1 547 081 845	-	1 116 150 497	
Loss on other investments	8 291 548	-	4 535 209	-
	1 694 163 081	**-**	**1 314 286 316**	

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2020

34 OPERATING EXPENSES

AUTHORITY

	Inflation adjusted		Historical cost	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Actuarial valuation fees	2 198 146	9 449 216	1 874 731	1 362 000
Advertising and publicity	29 145 152	29 195 646	24 206 142	3 282 448
Impairment allowances	140 667 395	36 909 513	140 667 395	7 315 926
Audit fees	1 088 493	5 685 587	696 151	435 858
Bad debts	-	3 062 802	-	683 013
Bank charges	30 542 950	29 240 654	21 722 430	3 175 390
Cleaning and sundries	34 232 834	21 625 300	21 401 167	2 298 494
Clothing and uniforms	4 811 708	2 540 692	2 430 673	188 493
Commission	4 369 910	9 083 368	2 658 142	760 873
Computer charges	23 118 367	28 343 813	18 389 540	2 636 430
Conferences and functions	173 351	5 142 042	162 276	1 122 657
Consultancy	670 079	2 308 112	424 809	259 518
Data clean up costs	296 846	-	296 846	-
Depreciation	220 855 675	32 614 300	58 962 552	2 339 826
Electricity and water	14 698 817	12 559 932	10 330 051	1 535 308
Entertainment and promotion	463 090	809 300	352 190	73 075
Garantees called and paid	-	15 251 950	-	606 279
Insurance	20 650 710	16 822 877	14 499 335	1 969 301
Legal fees	10 844 991	30 581 212	7 222 133	2 214 433
Loss on disposal of assets	-	39 722	-	3 858
Mailing expenses	2 175 381	2 327 053	1 446 579	259 780
Motor vehicle expenses	79 000 011	57 283 116	60 282 048	5 844 545
Penalties and interest	-	78 053	-	9 163
Printing and stationery	16 568 222	30 521 845	9 523 072	2 454 482
Professional fees	4 196 728	11 033 103	2 829 782	1 363 739
Reinsurance	1 145 877	1 044 687	726 500	74 750
Rent and rates	12 701 378	11 533 339	10 132 850	856 987
Repairs and maintenance- buildings	14 474 225	15 890 956	10 109 623	1 522 714
Repairs and maintenance- computers	47 309 599	45 755 239	31 730 650	4 244 330
Security charges	20 247 605	19 632 961	14 416 149	2 278 642
Shows and exhibitions	668 577	12 574 161	512 782	1 106 826
Social responsibility	5 247 096	19 147 374	4 586 751	1 311 372
Staff social activities	2 655 975	6 405 301	1 046 809	565 010
Subscriptions	10 408 641	8 619 158	6 590 792	1 012 675
Telephone expenses	18 565 970	12 630 842	14 070 424	1 316 829
Training, education and seminars	4 642 598	15 995 300	2 904 312	1 581 520
Travelling expenses	39 406 428	95 948 771	27 044 459	10 268 037
Valuation fees	5 068 617	-	3 432 682	-
Works Council expenses	288 903	1 094 839	93 643	86 884
	825 280 183	**660 503 716**	**528 846 090**	**68 620 268**

34.1 LOSS ON DISPOSAL OF INVESTMENTS

	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
Loss on disposal of associates	1 547 081 845	-	1 116 150 497	-
Loss on sale of other investments	8 291 548	-	4 535 209	-
	1 555 373 393	**-**	**1 120 685 706**	**-**

35 STAFF COSTS

GROUP

	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
Basic salary	447 244 663	598 976 721	480 636 982	100 535 027
Staff pension	17 327 162	27 688 309	35 883 823	4 410 367
Other staff expenses	967 083 655	815 159 804	986 103 881	93 395 728
	1 431 655 480	**1 441 824 834**	**1 502 624 686**	**198 341 122**

AUTHORITY

	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
Basic salary	341 803 591	252 752 831	261 801 304	27 993 522
Staff pension	12 739 736	7 825 177	9 728 583	874 363
Other staff expenses	738 958 558	375 585 039	391 202 720	41 594 065
	1 093 501 885	**636 163 046**	**662 732 607**	**70 461 950**

Notes to the Consolidated Financial Statements (cont.)
for the year ended December 31, 2020

36 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.

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

Scheme entities	Nature of relationship
Africom Continental (Private) Limited	Investee company
CBZ Holdings Limited	Investee company
CFI Holdings Limited	Investee company
Dubury Investments	Investee company
FBC Holdings Limited	Investee company
Fidelity Life Limited	Investee company
First Mutual Holdings Limited	Investee company
National Building Society	Investee company
Nicoz Diamond Assurance Limited	Investee company
OK Zimbabwe Limited	Investee company
Rainbow Tourism Group	Investee company
Star Africa Corporation	Investee company
Turnall Holdings Limited	Investee company
ZB Financial Holdings Limited	Investee company

Key Management Personnel

Board Members
From 8 February 2019 to 2 November 2020

Dr. Cuthbert Chidoori	Chairman
Dr. Pricilla Mujuru	Member
Mrs. Cecilia Alexander	Member
Commissioner Ozias Hove	Member
Mr. Phillip M.Hamadziripi	Member
Mrs. Natsai Gurupira	Member
Mrs Jemina Mateko	Member
Mr Thomas Masvingwe	Member
Mr. Arthur Manase	Member

From 2 November 2020

Mr. Clifford Matorera	Chairman
Mr. Andrew Bvumbe	Member
Mr. Arthur Manse	Member

Executive Management

Mr Arthur Manase	Acting General Manager
Mr. David Makwara	Director Investments/ Acting Director Finance and Operations
Ms. Hope Mulilo	Finance and Cost Management Executive
Ms Agnes Masiiwa	Acting Director Contributions, Collections and Compliance
Mr. Shepherd Muperi	Acting Chief Social Security Officer (1 January 2020 - 31 August 2020)
Mrs. Tambudzai Jongwe	Chief Social Security Officer (1 September 2020)
Mr Isaac Isaki	Chief Investment Officer
Mr. Francis Nyambiri	Chief Properties Investments Officer
Dr. Betty Nyereyegona	Chief Occupational Safety and Health / Rehabilitation Centre Officer
Mr. Andrew Nyakonda	Chief Audit Executive
Ms Prudence Mutsvanga	Group Legal Advisor and Corporate Governance Executive from October 2020
Mr. Tendai Mutseyekwa	Marketing, Communications, Corporate Social Responsibility (CSR) and Public Relations Executive
Mrs. Perpetua Chimeura	ICT and Digital Strategy Executive
Mr Best Shadaya	Acting Human Capital and Talent Management Executive
Mr. Charles Nyika	Supply Chain and Administration Services Executive Up to April 2020
Mr. Alexander Kamusoko	Supply Chain and Administration Services Executive from May 2020
Takudzwa Takawira	Group Legal Advisor and Corporate Governance Executive Up to October 2020

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.

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

36 RELATED PARTIES

	Inflation adjusted		Historical cost	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
36.1 Compensation to key management personnel to NSSA				
Non Executive Directors' fees				
Chairman	423 492	864 910	326 400	71 830
Deputy Chairman	356 115	637 818	274 470	52 970
Other	1 583 748	2 757 042	1 220 650	279 793
	2 363 355	**4 259 770**	**1 821 520**	**404 593**
36.2 Executive short term benefits				
General Manager	15 552 062	8 162 088	6 426 472	609 594
Director Finance	10 340 224	7 376 664	4 272 820	550 934
Other	56 264 468	60 633 001	23 249 780	4 796 624
	82 156 754	**76 171 753**	**33 949 072**	**5 957 152**
36.3 The Authority has advanced loans to related parties as follows :				
Loans and advances				
National Building Society	39 375 028	218 224 939	39 375 028	35 140 892
Rainbow Tourism Group	-	40 102 174	-	6 457 677
	39 375 028	**258 327 113**	**39 375 028**	**41 598 569**
Other receivables				
National building Society (staff Loans)	**25 044 907**	**42 886 539**	**25 044 907**	**6 906 045**

37 PRIOR YEAR ADJUSTMENT

During the preparation of the 2020 Group financial accounts, Management noted the following errors on the 2019 inflation adjusted accounts and historical costs and the errors were corrected as shown below

	Inflation adjusted
	Restated 2019 ZWL
37.1 Associates	
Associates balance as peviously stated (inflation adjusted)	6 518 363 579
First Mutual recapitalisation previously omitted on	96 260 077
Restated balance as at December 31, 2019	**6 614 623 656**

A recapitalisation of the associate of ZWL21million (ZWL96million inflation adjusted) was omitted

37.2 Non Current liabilities	
Non Current liabilities as previously stated	6 507 651 854
Understatement	132 023 820
Restated balance as at December 31, 2019	**6 639 675 674**

There was an understatement of non current liabilities by ZWL29 million (ZWL132 million inflation adjusted) in the 2019 inflation adjusted accounts

37.3 Current liabilities	
Current liabilities as previously stated	3 859 261 152
Understatement	11 738 619
Restated balance as at December 31, 2019	**3 870 999 771**

Current liabilities were understated by ZWL2.6 million (ZWL11.7 million inflation adjusted) on the inflation adjusted accounts.

37.4 Inventory	
Inventory as previously stated	670 192 980
Residential stands omitted	300 260 690
Restated balance as at December 31, 2019	**970 453 670**

Inventory amounting to ZWL66.8 million (ZWL300 million inflation adjusted) was omitted on the inflation adjusted accounts.

Notes to the Consolidated Financial Statements (cont.)

for the year ended December 31, 2020

37 PRIOR YEAR ADJUSTMENT

37.5 Accumulated fund

	Inflation adjusted Restated 2019 ZWL
Accumulated fund as previously stated	15 112 075 530
Prior year adjustments	**252 758 328**
First Mutual recapitalisation omitted	96 260 077
Liabilities understated	(143 762 439)
Inventory omitted	300 260 690
Restated balance as at December 31, 2019	**15 364 833 858**

37.6 Property plant and equipment

	Historical cost Restated 2019 ZWL
Property plant and equipment as previously stated	966 317 638
Understatement of Property plant and equipment by tax on revaluation surplus	104 898 791
Restated historical balance as at December 31, 2019	**1 071 216 429**
Deferred taxation	
Deferred expenditure as previously stated	288 323 932
Understatement of deferred tax by the tax on revaluation surplus	104 898 791
Restated historical balance as at December 31, 2019	**393 222 723**

Property plant and equipment was understated by tax on revaluation on surplus on the 2019 historical accounts.
The overall impact of these errors on the 2019 inflation and historical accounts is ZWL396 million and ZWL104.8 million respectively.

38 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 of 2020

Out of the 3.165 million registered insured persons to the POBS, 1.334 million were active and 1.898 million were inactive contributors as at December 31, 2020.

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.

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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Harare, Zimbabwe

Ref: **SB 18**

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 31,2020

Report on the Audit of the Financial Statements

Qualified Opinion on the Financial Statements

I have audited the accompanying financial statements of the National Social Security Authority's Pensions and Other Benefits Scheme (the Scheme), as set out on pages 114 to 142 which comprise the statement of financial position as at December 31, 2020, 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's Pensions and Other Benefits Scheme as at December 31, 2020, 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

Non-Compliance with IAS 21- "The Effects of Changes in Foreign Exchange Rates"

Opening balances

The prior year financial statements did not comply with the requirements of IAS 21, "The effects of changes in foreign exchange rates" on the opening balances as the Scheme had been unable to use an appropriate exchange rate on change of functional currency. The Scheme translated its comparative financial statements using the interbank rate which came into existence on February 22, 2019 through Exchange Control Directive RU 28 of 2019 issued by the Reserve Bank of Zimbabwe.

The Scheme adopted January 1, 2019 as the date of change in functional currency and translated its foreign denominated balances to ZWL at a rate of USD1 : 1RTGS. Statutory Instrument 33 of 2019 prescribed that all assets and liabilities that were denominated in USD before February 22, 2019 be deemed to be RTGS dollars at a rate of 1:1 and all transactions subsequent to February 22, 2019 at interbank rate starting at USD1: 2.5RTGS. The Scheme's inability to assess the appropriateness of using the interbank rate in achieving fair presentation was primarily due to the fact that there were no observable foreign exchange market rates between October 2018 and February 2019. In that regard the Scheme's 2020 opening balances misstatements have an impact on the current year financial statements. Had the financial statements been prepared in accordance with the requirements of IAS 21, many elements would have been materially affected. As a result, the impact of the Scheme's inability to comply with IAS 21 has been determined as significant.

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

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 the 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, 2020. 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.

Key Audit Matter	How my audit addressed the Key Audit Matter
Revenue recognition . Refer to note 3.1 and 15 to the financial statements. The Pensions and Other Benefits Scheme recognized revenue amounting to ZWL4.11 billion for the year ended December 31, 2020. 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 a 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 evaluated 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 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. I found management's revenue recognition criteria appropriate.
Valuation of property, plant and equipment, refer to note 2.6.1. and note 4 to the financial statements. The Pensions and Other Benefits Scheme recognized property, plant and equipment with a carrying amount of ZWL1.1 billion as at December 31, 2020 after adjusting for depreciation and revaluation gains. A valuation expert was engaged to conduct the revaluation of the Scheme's motor vehicles and buildings. Valuation techniques adopted takes into account valuer's assumptions, unobservable inputs and therefore requires significant judgement in determining the fair value of the assets. The useful life and residual values are also reviewed at year end by management with reference to current, forecast and relevant technical factors. This involves a significant degree of management judgment and assumptions. Therefore, valuation of property, plant and equipment were considered to be a key audit matter due to the factors mentioned above.	**Audit procedures that I performed to address the risk of material misstatement relating to the valuation of property, plant and equipment included;** • Critically evaluated the methodology and assumptions used by the Scheme when performing the valuation. • Analysed and tested property valuer's assumptions used to determining the recoverable amounts in testing for impairment, • Evaluated property valuer's estimates regarding useful lives and residual values of these assets in relation to the Scheme's historical experience , industry practice and future operating plans. • Inspected documentary evidence of the state / condition of property, plant and equipment. Based on evidence gathered, I found management's assumptions in relation to useful lives and the revalued carrying amounts of property, plant and equipment reasonable.

Other Matter

Forensic audit had been conducted into the operations of National Social Security Authority at the request of the Ministry of Public Service, Labor and Social Welfare for the period January 2020 to October 2022. At the time of concluding the 2020 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 Pensions and Other Benefits Scheme's 2020 annual report other than the Schemes financial statements and my auditor's report thereon ("the Other Information").

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

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

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 Scheme'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 Scheme 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 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.

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

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 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 Public Finance Management Act [*Chapter 22 : 19*], the National Social Security Authority Act [*Chapter 17:04*] and other relevant Statutory Instruments.

31 July, **2023.**

R. KUJINGA,
ACTING AUDITOR-GENERAL.

Pensions and Other Benefits Scheme
Statement Of Financial Position
as at December 31, 2020

		Inflation adjusted		Historical cost	
	Note	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Assets					
Non current assets		**33 603 765 858**	**21 097 717 765**	**31 615 880 568**	**4 445 885 599**
Property, plant and equipment	4	1 087 949 317	844 791 614	997 457 762	195 899 355
Investment property	5	10 430 318 896	6 987 716 173	10 430 318 896	1 541 208 709
Financial assets at fair value through profit or loss	6.1	643 002 067	372 255 634	643 002 067	83 013 988
Financial assets at fair value through other comprehensive income	6.2	13 441 989 685	3 171 142 452	13 441 989 685	707 173 134
Investments in associates	7	7 765 629 135	8 518 386 502	5 875 324 484	1 651 599 092
Intangible assets	8	7 353 138	7 353 138	264 053	264 053
Financial assets measured at amortised cost	9	227 523 620	1 196 072 252	227 523 621	266 727 268
Current assets		**2 812 656 364**	**1 624 333 127**	**2 802 460 971**	**359 566 841**
Inventory	10	17 375 247	21 133 187	7 179 854	2 049 025
Trade and other receivables	11	1 021 793 941	369 695 427	1 021 793 941	82 443 055
Cash and cash equivalents	12	1 773 487 176	1 233 504 513	1 773 487 176	275 074 761
Total assets		**36 416 422 222**	**22 722 050 892**	**34 418 341 539**	**4 805 452 440**
Equity and liabilities					
Equity		**36 098 906 708**	**22 367 340 994**	**34 100 826 025**	**4 726 351 170**
Non distributable reserve		3 963 145 771	3 963 145 771	142 317 546	142 317 546
Other components of reserves	13	9 980 775 122	4 197 617 968	15 901 747 620	1 407 952 647
Accumulated fund		22 154 985 815	14 206 577 255	18 056 760 859	3 176 080 977
Current liabilities		**317 515 514**	**354 709 898**	**317 515 514**	**79 101 270**
Trade and other payables	14	317 515 514	354 709 898	317 515 514	79 101 270
Total equity and liabilities		**36 416 422 222**	**22 722 050 892**	**34 418 341 539**	**4 805 452 440**

31 July, 2023.

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

31 July, 2023.

Dr.C. Shava,
(Acting General Manager)

31 July, 2023.

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

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Pensions and Other Benefits Scheme
Statement of Profit or Loss and Other Comprehensive Income
for the year ended December 31, 2020

	Note	Inflation adjusted		Historical cost	
		2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Income		4 114 649 857	6 089 284 540	3 248 388 841	492 268 607
Contributions	15.1	3 582 470 794	4 982 800 049	2 819 167 311	398 678 877
Investment income	15.2	525 087 611	1 028 337 515	422 975 806	90 168 995
Sundry income	15.3	7 091 452	78 146 976	6 245 724	3 420 735
		3 496 026 171	3 691 108 674	9 229 775 899	1 598 557 340
Fair value gain on remeasurement of investment property	5	3 467 353 142	2 735 713 597	8 897 582 958	1 385 501 717
Fair value gain on financial assets at fair value through profit and loss	6.1	287 187 848	163 237 091	587 983 559	36 402 302
Exchange rate gain	15.4	742 445 878	771 739 219	742 445 878	172 099 882
Loss on disposal of Investments	16.1	(1 000 960 697)	-	(998 236 496)	-
Decrease in allowances for credit losses	11.3	-	20 418 767	-	4 553 439
Total expenditure		2 277 001 725	18 897 162 059	2 049 624 497	375 061 909
Claims		1 763 215 571	3 291 532 284	1 199 007 446	276 670 225
Retirement grant		5 368 096	88 466 339	2 311 075	5 521 566
Retirement pension		756 798 560	1 878 660 167	482 855 781	147 690 227
Survivors' grant		1 584 157	24 572 507	712 779	1 509 969
Survivors' pension		363 129 858	930 740 822	231 341 220	72 969 319
Invalidity grant		-	26 941	-	1 089
Invalidity pension		10 621 515	37 610 712	6 767 804	2 804 962
Funeral grant		15 014 793	33 475 617	7 564 221	2 606 092
Funeral assurance		4 028 311	14 112 542	2 216 874	967 139
Refund contributions		605 471 895	2 297 323	251 755	213 542
Bonus pensions		971 195	280 721 436	464 596 013	42 211 226
Travel and subsistence patients		6 545	271 983	204 356	60 653
Medical services		220 646	575 895	185 568	114 441
Operating expenses		513 786 154	15 605 629 775	850 617 051	98 391 684
Administration costs	16	586 585 726	489 816 423	396 778 167	48 263 294
Staff costs	17	621 228 781	451 152 518	452 264 412	49 789 403
Directors' fees	19.1	2 052 749	3 650 216	1 574 472	338 986
Net monetary movement		(696 081 102)	14 661 010 618	-	
Profit before share of profit from associates		5 333 674 303	(9 116 768 845)	10 428 540 244	1 715 764 039
Share of profit from associates	7	2 614 734 257	777 094 423	4 452 139 638	655 707 276
Surplus/(Deficit) for the year after share of profit from associates		7 948 408 560	(8 339 674 422)	14 880 679 882	2 371 471 315
Other comprehensive income		5 783 157 155	3 080 077 412	14 493 794 972	1 196 091 198
Items that will not be reclassified to profit or loss		(370 269 923)	1 976 441 918	3 156 492 290	949 977 572
Revaluation surplus on property and equipment	4	219 655 686	551 131 635	735 232 344	180 894 226
Share of other comprehensive income/(loss) from associates	7	(589 925 609)	1 425 310 283	2 421 259 946	769 083 346
Items that may be reclassified subsequently to profit or loss		6 153 427 077	1 103 635 494	11 337 302 681	246 113 626
Net gain from financial assets at fair value through other comprehensive income	6.2.1	6 153 427 077	1 035 004 172	11 337 302 681	230 808 660
Functional currency translation reserve	6.2.1	-	68 631 323	-	15 304 966
Total comprehensive income for the year		13 731 565 715	(5 259 597 009)	29 374 474 853	3 567 562 513

Pensions and Other Benefits Scheme Statement Of Changes In Equity

for the year ended December 31, 2020

	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, 2019	3 965 652 024	22 546 251 677	890 995 499	-	226 545 056	-	27 629 444 256
Total comprehensive income	-	(8 339 674 422)	1 035 004 172	68 631 323	1 425 310 283	551 131 635	(5 259 597 010)
Land reversal Karoi	(2 506 253)	-	-	-	-	-	(2 506 253)
Closing balance as at December 31,2019	3 963 145 771	14 206 577 255	1 925 999 671	68 631 323	1 651 855 339	551 131 635	22 367 340 993
Balance as at January 1, 2020	3 963 145 771	14 206 577 255	1 925 999 671	68 631 323	1 651 855 339	551 131 635	22 367 340 993
Total comprehensive income	-	7 948 408 560	6 153 427 077	-	(589 925 609)	219 655 686	13 731 565 714
Closing balance as at December 31, 2020	3 963 145 771	22 154 985 815	8 079 426 748	68 631 323	1 061 929 730	770 787 321	36 098 906 708
Historical cost							
Opening balance as at January 1, 2019	142 407 546	804 609 662	198 694 345	-	8 135 289	5 031 817	1 158 878 659
Land reversal Karoi	(90 000)	-	-	-	-	-	(90 000)
Total comprehensive income	-	2 371 471 315	230 808 660	15 304 966	769 083 346	180 894 226	3 567 562 513
Closing balance as at December 31, 2019	142 317 546	3 176 080 977	429 503 005	15 304 966	777 218 635	185 926 043	4 726 351 172
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	735 232 344	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	921 158 387	34 100 826 025

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Pensions and Other Benefits Scheme
Statement of Cash Flows
for the year ended December 31, 2020

	Note	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
Cashflow from operating activities					
Surplus for the year before share of profit from associates		5 333 674 303	(9 116 768 845)	10 428 540 244	1 715 764 039
Adjusted for non cash items:					
Depreciation expense	4	102 254 202	59 696 544	27 510 228	1 222 200
Impairment provision		103 197 875	222 501 027	103 197 875	59 067 078
Investment income	15.2	(525 087 611)	(1 028 337 515)	(422 975 806)	(90 168 995)
Profit on disposal of property, plant and equipment		(72 621)	-	(72 621)	-
Fair value gain on remeasurement of investment property	5	(3 467 353 142)	(2 735 713 597)	(8 897 582 958)	(1 385 501 717)
Fair value gain on financial assets at fair value through profit or loss		(287 187 848)	(163 237 091)	(587 983 559)	(36 402 302)
Monetary gain/loss		(696 081 102)	14 661 010 618	-	-
Exchange rate gain	15.4	(742 445 878)	(771 739 219)	(742 445 878)	(145 623 227)
Loss on disposal of investments	16.1	1 000 960 697	-	998 236 496	-
Loss on disposal of investment property		-	783 901	-	28 150
Cash generated before working capital changes		**821 858 875**	**1 128 195 823**	**906 424 021**	**118 385 225**
Working capital changes					
Increase/ (Decrease) in inventories		3 757 940	(14 011 462)	(5 130 829)	(1 793 282)
(Increase) in trade and other receivables		(652 098 514)	(434 662 355)	(939 350 885)	(96 930 852)
(Decrease)/increase in trade and other payables		(37 194 384)	(995 712 322)	238 414 244	30 607 269
		(685 534 957)	(1444 386 139)	(706 067 470)	(68 116 865)
Net cash generated from operating activities		**136 323 918**	**(316 190 317)**	**200 356 550**	**50 268 360**
Cashflow from investing activities					
Additions to property and equipment	4	(125 756 222)	(32 522 072)	(93 836 292)	(4 706 084)
Additions to investment property	5	(5 702 464)	(22 881 070)	(3 154 998)	(3 838 191)
Receipts from financial assets measured at amortised cost		968 548 632	88 545 253	39 203 648	19 745 825
Proceeds from disposal of investments in associates		1 651 170 574	-	1 584 261 724	-
Purchase of financial assets at fair value through profit and loss		(16 441 416)	(735 587)	(1 972 002)	(26 416)
Purchase of financial assets at fair value through other comprehensive income		(861 506 188)	(56 094 883)	(815 712 518)	(5 438 829)
Proceeds from disposal of property, plant and equipment		72 621	-	72 621	-
Purchase of financial assets measured at amortised cost		-	(12 666 255)	-	(2 827 139)
Investment income		525 087 611	1 028 337 515	422 975 806	90 168 995
Net cash inflows/ (outflows) from investing activities		**2 135 473 148**	**991 982 900**	**1 131 837 990**	**93 078 161**
Net cash inflow for the year		**2 271 797 065**	**675 792 584**	**1 332 194 540**	**143 346 521**
Cash and cash equivalents at the beginning of the year		1 233 504 513	3668 263 186	275 074 761	131 728 240
Effect of inflation and exchange on cash and equivalents		(1 731 814 402)	(3 110 551 257)	166 217 875	-
Cash and cash equivalents at the end of the year	12	**1 773 487 176**	**1 233 504 513**	**1 773 487 176**	**275 074 761**

Pensions and Other Benefits Scheme
Notes to the Financial Statements
for the year ended December 31, 2020

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] 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

The basis of preparation for the Pension and Other Benefits Scheme is the same as assumes under the consolidated financial statement and as such has not been repeated in this section.

2.1 Going concern assumption

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

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

2.2.1 New and revised standards in issue for the December 31, 2020 reporting period 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)

2.2.1.1 Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual periods beginning on or after January 1, 2020)

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.

2.2.1.2 Amendments to IAS 1 and IAS 8 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.

2.2.1.3 Amendments to IFRS 9, IAS39 and IFRS 7

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 cash flows of the hedged item or hedging instrument.

2.2.1.4 Amendments to IFRS 16

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

2.2.2 New standards, amendments and interpretations issued and effective for December 31, 2020-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, 2020:

a) Amendments to IAS 16 'Property, Plant and Equipment' on Proceeds before Intended Use (effective January 1, 2022).
b) Amendments to IFRS 3 'Reference to the conceptual Framework' (effective January 1, 2022).
c) Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' on Onerous Contracts—Cost of Fulfilling a Contract (effective January 1, 2022).
d) Amendments to IAS1 'Classification of Liabilities as Current or Non-current' (effective January 1, 2022).
e) IFRS 17 Insurance Contracts (effective January 1, 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:

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2020

2.2.2.1 Amendments to IAS 16

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.

2.2.2.2 Amendments to IFRS 3

The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

Further, an addition on the exception to the recognition principle of IFRS 3 to avoid the issue of potential "day 2" gains or losses arising for liabilities and contingent liabilities within the scope of IAS37 or IFRIC 21 Levies when incurred separately. The board also clarified the existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation of Financial Statements.

2.2.2.3 Amendments to IAS 37

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.

2.2.2.4 Amendments to IAS 1

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.

2.2.2.5 Amendments to 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.

2.3 Comparative figures

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

2.4 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:

2.4.1 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 3.2 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.

2.4.2 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.

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2020

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.

2.4.3 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.

3. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the consolidated financial statements are also applicable to the Pension and Other Benefits Scheme and as such will not be repeated in this section except for accounting policies that are unique to the Pension and Other Benefits Scheme. The policies have been consistent to those applied in the financial statements for the year ended December 31, 2019.

3.1 Revenue
The Scheme recognises its revenue at a point in time that is when it has discharged the performance obligation.

3.2 Taxation

The Scheme is exempted from paying Income tax as per the NSSA Act [Chapter 17:04].

3.2.1 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.

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

3.3.1 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 Scheme 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.

3.3.2 Post-employment benefit
The Scheme 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 Scheme. 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 Scheme to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The Scheme 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.

3.3.3 Termination benefits
Termination benefits are expensed at the earlier of when the Scheme can no longer withdraw the offer to those benefits and when the Scheme 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 Scheme's ability to withdraw the offer takes effect.

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2020

3. ACCOUNTING POLICIES (Cont.)

3.4 Nature and extent of risks arising from financial instruments

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

i. 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.

Liquidity gap analysis at December 31, 2020

Up to	Up to 1 month ZWL	2 to 6 months ZWL	Above 6 months ZWL	Non-current Assets/Liabilities ZWL	Total ZWL
Assets	1775 256 178	2 049 025	431 359 142	227 523 620	2 436 187 965
Liabilities	-	317 515 514	-	-	317 515 514
Liquidity gap	1 775 256 178	(315 466 489)	431 359 142	266 727 271	2 157 876 102
Liquidity gap cum	1 775 256 178	1 459 789 689	1 891 148 831	2 157 876 102	-

ii. 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, 2020 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.

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2020

3. ACCOUNTING POLICIES (Cont.)

3.4 Nature and extent of risks arising from financial instruments (cont.)

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.

iii 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) ZWL	Reserves ZWL
Increase in interest rates by 10%	22 752 362	22 752 362
Decrease in interest rates by 10%	(22 752 362)	(22 752 362)

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) ZWL	Reserves ZWL
Increase in the industrial index by 20%	2 816 998 350	2 816 998 350
Decrease in the industrial index by 20%	(2 816 998 350)	(2 816 998 350)

3. ACCOUNTING POLICIES (Cont.)

3.4 Nature and extent of risks arising from financial instruments (cont.)

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 2019 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%	360 365 382	360 365 382
Exchange rate weakening by 40%	(360 365 382)	(360 365 382)

iv. 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.

v. 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.

vi. 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.

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2020

3. ACCOUNTING POLICIES (Cont.)

vii. 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.

3.5 Subsequent events

In response to the virus pandemic, the Government of Zimbabwe, through Statutory Instrument (SI) 83 of 2020 (Public Health (COVID-19 Prevention, Containment and Treatment) (National Lockdown) Order, 2020) implemented a nationwide lockdown for an initial period of 21 days from 30 March, 2020 to 19 April 2020. Periodic reviews of the lockdown and trade restrictions have been undertaken with formal commercial and industrial sectors having been allowed to resume operations from 4 May, 2020 subject to them meeting prescribed minimum safety and health conditions. The future impact of the virus pandemic on the Scheme's operations will depend on the extent to which its employers, contributors and beneficiaries have been affected.

Whilst the full COVID-19 impact is yet to unravel, potential areas of short to medium term risks include:

- Credit Risk – changed operating models and market dynamics may affect the ability of employers to pay their contributions and tenants from paying rentals. The Scheme may consider payment plans to mitigate risk of non-payment.
- Liquidity Risk – mismatches may arise between assets and liabilities due to late remission of contributions by employers. The Scheme may need to liquidate its investments in order to pay for its benefits obligations.
- Insurance Risk – funeral claims may increase beyond normal levels as a result of COVID-19- related deaths which in turn may increase survivors' claims. However, current claims levels have been in line with expected trends.
- Market risk – the valuation of equity investments maybe affected through an unfavourable underlying performance fundamentals as a result of COVID-19. This may have an effect of reducing the carrying value for investments designated as fair value instruments.

Management's assessment of COVID 19 virus is that it is a non-adjusting event which will not affect key accounting judgements, measurements as well as assumptions used in coming up with fair values of material financial statement items, particularly on credit loss provisioning and other provisions, investment securities and investment properties. This is because these assumptions are sufficiently adjusted for in the probability of different business and economic scenario and factor in both short term and long term economic phenomena.

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2020

4 PROPERTY AND EQUIPMENT

	Land and buildings ZWL	Computer equipment ZWL	Furniture ZWL	Compute-risation and Data Centre ZWL	Motor vehicles ZWL	Total 2020 ZWL	Total 2019 ZWL
Inflation adjusted							
Opening carrying amount	**588 140 077**	**117 819 647**	**36 214 011**	**93 879 589**	**8 738 287**	**844 791 611**	**409 298 700**
Gross carrying amount	588 140 077	117 819 647	36 214 011	93 879 589	8 738 287	844 791 611	507 944 416
Accumulated depreciation	-	-	-	-	-	-	(98 645 716)
Additions at cost	406 288	34 546 197	639 680	90 164 057	-	125 756 222	32 522 072
Revaluation surplus	190 866 926	-	-	28 788 760	-	219 655 686	551 131 635
Reclassification to investment property (note 5)	-	-	-	-	-	-	(87 680 348)
Disposals -carrying amount	-	-	-	-	-	-	(783 901)
Disposals -cost	-	-	-	-	-	-	(863 263)
Disposals -accumulated depreciation	-	-	-	-	-	-	79 362
Depreciation for the year	(14 708 581)	(45 504 457)	(7 300 759)	(34 740 404)	-	(102 254 202)	(59 696 544)
Closing carrying amount	**764 704 710**	**106 861 387**	**29 552 932**	**178 092 002**	**8 738 287**	**1 087 949 317**	**844 791 614**
Gross carrying amount	764 704 710	152 365 844	36 853 691	178 092 002	8 738 287	1 140 754 534	844 791 614
Accumulated depreciation	-	(45 504 457)	(7 300 759)	-	-	(52 805 217)	-
Historical cost							
Opening carrying amount	**131 156 789**	**32 345 861**	**9 140 758**	**22 560 225**	**695 722**	**195 899 355**	**14 698 018**
Gross carrying amount	131 156 789	32 345 861	9 140 758	22 560 225	695 722	195 899 355	18 240 410
Accumulated depreciation	-	-	-	-	-	-	(3 542 392)
Additions at cost	321 600	21 556 988	587 704	71 370 000	-	93 836 292	4 706 084
Revaluation surplus	636 509 261	-	-	98 723 083	-	735 232 344	180 894 226
Reclassification to investment property (note5)	-	-	-	-	-	-	(3 148 623)
Disposals -carrying amount	-	-	-	-	-	-	(28 150)
Disposals -cost	-	-	-	-	-	-	(31 000)
Disposals -accumulated depreciation	-	-	-	-	-	-	2 850
Depreciation for the year	(3 282 940)	(8 707 999)	(957 984)	(14 561 306)	-	(27 510 228)	(1 222 200)
Closing carrying amount	**764 704 710**	**45 194 850**	**8 770 478**	**178 092 002**	**695 722**	**997 457 762**	**195 899 355**
Gross carrying amount	764 704 710	53 902 849	9 728 462	178 092 002	695 722	1 007 123 745	195 899 355
Accumulated depreciation	-	(8 707 999)	(957 984)	-	-	(9 665 983)	-

Valuation of buildings was carried out 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.

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2020

4.1 Land and Buildings Listing

	Inflation adjusted			Historical cost		
Name of Property	Closing carrying amount 2019 ZWL	Closing market value 2019 ZWL	Revaluation gain/(loss) 2019 ZWL	Closing carrying amount 2020 ZWL	Closing market value 2020 ZWL	Revaluation gain/(loss) 2020 ZWL
Bulawayo MGR'S House -Hillside	6 686 017	12 267 990	5 581 973	2 275 455	12 267 990	9 992 535
Kadoma Sub Office	1 910 291	12 513 350	10 603 059	2 762 435	12 513 350	9 750 915
Kariba Sub Office stnd 423	1 205 202	2 044 665	839 463	406 380	2 044 665	1 638 285
Kariba Sub Office 2 Stand 463	1 193 932	22 082 382	20 888 450	66 885	22 082 382	22 015 497
Marondera Sub Office	8 118 735	22 900 248	14 781 513	189 638	22 900 248	22 710 611
Mutare Manager's House stand 1874	10 589 620	11 450 124	860 504	2 112 923	11 450 124	9 337 202
NSSA House	482 008 632	538 973 694	56 965 062	113 022 825	538 973 694	425 950 869
OHS Centre	6 208 445	73 607 940	67 399 495	1 696 500	73 607 940	71 911 440
Survey House	37 757 267	41 711 166	3 953 899	1 436 565	41 711 166	40 274 601
Stand 122A, Kwekwe	10 653 045	13 085 856	2 432 811	1 787 858	13 085 856	11 297 999
Stand 16608, Masvingo Mgr's House	5 253 299	10 632 258	5 378 959	1 787 858	10 632 258	8 844 401
Gwanda House	2 253 299	3 435 037	1 181 738	650 130	3 435 038	2 784 908
	573 837 784	**764 704 710**	**190 866 926**	**128 195 450**	**764 704 710**	**636 509 261**

5 INVESTMENT PROPERTY

	Land ZWL	Buildings ZWL	Work in progress ZWL	Total 2020 ZWL	Total 2019 ZWL
Inflation adjusted					
Opening carrying amount	**3 717 398 700**	**3 179 076 777**	**91 240 696**	**6 987 716 173**	**4 143 947 407**
Additions at cost	-	5 702 464	-	5 702 464	22 881 070
Fair value adjustment	(255 013 999)	3 722 367 141	-	3 467 353 142	2 735 713 597
Land Derecognition **	(30 452 883)	-	-	(30 452 883)	(2 506 248)
Reclassification from property and equipment (note 4)	-	-	-	-	87 680 347
Closing carrying amount	**3 431 931 818**	**6 907 146 382**	**91 240 696**	**10 430 318 896**	**6 987 716 173**
Historical Cost					
Opening carrying amount	**828 989 724**	**708 942 509**	**3 276 476**	**1 541 208 709**	**148 810 178**
Additions at cost	52,488	3 102 510	-	3 154 998	3 838 191
Fair value adjustment	2 592 828 418	6 304 754 540	-	8 897 582 958	1 385 501 717
Land Derecognition **	(11 627 769)	-	-	(11 627 769)	(90 000)
Reclassification from property and equipment (note 4)	-	-	-	-	3 148 623
Closing carrying amount	**3 410 242 861**	**7 016 799 559**	**3 276 476**	**10 430 318 896**	**1 541 208 709**

** The adjusted amount to Karoi land was land that was acquired as a debt swap, however, the Scheme could not secure title deeds and so the Karoi Town Council was asked to settle their outstanding contributions.

5.1 Valuation on investment property was carried out 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.

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2020

5.2 Investment properties listing

Name of Property	December 31, 2020 Carrying amount ZWL	December 31, 2020 Market value ZWL	December 31, 2020 Fair value gain/(loss) ZWL	December 31, 2019 Carrying amount ZWL	December 31, 2019 Market value ZWL	December 31, 2019 Fair value gain/(loss) ZWL
Inflation adjusted						
Investment land						
Borrowdale Stand	179 405 949	166 923 596	(12 482 353)	66 833 290	179 405 949	112 572 659
Borrowdale Estate	99 982 225	93 025 859	(6 956 366)	37 245 858	99 982 225	62 736 367
Borrowdale Subdivision B of Orklands	89 702 975	83 461 799	(6 241 176)	33 416 645	89 702 975	56 286 330
Chinhoyi Brundish Park	134 554 462	125 192 698	(9 361 764)	50 124 967	134 554 462	84 429 495
Chisipite Housing	277 331 696	258 036 059	(19 295 637)	103 313 127	277 331 696	174 018 569
Gwanda Stand	67 264	62 584	(4 680)	25 062	67 264	42 202
Gwanda Stand	82 062	76 352	(5 710)	30 632	82 062	51 430
Gweru Kopje Stand	2 765 887	2 573 448	(192 439)	1 030 347	2 765 887	1 735 540
Kwekwe CBD Stand	4 933 574	4 590 316	(343 258)	1 837 915	4 933 574	3 095 659
Kwekwe Woodlands Farm	1 046 534 703	973 720 979	(72 813 724)	389 860 858	1 046 534 703	656 673 845
Karoi Stand	-	-	-	2 506 248	-	(2 506 248)
Masvingo Runyararo West	94 935 648	88 330 403	(6 605 245)	35 365 949	94 935 648	59 569 699
Masvingo Stand	16 445 545	15 301 329	(1 144 216)	6 126 385	16 445 545	10 319 160
Mutare Stand	11 960 397	11 128 240	(832 157)	4 455 553	11 960 397	7 504 844
Mutare Stand Umtali	26 910 892	25 038 539	(1 872 353)	10 024 993	26 910 892	16 885 899
New Christmas Gift Gweru	672 772 309	625 963 487	(46 808 822)	250 624 837	672 772 309	422 147 472
Nyarungu Estate	-	-	-	323 800 829	52 141 840	(271 658 989)
Rainbow Parklane	72 491 071	67 447 431	(5 043 640)	41 770 806	72 491 071	30 720 265
Snake Park R/E Glaudina A	133 059 412	123 801 667	(9 257 745)	49 568 023	133 059 412	83 491 389
Marondera Stand	6 129 524	5 703 056	(426 468)	2 283 471	6 129 524	3 846 053
Twalumba Properties	59 626 426	55 477 856	(4 148 569)	12 997 658	59 626 426	46 628 768
Victoria Falls Stand	61 671 019	57 380 195	(4 290 824)	22 973 943	61 671 019	38 697 076
Meikles Park Mutare	71 613 054	66 630 502	(4 982 552)	26 677 622	71 613 054	44 935 432
Glaudina lot 2/SD	592 936 482	551 682 319	(41 254 163)	220 884 023	592 936 482	372 052 459
Marondera Rusike	9 344 284	8 694 146	(650 138)	3 480 901	9 344 284	5 863 383
	3 665 256 860	**3 410 242 861**	**(255 013 998)**	**1 697 259 942**	**3 717 398 700**	**2 020 138 758**
Investment buildings						
Ballantyne Park	14 328 082	31 568 052	17 239 970	33 973 589	14 328 082	(19 645 507)
Ballantyne Park 2 Spar	31 891 546	70 264 396	38 372 848	21 720 819	31 891 546	10 170 727
Beitbridge RTG Hotel	182 110 142	401 230 437	219 120 294	55 694 408	180 882 748	125 188 340
Beitbridge Office	4 604 295	10 144 319	5 540 024	16 708 322	4 604 295	(12 104 027)
Bindura Commercial Centre	54 821 324	120 783 959	65 962 635	65 333 870	54 821 324	(10 512 546)
Celestial Park	665 400 199	1 466 029 344	800 629 145	637 700 975	665 400 199	27 699 224
Chipinge Commercial Centre	78 280 257	172 469 370	94 189 114	44 555 527	78 104 009	33 548 482
Dips and Chemical - Ventersberg	3 764 081	8 293 134	4 529 053	21 163 875	3 764 081	(17 399 794)
Dominion House (Chibuku House)	13 155 450	28 984 475	15 829 025	33 416 645	13 155 450	(20 261 195)
Ekhusileni Medical Centre	137 346 359	302 605 549	165 259 190	55 694 408	135 769 694	80 075 286
Emjay Building -Rusape	8 616 938	18 985 093	10 368 154	10 024 993	8 616 938	(1 408 055)
Eye Centre- Bulawayo	43 126 844	95 018 335	51 891 491	36 201 365	43 126 844	6 925 479
Gateway Investments	248 546 387	547 604 730	299 058 343	153 159 623	248 546 387	95 386 764
Gwanda Shopping Mall	84 062 234	185 208 394	101 146 160	37 593 726	84 062 234	46 468 508
Linbro Building Willowvale	9 879 255	21 766 267	11 887 011	41 770 806	9 879 255	(31 891 551)
Mutare Shopping Mall	78 558 861	173 083 200	94 524 339	67 111 762	77 487 872	10 376 110
National Blankets-Bulawayo	34 211 254	75 375 245	41 163 990	24 784 012	34 211 254	9 427 242
Nyanga Chalets	8 970 297	19 763 624	10 793 326	3 341 664	8 970 297	5 628 633
PG Mutare	79 130 005	174 341 562	95 211 557	29 796 508	79 130 005	49 333 497
Pomona Shopping Centre	199 471 183	439 480 793	240 009 610	189 792 880	199 471 183	9 678 303
Social Security Centre	978 489 137	2 020 086 158	1 041 597 021	684 484 278	958 289 597	273 805 319
South Med Chitungwiza	18 918 162	41 681 052	22 762 890	46 039 783	18 918 162	(27 121 621)
Kingfisher Bulawayo	8 970 297	19 763 624	10 793 326	3 341 664	8 970 297	5 628 633
Mutare township	1 249 313	2 752 522	1 503 210	3 898 609	1 249 313	(2 649 296)
Star Africa Building	63 648 126	140 231 428	76 583 302	90 224 941	63 648 126	(26 576 815)
Subvision A of stand 6 Lot C of Borrowdale	23 060 087	50 806 663	27 746 576	8 354 161	22 425 744	14 071 583
TM Gokwe	1 041 243	2 294 098	1 252 855	1 392 360	1 041 243	(351 117)
Car park (Ximex Mall)	130 816 838	288 219 516	157 402 678	48 732 607	130 816 838	82 084 231
	3 206 468 198	**6 928 835 339**	**3 722 367 141**	**2 466 008 180**	**3 181 583 019**	**715 574 839**
Total	**6 871 725 058**	**10 339 078 200**	**3 467 353 142**	**4 163 268 122**	**6 898 981 719**	**2 735 713 597**

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2020

5.2 Investment properties listing

Name of Property	December 31, 2020 Carrying amount ZWL	December 31, 2020 Market value ZWL	December 31, 2020 Fair value gain/(loss) ZWL	December 31, 2019 Carrying amount ZWL	December 31, 2019 Market value ZWL	December 31, 2019 Fair value gain/(loss) ZWL
Historical cost						
Investment land						
Borrowdale Estate	22 296 300	93 015 617	70 719 317	1 337 508	22 296 300	20 958 792
Borrowdale Subdivision B of Orklands	20 004 000	83 452 609	63 448 609	1 200 000	20 004 000	18 804 000
Chinhoyi Brundish Park	30 006 000	125 178 913	95 172 913	1 800 000	30 006 000	28 206 000
Chisipite Housing	61 845 700	258 007 649	196 161 949	3 710 000	61 845 700	58 135 700
Gwanda Stand	15 000	62 577	47 577	900	15 000	14 100
Gwanda Stand	18 300	76 344	58 044	1 100	18 300	17 200
Gweru Kopje Stand	616 800	2 573 164	1 956 364	37 000	616 800	579 800
Kwekwe CBD Stand	1 100 200	4 589 810	3 489 610	66 000	1 100 200	1 034 200
Kwekwe Woodlands Farm	233 380 000	973 613 768	740 233 768	14 000 000	233 380 000	219 380 000
Karoi Stand	90,000	375,461	285,461	90 000	90 000	-
Masvingo Runyararo West	21 170 900	88 320 678	67 149 778	1 270 000	21 170 900	19 900 900
Masvingo Stand	3 667 400	15 299 645	11 632 245	220 000	3 667 400	3 447 400
Mutare Stand	2 667 200	11 127 014	8 459 814	160 000	2 667 200	2 507 200
Mutare Stand Umtali	6 001 200	25 035 783	19 034 583	360 000	6 001 200	5 641 200
New Christmas Gift Gweru	150 030 000	625 894 565	475 864 565	9 000 000	150 030 000	141 030 000
Nyarungu Estate	-	-	-	11 627 768	11 627 768	-
Rainbow Parklane	16 165 700	67 440 004	51 274 304	1 500 000	16 165 700	14 665 700
Snake Park R/E Glaudina A	29 672 600	123 788 036	94 115 436	1 780 000	29 672 600	27 892 600
Marondera Stand	1 366 900	5 702 428	4 335 528	82 000	1 366 900	1 284 900
Twalumba Properties	13 296 856	55 471 771	42 174 915	466 749	13 296 856	12 830 107
Victoria Falls Stand	13 752 800	57 373 877	43 621 077	825 000	13 752 800	12 927 800
Meikles Park Mutare	15 969 900	66 623 166	50 653 266	958 000	15 969 900	15 011 900
Glaudina lot 2/SD	132 226 400	551 621 577	419 395 177	7 932 000	132 226 400	124 294 400
Marondera Rusike	2 083 800	8 693 189		125 000	2 083 800	1 958 800
	817 451 956	**3 410 242 861**	**2 586 181 516**	**60 949 025**	**829 079 724**	**768 130 699**
Investment buildings						
Ballantyne Park	3 195 200	31 486 883	28 291 683	1 220 000	3 195 200	1 975 200
Ballantyne Park 2 Spar	7 111 899	70 083 729	62 971 830	780 000	7 111 899	6 331 899
Beitbridge RTG Hotel	40 337 330	397 501 495	357 164 165	2 000 000	40 337 330	38 337 330
Beitbridge Office	1 026 770	10 118 236	9 091 466	600 000	1 026 770	426 770
Bindura Commercial Centre	12 225 300	120 473 393	108 248 093	2 378 225	12 225 300	9 847 075
Celestial Park	151 488 510	1 492 833 294	1 341 344 784	22 900 000	148 386 000	125 486 000
Chipinge Commercial Centre	17 417 400	171 638 592	154 221 192	1 600 000	17 417 400	15 817 400
Dips and Chemical - Ventersberg	839 400	8 271 811	7 432 411	760 000	839 400	79 400
Dominion House (Chibuku House)	2 933 700	28 909 949	25 976 249	1 200 000	2 933 700	1 733 700
Ekhusileni Medical Centre	30 277 000	298 362 652	268 085 652	2 000 000	30 277 000	28 277 000
Emjay Building -Rusape	1 921 600	18 936 277	17 014 677	360 000	1 921 600	1 561 600
Eye Centre- Bulawayo	9 617 400	94 774 019	85 156 619	1 300 000	9 617 400	8 317 400
Gateway Investments	55 426 500	546 196 702	490 770 202	5 500 000	55 426 500	49 926 500
Gwanda Shopping Mall	18 746 100	184 732 177	165 986 077	1 350 000	18 746 100	17 396 100
Linbro Building Willowvale	2 203 100	21 710 300	19 507 200	1 500 000	2 203 100	703 100
Mutare Shopping Mall	17 280 000	170 284 593	153 004 593	2 410 000	17 280 000	14 870 000
National Blankets-Bulawayo	7 629 200	75 181 436	67 552 236	890 000	7 629 200	6 739 200
Nyanga Chalets	2 000 400	19 712 807	17 712 407	120 000	2 000 400	1 880 400
PG Mutare	17 646 200	173 893 286	156 247 086	1 070 000	17 646 200	16 576 200
Pomona Shopping Centre	44 482 600	438 350 778	393 868 178	9 799 965	44 482 600	34 682 635
Social Security Centre	213 053 167	2 100 395 513	1 893 900 204	24 580 000	213 142 210	188 562 210
South Med Chitungwiza	4 218 800	41 573 880	37 355 080	1 653 300	4 218 800	2 565 500
Kingfisher Bulawayo	2 000 400	19 712 807	17 712 407	120 000	2 000 400	1 880 400
Mutare township	278 600	2 745 445	2 466 845	140 000	278 600	138 600
Star Africa Building	14 193 700	139 870 858	125 677 158	3 240 000	14 193 700	10 953 700
Subvision A of stand 6 Lot C of Borrowdale	5 001 000	49 282 017	44 281 017	300 000	5 001 000	4 701 000
TM Gokwe	232 200	2 288 199	2 055 999	50 000	232 200	182 200
Car park (Ximex Mall)	29 172 500	287 478 432	258 305 932	1 750 000	29 172 500	27 422 500
	711 955 976	**7 016 799 559**	**6 311 401 441**	**91 571 490**	**708 942 509**	**617 371 018**
Total	**1 529 407 931**	**10 427 042 420**	**8 897 582 958**	**152 520 515**	**1 538 022 232**	**1 385 501 717**

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2020

6 FINANCIAL INSTRUMENTS

6.1 Financial assets at fair value through profit and loss

	Number of Shares	Cost and additions 2020 ZWL	Cost and additions 2019 ZWL	Fair value 2020 ZWL	Fair value 2019 ZWL
Inflation adjusted					
Ordinary quoted shares					
Ariston Holdings Limited	101 944 258	33 837 705	33 837 705	136 605 306	86 628 737
Axia Corporation Limited	3 741 675	11 347 734	5 941 776	42 195 056	10 738 312
Cafca Limited	413 461	6 964 573	6 964 573	37 170 144	3 300 603
Dairibord Zimbabwe Limited	10 203 649	21 048 586	21 048 586	111 940 152	19 560 576
Edgars Stores Limited	3 570 361	9 800 444	8 842 688	8 184 100	3 362 184
Falcon Gold Zimbabwe Limited	1 639 133	3 108 735	3 108 735	111 569	220 509
First Capital Bank (Barclays)	1 402 030	-	4 102 476	-	625 562
Fidelity Life Assurance Company Limited	19 471 230	-	14 853 660	-	7 980 490
Hippo Valley Estate Limited	9 279 723	286 693 921	286 693 921	10 289 086	81 144 600
Lafarge Zimbabwe Limited	1 669 890	56 186 841	56 186 841	13 359 120	13 478 773
Masimba Holdings Limited	2 281 184	9 060 221	9 060 221	27 312 388	1 846 407
Meikles Limited	690 322	8 257 418	8 257 418	17 550 747	7 769 900
Nampak Holdings Limited	20 100 000	51 303 040	51 303 040	45 878 250	64 896 093
National Tyre Services Limited	11 917 454	13 951 837	13 951 837	3 271 341	1 148 979
Pretoria Portland Cement Company Limited	35 311	3 807 979	3 807 979	136 664	633 374
Pro Plastics Limited	2 244 323	2 277 483	2 277 483	19 323 172	8 252 570
Rio Zim Limited	164 537	11 409 555	11 409 555	2 459 828	1 730 938
Truworth Limted	4 687 886	5 224 909	5 224 909	-	479 294
Tobacco Sales Limited	10 767 933	37 471 016	37 471 016	1 381 989	36 576 739
Willdale Limited	18 450 752	-	2 359 453	155 058 235	2 589 694
Zimpapers (1980) Limited	8 341 602	183 899	183 899	8 174 770	5 012 383
Zimre Property Investments Limited	10 247 096	-	1 489 542	-	2 619 182
		571 935 895	**588 377 311**	**640 401 915**	**360 595 899**
Ordinary unquoted shares					
Africom Holdings Limited	7 706 276	2 386 580	2 386 580	384 312	1 723 354
Chengetedzai Depository Company	168 912	7 027 882	7 027 882	1 131 704	5 074 846
Stalap Investments	1 648	6 732 479	6 732 479	1 084 135	4 861 535
		16 146 941	**16 146 941**	**2 600 151**	**11 659 735**
Non performing investments					
Apex Holdings Limited	2 494 225	138 796	138 796	4 984	22 350
Border Timbers Limited	294 307	2 008 440	2 008 440	72 124	323 420
Cairns Holdings Limited	3 145	876	876	31	141
Caps Holdings Limited	22 343 217	7 038 651	7 038 651	252 760	1 133 438
Gulliver Consolidated Limited	3 502 700	1 337 240	1 337 240	48 021	215 337
Interfresh Limited	124 449	877 811	877 811	31 522	141 354
PG Industries Limited	168 173	799 777	799 777	28 720	128 789
Phoenix Holdings Limited	72	100	100	4	16
Steelnet Zimbabwe Limited	28 411 565	4 174 597	4 174 597	149 911	672 238
Trust Holdings Limited	2 284 706	1 578 114	1 578 114	56 670	254 125
		17 954 400	**17 954 400**	**644 747**	**2 891 208**
Less Impairments		(17 954 400)	(17 954 400)	(644 747)	(2 891 208)
Total		**588 082 836**	**604 524 251**	**643 002 067**	**372 255 634**

6.1.1 Fair value reconciliation

	2020 ZWL	2019 ZWL
Year to date cost	588 082 836	604 524 251
Cumulative fair value gains	54 919 231	(232 268 617)
Fair value as at year end	**643 002 067**	**372 255 634**

6.1.2 Cumulative fair value gains

	2020 ZWL	2019 ZWL
Opening cumulative fair value gains	**(232 268 617)**	**637 573 154**
Fair value gain for the year	317 155 331	163 237 091
IAS 29 adjustment	-	(1 033 078 862)
Fair value of disposed shares	(29 967 483)	-
Cumulative fair value gains	**54 919 231**	**(232 268 617)**

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2020

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 2019 ZWL	Fair value 2020 ZWL	Fair value 2019 ZWL
Historical cost					
Ordinary quoted shares					
Ariston Holdings Limited	101 944 258	1 214 393	1 214 393	136 605 306	19 318 437
Axia Corporation Limited	4 601 775	2 245 574	213 243	42 195 056	2 394 672
Cafca Limited	413 461	249 950	249 950	37 170 144	736 043
Dairibord Zimbabwe Limited	10 203 649	755 407	755 407	111 940 152	4 362 060
Edgars Stores Limited	6 545 709	1 075 471	317 353	8 184 100	749 776
Falcon Gold Zimbabwe Limited	1 639 133	111 569	111 569	111 569	49 174
First Capital Bank (Barclays)		-	147 233	-	139 502
Fidelity Life Assurance Company Limited		-	533 079	-	1 779 670
Hippo Valley Estate Limited	9 279 723	10 289 086	10 289 086	10 289 086	18 095 460
Lafarge Zimbabwe Limited	1 669 890	2 016 475	2 016 475	13 359 120	3 005 802
Masimba Holdings Limited	2 281 184	325 160	325 160	27 312 388	411 754
Meikles Limited	690 322	296 348	296 348	17 550 747	1 732 708
Nampak Holdings Limited	20 100 000	1 841 202	1 841 202	45 878 250	14 472 000
National Tyre Services Limited	11 917 454	500 714	500 714	3 271 341	256 225
Pretoria Portland Cement Company Limited	35 311	136 664	136 664	136 664	141 244
Pro Plastics Limited	2 244 323	81 736	81 736	19 323 172	1 840 345
Rio Zim Limited	164 537	409 475	409 475	2 459 828	386 004
Truworth Limted	4 687 886	187 515	187 515	1 381 989	106 884
Tobacco Sales Limited	10 767 933	1 344 788	1 344 788	155 058 235	8 156 709
Willdale Limited		-	84 678	-	577 509
Zimpapers (1980) Limited	8 341 602	6 600	6 600	8 174 770	1 117 775
Zimre Property Investments Limited	10 247 096	-	53 458	-	584 084
		23 088 127	**21 116 125**	**640 401 915**	**80 413 837**
Ordinary unquoted shares					
Africom Holdings Limited	8 206 856	384 312	384 312	384 312	384 312
Chengetedzai Depository Company	168 912	1 131 704	1 131 704	1 131 704	1 131 704
Stalap Investments	1 648	1 084 135	1 084 135	1 084 135	1 084 135
		2 600 151	**2 600 151**	**2 600 151**	**2 600 151**
Non performing investments					
AFRIASIA Kingdom	461 638	-	-	-	-
Apex Holdings Limited	2 494 225	4 984	4 984	4 984	4 984
Border Timbers	294 307	72 124	72 124	72 124	72 124
Cairns Holdings Limited	3 145	31	31	31	31
Caps Holdings Limited	22 343 217	252 760	252 760	252 760	252 760
Gulliver Consolidated Limited	3 502 700	48 021	48 021	48 021	48 021
Interfresh Limited	124 449	31 522	31 522	31 522	31 522
PG Industries Limited	168 173	28 720	28 720	28 720	28 720
Phoenix Holdings Limited	72	4	4	4	4
Steelnet Zimbabwe Limited	28 411 565	149 911	149 911	149 911	149 911
Trust Holdings Limited	2 284 706	56 670	56 670	56 670	56 670
		644 747	**644 747**	**644 747**	**644 747**
Less Impairments		(644 747)	(644 747)	(644 747)	(644 747)
Total		**25 688 278**	**23 716 276**	**643 002 067**	**83 013 988**

6.1.1 Fair value reconciliation	2020 ZWL	2019 ZWL
Year to date cost	25 688 278	23 716 276
Cumulative fair value gains	617 313 788	59 297 712
Fair value as at year end	643 002 067	83 013 988
6.1.2 Cumulative fair value gains		
Opening cumulative fair value gains	59 297 712	22 895 410
Fair value gain for the year	587 983 559	36 402 302
Fair value of disposed shares	(29 967 483)	-
Closing cumulative fair value gains	**617 313 788**	**59 297 712**

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2020

6 FINANCIAL INSTRUMENTS (Cont.)

6.2 Financial assets at fair value through other comprehensive income

	Number of Shares	Cost and additions 2020 ZWL	Cost and additions 2019 ZWL	Fair value 2020 ZWL	Fair value 2019 ZWL
Inflation adjusted					
Ordinary quoted shares					
Bindura Nickel Corporation Limited	73 460 101	107 838 648	107 838 648	276 173 250	53 299 120
British America Tobacco Limited	148 240	84 001 991	84 001 991	101 257 750	31 741 598
Cassava Smartech	8 344 343	363 936 420	355 520 933	72 245 800	52 497 644
CBZ Holdings Limited	75 512 318	702 839 750	75 157 387	7 631 778 040	236 049 390
Delta Corporation Limited	24 287 214	510 855 115	500 663 680	614 583 479	370 359 295
Econet Wireless Zimbabwe Limited	10 836 639	115 829 673	110 760 477	113 909 287	71 520 971
Hwange Colliery Company Limited (Suspended)	11 294 308	83 288 841	83 288 841	2 990 923	13 412 052
Innscor Africa Limited	4 773 003	109 098 564	100 301 638	225 943 229	75 376 169
National Foods Limited	704 531	30 706 001	30 706 001	42 342 313	28 465 243
OK Zimbabwe Limited	204 481 001	355 085 292	350 120 085	1 864 366 758	506 611 733
Old Mutual Zimbabwe Limited	793 276	120 815 120	109 714 916	15 040 094	130 017 465
Padenga Holdings Limited	15 597 626	91 135 294	91 135 294	381 551 094	171 362 025
Seed Co Limited	21 890 182	539 572 243	536 000 865	571 599 938	186 751 473
Seed International	21 597 691	304 867 559	304 867 559	10 947 870	291 032 707
Simbisa Brands Limited	5 241 675	39 499 128	36 301 337	81 428 112	29 381 239
Zimre Holdings Limited	203 830 526	182 156 389	72 268 818	754 571 062	141 674 250
		3 741 526 029	**2 948 648 471**	**12 760 728 999**	**2 389 552 374**
Foreign listed shares					
Africa Export Import Bank depository receipts(233)	2 325 581	278 472 042	278 472 042	621 958 457	715 427 914
Nedbank group limited	23 722	10 698 080	10 698 080	17 151 947	27 042 052
Quilter plc	246 222	13 117 915	13 117 915	42 150 282	39 120 112
		302 288 037	**302 288 037**	**681 260 686**	**781 590 078**
		4 043 814 065	**3 250 936 508**	**13 441 989 685**	**3 171 142 452**

6.2.1 Fair value reconciliation

	2020 ZWL	2019 ZWL
Year to date cost	4 043 814 065	3 250 936 508
Fair value adjustment closing carrying amount	8 079 426 748	1 925 999 671
Cumulative exchange gains	1 250 117 549	653 011 229
Fuctional currency translation reserve	68 631 323	68 631 323
IAS 29 adjustment	-	(2 727 436 279)
Fair value as at year end	**13 441 989 685**	**3 171 142 452**

6.2.2 Cumulative fair value gains

	2020 ZWL	2019 ZWL
Opening cumulative fair value gains	1 925 999 671	5 533 082 012
Fair value gain for the year	6 153 427 077	1 035 004 172
IAS 29 adjustment	-	(4 642 086 513)
Closing carrying amount	**8 079 426 748**	**1 925 999 671**

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2020

6 FINANCIAL INSTRUMENTS (Cont.)

6.2 Financial assets at fair value through other comprehensive income

	Number of Shares	Cost and additions 2020 ZWL	Cost and additions 2019 ZWL	Fair value 2020 ZWL	Fair value 2019 ZWL
Historical cost					
Ordinary quoted shares					
Bindura Nickel Corporation Limited	73 460 101	3 872 513	3 872 513	276 173 250	11 885 844
British America Tobacco Limited	184 105	6 317 245	3 016 532	101 257 750	7 078 460
Cassava Smartech	11 099 029	21 181 731	12 766 244	72 245 800	11 707 113
CBZ Holdings Limited	89 785 624	630 381 284	2 698 920	7631 778 040	52 639 637
Delta Corporation Limited	26 120 477	28 170 391	17 978 957	614 583 479	82 591 100
Econet Wireless Zimbabwe Limited	11 996 639	9 046 632	3 977 436	113 909 287	15 949 365
Hwange Colliery Company Limited (Suspended)	11 294 308	2 990 923	2 990 923	2 990 923	2 990 923
Innscor Africa Limited	6 089 080	12 398 783	3 601 857	225 943 229	16 809 085
National Foods Limited	704 531	1 102 660	1 102 660	42 342 313	6 347 824
OK Zimbabwe Limited	207 772 872	17 538 106	12 572 899	1864 366 758	112 975 753
Old Mutual Zimbabwe Limited	1 036 510	15 040 094	3 939 890	15 040 094	28 994 238
Padenga Holdings Limited	16 360 557	7 502 572	3 272 691	381 551 094	38 214 184
Seed Co Limited	22 813 534	22 819 302	19 247 924	571 599 938	41 646 071
Seed International	21 597 691	10 947 870	10 947 870	10 947 870	64 901 061
Simbisa Brands Limited	6 167 675	4 501 381	1 303 590	81 428 112	6 552 094
Zimre Holdings Limited	240 700 202	112 482 762	2 595 191	754 571 062	31 593 732
		906 294 248	**105 886 096**	**12 760 728 999**	**532 876 484**
Foreign listed shares					
Africa Export Import Bank depository receipts(233)	2 325 581	10 000 000	10 000 000	621 958 457	159 542 312
Nedbank group limited	23 722	384 771	384 771	17 151 947	6 030 449
Quilter plc	246 222	471 068	471 068	42 150 282	8 723 888
		10 855 838	10 855 838	681 260 686	174 296 650
		917 150 086	**116 741 935**	**13 441 989 685**	**707 173 134**

6.2.1 Fair value reconciliation

	2020 ZWL	2019 ZWL
Cost	917 150 086	116 741 935
Cummulative Fair value gains	11 766 805 687	429 503 006
Cumulative exchange gains	742 729 546	145 623 227
Fuctional currency translation reserve	15 304 366	15 304 966
Fair value as at year end	**13 441 989 685**	**707 173 134**

6.2.2 Cumulative fair value gains

	2020 ZWL	2019 ZWL
Opening cumulative fair value gains	**429 503 006**	**198 694 345**
Fair value gain for the year	11 337 302 681	230 808 660
Closing carrying amount	**11 766 805 687**	**429 503 005**

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2020

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 Exchange 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				
2020				
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	643 002 067
	14 082 391 600	-	**2 600 151**	**14 084 991 752**
2019				
Financial assets at fair value				
Financial assets at fair value through other comprehensive income	3 171 142 452	-	-	3 171 142 452
Financial assets at fair value through profit or loss	360 595 899	-	11 659 735	372 255 634
	3 531 738 351	-	**11 659 735**	**3 543 398 086**
Historical Cost				
2020				
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	643 002 067
	14 082 391 600	-	**2 600 151**	**14 084 991 752**
2019				
Financial assets at fair value				
Financial assets at fair value through other comprehensive income	707 173 134	-	-	707 173 134
Financial assets at fair value through profit or loss	80 413 837	-	2 600 151	83 013 988
	787 586 970	-	**2 600 151**	**790 187 122**

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2020

7 INVESTMENTS IN ASSOCIATES

	Turnall Holdings Limited ZWL	FBC Holdings Limited ZWL	ZB Financial Holdings Limited ZWL	First Mutual Holdings Limited ZWL	Rainbow Tourism Group ZWL	National Building Society ZWL	Star africa Corporation ZWL	Total 2020 ZWL	Total 2019 ZWL
Inflation adjusted									
Opening carrying amount	**383 983 702**	**1 733 269 738**	**2 416 016 337**	**1 233 183 149**	**892 542 518**	**1 051 917 167**	**807 473 885**	**8 518 386 496**	**6 315 981 796**
Share of current year profit net of dividends	47 413 488	445 311 728	1 137 044 327	783 047 514	144 982 075	40 178 969	16 756 155	2 614 734 257	777 094 423
Share of current year profit	47 413 488	522 663 943	1 144 400 212	795 525 346	144 982 075	40 178 969	16 756 155	2 711 920 190	859 794 709
Dividend received	-	(77 352 215)	(7 355 885)	(12 477 832)	-	-	-	(97 185 933)	(82 700 286)
Share of other comprehensive income	50 868 076	92 261 045	(775 494 655)	20 856 102	-	9 839 231	11 744 592	(589 925 609)	1 425 310 283
Disposal of associate	-	-	(2 777 566 009)	-	-	-	-	(2 777 566 009)	-
Closing carrying amount	**482 265 267**	**2 270 842 511**	-	**2 037 086 765**	**1 037 524 593**	**1 101 935 367**	**835 974 632**	**7 765 629 135**	**8 518 386 502**
Summary of the financial information	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Assets	687 024 476	11 168 913 023	7 205 721 485	5 254 581	1 437 519 861	1 348 603 099	247 434 139	20 504 433 426	53 582 799 230
Liabilities	198 962 957	9 414 561 856	4 153 841 740	3 049 182	433 860 664	489 821 662	127 658 580	14 204 276 398	34 277 167 553
Revenue/total income	288 076 059	2 808 460 958	1 261 703 631	2 603 025	505 901 445	235 945 163	371 415 809	4 866 745 118	13 297 082 015
Total comprehensive income for the year	48 324 464	496 910 650	599 130 100	891 771	144 982 075	21 358 805	28 500 747	1 311 597 866	5 898 143 260

Share of associates is determined using after tax profits
ZB financial holdings was disposed off in November 2020.

	Shares in issue	Shares held by NSSA	2020` % Shareholding	2019 % Shareholding
Quoted				
FBC Holdings Limited	671 949 927	231 639 427	34.47%	34.47%
First Mutual Holdings limited	690 143 060	234 321 614	33.95%	33.95%
Rainbow Tourism Group	2 495 495 543	1 027 308 245	41.17%	41.17%
Turnall Holdings Limited	493 040 308	142 071 763	28.82%	28.82%
ZB Financial Holdings Limited (disposed November 2020)	175 190 642	66 196 080	37.79%	37.79%
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%
Unquoted				
Africom Continental	722 530 961	311 643 329	43.13%	43.13%
Dubury Investments	10 000	3 621	36.21%	36.21%

7 INVESTMENTS IN ASSOCIATES

	Turnall Holdings Limited ZWL	FBC Holdings Limited ZWL	ZB Financial Holdings Limited ZWL	First Mutual Holdings Limited ZWL	Rainbow Tourism Group ZWL	National Building Society ZWL	Star africa Corporation ZWL	Total 2020 ZWL	Total 2019 ZWL
Historical cost									
Opening carrying amount	**88 491 722**	**332 739 024**	**508 987 780**	**282 740 193**	**268 056 277**	**64 010 267**	**106 573 829**	**1 651 599 092**	**226 808 470**
Share of current year profit net of dividends	22 732 773	1 038 716 247	1 445 743 881	1 779 763 490	72 190 881	72 657 076	20 335 289	4 452 139 638	655 707 276
Share of current year profit	22 732 773	1 107 651 284	1 450 040 007	1 787 051 034	72 190 881	72 657 076	20 335 289	4 532 658 345	674 149 658
Dividend received		68 935 037	4 296 126	7 287 544				80 518 707	(18 442 382)
Share of other comprehensive income	203 069	392 341 196	694 942 530	170 288 200	1069 974 845	31 678 663	61 831 444	2 421 259 946	769 083 346
Disposal of associate	-	-	(2 649 674 192)	-	-	-	-	(2 649 674 192)	-
Closing 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**
Summary of the financial information	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Assets	203 603 603	11 016 287 080	7 031 583 472	5 089 434 157	1 839 631 859	649 414 753	221 259 524	26 051 214 447	12 578 849 935
Liabilities	91 059 317	9 321 574 011	4 132 058 936	2 843 727 586	433 860 664	489 821 662	122 543 769	17 434 645 944	8 119 666 026
Revenue/total income	207 024 013	2 484 843 839	1 822 621 224	4 538 567 251	335 079 450	180 125 994	183 345 507	9 751 607 279	4 812 526 202
Total comprehensive income for the year	22 935 842	1 499 992 480	2 354 975 833	1 957 339 234	1 142 165 726	104 335 739	82 166 733	7 163 911 587	4 002 458 494

Share of associates is determined using after tax profits

Shareholding	Shares in issue	POBS Shares	December 31,2020 % Shareholding	December 31,2019 % Shareholding
Quoted				
FBC Holdings Limited	671 949 927	231 639 427	34.47%	34.47%
First Mutual Holdings limited	690 143 060	234 321 614	33.95%	33.95%
Rainbow Tourism Group	2 495 495 543	1 027 308 245	41.17%	41.17%
Turnall Holdings Limited	493 040 308	142 071 763	28.82%	28.82%
ZB Financial Holdings Limited (disposed November 2020)	175 190 642	66 196 080	37.79%	37.79%
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%
Unquoted				
Africom Continental	722 530 961	311 643 329	43.13%	43.13%
Dubury Investments	10 000	3 621	36.21%	36.21%

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2020

8 INTANGIBLE ASSETS

	Inflation adjusted		Historical cost	
	2019 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Carrying amount	7 353 138	7 353 138	264 053	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	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
9.1 Held to maturity financial assets				
Stanbic Bank Zimbabwe limited (Africom)	1 852 408	8 306 664	1 852 408	1 852 408
Bindura Nickel Corporation (Bonds)	312 500	4 203 986	312 500	937 500
Econet Wireless Zimbabwe Limited - Debenture	203 636	913 155	203 636	203 636
Treasury bill (SMEDCO)	414 514	1 858 785	414 514	414 514
Rainbow Tourism Group Limited	-	45 738 351	-	10 199 773
	184 205 004	1 037 051 684	184 205 004	231 265 262
9.2 Loans and advances				
Commercial Bank of Zimbabwe (Ekusileni)				
City of Masvingo		456 402	-	101 779
Dubury Investments	5 977 120	13 401 456	5,977,120	2 988 560
Metropolitan Bank	-	3 651 011	-	814 185
African Century (Private) Limited	-	747 374	-	166 666
National Building Society Chinhoyi Housing Project	10 775 028	21 670 300	10,775,028	4 832 534
National Building Society Glaudina Housing Project	25 400 000	22 010 314	25,400,000	4 908 358
National Building Society Dzivaresekwa and Mutare Housing Project	-	113 899 998	-	25 400 000
Agro Troops Private Limited	-	8 822 280	-	1 967 392
	21 593 141	109 519 840	21 593 141	24 423 213
9.3 Other receivables				
Telecel Zimbabwe (Private) Limited (Advance Zarnet Agreement)	-	7 823 951	-	1 744 762
Housing Corporation Zimbabwe	11 115 000	49 842 460	11 115 000	11 115 000
Gweru Housing Project	3 500 000	15 694 882	3 500 000	3 500 000
Impairment	(14 615 000)	(65 537 341)	(14 615 000)	(14 615 000)
	21 725 475	49 500 728	21 725 475	11 038 793
Total	227 523 620	1 196 072 252	227 523 620	266 727 268
9.4 Reconcilliation of credit losses				
Opening balance	217 354 119	217 354 119	48 470 542	31 371 261
Change in allowance for credit loss	-	111 558 976	-	24 877 946
Recoveries	-	(34 881 493)	-	(7 778 665)
IAS 29 adjustment	(168 883 577)	(76 677 483)	-	-
Closing balance	48 470 542	217 354 119	48 470 542	48 470 542

10 INVENTORY

Stationery and consumables	17 375 247	21 133 187	7 179 854	2 049 025

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2020

11 TRADE AND OTHER RECEIVABLES

	Inflation adjusted		Historical cost	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Trade receivables				
Contributions receivables	838 782 436	433 512 745	838 782 436	96 674 486
Allowance for credit losses	(155 013 372)	(268 439 757)	(155 013 372)	(59 862 774)
	683 769 064	**165 072 988**	**683 769 064**	**36 811 712**
Other receivables				
Accident Prevention and Workers Compensation Scheme (inter scheme)	214 635 353	118 988 615	214 635 353	26 534 775
Staff advances	7 570 937	1 132 005	7 570 937	252 440
Dividend receivable	53 589 026	31 122 080	53 589 026	6 940 306
Interest receivable	13 443 071	25 489 304	13 443 071	5 684 182
Rental receivable	37 762 440	33 597 176	37 762 440	7 492 259
Prepayments	16 179 986	8 952 571	16 179 986	1 996 447
ZIMRA receivables	2 317 712	11 985 114	2 317 712	2 672 712
Sundry receivables	11 599 300	22 797 461	11 599 300	5 083 894
Allowance for credit losses	(17 723 205)	(43 389 298)	(17 723 205)	(9 675 928)
Impairment	(1 349 743)	(6 052 589)	(1 349 743)	(1 349 743)
	338 024 877	**204 622 439**	**338 024 877**	**45 631 344**
	1 021 793 941	**369 695 427**	**1 021 793 941**	**82 443 055**
11.1 Trade receivable impairments				
Opening balance	4 544 179 940	2 653 849 807	59 862 774	94 866 090
Change in allowance for credit loss	95 150 598	(156 963 685)	95 150 598	(35 003 316)
IAS 29 adjustment	(4 484 317 166)	2 047 293 818	-	-
Closing balance	**155 013 372**	**4 544 179 940**	**155 013 372**	**59 862 774**
11.2 Other receivables short term impairments				
Opening balance	49 441 886	311 219 573	11 025 671	11 175 971
Current year charge	8 047 277	24 985 933	8 047 277	5 571 929
Recoveries	-	(25 659 916)	-	(5 722 229)
IAS 29 adjustment	(38 416 215)	(261 103 704)	-	-
Closing balance	**19 072 948**	**49 441 886**	**19 072 948**	**11 025 671**
11.3 Summary of impairments				
Trade and other receivables(note 11.1)	95 150 598	(156 963 685)	95 150 598	(35 003 316)
Other receivables short term	8 047 277	24 985 942	8 047 277	5 571 931
Financial assets at amortised cost	-	111 558 976	-	24 877 946
	103 197 875	**(20 418 767)**	**103 197 875**	**(4 553 439)**

12 CASH AND CASH EQUIVALENTS

	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
Cash on hand	255 759	335 763	255 759	74 876
Bank balances	1 707 057 125	731 011 938	1 707 057 125	163 017 591
Funds on placements	66 174 292	502 156 812	66 174 292	111 982 294
	1 773 487 176	**1 233 504 513**	**1 773 487 176**	**275 074 761**

13 OTHER COMPONENTS OF RESERVES

	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
Mark-to-market reserve	8 079 426 748	1 925 999 671	11 766 805 686	429 503 005
Functional currency translation reserve	68 631 323	68 631 323	15 304 966	15 304 966
Revaluation reserve	770 787 321	551 131 635	921 158 387	185 926 043
Share of other comprehensive income from associates	1 061 929 730	1 651 855 339	3 198 478 581	777 218 635
	9 980 775 122	**4 197 617 968**	**15 901 747 620**	**1 407 952 649**

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2020

14 TRADE AND OTHER PAYABLES

	Inflation adjusted		Historical cost	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Trade payables				
Contributions payables (employers)	13 772 319	7 504 481	13 772 319	1 673 519
Claims payable	162 197 869	237 026 886	162 197 869	52 857 621
	175 970 188	**244 531 367**	**175 970 188**	**54 531 140**
Other payables		-		
Provision for leave pay	90 070 881	61 837 502	90 070 881	13 789 926
Sundry payables	51 474 445	47 063 093	51 474 445	10 495 221
Deferred income	-	1 277 936	-	284 983
	141 545 326	**110 178 531**	**141 545 326**	**24 570 130**
	317 515 514	**354 709 898**	**317 515 514**	**79 101 270**
15 INCOME				
15.1 Contributions	**3 582 470 794**	**4 982 800 049**	**2 819 167 311**	**398 678 877**
15.2 Investment income				
Interest money market investments	18 718 824	71 784 403	9 459 921	6 294 361
Interest on financial assets measured at amortised cost	20 283 222	170 729 617	10 898 401	14 970 297
Dividend income	354 163 254	515 313 975	303 792 040	45 184 915
Rental income	131 922 311	123 109 293	98 825 444	10 794 745
Sundry investment income	-	147 400 227	-	12 924 677
	525 087 611	**1 028 337 515**	**422 975 806**	**90 168 995**
15.3 Sundry income		-		
Penalties /surcharges	4	47 173 338	4	2 064 923
Interest on staff loans	37 002	-	32 589	-
Bank interest	1 192 213	2 164 891	1 050 029	94 764
Profit on disposal of furniture	82 455	-	72 621	-
Other income	5 779 780	28 808 747	5 090 482	1 261 048
	7 091 454	**78 146 976**	**6 245 724**	**3 420 735**
15.4 Exchange rate gain				
Financial instruments	597 106 320	653 011 229	597 106 320	145 623 227
Other	145 339 558	118 727 990	145 339 558	26 476 655
	742 445 878	**771 739 219**	**742 445 878**	**172 099 882**

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2020

16 ADMINISTRATION COSTS

	Inflation adjusted		Historical cost	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Actuarial valuation	1 157 797	7 193 727	963 414	970 800
Advertising and publicity	26 444 279	24 230 281	20 586 745	2 768 706
Audit fees statutory	940 518	4 832 749	591 728	370 479
Allowance for credit losses	103 197 875	1 294 604	103 197 875	288 702
Bank charges	22 818 391	25 939 041	15 198 582	2 853 583
Cleaning and sundries	28 463 278	17 478 974	17 729 400	1 849 693
Clothing and uniforms	3 787 283	1 994 193	1 967 775	150 541
Commission	3 353 376	6 690 951	2 107 515	563 699
Conferences functions	173 351	4 368 340	162 276	954 138
Computer charges	17 507 473	20 562 009	11 651 688	1 934 180
Data clean up costs	252 319	-	252 319	-
Depreciation	102 254 202	16 553 869	27 510 228	1 222 200
Electricity and water	12 268 703	10 686 818	8 730 933	1 498 470
Entertainment and promotions	389 180	689 976	295 215	63 738
Guarantees called and paid	-	15 251 947	-	606,279
Insurance	18 010 681	13 298 198	12 751 684	1 618 845
Legal fees	8 961 291	24 895 972	5 980 802	1 807 293
Loss on disposal of assets		39 724	-	3 858
Mailing expenses	1 766 618	1 897 222	1 189 259	210 723
Motor vehicle expenses	63 086 658	43 885 144	48 397 699	4 492 619
Motor vehicle expenses- personal	2 589 296	2 084 848	1 739 905	230,891
Penalties and interest	-	78 055	-	9,163
Printing and stationery	13 499 421	22 776 916	7 841 920	1 688 031
Professional fees	4 196 725	11 033 104	2 829 782	1 363 739
Rent and rates	9 947 516	8 612 462	8 061 946	622 457
Repairs and maintenance- Buildings	11 710 362	11 433 991	8 359 465	1 164 001
Repairs and maintenance- Computers	47 309 599	45 755 238	31 730 650	4 205 444
Repairs and maintenance- Furniture and Equipment	1 339 321	1 436 127	821 424	198 820
Security charges	12 827 052	14 004 089	9 729 076	1 697 189
Shows and exhibits	430 342	10 638 606	323 439	937 688
Social responsibility	5 008 853	8 072 721	3 247 204	483 842
Staff social activities	2 256 871	5 405 740	889 626	477 763
Subscriptions	8 078 048	6 059 616	5 165 028	717 988
Telephone expenses	13 008 892	7 206 412	10 068 316	785 855
Training, education and seminars	3 568 718	12 511 492	2 245 509	1 264 000
Travelling expenses	32 386 940	79 989 747	21 792 253	8 113 879
Valuation fees	3 351 080	-	2 587 227	-
Works council	243 417	933,520	80 259	73,997
	586 585 726	**489 816 423**	**396 778 167**	**48 263 294**

16.1 Loss on Disposal of Investments

Loss on disposal of associates	993 394 876	-	995 233 245	-
Loss on other investments	7 565 821	-	3 003 251	-
	1 000 960 697	**-**	**998 236 496**	**-**

The loss on disposal of associates relates to the loss on the disposal of ZB Financial Holdings Limited shareholding.

17 STAFF COSTS

Basic salary	243 578 162	180 403 692	186 337 771	19 909 436
Other staff expenses	377 650 619	270 748 826	265 926 641	29 879 967
	621 228 781	**451 152 518**	**452 264 412**	**49 789 403**

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2020

18 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 actuarial 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. The contribution rate was revised from 7% (employee 3.5%, employer 3.5%) on an insurable earnings ceiling of ZWL700 to 9% (employee 4.5%, employer 4.5%) of the insurable ceiling of ZWL 5,000 with effect from 1 June 2020. 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	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Staff pension	31 289 059	21 327 120	23 555 797	2 071 550
NSSA pension	1 132 985	1 253 407	853 545	121 746
	32 422 044	**22 580 527**	**24 409 342**	**2 193 296**

19 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:

Scheme entities	Nature of relationship
Africom Continental (Private) Limited	Investee company
CBZ Holdings Limited	Investee company
CFI Holdings Limited	Investee company
Dubury Investments	Investee company
FBC Holdings Limited	Investee company
Fidelity Life Limited (disposed off in November 2020)	Investee company
First Mutual Holdings 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
ZB Financial Holdings Limited (disposed off in November 2020)	Investee company

Key Management Personnel
Board Members

From 8 February 2019 to 2 November 2020

Dr. Cuthbert Chidoori	Chairman
Dr. Pricilla Mujuru	Member
Mrs. Cecilia Alexander	Member
Commissioner Ozias Hove	Member
Mr. Phillip M.Hamadziripi	Member
Mrs. Natsai Gurupira	Member
Mrs Jemina Mateko	Member
Mr Thomas Masvingwe	Member
Mr. Arthur Manase	Member

From 2 November 2020

Mr. Clifford Matorera	Chairman
Mr. Andrew Bvumbe	Member
Mr. Arthur Manse	Member

19 RELATED PARTIES (CONT'D)

Executive Management	
Mr Arthur Manase	Acting General Manager
Mr. David Makwara	Director Investments/ Acting Director Finance and Operations
Ms. Hope Mulilo	Finance and Cost Management Executive
Ms Agnes Masiiwa	Acting Director Contributions, Collections and Compliance
Mr. Shepherd Muperi	Acting Chief Social Security Officer (1 January 2020 - 31 August 2020)
Mrs. Tambudzai Jongwe	Chief Social Security Officer (1 September 2020)
Mr Isaac Isaki	Chief Investment Officer
Mr. Francis Nyambiri	Chief Properties Investments Officer
Dr. Betty Nyereyegona	Chief Occupational Safety and Health / Rehabilitation Centre Officer
Mr. Andrew Nyakonda	Chief Audit Executive
Ms Prudence Mutsvanga	Group Legal Advisor and Corporate Governance Executive from October 2020
Mr. Tendai Mutseyekwa	Marketing, Communications, Corporate Social Responsibility (CSR) and Public Relations Executive
Mrs. Perpetua Chimeura	ICT and Digital Strategy Executive
Mr Best Shadaya	Acting Human Capital and Talent Management Executive
Mr. Charles Nyika	Supply Chain and Administration Services Executive Up to April 2020
Mr. Alexander Kamusoko	Supply Chain and Administration Services Executive from May 2020
Takudzwa Takawira	Group Legal Advisor and Corporate Governance Executive Up to October 2020

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.

19.1 Compensation to key management personnel to NSSA

	Inflation adjusted		Historical cost	
Non Executive Directors' fees	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Chairman	340 440	657 448	261 120	61 056
Deputy Chairman	286 277	484 826	219 576	45 025
Other	1 426 032	2 507 942	1 093 776	232 906
	2 052 749	**3 650 216**	**1 574 472**	**338 986**
19.2 Executive short term benefits				
Acting General Manager	9 198 381	4 393 146	4 498 530	426 716
Director Finance and Operations	6 115 801	3 970 402	2 990 974	385 654
Other	33 278 034	26 204 158	16 274 846	2 545 267
	48 592 216	**34 567 706**	**23 764 350**	**3 357 637**
19.3 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**	**35 140 892**
Other receivables				
National building Society (staff loans)	**11 115 000**	**41 676 776**	**21 725 475**	**2 711 518**

20.1.1 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.

Pensions and Other Benefits Scheme
Notes to the Financial Statements (Cont.)
for the year ended December 31, 2020

20.2 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.

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 the Scheme designated 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.

21 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 of 2020

Out of the 3.165 million registered insured persons to the POBS, 1.334 million were active and 1.898 million were inactive contributors as at December 31, 2020.

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.

Accident Prevention and Workers COMPENSATION SCHEME

Cushioning members and their dependants in the event of the former's injury in work-related accidents.

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Office of the Auditor-General

Ref: **SB 18**

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, 2020

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 148 to 177 which comprise the statement of financial position as at December 31, 2020, 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 matters described in the Basis for Qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the National Social Security Authority's Accident Prevention and Workers Compensation Scheme as at December 31, 2020, 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

Non - compliance with IAS 21 "The Effects of Changes in Foreign Exchange Rates"

Opening balances

The prior year financial statements did not comply with the requirements of IAS 21 "The effects of changes in foreign exchange rates" on the opening balances as the Scheme had been unable to use an appropriate exchange rate on change of functional currency. The Scheme translated its comparative financial statements using the interbank rate which came into existence on February 22, 2019 through Exchange Control Directive RU 28 of 2019 issued by the Reserve Bank of Zimbabwe.

The Scheme adopted January 1, 2019 as the date of change in functional currency and translated its foreign denominated balances to ZWL at a rate of USD1 : 1RTGS. Statutory Instrument 33 of 2019 prescribed that all assets and liabilities that were denominated in US$ before February 22, 2019 be deemed to be RTGS dollars at a rate of 1:1 and all transactions subsequent to February 22, 2019 at interbank rate starting at USD1 : 2.5RTGS. The Scheme's inability to assess the appropriateness of using the interbank rate in achieving fair presentation was primarily due to the fact that there were no observable foreign exchange market rates between October 2018 and February 2019. In that regard the Scheme's 2020 opening balances misstatements have an impact on the current year financial statements. Had the financial statements been prepared in accordance with the requirements of IAS 21, many elements would have been materially affected. As a result, the impact of the Scheme's inability to comply with IAS 21 has been determined as significant.

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 paragraph of my report. I am independent of the Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements, 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.

Report of the independent auditor (cont.)

to the members of NSSA

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the Accident Prevention and Workers' Compensation Scheme, for the year ended December 31, 2020. These matters were addressed in the context of my audit of Scheme's financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined the matters described below to be the key audit matters to be communicated in my report.

Key Audit Matter	How my audit addressed the Key Audit Matter
Valuation of trade receivables. Refer to note 12 of the financial statements. The Accident Prevention and Workers Compensation Scheme estimated the recoverable amount of trade receivables to be ZWL252.4 million as at December 31, 2020 after adjusting allowance for credit loss of ZWL61 million as at December 31, 2020. 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 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 that I 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. Based on the outcome of the procedures performed, I found the valuation of trade receivables to be reasonable and disclosures related to trade receivables to be appropriate.
Valuation of property, plant and equipment. Refer to note 3.2 and 4 to the financial statements. The Accident Prevention and Workers Compensation Scheme recognised Property, plant and equipment excluding motor vehicles with a carrying amount of ZWL796.5 million as at December 31, 2020 after adjusting for depreciation amounting to ZWL118.6 million. The useful life and residual values are reviewed annually by management with reference to current, forecast and relevant technical factors. The useful life and residual value estimates are used by management in determining the depreciation charge for the year. The annual review process involves a significant degree of management judgement and assumptions. As a result, valuation of property, plant and equipment was considered to be a key audit matter.	Audit procedures to address the risk of material misstatement relating to valuation of property, plant and equipment included; • Gained understanding of the Scheme's key asset management processes and tested the operating effectiveness of key controls over these processes. • Physically verified assets and tested management's assumptions used to determining the recoverable amounts in testing for impairment, • Evaluated the reasonableness of management's estimates regarding useful lives and residual values of the assets in relation to the Scheme's historical experience, industry practice and future operating plans. • Inspected documentary evidence of the state of property, plant and equipment. Based on evidence gathered, I found the management's assumptions in relation to useful lives and disclosures of property, plant and equipment reasonable.

Other matter

Forensic audit had been requested into the affairs of the National Social Security Authority at the request of the Ministry of Public Service, Labour and Social Welfare for the period January 2020 to October 2022. At the time of concluding the 2020 final audit, the forensic audit had not been completed. The audit outcome and 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.

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

Other Information

The Scheme's management is responsible for the Other Information. The Other Information comprises all the information in the Scheme's 2020 annual report other than the financial statements and my auditor's report thereon ("the Other Information").

My opinion on the Scheme's financial statements does not cover the Other Information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the 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 Scheme's Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), Public Finance Management Act [*Chapter 22:19*] and in the manner required by the National Social Security Act [*Chapter 17:04*] and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements management is responsible for assessing the Scheme'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 Scheme or 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 Scheme's internal control:
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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 the 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.

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

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

I also provide 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 directors, 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, determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In my opinion, the financial statements of National Social Security Authority's Accident Prevention and Workers Compensation Scheme have in all material respects, been prepared in accordance with the disclosure requirements of the Public Finance Management Act [*Chapter 22:19*], the National Social Security Authority Act [*Chapter 17:04*] and other relevant Statutory Instruments.

31 July, **2023.**

R. KUJINGA,
ACTING AUDITOR-GENERAL.

Accident Prevention and Workers Compensation Scheme
Statement of Financial Position
As at December 31, 2020

	Note	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
ASSETS					
Non-current assets		**11 509 221 074**	**7 603 089 412**	**11 272 030 067**	**1 636 122 903**
Property, plant and equipment	4	796 495 760	472 355 575	738 703 957	105 336 538
Investment property	5	2 481 625 845	1 521 785 989	2 437 369 928	333 696 751
Financial assets at fair value through other comprehensive income	6	3 637 454 500	1 907 569 923	3 637 454 500	425 393 124
Financial assets at fair value through profit or loss	6.2	306 273 451	105 897 391	306 273 451	23 615 397
Financial assets at amortised cost	7	66 826 504	233 666 124	66 826 504	52 108 162
Investment in associates	8	3 276 726 799	2 250 455 231	3 143 890 433	450 443 824
Deferred expenditure	9	941 068 507	1 099 028 796	941 068 507	245 086 320
Intangible asset	10	2 749 708	12 330 383	442 787	442 787
Current assets		**823 193 967**	**779 316 983**	**814 356 471**	**172 927 553**
Inventory	11	15 061 085	6 840 334	6 223 589	663 223
Trade and other receivables	12	252 419 552	142 976 089	252 419 552	31 884 045
Cash and cash equivalents	13	555 713 330	629 500 560	555 713 330	140 380 285
Total Assets		**12 332 415 041**	**8 382 406 395**	**12 086 386 538**	**1 809 050 456**
Equity and liabilities					
Equity		**11 076 902 189**	**7 001 417 495**	**10 830 873 686**	**1 501 086 289**
Non distributable reserve		553 850 513	553 850 513	19 888 908	19 888 908
Other components of reserves	14	1 122 188 291	1 824 243 118	4 092 020 567	452 474 200
Accumulated fund		9 400 863 386	4 623 323 865	6 718 964 211	1 028 723 181
Liabilities		**1 255 512 852**	**1 380 988 900**	**1 255 512 852**	**307 964 167**
Non-current liabilities		**989 317 410**	**1 192 833 161**	**989 317 410**	**266 004 940**
Capitalised value of the pension liability	15	989 317 410	1 192 833 161	989 317 410	266 004 940
			-		
Current liabilities		**266 195 442**	**188 155 739**	**266 195 442**	**41 959 227**
Trade and other payables	16	266 195 442	188 155 739	266 195 442	41 959 227
Total Equity and Liabilities		**12 332 415 041**	**8 382 406 395**	**12 086 386 538**	**1 809 050 456**

31 July, 2023.

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

31 July, 2023.

Dr.C. Shava,
(Acting General Manager)

31 July, 2023.

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, 2020

	Note	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
Income		**1 302 057 959**	**1 658 007 817**	**1 099 451 023**	**145 367 426**
Premium		1 082 114 344	1 123 069 220	929 222 607	102 664 137
Investment	17	188 878 871	397 051 201	144 868 420	32 480 657
Sundry	17	8 972 455	98 634 376	7 320 016	6 723 666
Occupational health and safety		22 092 289	39 253 020	18 039 980	3 498 966
Fair value gain on investment property	5	982 188 787	567 951 507	2 110 765 533	296 209 660
Gain on financial assets at fair value through profit and loss		200 376 061	44 210 863	291 151 312	9 859 139
Exchange gains	18.3	785 814 545	699 296 272	785 814 545	155 944 913
Decrease in allowance for credit losses	7. 6	-	(53 225 218)	-	(11 869 364)
Less expenditure		**(505 217 062)**	**6 104 352 249**	**623 032 947**	**84 484 033**
Claims		**386 315 165**	**408 074 968**	**277 083 501**	**50 517 097**
Periodical and lump sum payments		9 156 548	23 912 955	7 036 802	1 665 755
Medical costs		57 620 951	49 908 724	37 969 262	4 691 455
Occupational health and safety expenses		145 674 535	142 125 458	99 848 712	16 967 932
Funeral grants		249 259	199 581	169 380	12 500
Bonus		23 516 993	12 995 124	23 516 993	2 214 398
Rehabilitation expenses		79 838 668	73 747 011	51 044 935	8 194 796
Travelling and subsistence- patients		1 367 273	2 092 751	813 698	203 294
Provision for new pensions		19 361 017	45 249 743	7 153 799	3 667 687
Deferred pension expenses	9	49 529 921	57 843 621	49 529 921	12 899 280
Operating expenses		**(891 532 227)**	**5 696 277 282**	**345 949 446**	**33 966 936**
Administration expenses	18.1	239 420 168	133 777 737	135 234 204	13 228 782
Staff costs	18.2	472 273 203	185 010 525	210 468 194	20 672 547
Directors fees	22	310 606	763 543	247 048	65 607
Net monetary loss		(1 603 536 204)	5 376 725 477	-	-
Surplus/(deficit) before share of profit from associate		**3 775 654 414**	**(3 188 111 008)**	**3 664 149 466**	**511 027 741**
Share of profit from associates	8	939 171 063	272 789 611	1 928 416 426	248 911 074
Surplus for the year after share of profits from associates		**4 714 825 477**	**(2 915 321 397)**	**5 592 565 892**	**759 938 816**
Other comprehensive income		**(639 340 782)**	**1 450 499 143**	**3 737 221 503**	**367 167 640**
Items that will not be reclassified to profit or loss		**296 993 788**	**936 901 181**	**1 227 436 653**	**252 633 940**
Revaluation gain on property, plant and equipment	4	209 893 283	258 878 983	462 406 470	97 771 707
Share of other comprehensive income/(loss) from associates	8	87 100 505	678 022 198	765 030 183	154 862 233
Items that may be reclassified subsequently to profit or loss		**(936 334 571)**	**513 597 962**	**2 509 784 850**	**114 533 700**
Fair value gain on financial assets through other comprehensive income	6.1.1	(936 334 571)	446 298 749	2 509 784 850	99 525 798
Translation gains		-	67 299 213	-	15 007 902
Total comprehensive income for the year		**4 075 484 694**	**(1 464 822 254)**	**9 329 787 395**	**1 127 106 456**

Accident Prevention and Workers Compensation Scheme
Statement of Changes in Equity
for the year ended December 31, 2020

	Non distributable reserve ZWL	Accumulated fund ZWL	Other components of reserves: Mark to market reserve ZWL	Other components of reserves: Share of other comprehensive income from associates ZWL	Other components of reserves: Translation and exchange reserve ZWL	Other components of reserves: Revaluation reserve ZWL	Total ZWL
Inflation adjusted							
Balance as at January 01, 2019	553 850 513	7 538 645 262	373 906 547	(162 572)	-	-	8 466 239 749
Total comprehensive income for the year	-	(2 915 321 397)	446 298 749	678 022 198	67 299 213	258 878 983	(1 464 822 254)
Balance as at December 31, 2019	553 850 513	4 623 323 865	820 205 296	677 859 626	67 299 213	258 878 983	7 001 417 495
Balance as at January 01, 2020	553 850 513	4 623 323 865	820 205 296	677 859 626	67 299 213	258 878 983	7 001 417 495
Total comprehensive income for the year	-	4 714 825 477	(936 334 571)	87 100 505	-	209 893 283	4 075 484 694
Realisation of income on disposal of financial asset at fair value through other comprehensive income	-	62 714 045	(62 714 045)	-	-	-	-
Balance as at December 31, 2020	553 850 513	9 400 863 386	(178 843 320)	764 960 131	67 299 213	468 772 266	11 076 902 189
Historical cost							
Balance as at January 01, 2019	19 888 908	268 784 365	83 382 146	(5 838)	-	1 930 252	373 979 833
Total comprehensive income for the year	-	759 938 818	99 525 798	154 862 233	15 007 902	97 771 707	1 127 106 458
Balance as at December 31, 2019	19 888 908	1 028 723 183	182 907 944	154 856 395	15 007 902	99 701 959	1 501 086 291
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	6 718 964 211	2 595 017 658	919 886 578	15 007 902	562 108 429	10 830 873 686

Accident Prevention and Workers Compensation Scheme
Statement of Cashflows
for the year ended December 31, 2020

	Note	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
Cashflow from operating activities					
(Deficit)/Surplus for the year before share of profit from associates		3 775 654 414	(3 188 111 008)	3 664 149 466	511 027 741
Adjusted for non cash items:					
Depreciation charge for the year	4	118 601 475	16 060 429	31 452 323	1 117 626
Impairment allowances	7.6	37 469 520	53 225 218	37 469 520	11 869 364
Gain on financial assets at fair value through profit and loss		(200 376 061)	(44 210 863)	(291 151 312)	(9 859 139)
Net monetary loss		(1 603 536 204)	5 376 725 477	-	-
Exchange gain		(785 814 545)	(699 296 272)	(785 814 545)	(155 944 913)
Investment income	17.1	(188 878 871)	(397 051 201)	(144 868 420)	(32 480 657)
Fair value adjustment on investment property	5	(982 188 787)	(567 951 507)	(2 110 765 533)	(296 209 660)
Bad debts written off	18.1	-	1 768 199	-	394 313
Provision for new pensions		19 361 017	45 249 743	7 153 800	3 667 687
Deferred pension expense	9	49 529 921	57 843 621	49 529 921	12 899 280
		239 821 879	**654 251 835**	**457 155 221**	**46 481 642**
Working capital changes					
(Increase) /decrease in inventory		(8 220 751)	401 287	(5 560 366)	(403 175)
Decrease/(increase) in trade and other receivables		(109 443 463)	186 631 456	(220 535 508)	(20 378 573)
Increase/(decrease) in trade and other payables		78 039 703	(45 153 166)	224 236 215	33 581 046
Total working capital changes		**(39 624 511)**	**141 879 578**	**(1 859 659)**	**12 799 298**
Pensions paid during the year	15	(50 807 360)	(72 879 371)	(29 353 438)	(10 501 271)
Net cash generated from operating activities		**149 390 007**	**723 252 042**	**425 942 124**	**48 779 669**
Cashflow from investing activities					
Acquisition of property, plant and equipment	4	(234 943 276)	(4 225 040)	(202 880 440)	(591 449)
Additions to investment property	5	(31 737 234)	(47 571 137)	(19 012 708)	(4 942 951)
Purchases of financial assets at fair value through other comprehensive income		(267 362 946)	(115 330 425)	(210 926 748)	(11 182 170)
Purchase of financial assets at fair value through profit and loss		(1 999 941)	-	(1 583 399)	-
Proceeds from disposal of financial assets at fair value through profit and loss		-	1 410 630	-	136 771
Purchase of financial assets at amortised cost		(14 718 342)	(110 083 662)	(14 718 342)	(10 673 455)
Repayments of financial assets at amortised cost		-	299 141 960	-	29 004 106
Investment income	17.1	188 878 871	397 051 201	144 868 420	32 480 657
Net cash used in investing activities		**(361 882 868)**	**420 393 527**	**(304 253 217)**	**34 231 509**
Net increase / (decrease) of cash and cash equivalents		**(212 492 861)**	**1 143 645 568**	**121 688 907**	**83 011 178**
Cash and cash equivalents at the beginning of the year		629 500 560	1 130 190 064	140 380 285	40 585 405
Effects of inflation and exchange gains		138 705 631	(1 644 335 073)	293 644 138	16 783 702
Cash and cash equivalents at the end of the year	13	**555 713 330**	**629 500 560**	**555 713 330**	**140 380 285**

Accident Prevention and Workers Compensation Scheme
Notes to the Financial Statements (cont.)
for the year ended December 31, 2020

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 work places. 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 the Accident Prevention and Workers Compensation Scheme is the same as assumes under the consolidated financial statement and as such has not been repeated in this section.

2.1 Going concern assumption

Management have assessed the ability of the Scheme to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate

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

2.2.1 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)

2.2.1.1 Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual periods beginning on or after 1 January 2020)

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.

2.2.1.2 Amendments to IAS 1 and IAS 8 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.

2.2.1.3 Amendments to IFRS 9, IAS39 and IFRS 7

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.

2.2.1.4 Amendments to IFRS 16

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.

2.2.2 New standards, amendments and interpretations issued but not effective for December 31, 2020-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, 2020:

a) Amendments to IAS 16 'Property, Plant and Equipment' on Proceeds before Intended Use (effective January 1, 2022).
b) Amendments to IFRS 3 'Reference to the conceptual Framework' (effective January 1, 2022).
c) Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' on Onerous Contracts—Cost of Fulfilling a Contract (effective January 1, 2022).
d) Amendments to IAS1 'Classification of Liabilities as Current or Non-current' (effective January 1, 2022).
e) IFRS 17 Insurance Contracts (effective January 1, 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:

2.2.2.1 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 bringing 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.

2.2.2.2 Amendments to IAS 16

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.

2.2.2.3 Amendments to IFRS 3

The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

Further, an addition on the exception to the recognition principle of IFRS 3 to avoid the issue of potential "day 2" gains or losses arising for liabilities and contingent liabilities within the scope of IAS37 or IFRIC 21 Levies when incurred separately. The board also clarified the existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation of Financial Statements.

2.2.2.4 Amendments to IAS 37

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.

2.2.2.5 Amendments to IAS 1

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.

2.3 Comparative figures

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

2.4 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:

2.4.1 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.

2.4.2 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

Accident Prevention and Workers Compensation Scheme
Notes to the Financial Statements (cont.)
for the year ended December 31, 2020

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.

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

3. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the consolidated financial statements are also applicable to the Accident Prevention and Workers Compensation Scheme and as such will not be repeated in this section except for accounting policies that are unique to the Accident Prevention and Workers Compensation Scheme. The policies have been consistent to those applied in the financial statements for the year ended December 31, 2019.

3.1 Revenue

The Scheme recognises its revenue at the point in time when it has discharged the performance obligation.

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 Claims

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.

3.3 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.

3.4 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 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.

3.5 Employees benefits

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

3.5.1 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 Scheme 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.

3.5.2 Post employment benefit
The Scheme contributes to a post-employment defined benefit plans. The Plan entitles a retired employee to receive an annual pension payment. The employees retire 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 Scheme. 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 Scheme to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The Scheme 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

3. ACCOUNTING POLICIES (Cont.)

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.

3.5.3 Termination benefits

Termination benefits are expensed at the earlier of when the Scheme can no longer withdraw the offer to those benefits and when the Scheme 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 Scheme's ability to withdraw the offer takes effect.

3.6 Nature and extent of risks arising from financial instruments

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

i) **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 at December 31, 2020

	Up to 1 month ZWL	2 to 6 months ZWL	Above 6 months ZWL	Over 1 year ZW	Total ZWL
Assets	575 320 685	101 028 565	54 421 300	4 087 916 787	4 818 687 357
Liabilities	27 667 898	206 089 956	42 033 693	979 721 305	1 255 512 852
Periodic gap	**547 652 787**	**105 061 391**	**2 387 607**	**3 108 195 482**	**3 563 174 485**
Cumulative gap	**547 652 787**	**442 591 396**	**454 979 003**	**3 563 174 485**	

Liquidity gap analysis at December 31, 2019

Assets	17 443 729	53 669 610	14 508 334	59 533 944	144 155 617
Liabilities	4 208 127	34 610 205	290 357	106 046 928	587 737 581
Periodic gap	**13 235 602**	**19 059 405**	**14 217 977**	**(46 512 984)**	
Cumulative gap	**13 235 602**	**32 295 007**	**46 512 984**	-	

ii) **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.

Accident Prevention and Workers Compensation Scheme
Notes to the Financial Statements (cont.)
for the year ended December 31, 2020

3. ACCOUNTING POLICIES (Cont.)

3.6 Nature and extent of risks arising from financial instruments (cont.)

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, 2019 and January 1, 2020 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.

iii) 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) ZWL	Reserves ZWL
Increase in interest rates by 10%	7 771 914	7 771 914
Decrease in interest rates by 10%	(7 771 914)	(7 771 914)

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 historical surplus or deficit in the following way:

`	Total comprehensive income/(loss) ZWL	Reserves ZWL
Increase in the industrial index by 20%	788 745 590	788 745 590
Decrease in industrial index by 20%	(788 745 590)	(788 745 590)

3. ACCOUNTING POLICIES (Cont.)

3.6 Nature and extent of risks arising from financial instruments (cont.)

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, 2020 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%	267 291 348	267 291 348
Exchange rate weakening by 40%	(267 291 348)	(267 291 348)

iv) **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.

v) **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.

vi) **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.

vii) **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 Scheme 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.

Accident Prevention and Workers Compensation Scheme
Notes to the Financial Statements (cont.)
for the year ended December 31, 2020

3. ACCOUNTING POLICIES (Cont.)

3.7 Subsequent events

In response to the virus pandemic, the Government of Zimbabwe, through Statutory Instrument (SI) 83 of 2020 (Public Health (COVID-19 Prevention, Containment and Treatment) (National Lockdown) Order, 2020) implemented a nationwide lockdown for an initial period of 21 days from 30 March, 2020 to 19 April 2020. Periodic reviews of the lockdown and trade restrictions have been undertaken with formal commercial and industrial sectors having been allowed to resume operations from 4 May, 2020 subject to them meeting prescribed minimum safety and health conditions. The future impact of the virus pandemic on the Scheme's operations will depend on the extent to which its employers, contributors and beneficiaries have been affected.

Whilst the full COVID-19 impact is yet to unravel, potential areas of short to medium term risks include:

- **Credit Risk** – changed operating models and market dynamics may affect the ability of employers to pay their contributions and tenants from paying rentals. The Scheme may consider payment plans to mitigate risk of non-payment.

- **Liquidity Risk** – mismatches may arise between assets and liabilities due to late remission of contributions by employers. The Scheme may need to liquidate its investments in order to pay for its benefits obligations.

- **Insurance Risk** – funeral claims may increase beyond normal levels as a result of COVID-19- related deaths which in turn may increase survivors' claims. However, current claims levels have been in line with expected trends.

- **Market risk** – the valuation of equity investments maybe affected through an unfavourable underlying performance fundamentals as a result of COVID-19. This may have an effect of reducing the carrying value for investments designated as fair value instruments.

Management's assessment of COVID 19 virus is that it is a non-adjusting event which will not affect key accounting judgements, measurements as well as assumptions used in coming up with fair values of material financial statement items, particularly on credit loss provisioning and other provisions, investment securities and investment properties. This is because these assumptions are sufficiently adjusted for in the probability of different business and economic scenario and factor in both short term and long term economic phenomena.

Accident Prevention and Workers Compensation Scheme
Notes to the Financial Statements (cont.)
for the year ended December 31, 2020

4 PROPERTY AND EQUIPMENT

	Land and buildings ZWL	Work in progress ZWL	Computer equipment ZWL	Furniture and equipment ZWL	Motor vehicles ZWL	Total 2020 ZWL	2019 ZWL
Inflation adjusted							
Opening carrying amount	**267 116 128**	**2 094 899**	**43 558 561**	**80 684 216**	**78 901 771**	**472 355 575**	**309 031 139**
Gross carrying amount	267 116 128	2 094 899	43 558 561	80 684 216	78 901 771	472 355 575	398 586 842
Accumulated depreciation	-	-	-	-	-	-	(89 262 406)
Additions at cost	-	-	34 677 455	1 671 615	198 594 206	234 943 276	4 225 040
Revaluation gain	176 543 566	-	-	-	33 349 717	209 893 283	258 878 983
Reclassification to investment properties	-	(2 094 899)	-	-	-	(2 094 899)	(84 012 455)
Depreciation for the year	(6 677 903)	-	(26 078 411)	(16 471 166)	(69 373 994)	(118 601 475)	(16 060 429)
Closing carrying amount	**436 981 791**	**-**	**52 157 605**	**65 884 665**	**241 471 700**	**796 495 760**	**472 355 575**
Gross carrying amount	436 981 791	-	78 236 016	82 355 831	241 471 700	839 045 338	577 678 410
	-	-	(26 078 411)	(16 471 166)	-	(42 549 577)	(105 322 835)
Historical cost							
Opening carrying amount	**59 567 601**	**467 168**	**9 713 675**	**17 992 791**	**17 595 303**	**105 336 538**	**11 107 916**
Gross carrying amount	59 567 601	467 168	9 713 675	17 992 791	17 595 303	105 336 538	14 313 353
Accumulated depreciation	-	-	-	-	-	-	(3 205 437)
Additions at cost	-	-	31 478 501	896 939	170 505 000	202 880 440	591 449
Revaluation gain	378 907 394	-	-	-	83 499 076	462 406 470	97 771 707
Reclassification to investment properties	-	(467 168)	-	-	-	(467 168)	(3 016 908)
Depreciation for the year	(1 493 204)	-	(6 177 753)	(3 653 687)	(20 127 679)	(31 452 323)	(1 117 626)
Closing 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)	-

Reclassification to investment property relates to land that had been accounted for as property, plant and equipment.

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
Notes to the Financial Statements (cont.)
for the year ended December 31, 2020

4.1 List of land and buildings

	December 31, 2020			December 31, 2019		
	Carrying amount ZWL	Market value ZWL	Gain/(loss) ZWL	Carrying amount ZWL	Market value ZWL	Gain/(loss) ZWL
Inflation adjusted						
Buildings						
Gweru Compensation House	38 839 081	43 265 111	4 426 030	12 217 961	39 834 955	27 616 994
Mutare Compensation House	2 806 480	70 336 476	67 529 996	24 843 187	2 878 441	(21 964 746)
Masvingo Compensation House	3 156 689	65 183 920	62 027 231	20 634 778	3 237 630	(17 397 149)
Chinhoyi Compensation House	28 615 256	49 644 466	21 029 210	16 833 635	29 348 980	12 515 345
Rehabilitation Centre	145 763 327	155 394 540	9 631 213	55 993 292	149 504 963	93 511 671
				-	-	-
Gweru				-	-	-
Stand number 4345 Mkoba	947 444	1 799 305	851 861	352 963	971 737	618 774
Stand number 854 Senga	1 093 474	1 635 732	542 258	407 265	1 121 511	714 246
Stand number 866 Senka	1 093 474	1 881 092	787 618	407 265	1 121 511	714 246
22 Wentworth street	5 830 693	7 360 794	1 530 101	2 172 082	5 980 198	3 808 116
				-	-	-
Mutare				-	-	-
Stand number 3228 22 Bunting street	6 559 530	9 814 392	3 254 862	2 443 592	6 727 723	4 284 131
Stand number 1101 Dangamvura	1 312 081	1 635 732	323 651	488 718	1 345 724	857 006
				-	-	-
Masvingo				-	-	-
Stand number 7457 Mucheke	1 457 673	1 881 092	423 419	543 020	1 495 050	952 029
Stand number 7458 Mucheke	1 457 673	1 881 092	423 419	543 020	1 495 050	952 029
				-	-	-
Chinhoyi				-	-	-
Stand number 361 (49 Highway)	6 559 530	7 769 727	1 210 197	2 443 592	6 727 723	4 284 131
				-	-	-
Chiredzi				-	-	-
Stand number 1561 Tsvovani	1 166 051	1 472 159	306 108	434 416	1 195 950	761 534
Stand number 1562 Tsvovani	1 166 051	1 472 159	306 108	434 416	1 195 950	761 534
Stand number 1175 Tsvovani	1 749 295	1 799 305	50 010	651 625	1 794 149	1 142 525
Stand number 1176 Tsvovani	1 749 295	1 799 305	50 010	651 625	1 794 149	1 142 525
				-	-	-
Hwange				-	-	-
Stand number 593 Empumalanga	1 093 474	1 472 159	378 685	407 265	1 121 511	714 246
Stand number 595 Empumalanga	1 093 474	1 472 159	378 685	407 265	1 121 511	714 246
Stand number 597 Empumalanga	1 093 474	1 472 159	378 685	407 265	1 121 511	714 246
				-	-	-
Bindura				-	-	-
Stand number 576 Bindura	5 834 705	6 538 915	704 210	2 172 082	5 980 198	3 808 116
				-	-	-
	260 438 225	**436 981 791**	**176 543 566**	**145 890 333**	**267 116 128**	**121 225 795**

Accident Prevention and Workers Compensation Scheme
Notes to the Financial Statements (cont.)
for the year ended December 31, 2020

4.1 List of land and buildings

	31 December 2020			31 December 2019		
	Carrying amount ZWL	Market value ZWL	Gain/(loss) ZWL	Carrying amount ZWL	Market value ZWL	Gain/(loss) ZWL
Historical cost						
Buildings						
Gweru Compensation House	8 661 217	43 265 111	34 603 894	438 750	8 883 300	8 444 550
Mutare Compensation House	625 853	70 336 476	69 710 623	892 125	641 900	(250 225)
Masvingo Compensation House	703 950	65 183 920	64 479 970	741 000	722 000	(19 000)
Chinhoyi Compensation House	6 381 277	49 644 466	43 263 189	604 500	6 544 900	5 940 400
Rehabilitation Centre	32 502 488	155 394 540	122 892 052	1 945 502	33 340 001	31 394 499
Gweru						
Stand number 4345 Mkoba	211 282	1 799 305	1 588 023	12 675	216 700	204 025
Stand number 854 Senga	243 848	1 635 732	1 391 884	14 625	250 100	235 475
Stand number 866 Senka	243 848	1 881 092	1 637 244	14 625	250 100	235 475
22 Wentworth street	1 300 260	7 360 794	6 060 534	78 000	1 333 600	1 255 600
Mutare						
Stand number 3228 22 Bunting street	1 462 792	9 814 392	8 351 600	87 750	1 500 300	1 412 550
Stand number 1101 Dangamvura	292 597	1 635 732	1 343 135	17 550	300 100	282 550
Masvingo						
Stand number 7457 Mucheke	325 065	1 881 092	1 556 027	19 500	333 400	313 900
Stand number 7458 Mucheke	325 065	1 881 092	1 556 027	19 500	333 400	313 900
Chinhoyi						
Stand number 361 (49 Highway)	1 462 792	7 769 727	6 306 935	87 750	1 500 300	1 412 550
Chiredzi						
Stand number 1561 Tsvovani	260 032	1 472 159	1 212 127	15 600	266 700	251 100
Stand number 1562 Tsvovani	260 032	1 472 159	1 212 127	15 600	266 700	251 100
Stand number 1175 Tsvovani	390 098	1 799 305	1 409 207	23 400	400 100	376 700
Stand number 1176 Tsvovani	390 098	1 799 305	1 409 207	23 400	400 100	376 700
Hwange						
Stand number 593 Empumalanga	243 848	1 472 159	1 228 311	14 625	250 100	235 475
Stand number 595 Empumalanga	243 848	1 472 159	1 228 311	14 625	250 100	235 475
Stand number 597 Empumalanga	243 848	1 472 159	1 228 311	14 625	250 100	235 475
Bindura						
Stand number 576 Bindura	1 300 260	6 538 915	5 238 655	78 000	1 333 600	1 255 600
	58 074 398	**436 981 791**	**378 907 394**	**5 173 727**	**59 567 601**	**54 393 874**

Accident Prevention and Workers Compensation Scheme
Notes to the Financial Statements (cont.)
for the year ended December 31, 2020

5 INVESTMENT PROPERTY

	Land and buildings ZWL	Work in progress ZWL	2020 Total ZWL	2019 Total ZWL
Inflation adjusted				
Opening carrying amount	**1 474 214 852**	**47 571 137**	**1 521 785 989**	**822 250 890**
Additions at cost	31 737 234	-	31 737 234	47 571 137
Reclassification from land and buildings	-	2 094 899	2 094 899	84 012 455
Land derecognition	(10 145 248)	-	(10 145 248)	-
Effects of inflation	(7 218 816)	-	(7 218 816)	-
Disposal	(38 817 000)	-	(38 817 000)	-
Fair value gain/loss	982 188 787	-	982 188 787	567 951 507
Closing carrying amount	**2 431 959 809**	**49 666 036**	**2 481 625 845**	**1 521 785 989**
Historical Cost				
Opening carrying amount	**328 753 800**	**4 942 951**	**333 696 751**	**29 527 233**
Additions at cost	19 012 708	-	19 012 708	4 942 951
Reclassification from land and buildings	-	467 168	467 168	3 016 907
Land derecognised	(3 872 232)	-	(3 872 232)	-
Disposal	(22 700 000)	-	(22 700 000)	-
Fair value gain	2 110 765 533	-	2 110 765 533	296 209 660
Closing carrying amount	**2 431 959 809**	**5 410 119**	**2 437 369 928**	**333 696 751**

Work in progress relates to refurbishment of lifts at Harare and Bulawayo Compensation Houses.

5.1 Valuation of investments property was carried out 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
Notes to the Financial Statements (cont.)
for the year ended December 31, 2020

5.1 Investment property listing (cont.)

Name of Property	December 31, 2020			December 31, 2019		
	Carrying amount ZWL	Market value ZWL	Fair value gain/(loss) ZWL	Carrying amount ZWL	Market value ZWL	Fair value gain/(loss) ZWL
Inflation adjusted						
Compensation House - Harare	40 938 529	308 552 580	267 614 051	113 059 649	40 938 529	(72 121 120)
Compensation House - Bulawayo	48 455 929	278 074 440	229 618 511	83 541 613	48 455 929	(35 085 684)
Compensation House - Chiredzi	12 981 012	50 707 692	37 726 680	19 214 571	12 981 012	(6 233 559)
Compensation House- Hwange	1 809 396	31 896 774	30 087 378	8 354 161	1 809 396	(6 544 766)
St Tropez Apartments	171 930 702	225 731 016	53 800 314	64 048 570	171 930 702	107 882 132
Bulawayo Woodlands	179 982 481	212 645 160	32 662 679	73 516 619	179 982 481	106 465 862
Zimnat House	24 026 173	65 492 800	41 466 627	21 442 347	24 026 173	2 583 826
IDC House	33 954 755	202 012 902	168 058 147	64 048 570	33 954 755	(30 093 815)
Lot 1 of S/D of S/D J Borrowdale Estate	28 779 929	34 350 372	5 570 443	10 721 174	28 779 929	18 058 755
Stand 71 Borrowdale Brook	149 504 958	166 844 664	17 339 706	55 694 409	149 504 958	93 810 550
Lilbern Estate	242 945 557	279 710 172	36 764 615	90 503 414	242 945 557	152 442 143
Banbury Court	74 752 479	104 686 848	29 934 369	27 847 204	74 752 479	46 905 275
Colban Court	71 762 380	87 838 808	16 076 428	26 733 316	71 762 380	45 029 064
Connaught House	-	-	-	33 416 645	89 702 975	56 286 330
Icombe Court	110 687 958	62 321 389	(48 366 569)	22 277 763	59 801 983	37 524 220
Nyarungu estates	-	-	-	107 830 863	17 364 064	(90 466 800)
Stand 5311 Bulawayo	15 241 585	18 810 918	3 569 333	-	-	-
Stand 914A Que Que	3 047 335	7 606 154	4 558 819	-	-	-
Stand 915A Que Que	13 448 313	19 056 278	5 607 965	-	-	-
Stand 214 & 215: Masvingo	10 465 347	12 267 990	1 802 643	3 898 609	10 465 347	6 566 738
24*0.0298% of Lot J Borrowdale Estate	125 353 226	147 215 880	21 862 654	46 697 200	125 353 226	78 656 026
Subdivision A of Oaklands	89 702 975	116 136 972	26 433 997	33 416 645	89 702 975	56 286 330
Total	**1 449 771 022**	**2 431 959 809**	**982 188 787**	**906 263 343**	**1 474 214 852**	**567 951 509**
Historical cost						
Compensation House - Harare	7 000 316	308 552 580	301 552 264	4 060 000	9 696 318	5 636 318
Compensation House - Bulawayo	6 366 650	278 074 440	271 707 790	3 000 000	6 366 650	3 366 650
Compensation House - Chiredzi	2 894 800	50 707 692	47 812 892	690 000	2 894 800	2 204 800
Compensation House- Hwange	403 500	31 896 774	31 493 274	300 000	403 500	103 500
St Tropez Apartments	38 341 000	225 731 016	187 390 016	2 300 000	38 341 000	36 041 000
Bulawayo Woodlands	44 008 800	212 645 160	168 636 360	2 640 000	44 008 800	41 368 800
Zimnat House	5 357 900	65 492 800	60 134 900	770 000	5 357 900	4 587 900
IDC House	7 572 000	202 012 902	194 440 902	2 300 000	7 572 000	5 272 000
Lot 1 of S/D of S/D J Borrowdale Estate	6 418 000	34 350 372	27 932 372	385 000	6 418 000	6 033 000
Stand 71 Borrowdale Brook	33 340 000	166 844 664	133 504 664	2 000 000	33 340 000	31 340 000
Lilbern Estate	54 177 500	279 710 172	225 532 672	3 250 000	54 177 500	50 927 500
Banbury Court	16 670 000	104 686 848	88 016 848	1 000 000	16 670 000	15 670 000
Colban Court	16 003 200	87 838 808	71 835 608	960 000	16 003 200	15 043 200
Connaught House	-		-	1 200 000	20 004 000	18 804 000
Icombe Court	13 336 000	62 321 389	48 985 389	800 000	13 336 000	12 536 000
Nyarungu estates	-		-	3 872 232	3 872 232	-
Stand 5311 Bulawayo	9 130 880	18 810 918	9 680 038	-	-	-
Stand 914A Que Que	1 825 300	7 606 154	5 780 854	-	-	-
Stand 915A Que Que	8 056 530	19 056 278	10 999 748	-	-	-
Stand 214 & 215: Masvingo	2 333 800	12 267 990	9 934 190	140 000	2 333 800	2 193 800
24*0.0298% of Lot J Borrowdale Estate	27 954 100	147 215 880	119 261 780	1 676 908	27 954 100	26 277 192
Subdivision A of Oaklands	20 004 000	116 136 972	96 132 972	1 200 000	20 004 000	18 804 000
Total	**321 194 276**	**2 431 959 809**	**2 110 765 533**	**32 544 140**	**328 753 800**	**296 209 660**

Accident Prevention and Workers Compensation Scheme
Notes to the Financial Statements (cont.)
for the year ended December 31, 2020

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Number of Shares	Cost 2020 ZWL	Cost 2019 ZWL	Fair value 2020 ZWL	Fair value 2019 ZWL
Inflation adjusted					
Afreximbank	2 325 581	278 472 043	278 472 043	621 958 457	715 427 916
Bindura Nickel Corporation Limited	13 717 269	16 941 635	16 941 635	52 125 622	9 964 894
British American Tobacco Limited	135 119	42 607 948	36 883 185	74 315 450	23 312 645
Cassava Smartech	9 369 966	384 408 545	384 408 545	61 373 277	57 451 101
CBZ Holdings limited	5 059 187	20 904 377	17 625 177	430 030 895	15 590 745
Delta Corporation Limited	18 247 090	458 565 409	424 068 677	419 683 070	251 243 398
Econet Wireless Zimbabwe Limited	16 228 747	187 303 673	150 715 344	154 173 097	73 382 821
FBC Holdings Limited	4 397 903	4 223 841	4 223 841	65 968 545	12 868 151
Fidelity Life Assurance Company Limited	18 753 698	35 333 152	35 333 152	91 088 343	7 686 402
Hwange Colliery Company Limited	686 171	8 180 522	8 180 522	293 765	1 317 316
Innscor Africa Limited	5 587 677	125 004 840	115 696 664	207 582 201	82 886 851
National Foods Limited	498 481	24 236 403	24 236 403	29 958 708	18 656 580
Nedbank	18 487	8 359 272	8 359 272	13 387 789	21 160 252
OK Zimbabwe Limited	48 318 896	112 162 884	112 162 884	434 870 064	110 602 740
Old Mutual Zimbabwe Limited	679 905	65 878 604	53 396 232	6 000 931	98 938 205
Padenga Holdings Limited	20 020 951	71 642 499	55 848 644	460 481 873	207 512 359
Quilter PLC	192 110	10 235 129	10 235 129	32 882 123	30 522 720
Seed Co Limited	4 806 267	114 661 165	102 599 075	120 156 675	33 004 282
SeedCO International	3 388 147	48 680 218	46 462 168	2 965 573	44 353 720
Simbisa Brands Limited	6 848 600	61 521 061	44 813 424	95 880 400	30 634 389
Star Africa Corporation Limited	43 934 641	148 735 297	148 735 297	11 862 353	6 993 997
Turnall Holdings Limited	18 419 282	44 205 293	44 205 293	17 129 932	9 085 637
ZB Financial Holdings Limited	712 224	930 163	930 163	7 889 017	1 073 620
Zimre Holdings Limited	53 384 787	180 320 227	25 355 171	322 591 785	35 908 625
		2 453 514 198	**2 149 887 937**	**3 734 649 945**	**1 899 579 367**
Unquoted shares					
Stalap	688	11 812 171	11 812 171	1 781 915	7 990 556
		2 465 326 369	**2 161 700 108**	**3 736 431 860**	**1 907 569 923**
Less Disposals		**36 263 315**		**98 977 360**	
Fidelity Life Assurance Company Limited	18 753 698	35 333 152	-	91 088 343	-
ZB Financial Holdings Limited	712 224	930 163	-	7 889 017	-
Total after disposal		**2 429 063 054**	**2 161 700 108**	**3 637 454 500**	**1 907 569 923**

6.1 Fair value reconciliation of financial assets

	2020 ZWL	2019 ZWL
Cost	2 429 063 054	2 161 700 107
Net cumulative gains after disposal	**(241 557 365)**	**820 205 295**
Cumulative gain on financial assets (note 6.1.1)	(178 843 320)	820 205 295
Less disposed of shares	(62 714 045)	-
Cumulative exchange rate movement	1 372 226 865	640 392 691
Translation movement	15 007 902	67 299 213
IAS 29 adjustment	-	(1 782 027 387)
Fair value as at year end	**3 637 454 500**	**2 727 775 215**

6.1.1 Cumulative gain on financial assets

	2020 ZWL	2019 ZWL
Opening carrying amount	**820 205 295**	**2 321 959 661**
Fair value movement during the year	(936 334 571)	446 298 749
IAS 29 adjustment	-	(1 948 053 114)
Reclassification to accumulated fund	(62 714 045)	-
Closing carrying amount	**(178 843 320)**	**820 205 295**

Accident Prevention and Workers Compensation Scheme
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for the year ended December 31, 2020

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Cont.)

	Number of Shares	Cost 2019 ZWL	Cost 2019 ZWL	Fair value 2019 ZWL	Fair value 2019 ZWL
Historical cost					
Afreximbank	2 325 581	10 000 000	10 000 000	621 958 457	159 542 312
Bindura Nickel Corporation Limited	13 717 269	608 378	608 378	52 125 622	2 222 198
British American Tobacco Limited	135 119	3 150 844	1 324 484	74 315 450	5 198 781
Cassava Smartech	9 369 966	14 810 366	13 804 206	61 373 277	12 811 747
CBZ Holdings limited	5 059 187	3 786 001	632 924	430 030 895	3 476 777
Delta Corporation Limited	18 247 090	28 914 058	17 117 111	419 683 070	56 027 940
Econet Wireless Zimbabwe Limited	16 228 747	16 961 231	6 663 856	154 173 097	16 364 563
FBC Holdings Limited	4 397 903	151 679	151 679	65 968 545	2 869 632
Fidelity Life Assurance Company Limited	18 753 698	1 268 822	1 268 822	91 088 343	1 714 088
Hwange Colliery Company Limited	686 171	293 765	293 765	293 765	293 765
Innscor Africa Limited	5 587 677	9 091 877	6 043 579	207 582 201	18 483 986
National Foods Limited	498 481	1 445 371	870 335	29 958 708	4 160 467
Nedbank	18 487	300 184	300 184	13 387 789	4 718 792
OK Zimbabwe Limited	48 318 896	11 256 681	4 027 797	434 870 064	24 664 703
Old Mutual Zimbabwe Limited	679 905	6 000 931	2 547 094	6 000 931	22 063 481
Padenga Holdings Limited	20 020 951	6 036 479	2 005 539	460 481 873	46 275 803
Quilter PLC	192 110	367 546	367 546	32 882 123	6 806 647
Seed Co Limited	4 806 267	7 524 389	4 347 172	120 156 675	7 360 042
SeedCO International	3 388 147	2 965 573	1 668 468	2 965 573	9 890 997
Simbisa Brands Limited	6 848 600	8 611 571	2 238 890	95 880 400	6 831 550
Star Africa Corporation Limited	43 934 641	5 341 121	5 341 121	11 862 353	1 559 680
Turnall Holdings Limited	18 419 282	1 587 423	1 587 423	17 129 932	2 026 121
ZB Financial Holdings Limited	712 224	33402	33 402	7889017	239 420
Zimre Holdings Limited	53 384 787	155 965 120	1 000 064	322 591 785	8 007 718
		296 472 812	**84 243 841**	**3 734 649 945**	**423 611 209**
Unquoted shares					
Stalap	688	424 178	424 178	1 781 915	1 781 915
		296 896 990	**84 668 019**	**3 736 431 860**	**425 393 124**
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	-
		295 594 766	**84 668 019**	**3 637 454 500**	**425 393 124**

6.1 Fair value reconciliation of financial assets

	2020 ZWL	2019 ZWL
Cost	295 594 766	84 668 019
Net cumulative gains after disposal	**2 595 017 658**	**182 907 944**
Cumulative gain on financial assets (note 6.1.1)	2 692 692 794	182 907 944
Less disposed of shares	(97 675 136)	-
Cumulative exchange rate movement	731 834 174	142 809 259
Translation movement	15 007 902	15 007 902
Fair value as at year end after disposal	**3 637 454 500**	**425 393 124**

6.1.1 Cumulative gain on financial assets

	2020 ZWL	2019 ZWL
Opening carrying amount	**182 907 944**	**83 382 146**
Fair value movement during the year	2 509 784 850	99 525 798
less transfer to accumulated fund	(97 675 136)	-
Closing carrying amount	**2 595 017 658**	**182 907 944**

Accident Prevention and Workers Compensation Scheme
Notes to the Financial Statements (cont.)
for the year ended December 31, 2020

6.2 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	Number of Shares	Cost 2020 ZWL	Cost 2019 ZWL	Fair value 2020 ZWL	Fair value 2019 ZWL
Inflation adjusted					
African Distillers Limited	32 000	44 556	44 556	768 000	457 752
Ariston Holdings Limited	38 289 527	14 429 012	14 429 012	51 307 966	32 537 128
Axia Corporation Limited	4 162 354	6 965 240	4 965 299	38 168 786	8 978 990
Cafca Limited	712 224	13 904 827	13 904 827	64 028 938	5 685 588
Dairibord Zimbabwe Limited	5 216 891	26 700 845	26 700 845	57 385 801	10 000 872
Edgars Stores Limited	317 610	968 460	931 675	397 013	163 141
First Capital Bank		-	2 622 761	-	332 261
Hippo Valley Estate Limited	2 723 036	80 643 256	80 643 256	2 895 919	12 986 030
Meikles Limited	32 243	243 117	243 117	838 318	362 910
Lafarge Cement Limited	818 117	26 178 568	26 178 568	6 544 936	6 603 557
Masimba Holdings Limited	369 329	2 148 798	2 148 798	4 431 948	298 938
National Tyre Service Limited	`	776 325	776 325	235 863	82 841
Pretoria Potland Cement Company Limited	50 757	3 826 725	3 826 725	137 419	910 429
Pro Plastics Limited	363 361	322 709	322 709	3 128 538	1 336 110
Rio Zim Limited	82 938	5 975 679	5 975 679	1 239 923	872 512
Truworths Limited	32 003	17 824	17 824	9 441	3 272
TSL Limited	5 069 327	28 773 071	28 773 071	72 998 309	17 219 595
Willdale Limited		-	898 293	-	2 189 747
Zimpapers (1980) Limited	1 792 177	149 721	149 721	1 756 333	1 076 901
ZIMRE Property Investments Limited		-	13 063 636	-	3 798 815
Total quoted shares		**212 068 736**	**226 616 699**	**306 273 451**	**105 897 391**
Non performing Investments		-	-	-	-
Apex Holding Limited	1 056 074	58 817	58 817	2 112	9 471
CAPS Holdings Limited	273 579	76 184	76 184	2 736	12 269
Capital Bank	67 184 483	98 868 695	98 868 695	3 550 399	15 920 883
Celsys Limited	1 000 000	83 542	83 542	3 000	13 453
PG Industries Limited	858 290	478 020	478 020	17 166	76 977
Interfresh Limited	212 294	869 651	869 651	31 229	140 039
Steelnet Zimbabwe Limited	1 436 884	200 066	200 066	7 184	32 215
Trust Holdings Limited	1 257 741	700 491	700 491	25 155	112 801
Impairment		(101 335 466)	(101 335 466)	(3 638 981)	(16 318 107)
		212 068 736	**226 616 699**	**306 273 451**	**105 897 391**

Accident Prevention and Workers Compensation Scheme
Notes to the Financial Statements (cont.)
for the year ended December 31, 2020

6.2 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	Number of Shares	Cost 2020 ZWL	Cost 2019 ZWL	Fair value 2020 ZWL	Fair value 2019 ZWL
Historical cost					
African Distillers Limited	32 000	1 600	1 600	768 000	102 080
Ariston Holdings Limited	38 289 527	518 149	518 149	51 307 966	7 255 865
Axia Corporation Limited	4 162 354	2 178 246	178 305	38 168 786	2 002 339
Cafca Limited	712 224	499 326	499 326	64 028 938	1 267 901
Dairibord Zimbabwe Limited	5 216 891	958 834	958 834	57 385 801	2 230 221
Edgars Stores Limited	317 610	71 021	34 236	397 013	36 381
First Capital Bank		-	94 184	-	74 095
Hippo Valley Estate Limited	2 723 036	2 895 919	2 895 919	2 895 919	2 895 919
Meikles Limited	32 243	8 730	8 730	838 318	80 930
Lafarge Cement Limited	818 117	940 079	940 079	6 544 936	1 472 611
Masimba Holdings Limited	369 329	78 179	78 179	4 431 948	66 664
National Tyre Service Limited	`	27 878	27 878	235 863	18 474
Pretoria Potland Cement Company Limited	50 757	137 419	137 419	137 419	203 028
Pro Plastics Limited	363 361	13 233	13 233	3 128 538	297 956
Rio Zim Limited	82 938	214 588	214 588	1 239 923	194 573
Truworths Limited	32 003	640	640	9 441	730
TSL Limited	5 069 327	1 033 248	1 033 248	72 998 309	3 840 015
Willdale Limited		-	32 258	-	488 319
Zimpapers (1980) Limited	1 792 177	5 377	5 377	1 756 333	240 152
ZIMRE Property Investments Limited		-	326 885		847 146
Total quoted shares		**9 582 467**	**7 999 067**	**306 273 451**	**23 615 397**
Non performing Investments		-	-	-	-
Apex Holding Limited	1 056 074	2 112	2 112	2 112	2 112
CAPS Holdings Limited	273 579	2 736	2 736	2 736	2 736
Capital Bank	67 184 483	3 550 399	3 550 399	3 550 399	3 550 399
Celsys Limited	1 000 000	3 000	3 000	3 000	3 000
PG Industries Limited	858 290	17 166	17 166	17 166	17 166
Interfresh Limited	212 294	31 229	31 229	31 229	31 229
Steelnet Zimbabwe Limited	1 436 884	7 184	7 184	7 184	7 184
Trust Holdings Limited	1 257 741	25 155	25 155	25 155	25 155
Impairment		(3 638 982)	(3 638 981)	(3 638 981)	(3 638 981)
		9 582 467	**7 999 068**	**306 273 451**	**23 615 397**

Accident Prevention and Workers Compensation Scheme
Notes to the Financial Statements (cont.)
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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 Exchange 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, 2020				
Quoted investments				
Financial assets at fair value through other comprehensive income (note 6)	3635 672 585	-	-	3635 672 585
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
	3 941 946 036		**1 781 915**	**3 943 727 951**
December 31, 2019				
Quoted investments				
Financial assets at fair value through other comprehensive income (note 6)	1899 579 367	-	-	1899 579 367
Financial assets at fair value through profit and loss (note 6.2)	105 897 391	-	-	105 897 391
Unquoted investments				
Financial assets at fair value through other comprehensive income (note 6)	-	-	7 990 556	7 990 556
	2 005 476 758	**-**	**7 990 556**	**2 013 467 313**
Historical cost				
December 31, 2020				
Quoted investments				
Financial assets at fair value through other comprehensive income (note 6)	3 635 672 585			3 635 672 585
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
	3 941 946 036		**1 781 915**	**3 943 727 951**
December 31, 2019				
Quoted investments				
Financial assets at fair value through other comprehensive income (note 6)	423 611 209	-	-	423 611 209
Financial assets at fair value through profit and loss (note 6.2)	23 615 397	-	-	23 615 397
Unquoted investments				
Financial assets at fair value through other comprehensive income (note 6)	-	-	1 781 915	1 781 915
	447 226 606	**-**	**1 781 915**	**449 008 521**

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7 FINANCIAL ASSETS AT AMORTISED COST

	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
7.1 Bonds, debentures and treasury bills				
BNC bonds (BancABC)	312 500	4 203 986	312 500	937 500
Treasury bills (Infrastructure Development Bank of Zimbabwe)	7 523 624	33 737 825	7 523 624	7 523 624
Treasury bills (Reserve Bank of Zimbabwe)	-	112 106 298	-	25 000 000
Econet Wireless Zimbabwe Limited (debentures)	216 107	969 078	216 107	216 107
Cairns Foods Limited (debentures)	-	398 040	-	88 764
Nurture Finance debentures	600 000	3 811 614	600 000	850 000
Rainbow Tourism Group	188	28 957 850	188	6 457 677
Small and Medium Enterprise Development Corporation	539 053	2 417 249	539 053	539 053
Honde Hydro Power Consolidated (Private) Limited	2 250 000	10 089 567	2 250 000	2 250 000
Metropolitan bank Zimbabwe	465 600	8 211 840	465 600	1 831 262
Less impairments	-	(199 020)	-	(44 382)
	11 907 072	**204 704 328**	**11 907 072**	**45 649 605**
7.2 Other receivables (long term)				
Universal Service Trust Fund	-	6 140 941	-	1 369 446
Housing Corporation Zimbabwe	4 885 000	21 905 571	4 885 000	4 885 000
National Building Society (staff loans)	3 319 432	8 000 587	3 319 432	1 784 152
Less impairment	(4 885 000)	(21 905 571)	(4 885 000)	(4 885 000)
	3 319 432	**14 141 528**	**3 319 432**	**3 153 598**
7.3 Loans and advances				
African Century Limited	-	747 363	-	166 664
CICADA farming Private Limited	50 000 000	-	50 000 000	
Metropolitan Bank Zimbabwe	-	6 898 102	-	1 538 295
Sable Chemicals Limited	3 881 101	49 466 236	3 881 101	11 031 101
National Building Society	3 200 000	14 349 606	3 200 000	3 200 000
less impairment	(5 481 101)	(56 641 039)	(5 481 101)	(12 631 101)
	51 600 000	**14 820 269**	**51 600 000**	**3 304 959**
Total financial assets at amortised cost	**66 826 504**	**233 666 124**	**66 826 504**	**52 108 162**
7.4 Impairment provision on loans and advances				
Opening balance	**56 641 039**	**64 113 901**	**12 631 101**	**2 302 346**
Bad debts recovered	(7 150 000)	(10 324 299)	(7 150 000)	(2 302 346)
Charged to profit of loss	-	56 641 039	-	12 631 101
IAS 29 adjustment	(44 009 938)	(53 789 602)	-	-
Balance at year end	**5 481 101**	**56 641 039**	**5 481 101**	**12 631 101**
7.5 Impairment provision other receivables				
Opening balance	**519 454 305**	**928 70 426**	**4 885 000**	**3 335 000**
Bad debts recovered	-	(4 002 195)	-	(892 500)
Increase in allowance charged to profit of loss	-	10 952 785	-	2 442 500
IAS 29 adjustment	(514 569 305)	(77 915 446)	-	-
Balance at year end	**4 885 000**	**21 905 571**	**4 885 000**	**4 885 000**
7.6 Summary of allowance for impairments				
Loans and receivables (note 7.4)	-	56 641 039	-	12 631 101
Long term other receivables (note 7.5)	-	10 952 785	-	2 442 500
Trade receivables (note 12.1)	37 469 520	(33 093 434)	37 469 520	(7 379 923)
Short term receivables (note 12.2)	-	2 406 720	-	536 705
Financial assets at fair value through profit and loss (note 6.2)	-	16 318 107	-	3 638 981
	37 469 520	**53 225 218**	**37 469 520**	**11 869 364**

Accident Prevention and Workers Compensation Scheme
Notes to the Financial Statements (cont.)
for the year ended December 31, 2020

8 INVESTMENT IN ASSOCIATES

	National Building Society ZWL	First Mutual Holdings Limited ZWL	Rainbow Tourism Group Limited ZWL	Total 2020 ZWL	Total 2019 ZWL
Inflation adjusted					
Opening carrying amount	**337 115 777**	**862 961 458**	**1 050 377 996**	**2 250 455 231**	**1 299 643 422**
Share of current year profits/(loss) (net of dividend received)	**48 438 051**	**813 822 433**	**76 910 579**	**939 171 063**	**272 789 611**
Share of current year profits	48 438 051	823 644 062	76 910 579	948 992 692	296 696 405
Dividend received	-	(9 821 629)	-	(9 821 629)	(23 906 794)
Share of current year other comprehensive income	(12 546 776)	99 647 281	-	87 100 505	678 022 198
Closing carrying amount	**336 796 129**	**862 143 211**	**1 049 382 043**	**3 276 726 799**	**2 250 455 231**
Summary of the financial information:					
Assets	2 247 671 832	15 477 409 626	3 491 668 354	21 216 749 812	1 776 508 652
Liabilities	816 369 436	8 981 388 470	1 053 827 213	10 851 585 119	410 723 143
Revenue	393 241 938	7 667 230 017	1 228 810 894	9 289 282 849	208 270 443
Total comprehensive income for the year	35 598 009	2 626 717 905	352 154 664	3 014 470 578	1 381 916 589
Historical cost					
Opening carrying amount	**29 005 989**	**278 121 278**	**143 316 558**	**450 443 824**	**46 670 517**
Share of current year profits/(loss) (net of dividend received)	**48 438 051**	**1 841 682 314**	**38 296 061**	**1 928 416 426**	**248 911 074**
Share of current year profits	48 438 051	1 850 216 314	38 296 061	1 936 950 426	251 229 021
Dividend received	-	(8 534 000)	-	(8 534 000)	(2 317 947)
Share of current year other comprehensive income	21 119 108	176 307 223	567 603 852	765 030 183	154 862 233
Closing carrying amount	**98 563 148**	**2 296 110 815**	**749 216 471**	**3 143 890 433**	**450 443 824**
Summary of the financial information:					
Assets	1 082 357 921	14 990 969 535	4 468 379 547	20 541 707 003	1 776 508 652
Liabilities	816 369 436	8 376 222 640	1 053 827 213	10 246 419 289	410 723 143
Revenue	300 209 990	13 368 386 600	813 892 277	14 482 488 867	208 270 443
Total comprehensive income for the year	173 892 898	5 765 358 569	2 774 267 005	8 713 518 472	1 381 916 589

	Shares in issue	2020 % shareholding	2 019 % shareholding
National Building Society	500 000 000	40.00	40.00
First Mutual Holdings Limited	696 137 739	35.15	35.15
Rainbow Tourism Group	1 870 495 543	21.84	21.84

The results incorporated into these financial statements are based on the audited reports for the year ended December 31, 2020 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, 2020

9 DEFERRED EXPENDITURE

	Inflation adjusted		Historical cost	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Opening carrying amount	**1 099 028 796**	**2 224 446 043**	**245 086 320**	**79 880 408**
Increase in existing capitalised values	(108 430 368)	798 668 546	745 512 108	178 105 192
Amount expensed in current year	(49 529 921)	(57 843 621)	(49 529 921)	(12 899 280)
IAS 29 adjustment	-	(1 866 242 172)	-	-
Closing carrying amount	**941 068 507**	**1 099 028 796**	**941 068 507**	**245 086 320**

10 INTANGIBLE ASSETS

10 INTANGIBLE ASSETS	**2 749 708**	**12 330 383**	**442 787**	**442 787**

The intangible assets 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.

11 INVENTORY

	Inflation adjusted		Historical cost	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Rehabilitation inventory	8 214 261	4 013 924	3 394 323	389 181
Stationery and consumables	6 846 824	2 826 410	2 829 266	274 042
	15 061 085	**6 840 334**	**6 223 589**	**663 223**

12 TRADE AND OTHER RECEIVABLES

	2020 Inflation adjusted	2019 Inflation adjusted	2020 Historical cost	2019 Historical cost
12 TRADE AND OTHER RECEIVABLES	**252 419 552**	**142 976 089**	**252 419 552**	**31 884 045**
Trade receivables	**209 444 524**	**114 146 968**	**209 444 524**	**25 455 075**
Premium debtors	270 477 294	220 834 384	270 477 294	49 246 650
Bad debts written off	-	(1 023 867)		(228 325)
Allowance for credit losses	(61 032 770)	(105 663 549)	(61 032 770)	(23 563 250)
Other receivables	**42 975 028**	**28 829 121**	**42 975 028**	**6 428 970**
Deposits	321 536	226 518	321 536	50 514
Dividend receivable	25 847 324	2 111 930	25 847 324	470 966
Interest receivable	752 236	7 043 038	752 236	1 570 616
Rental receivable	5 056 432	22 110 582	5 056 432	4 930 718
Staff insurances	2 266	10 161	2 266	2 266
Staff loans	2 473 339	1 764 194	2 473 339	393 420
Sundry receivables	13 507 270	20 256 814	13 507 270	4 517 323
Allowance for credit losses	(4 985 374)	(24 694 116)	(4 985 374)	(5 506 853)

12.1 Reconciliation of trade receivable allowance for credit losses

	2020 Inflation adjusted	2019 Inflation adjusted	2020 Historical cost	2019 Historical cost
Opening carrying amount	105 663 550	861 680 847	23 563 250	30 943 173
Charged to profit or loss	37 469 520	(33 093 434)	37 469 520	(7 379 923)
IAS 29 adjustment	(82 100 300)	(722 923 865)	-	-
Closing carrying amount	**61 032 770**	**105 663 550**	**61 032 770**	**23 563 250**

Accident Prevention and Workers Compensation Scheme
Notes to the Financial Statements (cont.)
for the year ended December 31, 2020

	Inflation adjusted 2020 ZWL	Inflation adjusted 2019 ZWL	Historical cost 2020 ZWL	Historical cost 2019 ZWL
12.2 Reconciliation of other receivable allowance for credit losses				
Opening carrying amount	24 694 116	180 211 400	5 506 853	6 471 436
Charged to profit or loss	-	2 406 720	-	536 705
Bad debts recovered	(936 449)	(6 732 154)	(936 449)	(1 501 288)
IAS 29 adjustment	(19 187 263)	(151 191 851)	-	-
Closing carrying amount	**4 570 404**	**24 694 116**	**4 570 404**	**5 506 853**
13 CASH AND CASH EQUIVALENTS				
Cash on hand	959 334	551 469	959 334	122 979
Bank balances	543 861 351	354 676 949	543 861 351	79 093 895
Funds on placements	10 892 645	274 272 142	10 892 645	61 163 411
	555 713 330	**629 500 560**	**555 713 330**	**140 380 285**
14 OTHER COMPONENTS OF RESERVES				
Share of other comprehensive income of associates	764 960 131	677 859 626	919 886 578	154 856 395
Revaluation reserve	468 772 266	258 878 983	562 108 429	99 701 959
Translation reserve	67 299 213	67 299 213	15 007 902	15 007 902
Mark to market reserves	(178 843 320)	820 205 296	2 595 017 658	182 907 944
	1 122 188 291	**1 824 243 118**	**4 092 020 567**	**452 474 200**
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:	**(203 515 751)**	**(1 445 225 289)**	**723 312 470**	**171 271 608**
Increase in existing capitalised values	(172 069 408)	798 668 546	745 512 108	178 105 192
New pensions awarded	18 876 482	15 821 517	6 669 265	3 528 240
New capitalised values accrued during the year	799 806	1 413 755	799 806	315 271
Pensions paid during the year	(50 807 360)	(72 879 371)	(29 353 438)	(10 501 271)
Capitalised values accrued in prior year	(315 271)	(788 439)	(315 271)	(175 824)
IAS 29 adjustment	-	(2 187 461 296)	-	-
Closing carrying amount	**989 317 410**	**1 192 833 161**	**989 317 410**	**266 004 940**
16 TRADE AND OTHER PAYABLES				
Trade payables				
Benefit claims	1 379 604	3 386 987	1 379 604	755 307
Premiums prepaid	3 731 599	20 728 952	3 731 599	4 622 611
	5 111 203	**24 115 939**	**5 111 203**	**5 377 918**
Other payables				
Provision for leave pay	26 691 483	15 628 873	26 691 483	3 485 280
Interfund-National Pension and Other Benefits Scheme	214 635 416	118 988 615	214 635 416	26 534 775
Deferred income	-	1 059 750	-	236 328
Sundry payables	19 757 340	28 362 561	19 757 340	6 324 926
	261 084 239	**164 039 800**	**261 084 239**	**36 581 309**
	266 195 442	**188 155 739**	**266 195 442**	**41 959 227**

Accident Prevention and Workers Compensation Scheme
Notes to the Financial Statements (cont.)
for the year ended December 31, 2020

17 INCOME

	Inflation adjusted		Historical cost	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
17.1 Investment income				
Interest on short term investments	10 625 774	27 697 906	3 556 778	2 265 819
Interest on financial assets at amortised cost	10 241 720	63 278 655	5 976 124	5 176 492
Dividend income	143 081 972	194 827 880	116 507 670	15 937 837
Sundry investments income	-	45 021 418	-	3 682 964
Bad debts recovered	7 194 382	39 054 547	7 194 382	3 194 846
Rental income	17 735 023	27 170 795	11 633 466	2 222 699
	188 878 871	**397 051 201**	**144 868 420**	**32 480 657**
17.2 Sundry income				
Rehabilitation income	595 006	1 382 827	356 095	94 264
Staff loans interest	2 946	98 277	1 277	6 699
Penalty and surcharges	1 067 601	10 665 524	436 867	727 043
Other income	7 127 102	85 752 802	6 376 493	5 845 561
Bank interest	179 800	734 946	149 284	50 099
	8 972 455	**98 634 376**	**7 320 016**	**6 723 666**

Accident Prevention and Workers Compensation Scheme
Notes to the Financial Statements (cont.)
for the year ended December 31, 2020

18 OPERATING COSTS

	Inflation adjusted		Historical cost	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
18.1 Administration expenses				
Actuarial fees	1 040 350	2 255 489	911 317	391 200
Advertising publicity and marketing	2 700 871	4 965 361	3 619 397	513 742
Impairment allowances (note 7.6)	37 469 520	-	37 469 520	-
Audit fees	147 974	852 838	104 423	65 379
Bad debts	-	1 768 199	-	394 313
Bank charges	7 724 557	3 301 609	6 523 848	321 802
Clothing and uniforms	1 024 426	546 501	462 898	37 952
Commission	1 016 532	2 392 415	550 627	197 174
Computer charges	5 610 895	7 781 803	6 737 857	702 250
Consultancy	670 079	2 308 112	424 809	259 518
Conference and functions	-	773 704	-	168 519
Data clean up	44 527	-	44 527	-
Depreciation of property and equipment	118 601 475	16 060 429	31 452 323	1 117 626
Electricity and water	2 430 115	1 873 111	1 546 629	225 366
Entertainment and promotion	73 911	119 323	56 977	8 525
Insurance	2 640 029	3 524 680	1 747 651	350 456
Loss on investments	725 727		1 531 959	
Reinsurance	1 145 877	1 044 685	726 500	74 750
Legal fees	1 883 702	5 685 244	1 241 331	407 140
Motor vehicle expenses	13 324 057	11 313 124	10 144 444	1 121 034
Postage, mailing and carriage	408 764	429 834	257 320	49 057
Printing and stationery	3 068 801	7 744 932	1 681 152	766 451
Rent and rates	2 753 862	2 920 874	2 070 904	234 530
Repairs and maintenance - buildings	2 763 859	4 456 965	1 750 158	358 713
Repairs and maintenance - furniture and equipment	340 511	285 453	248 209	38 886
Security charges	7 420 554	5 628 870	6 373 865	581 453
Shows and exhibitions	238 237	1 935 556	189 343	169 138
Staff social activities	399 107	999 562	157 183	87 247
Social responsibility	238 237	11 074 652	1 339 547	827 530
Subscriptions	2 330 596	2 559 542	1 425 764	294 687
Teas, cleaning and sundries	5 769 556	4 146 329	3 671 767	448 801
Telephones	5 557 078	5 424 429	4 002 108	530 974
Training, education and seminars	1 073 879	3 483 805	658 803	317 520
Travelling and subsistence - foreign	1 091	561 083	1 014	45 841
Travelling and subsistence - local	7 018 390	15 397 908	5 251 192	2 108 320
Valuation fees	1 717 536	-	845 455	-
Works council expenses	45 486	161 316	13 384	12 887
	239 420 168	**133 777 737**	**135 234 204**	**13 228 782**
18.2 Staff costs				
Basic salary	98 225 429	72 349 140	75 463 533	8 084 086
Staff pension	12 739 736	7 825 177	9 728 583	874 363
Other staff costs	361 308 039	104 836 209	125 276 079	11 714 098
	472 273 203	**185 010 525**	**210 468 194**	**20 672 547**
18.3 Exchange rate gain				
Financial Instruments (note 6.1)	731 834 174	640 392 691	589 024 915	142 809 259
Other	53 980 371	58 903 581	196 789 630	13 135 654
	785 814 545	**699 296 272**	**785 814 545**	**155 944 913**

Accident Prevention and Workers Compensation Scheme
Notes to the Financial Statements (cont.)
for the year ended December 31, 2020

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, 2016 was carried out by Atchison Actuarial Services and the valuation results were as follows:

	2020 ZWL	2019 ZWL
Assets	265 809 676	265 809 676
Assessed value of the fund	(210 888 048)	(210 888 048)
Present value of pension payment	(50 499 930)	(50 499 930)
Total reserves	(2 762 082)	(2 762 082)
Actuarial surplus	**1 659 616**	**1 659 616**

The principal actuarial assumptions at the valuation date were as follows:

	2020 Percent per annum	2019 Percent per annum
Gross return on assets	5	5
Market yield	N/A	N/A
Pension increase	-	-

20 CAPITAL COMMITMENTS

	2020 ZWL	2019 ZWL
Commitments for the acquisition of property, plant and equipment including WIP:		
Authorised and contracted out	80 124 398	722 540
Authorised but not contracted for	462 576 227	4 577 324
	542 700 625	**5 299 864**

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 Actuaries recommended an increase in contribution by the employer from 7.5% to 13.39%.

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 ZWL5000 per month. 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, 2020

	Inflation adjusted		Historical cost	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
21.3 Staff pension	12 253 657	7 817 757	6 428 667	389 356
NSSA pension	486 078	528 721	67 686	79 340
	12 739 735	**8 346 477**	**6 496 353**	**468 696**

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 Scheme or have the power to exercise controlling influence over the management or financial and operating policies of the Scheme. 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:

Scheme entities	Nature of relationship
Africom Continental (Private) Limited	Investee company
CBZ Holdings Limited	Investee company
CFI Holdings Limited	Investee company
Dubury Investments	Investee company
FBC Holdings Limited	Investee company
Fidelity Life Limited (disposed November 2020)	Investee company
First Mutual Holdings 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
ZB Financial Holdings Limited (disposed November 2020)	Investee company

Key Management Personnel
Board Members

From 8 February 2019 to 2 November 2020	
Dr. Cuthbert Chidoori	Chairman
Dr. Pricilla Mujuru	Member
Mrs. Cecilia Alexander	Member
Commissioner Ozias Hove	Member
Mr. Phillip M.Hamadziripi	Member
Mrs. Natsai Gurupira	Member
Mrs Jemina Mateko	Member
Mr Thomas Masvingwe	Member
Mr. Arthur Manase	Member

From 2 November 2020	
Mr. Clifford Matorera	Chairman
Mr. Andrew Bvumbe	Member
Mr. Arthur Manse	Member

Executive Management	
Mr Arthur Manase	Acting General Manager
Mr. David Makwara	Director Investments/ Acting Director Finance and Operations
Ms. Hope Mulilo	Finance and Cost Management Executive
Ms Agnes Masiiwa	Acting Director Contributions, Collections and Compliance
Mr. Shepherd Muperi	Acting Chief Social Security Officer (1 January 2020 - 31 August 2020)
Mrs. Tambudzai Jongwe	Chief Social Security Officer (1 September 2020)
Mr Isaac Isaki	Chief Investment Officer
Mr. Francis Nyambiri	Chief Properties Investments Officer
Dr. Betty Nyereyegona	Chief Occupational Safety and Health / Rehabilitation Centre Officer
Mr. Andrew Nyakonda	Chief Audit Executive
Ms Prudence Mutsvanga	Group Legal Advisor and Corporate Governance Executive from October 2020
Mr. Tendai Mutseyekwa	Marketing, Communications, Corporate Social Responsibility (CSR) and Public Relations Executive
Mrs. Perpetua Chimeura	ICT and Digital Strategy Executive
Mr Best Shadaya	Acting Human Capital and Talent Management Executive
Mr. Charles Nyika	Supply Chain and Administration Services Executive Up to April 2020
Mr. Alexander Kamusoko	Supply Chain and Administration Services Executive from May 2020
Takudzwa Takawira	Group Legal Advisor and Corporate Governance Executive Up to October 2020

22 RELATED PARTIES (Cont.)

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.

22.1 Compensation to key management personnel to NSSA

	Inflation adjusted		Historical cost	
Non Executive Directors' fees	**2020 ZWL**	**2019 ZWL**	**2020 ZWL**	**2019 ZWL**
Chairman	81 169	125 402	64 560	10 775
Deputy Chairman	68 293	92 474	54 318	7 946
Other	161 144	545 666	128 170	46 886
	310 606	**763 543**	**247 048**	**65 607**
22.2 Executive short term benefits				
Acting General Manager	3 933 002	1 884 378	1 927 942	182 878
Director Finance and Operations	2 614 966	1 703 045	1 281 846	165 280
Other	14 228 865	11 239 899	6 974 934	1 090 829
	20 776 833	**14 827 322**	**10 184 722**	**1 438 987**
22.3 The Scheme has advanced loans to related parties as follows:				
Loans and advances				
Rainbow Tourism Group	-	28 957 850	-	6 457 677
	-	28 957 850	-	6 457 677
Other receivables				
National building Society (staff Loans)	3 319 432	8 000 587	3 319 432	1 784 152

22.4 Going concern

The Scheme posted a historical surplus of ZWL5.6 billion (ZWL4.2 billion inflation adjusted) in 2020. Based on this strong financial performance, and also the fact that the premiums income has not been adversely affected by the covid lockdowns, Management is of the view that the Scheme is going to be a going concern for the foreseeable future

23 SUBSEQUENT EVENTS

The Government removed the lockdown restrictions that have been in existence since March 2020 following the effective containment of the covid virus and the reduction of infection rate. The opening up of the economy is expected to have a positive impact on the performance of the Scheme through improvement in premiums and rental inflows.

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!

nssa
A Lifelong promise

Notice of the 3rd National Social Security Authority Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE NATIONAL SOCIAL SECURITY AUTHORITY WILL HOLD ITS 2020 ANNUAL GENERAL MEETING ON 14 DECEMBER 2023 AT 0900 HOURS ONLINE TO CONDUCT THE FOLLOWING BUSINESS.

1. Constitution of meeting
2. Opening remarks
3. Statement on safety and health
4. Minutes of the 2019 annual general meeting
5. Presentation of the 2020 annual report
6. Adoption of the 2020 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 Director Legal Affairs and Corporate Secretarial Services

NSSA House,
Corner Sam Nujoma Street/
Selous Avenue,
Harare

22 November 2023

Notes

DESIGN AND LAYOUT BY vpcs

A Lifelong promise