ZADT

Zimbabwe Agricultural Development Trust

2021

ANNUAL REPORT

Zimbabwe Agricultural Development Trust

2021 Annual Report

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Acronyms and Abbreviations

ACT	Access to Clean Technology
CAPEX	Capital Expenditure Facility
CEO	Chief Executive Officer
CREATE	Credit for Agricultural Trade and Expansion
CSA	Climate Smart Agriculture
CIMMYT	International Maize and Wheat Improvement Centre
COVID	Corona Virus Disease
DANIDA	Danish International Development Agency
FACHIG	Farmers' Association of Community Self-Help Investment Groups
FCDO	Foreign Commonwealth & Development Office
FEM	Food for Export Masterclass
Hivos	Humanistic Institute for Cooperation with Developing Countries
MFI	Micro Finance Institution
MEAL	Monitoring Evaluation Accountability & Learning
MLAFWRR	Ministry of Lands, Agriculture, Fisheries, Water and Rural Resettlement
MT	Metric Tonne
RBZ	Reserve Bank of Zimbabwe
RTGS	Real Time Gross Settlement
SARCOF	Southern African Regional Climate Outlook Forum
SDC	Swedish Development Centre
SIDA	Swedish International Development Agency
SNV	Stitching Nederlandse Vrijwilligers (Netherlands Development Organisation)
MSME	Micro Small to Medium Enterprises
SME	Small to Medium Enterprises
USD	United States Dollars
WC	Working Capital
ZADT	Zimbabwe Agricultural Development Trust
ZWL	Zimbabwe Dollar

1. Executive summary

Zimbabwe's economic growth recovered from a contraction of 5.3% in 2020 to a positive growth rate of 7.8% in 2021, while annual inflation declined from 837% by end of 2020 to 60.7% in December 2021 despite the continued effects of the Covid-19 pandemic. The positive economic growth rate was driven mainly by increased industry capacity utilization from 47% in 2020 to 61% by end of 2021, increased output in agriculture on account of remarkable performance of all crops due to above average 2020/2021 rainfall season coupled with Government funding the sector through the "command agriculture" programme resulting in the bumper harvest and firm international mineral prices. The gradual return to normal of business towards the end of the year helped to revive and boost economic activity and set the economy on a sustained growth trajectory.

During the year, the ZADT Fund was restructured into three categories namely the Impact/Partnership Fund, the Revenue Fund and the Growth Fund in order to meet its triple objectives of ensuring the fulfilment of the Trust's primary mandate of improving the livelihoods of smallholder farmers, ensuring the sustainability of Trust operations and growth of the Fund size to cater for more beneficiaries respectively.

Deployment of funds into qualifying agricultural projects by ZADT through co-investments increased from ZWL$24,726,405 at the beginning of January 2021 to ZWL$202,543,671 as of 31 December 2021.This increase was mainly due to the drawdown from RBZ Blocked funds into co-investments in the fourth quarter.

ZADT investments were affected mainly by inflationary pressure, foreign exchange disparities as well as the effects of the Covid 19 pandemic which saw the economy go through cycles of lockdowns to curb the spread of the pandemic.

Blocked Funds remained significant of the ZADT fund constituting 57% of the total portfolio, as shown in the portfolio summary in Table 1. ZADT will progressively drawdown on the blocked funds and deploy these funds as per set out targets of the different fund categories, as suitable and qualifying projects meeting the above said fund objectives are identified and approved.

Table 1: Portfolio distribution summary as at 31 December 2021

Fund Category	**Portfolio distribution (ZWL$)**		
	Actual (%)	Target (%)	**Variance**
Impact Fund	14,222,248 (1%)	91,454,429 (8%)	-84%
Revenue Fund	191,410,215 (17%)	480,135,751 (42%)	-60%
Growth Fund	287,725,217 (25%)	571,590,180 (50%)	-50%
Blocked Funds	649,822,680 (57%)	0	
Total	1,143,180,360	1,143,180,360	

Investments under the Impact/Partnership category constituted only 1% of the total portfolio against a target of 8%. Smallholder activities funded under this category included Dairy, Youth Employment and women entrepreneurs under the Food for Export Masterclass 2020 (FEM2020) Programme. Investments under the Revenue and Growth categories of the Fund went mainly into beef, stock feeds and horticulture value chains as well as the money market.

Under the Impact/Partneship Fund fifteen female entrepreneurs were capacitated under the Food for Export Master Class (FEM2020) project during the year. Another fifteen service providers benefitted under the Small-Scale Mechanization pilot project implemented in Masvingo where ZADT provided fund management services in a collaborative project with the International Maize and Wheat Improvement Centre (CIMMYT). Under another Fund management initiative, ZADT trained forty-six youths in financial literacy under the Opportunities for Youth Employment (OYE) project in collaboration with SNV. In the Marirangwe United Bush Dairy Cooperative, ZADT supported sixty smallholder farmers to purchase shares. ZADT delivered capacity building services on financial literacy to sixteen SME businesses in another collaborative project , Strengthening Competitiveness and Potential for Export for Inclusive Value Chains (SCOPE4IVC) with the Welthungerhilfe (WHH).

There were no changes to the ZADT Board of Trustees in 2021 both in terms of size and composition. There are currently seven members in the Board including the CEO. All the Committees managed to meet quarterly to deliberate and provide oversight to Trust operations. The Investment Committee, however, met more often and this was necessitated by the need to consider new investment proposals from prospective businesses.

"It is time to change the way we think. Farmers are not the cause of Africa's poverty; they are a potential solution. They are key to creating the future envisioned by the SDGs."

— Kofi Annan, former UN Secretary General

2. Message from the Chairperson

the Trust managed to maintain a surplus position consistent with prior year

The economic situation in the country largely remained challenging in 2021 despite an economic growth of 7.8% which was higher than initially predicted. This was mainly driven by an exceptionally good harvest which resulted in a cereal surplus. However, the investment climate remained a challenge for investors mainly because of the instability in foreign exchange rates, inflation, and the operational challenges from the Covid 19 pandemic. Whilst the drastic reduction in inflation for the greater part of the year was welcome, the widening of the foreign currency premium between the auction and parallel market rates remained a cause for concern as this showed that current forex supply through the auction system was failing to meet economy-wide demand. The situation has affected ZADT investments where some of the businesses which were funded could not readily access foreign currency in time. Delays in getting allocations had negative implications as the local currency balances continued to lose value due to exchange rate induced inflation.

2021 in overview

Inflation-adjusted financial statements

The ZADT Trustees have always exercised reasonable due care, and applied judgements that they considered appropriate in the preparation and presentation of the Trust's annual financial statements. However, in economies that are experiencing hyperinflation as is the case in Zimbabwe, certain distortions may arise due to various economic factors that may affect the reliability of the information that is presented.

The Trust 2021 annual inflation-adjusted financial statements have been audited by Nolands Chartered Accountants (Zimbabwe) who have issued an adverse opinion in the current financial year primarily as a result of improper application of International Accounting Standard (IAS) 21 "The Effect of Changes in Foreign Exchange Rates" in previous periods. Due to this, the opening balances as at 1 January 2021 may contain misstatements that materially affect the current period's financial statements of the Trust. The auditor's report on the annual inflation-adjusted financial statements of the Trust is presented on pages 36 to 38.

Financial performance

Despite the combined effects of the economic environment and the effects of the Covid 19 pandemic, the Trust managed to maintain a surplus position consistent with prior year. However, the revenue base declined by 33% in inflation adjusted terms owing to the subdued economic activity that affected the Trust's generation of income through investments. In inflation adjusted terms, total revenue amounted to ZWL$183,689,203 against total operating costs of ZWL$165,999,054 resulting in a surplus of ZWL$17,690,149. Based on historical cost accounting, a surplus of $143 948 714 was made in 2021 compared to $152 697 275 in the prior year. The significant increase in financial assets through co-investments on the statement of financial position reflects the Trust's strategy to restructure the Fund into the various investment categories. The current focus of the Trust is to deploy the blocked funds into the different fund categories consistent with the strategy.

During the year, the Trust partially released its investment in associate in the Marirangwe United Bush Dairy, hence concluding its initiative to assist sixty smallholder farmers to purchase shareholding under the funding from DanchurchAid (DCA).

Impact of Trust's activities

I am happy to report that the Trust had significant achievements especially under the Impact category of the Fund, despite the challenges faced in reaching the targeted levels of the portfolio distribution. Fifteen female entrepreneurs were successfully capacitated to transform their businesses under the Food for Export Master Class (FEM2020) collaborative project with other partners. In another Rural Agri-service small-scale mechanization initiative with CIMMYT, ZADT provided fund management services to directly benefit another fifteen service providers who received mechanized equipment and provided services to 168 smallholder farmers in their catchment areas during the year. ZADT also trained forty-six youths in financial literacy and development of business development services under the Opportunities for Youth Employment (OYE) project in collaboration with SNV. In a similar venture ZADT delivered capacity building services on financial literacy to sixteen SME businesses who are working with Welthungerhilfe (WHH), under the Strengthening Competiveness of Potential for Export for Inclusive Value Chains (SCOPE4IVC) programme. Last but not least, in the dairy sector, ZADT supported sixty smallholder farmers in Marirangwe communal area to purchase shares in a United Bush Dairy Cooperative. The farmers have already started benefitting through getting dividends in addition to the shareholding held in the corporative.

Outlook

The primary mandate of the Trust is to impact on smallholder farmers. This is premised on our ability to preserve and grow the available Fund as well as ensure sustainability of operations in a not-so-conducive investment environment. The Board approved a restructuring of the ZADT Fund into investment categories namely Impact, Growth and Revenue to guide deployments to achieve the short-term objectives of sustainably preserving and growing the fund and that of long-term impact. In the medium to long-term, more than 60% of the Trust Fund will be deployed to investments which benefit smallholder farmers. More work still needs to be done by the Secretariat to achieve this. If the Covid 19 pandemic is brought under control and the investment environment improves, we look forward to scaling up and deepening our footprint in the smallholder farming sector.

Secretariat

The Chief Executive Officer heads the ZADT Secretariat which is responsible for managing the day-to-day operations of the Trust. Due to of the operational challenges in the economy, there were significant changes in the current staff compliment. Three members of staff who left the organization were replaced during the year. Let me hasten to praise staff and report that the Trust did not have any fatal casualties from the Covid 19 pandemic. All staff were successfully vaccinated in support of Government efforts to control the spread of the disease.

Board of Trustees

The Board, the Human Resources Committee and the Audit and Compliance Committee meet quarterly to provide the necessary oversight to the Secretariat. However, because of the lockdown restrictions most of the meetings were held virtually during the period under review. The Investments Committee on the other hand met monthly during the year because of the need to consider investment proposals from prospective businesses as and when they were presented by the Secretariat.

Funders

There was no new funding from partners in 2021. However, investments in 2021 were from the existing funds which were contributed by the Royal Danish Ministry of Foreign Affairs through the Danish International Development Agency ("DANIDA"), the Foreign Commonwealth & Development Office (FCDO), the Ford Foundation as well as DanChurchAid (DCA). I would like to extend my sincere gratitude to them for their continued support.

The Secretariat managed to identify and deploy funds into eligible businesses under the circumstances. The Board looks forward to continued growth in designated funds in the forthcoming year to keep the ZADT flag flying high. I would like to take this opportunity to express my gratitude to my fellow board members who provided invaluable support to the Secretariat during the year. Finally, I would like to sincerely wish them all including our partners continued success as we relentlessly press on together to achieve our noble objective of positively impacting on the livelihoods of the smallholder farmers.

Rachel Pfungwa Kupara

Board Chairperson

3. Message from the CEO

.....ZADT managed to conclude its support to smallholder farmers in the Marirangwe United Bush Dairy initiative where sixty smallholder farmers were assisted to purchase shareholding ....

Zimbabwe experienced an economic rebound and posted a positive growth which was above expectations despite the challenges bedevilling the economy. Steering the Trust's business during the year characterised by inflation which was threatening investments required agility and dexterity. However, I am happy to report that despite the challenges experienced, we managed to deploy all the available capital which excludes blocked Funds held at the Reserve Bank. We however significantly drew down from the blocked funds at the Reserve Bank of Zimbabwe for new projects torwards the end of the year.

Our co-investments increased by more than 1,200 percent during the year although we still fell short on our short-term investment targets set in the fund categories which were approved by the Board. Of major concern were the co-investments under the Impact/Partnership where we deployed ZWL14,222,248 against a target of ZWL$91,454,429. We are continuing with our efforts to deploy all our capital particularly that which is under blocked funds. We believe deploying all that capital is key in unlocking value which will ensure the viability of our operations.

The ZADT Fund is denominated in Zimbabwe dollars whilst prospective businesses required funding in US dollars. Funded investments relied on the Reserve Bank Foreign Currency Auction Market for their foreign currency allocation where access was delayed due to shortages. This presented further challenges to the ZADT Fund as deployed funds were subject to loss in value due to exchange rate losses as investees waited for allocations on the Foreign Currency Auction. ZADT deployments were therefore affected by the performance at this market.

As all other businesses operating in the country, we were not spared from the impacts of the effects of Covid 19 which saw rolling cycles of lockdowns as the government battled to contain the spread of the pandemic. ZADT continued to employ strategies for staff to work virtually from home especially during peak outbreaks.

Despite the lockdown restrictions, I am pleased to point out that during the year we managed to continue delivering services in ongoing collaborative activities with other development organisations to capacitate our target clientele, the smallholder farmers. We managed to implement and conclude the Food for Export Master Class (FEM2020) project targeting female entrepreneurs which we implemented together with Hivos, ZimTrade, the Netherlands Embassy and PUM Netherlands (a Dutch Senior Experts organization). We also continued to provide fund management services in the R4 Rural Resilience Initiative pilot programme for Small-Scale Mechanization implemented in Masvingo in collaboration with the International Maize and Wheat Improvement Centre (CIMMYT). This pilot programme will be concluded in August 2022. Fund management activities also continued under the Opportunities for Youth Employment (OYE) project where ZADT managed to train additional youth beneficiaries in financial literacy and funded beneficiaries whose proposals met set funding criteria. The OYE initiative is being implemented in collaboration with SNV Zimbabwe and is aimed at increasing youth employment and incomes through skills development.

ZADT continued engagements with the International Labour Organization (ILO) under their Green enterPRIZE initiative to explore opportunities to provide financial support services to SMEs in the agricultural value chain. Some business proposals from the Green enterPRIZE initiative were being reviewed for funding by ZADT by the end of the reporting period.

I am happy to report also that ZADT managed to conclude its

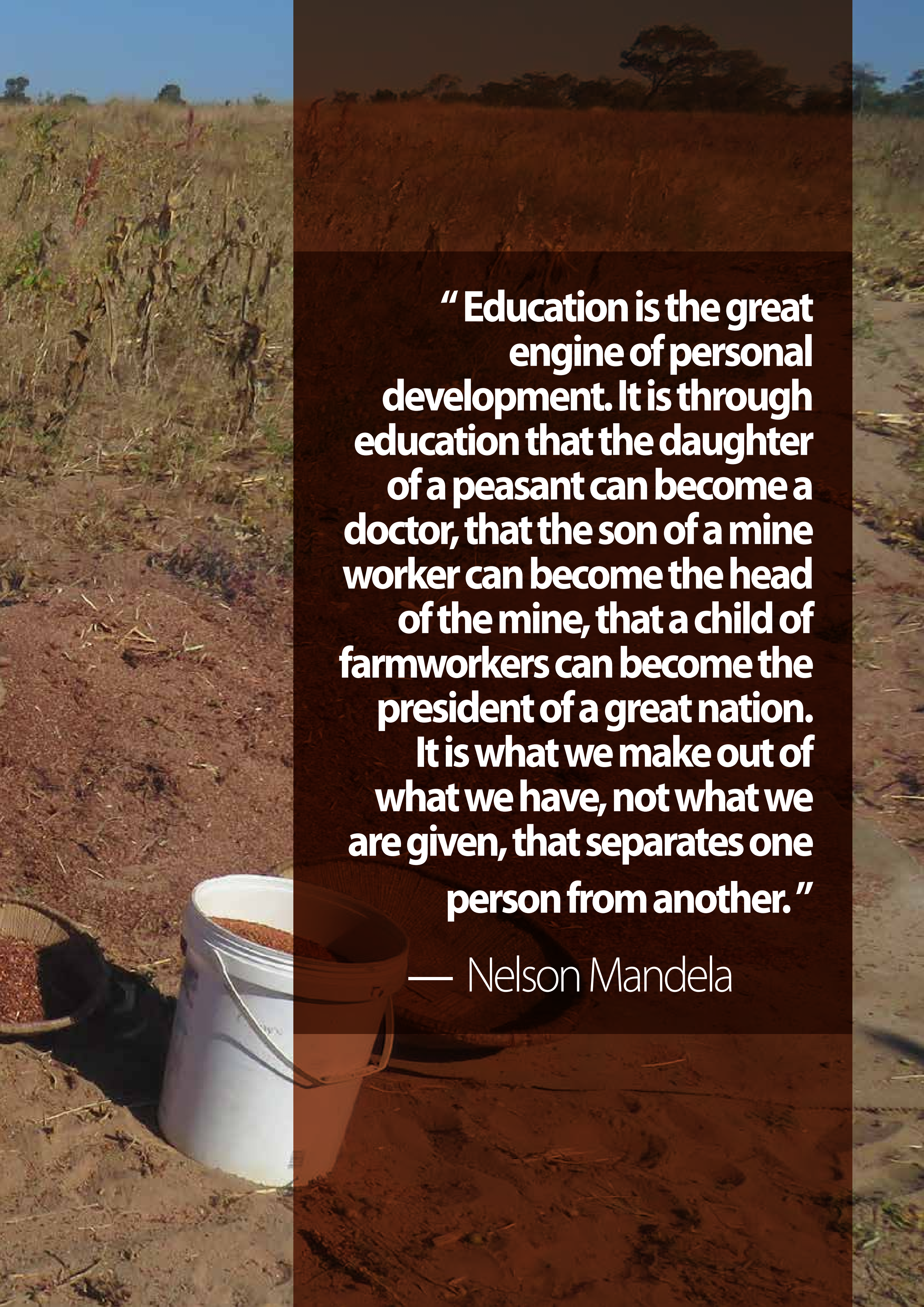
support to smallholder farmers in the Marirangwe United Bush Dairy initiative where sixty smallholder farmers were assisted to purchase shareholding under the funding from DanchurchAid (DCA). During the year, we also partnered with the Welthungerhilfe (WHH) under their project on Strengthening Competitiveness and Potential for Export for Inclusive Value Chains in Zimbabwe (SCOPE 4IVC). ZADT delivered capacity building services on financial literacy to sixteen SME businesses.

ZADT signed a contract with the African Guarantee Fund in 2021 to provide capacity building services to more than 80 youths under the Youth-Led Training and Mentorship programme funded by the African Development Bank's Youth Employment Initiative Multi Donor Trust Fund (YEI MDTF) the YEI MDTF Launch, Training and Mentorship programme is scheduled to start in the first quarter of 2022.

As we go into 2022, we look forward to deploying all our capital to expand our portfolio of investments and strategic partnerships with other development institutions working in the same space to continue to fulfil our core mandate of improving the livelihoods of smallholder farmers. May I take this opportunity to express my profound gratitude to the ZADT Trustees as well as our business partners for their support during this year. Last but not least I would like to thank the entire Secretariat Team for the determination shown during the year under difficult conditions.

Godfrey R. Chinoera

Chief Executive Officer



“ Education is the great engine of personal development. It is through education that the daughter of a peasant can become a doctor, that the son of a mine worker can become the head of the mine, that a child of farmworkers can become the president of a great nation. It is what we make out of what we have, not what we are given, that separates one person from another. ”

— Nelson Mandela

4. Introduction

The financial year for ZADT runs from January to December and this report pertains to activities done during that period in 2021. The primary audience for this report is the Trust's key stakeholders. The report presents the narrative in terms of activities done by the Trust as well as the corresponding audited financial statements.

5. Performance of the 2021 agricultural season

According to the Ministry of Lands, Agriculture, Fisheries, Water and Rural Resettlement's (MLAFWRR's) Second Round Crop and Livestock Assessment (May 2021), total maize production in 2021 increased by 199% to 2,717,171 MT from the prior season. Traditional cereal grains (sorghum and millet) production for the same period amounted to 347,968 MT which was 128% more compared to 152 515 MT in 2020. Total cereal production was, therefore, 3,075,538 MT against a national requirement (for human & livestock) of 2,247,435 MT resulting in a net surplus of 828,263MT.

Seasonal rainfall performance in 2021

The Meteorological Services Department of Zimbabwe (MSD) issued a seasonal forecast for the upcoming 2021/22 rainfall season. The seasonal rainfall forecast is divided into two sub-seasons i.e., October to December 2021 (OND) and January to March 2022 (JFM). For the period October to December 2021, the forecast was for increased chances of normal-to-above normal rainfall. However, the outturn was different from forecast. Despite some seasonal rainfall in early November 2021, the start of the main agricultural season saw widespread below-average rainfall, with abnormal dryness and high temperatures observed throughout the country from early November to mid-December. The return of rainfall across most parts of the country starting in mid-December 2021 brought relief to farmers as they continued to establish cropped areas. Such erratic rainfall patterns have a huge impact on the smallholder farming sector, which is the focus of the ZADT mandate, as it is largely involved in rainfed agriculture.

6. The ZADT Fund

ZADT administers a revolving Fund which was established in 2010 from contributions from three development institutions namely, the Danish International Development Agency (DANIDA), Foreign, Commonwealth Development Office (FCDO, formerly UKAID) and the Ford Foundation. Funding contributions from these institutions were received between 2010 and 2015 building up to a total revolving fund size of US$37.5 million by December 2015, at which time ZADT was self-sustainable. No further contributions into the ZADT Fund have been received from these institutions, although ZADT received funding of US$55,900 from DanChurchAid (DCA) into the Fund in 2019.

The Fund's objectives have remained the same from the time it was established in 2010. What has changed over time is the funding model in line with changing needs of target clients as well as changes in the operating environment.

7. The Funding Model

ZADT deployed funds mainly through co-investments during the reporting period. The current three-pronged model comprising of co-investments, equity and guarantees ensures fund growth and preservation in the face of an inflationary environment which is exerting pressure on the Fund. The Guarantee funding window remained dormant during the reporting period as the Trust continues with its fund-raising efforts. With continued foreign currency shortages, the guarantee product is strategically targeted at exporting small agribusinesses who want to access funds for importing raw materials through their local banks. All outstanding medium-term loan facilities granted through the financial institutions up until 2019 through the transactional funding model were repaid during the year.

8. Portfolio Analysis

The ZADT Fund portfolio is presented in the context of the current funding model which was developed in 2019 and explained in section 7 above. We describe hereunder the main macroeconomic fundamentals which influenced investment decisions and outcomes during the reporting period.

8.1 Main factors which affected ZADT Investments in 2021

Inadequate funding exacerbated by inflationary pressure had an adverse impact on ZADT investments during the year to add on to the Covid 19 pandemic and late onset of the 2021/22 rain season.

The ZADT Fund is denominated in Zimbabwe Dollars since 2018 following financial sector reforms put in place by the Government. With the local currency continuing to lose value against the US Dollar, preservation of value of the ZADT fund remained a challenge. The movement in exchange rate directly impacts on inflation as local prices tend to respond to changes in the rate. The government promulgated measures aimed at controlling key macroeconomic variables. Some of the Statutory Instruments gazetted during the year include but are not limited to the following:

i) SI 127 of 2021 - Statutory Instrument 127 of May 2021 which made the ZWL become the major currency effectively prohibiting businesses from selling goods and services or quoting at an exchange rate above the ruling auction rate and issuing buyers with a Zimbabwean dollar receipt for payments received in foreign currency.

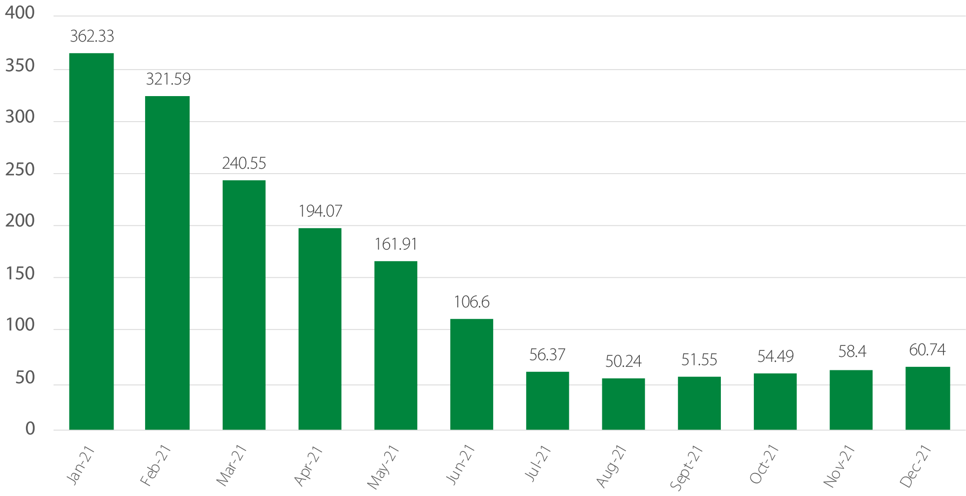
ii) June 2021 – Zero percent non- negotiable certificate of deposit. The Reserve Bank of Zimbabwe ordered all banks to surrender all their excess cash or liquidity. The Banks would get non – negotiable certificates of deposit (NCDs) yielding no interest. These NCDs could not be traded, bought, or transferred or changed.

iii) SI 196 of 2021 - Statutory Instrument 196 of July 2021 where the Reserve Bank of Zimbabwe introduced a new ZW$50 note which subsequently saw ZWL$ 360 million being released through the official banking channels.

The impact of these various policies varied to different players in the economy.

Another major impact was that year-on-year inflation rate drastically dropping from 837% in July 2020 to 50.2% in August 2021 before it started increasing up to 60.7% by end of December 2021, see Figure 1.

Figure 1: Annual Inflation Trend



Source: IH Zimbabwe Banking Sector Report 2021

The Reserve Bank of Zimbabwe foreign currency auction system was instrumental in stabilizing the economy through increased availability of foreign currency thus slowing down the depreciation rate of the local currency. This was buttressed by a good 2021 harvest and a good follow-on forecast of another good rainfall season in 2022 season.

There was, however, a widening in the gap between the parallel market and the forex auction rates. The parallel market rate exchange premium stood at 59.4% as at 31 December 2021 up from 38% in the previous year. Analysts believe that the widening of the gap between the auction and parallel rate was largely caused by increased government expenditure and growth in money supply. The behavioral relationship between money supply and inflation and exchange rates are presented in Figures 2 and 3.

Figure 2: Money supply against inflation and exchange rate

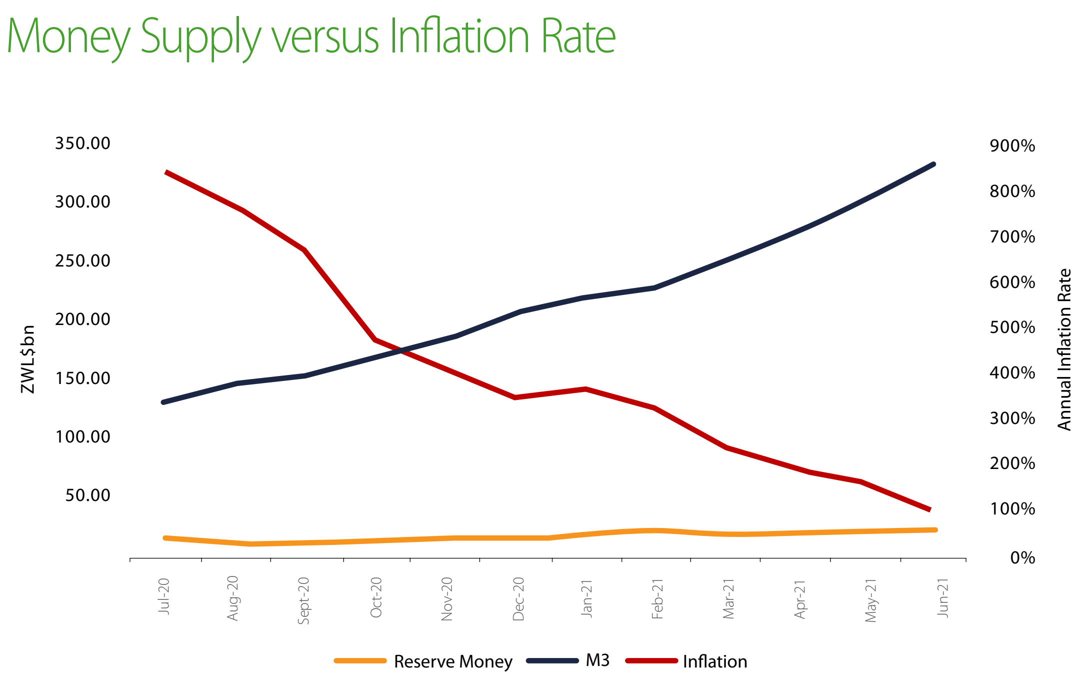
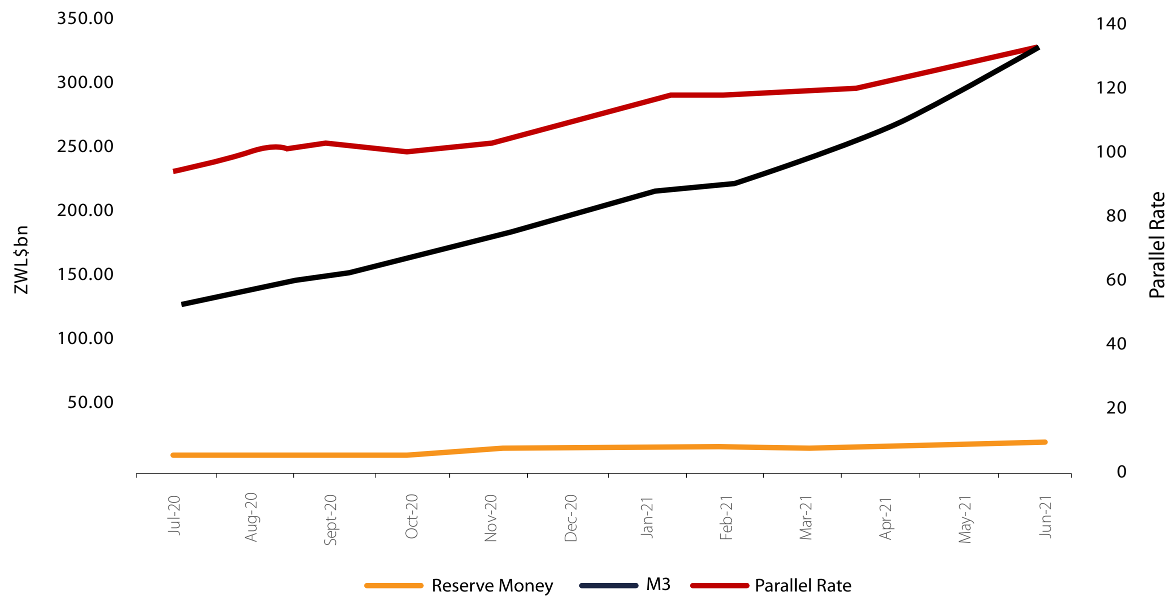


Figure 3: Money supply against parallel market rate

Money Supply versus Parallel Market Rate



Source: IH Zimbabwe Banking Sector Report 2021

Figures 2 and 3 show that money supply has had two opposing effects. Inflation dropped whilst the parallel market rate went on an upward trajectory. Another important factor which was fueling the growth in parallel market rates was the backlog in the foreign currency settlement on the auction system. The aggregate monthly demand in foreign exchange in the economy based on an import bill of US$6.5 billion in 2021 is US$540 million whilst the Auction system is allotting an average of US$170 million. This mismatch between demand and supply contributed to the growth on the parallel market rates as importers sought quick access to foreign currency on the alternative market. ZADT funded agribusinesses were affected by the delays in getting foreign currency through the auction system.

The Covid 19 pandemic continued to negatively affect economic activities in the country as the year 2021 saw the outbreaks of the second, third and fourth waves which left a trail of casualties. The Government used a cocktail of measures to control the spread of the pandemic. These measures included restricting movement of people, banning of social gatherings, reduced business trading hours, and closing businesses that were non-essential. Low economic activities had a negative bearing on lending institutions and ZADT was also not spared. Although ZADT was exempt from the lockdown restrictions, there was a deliberate decision by the Trust for staff to work from their respective homes during the peak of Covid 19.

8.2 Restructuring of the ZADT Fund

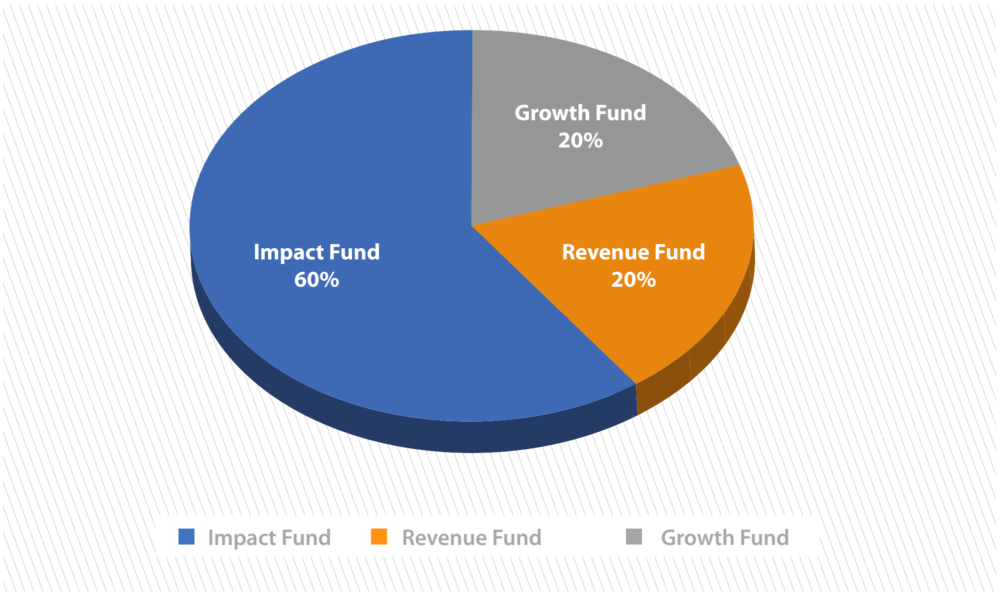
Given the prevailing economic challenges, the Board approved a proposal to restructure the Fund into three categories namely the Impact/ Partnership Fund, the Growth Fund and the Revenue Fund in order to meet its triple objectives of ensuring the fulfilment of the Trust's primary mandate of improving the livelihoods of smallholder farmers; growth of the Fund size to cater for more beneficiaries and ensuring the sustainability of Trust Operations.

Deployment of Funds under the co-Investments window was guided by the triple objectives. The Impact/Partnership Fund is the main category which answers to the mandate of ZADT. Medium to long term investments were placed under the Growth Fund. Whilst investments under the Revenue and Growth Funds may not necessarily be premised on direct smallholder beneficiation, both have been put in place to ensure that the Trust remains sustainable whilst preserving and growing its current Fund to position it to be able to discharge its mandate more impactfully when the environment has improved. The Impact/Partnership Fund encompasses investments deployed from the ZADT Fund as well as collaborative projects funded by other partners working in the same development space with ZADT providing services within the scope of its comparative advantage.

8.2 Restructuring of the ZADT Fund (continued)

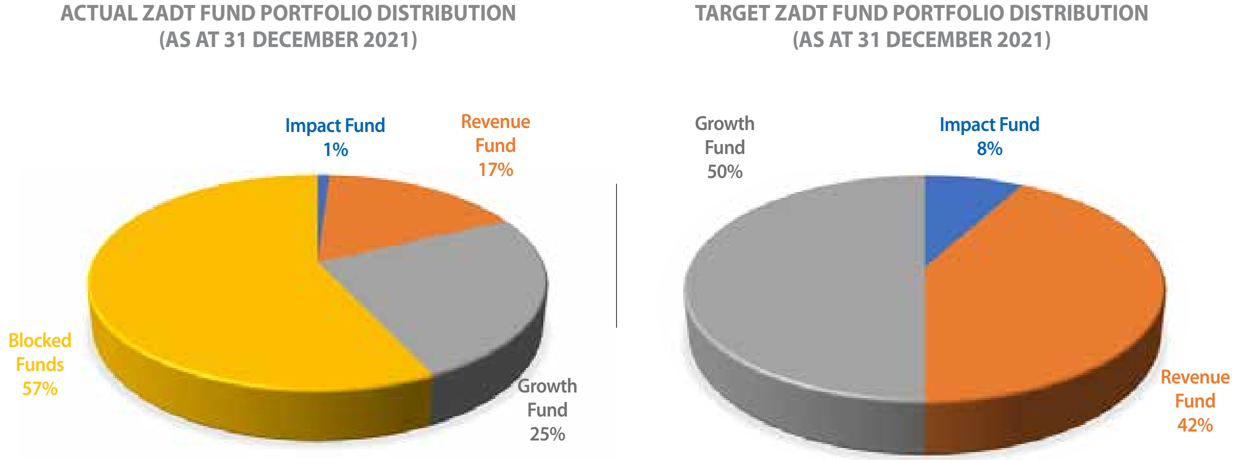
Figure 4 & 5 presents the portfolio structure as at 31 December 2021 viz-a-vis the target. The target was premised on the need to redeploy money locked under blocked Funds at the Reserve Bank of Zimbabwe to investments as the Trust would have been unsustainable without doing that both in the short and long-term horizon. Challenges encountered in the economic environment affected ZADT such that the capital was not deployed as envisaged. By the end of the year, Blocked Funds still constituted 57% of the portfolio. The Trust continues to monitor the investment environment whilst scouting for appropriate investment opportunities which fulfil its objectives.

Figure 4: Long term portfolio distribution of the Fund



The long-term portfolio distribution target for ZADT is presented in Figure 5 and is reflective of the Trust's core mandate of impacting on smallholder agriculture. However, the short to medium term distribution position as presented in Figure 5 is transitory as the Trust manages the current investment challenges.

Figure 5: Actual versus target portfolio distribution as at 31 December 2021



The short-term distribution target is currently weighted more towards sustainability and preservation. Table 2 presents the actual distribution of the portfolio in monetary values as at the end of the year.

Table 2: Portfolio distribution in monetary terms as at 31 December 2021

Fund Category	Portfolio distribution (ZWL$)		
	Actual (%)	Target (%)	Variance
Impact Fund	14,222,248 (1%)	91,454,429 (8%)	-84%
Revenue Fund	191,410,215 (17%)	480,135,751 (42%)	-60%
Growth Fund	287,725,217 (25%)	571,590,180 (50%)	-50%
Blocked Funds	649,822,680 (57%)	0	
Total	1,143,180,360	1,143,180,360	

Whilst the ZADT mandate is to impact on smallholder farming, at the moment the focus is on Fund preservation and sustainability. The Growth Fund contributed 25% of total investments in 2021. The largest variance between actuals and target deployments was in the impact fund followed by Revenue and Growth Funds.

8.3 Investments under the Impact/Partnership Fund

This fund category combines both investments funded directly by ZADT as well as projects where ZADT provides services under partnership collaboration arrangements. All projects under this category are mainly for smallholder beneficiation. Due to challenges in the economic environment during the year, investments under this Fund category constituted only 1% of the total portfolio against a short-term target of 8%. A total of 4,917 smallholder farmers across all categories benefitted from Trust operations during the year.

Impact/Partnership activities were done through direct funding by ZADT and by development partners. The activities included training, fund management and financing of the investments.

(a) Impact/Partnership Projects funded by ZADT

During the year, ZADT deployed capital amounting to ZWL$14,222,248.00 into two project initiatives namely the Marirangwe United Bush Dairy (MUBD) and the Opportunities for Youth Employment (OYE) implemented by SNV.

Dzumbunu Smallholder Dairy Farmer Project

Under the DCA funding, ZADT provided credit facilities to 60 smallholder farmers from the Dzumbunu and Monera communal areas in Marirangwe. ZADT disposed part of its shareholding from 39% to 15% to the 60 smallholder farmers. Each of the 60 smallholder farmers was funded to acquire a dairy cow worth of shares in the Cooperative. All the farmers have managed to sign facility contracts for the individual loans for the share purchase where repayments will be done over a five-year period up to end of 2026.

The smallholder farmers are benefitting from this investment as follows: Small holder farmers have been enabled to purchase and hold shares in the dairy co-operative; and to participate in a value chain which they could not ordinarily have done on their own and earn a dividend. The smallholder farmers now have an appreciation of dairy farming as a business. Other small-scale farmers in Marirangwe who are in the MUBD co-operative operate their own small dairy herds. During the year, both the Dzumbunu and Monera village beneficiary farmers had the opportunity to attend shareholder meetings where they learnt how the cooperative operates.

FACHIG Trust, a local NGO working with smallholder farmers in the area, were responsible for mobilising and training the farmers to join the Cooperative venture. They also attend stakeholder meetings to provide technical assistance to the farmers.

Figure 6: Two-wheel planting tractor

Figure 7: Two-wheeler tractor transporting produce

Figure 8: Some of the Smallholder farmers who bought shares in MUBD

Opportunities for Youth Employment (OYE) Project

During the year, in line with its mandate under the project, ZADT trained 25 Youths in Bulawayo in financial literacy and development of bankable business plans. This brought to 46 the total number of Youths that have been trained by ZADT since signing of the Agreement in 2020 against a minimum target of 50. The first 21 were trained at the end of 2020 and 14 (66%) of them managed to prepare and submit proposals for consideration for funding by ZADT in 2021. Twenty-six per cent proposals were successfully funded by ZADT during the year. This took up a total of ZWL$4,309,589.00 equivalent to (US$50,000) which was the maximum amount that had been set aside by ZADT under the Agreement with SNV. SNV will also provide an additional US$50,000 to the project for disbursement in 2022.

Figure 9: A group of 25 youths undergo training facilitated by ZADT in Bulawayo

The funded youths' businesses are involved in renewable energy (solar) and manufacturing.

(b) Projects funded by Partners

The Food for Export Masterclass Programme

Fifteen female entrepreneurs benefitted from a fully customized training programme delivered through ZADT in collaboration with the Netherlands Embassy in Harare, Hivos, ZimTrade, PUM (a Dutch Senior Experts organization). The tailored programme focused on creation of agricultural value chain based bankable business plans, production methods and certification as precursors to access to finance. The training programme saw the female entrepreneurs' business management skills improved with resultant transformation in the performance of their businesses. Both Hivos and the Netherlands Embassy provided the funding for the 18 months capacity building programme. The following beneficiary outcomes were achieved.

- All the trained women have become role models in their respective value chains that have been equipped with the right tools and skills.
- Improved business performance.
- Seventy per cent of the entrepreneurs reported increased revenues after undergoing the training.
- Training received in product branding and packaging resulted in marketability of entrepreneurs' products.
- All the female Entrepreneurs invested in their social media platforms to profile their products, and this has placed their businesses on growth paths.
- The entrepreneurs have formed their own business network where they share opportunities and ideas. Where complementarity in products exists, the entrepreneurs' have effectively become markets for each other.

ZADT has put in place a funding mechanism to support the female entrepreneurs and is currently mobilizing for funds from interested donors to meet the financial requirements of these businesses.

Small Scale Mechanization Project

ZADT was engaged by the International Maize and Wheat Improvement Centre (CIMMYT) to implement and manage a "Lease-to-Own" financing facility for selected Service Providers (SPs). CIMMYT is implementing the Service Provider (SP) Model to deliver mechanized services to farmers in Masvingo district on a pilot basis. The Model entails equipping an SP with essential farm machinery who then offer mechanized services to other farmers in their catchment areas at a fee. CIMMYT contracted KURIMA Machinery and Technology who are a manufacturer of equipment to supply the equipment required comprising of a 2-wheel tractor (2WT), planter mounted on a toolbar, one tonne trailer and a double cob maize sheller.

The project is promoting conservation agriculture technologies such as zero-tillage. In 2021 some farmers were yet to fully appreciate the benefits of zero-tillage farming technology. SPs reported that they were still getting requests for ploughing services. To meet that expressed demand, 46.7% (7) of the SPs purchased two-wheel tractor- drawn ploughs, using their own resources. It is expected that demand for ploughing services will slowly wane out as farmers fully adopt the zero-tillage technology.

SPs are expected to repay their instalments using proceeds from hiring out the Lease-to-own equipment. Transportation has been the most hired service and income generator amongst all the three options i.e., planter, sheller and trailer provided to SPs. SPs are using the trailers to transport materials such as maize, water, river sand, pit sand, bricks and firewood among other things. A total of 168 farmers received transport services from SPs during the reporting period.

Since SPs received their planters and tool bars late, they did not manage to offer any planting services to farmers in their catchment areas in 2021. They only managed to use their planters on their demonstration plots. Shelling business was low due to several factors which include poor machinery performance due to some missing elements on some machines. 2021 maize harvests in the project area were low due to water logging. The low harvests resulted in reduced demand for threshing services as most households could manage shelling using family labour.

Smallholder Farmers (SHFs) Stockfeed Finance Scheme

In support of the smallholder farmers involved in cattle pen fattening schemes, ZADT was requested by MC Meats to provide financing to purchase stock feeds. Stock feeds constitute a major component of the feeding costs for cattle. ZADT provided the funding to MC Meats who then established a stock feeds facility which was accessed by pen feeding farmers. Farmers who accessed the feeds undertook to deliver their animals to MC Meats as the off-taker from which the costs of the stock feed were recovered from proceeds of the cattle sales. Forty-three (43) SHFs benefited from the ZADT funded stock feeds finance facility managed by MC Meats between September and December 2021. These were in several areas which include Bikita and Mwenezi. Mr. Maombera of Mwenezi, managed to pen feed 25 herd of cattle under this scheme during the period.

In Bikita one church-based group called ODZI Cattle Fattening group which started in 2019 and fattened 14 animals. They accessed stock feed from the ZADT facility in 2021 and managed to almost double the number of animals to 27 cattle. The group also managed to access 359 bags of feed costing US$5,206 as well as buy fence to protect their property which include the church premises and the pen feeding facilities. The group offers the facility to other farmers in the community who want to feed their animals.

Figure 10: (a) Representatives of the Odzi Cattle fattening Group (b) Silage pit built from proceeds of pen fattening in 2021

Welthungerhilfe (WHH) project on Strengthening Competitiveness and Potential for Export for Inclusive Value Chains in Zimbabwe (SCOPE 4IVC)

ZADT provided training to eight SME businesses in financial literacy and development of bankable business plans to prepare them for accessing finance from ZADT or any other financial institution. By the end of 2021 ZADT was mentoring the trained businesses on development of bankable business plans. ZADT however funded one of the businesses during the year. The funded business purchases grain from smallholder farmers which includes roundnuts, a value chain which is being promoted under the SCOPE Project. The company currently supports 300 smallholder farmers in Northern Gokwe in the Siabuwa area to produce traditional grains such as sorghum under contract. The farmers were given inputs on credit. The costs were recovered upon delivery of the product to the company.

African Guarantee Fund/AfDB Youth-Led Training and Mentorship Programme

ZADT signed a contract with the African Guarantee Fund in 2021 to provide capacity building services to more than 80 youths under the Youth-Led Training and Mentorship programme funded under the African Development Bank's Youth Employment Initiative Multi Donor Trust Fund (YEI MDTF). ZADT is facilitating the Zimbabwe chapter of the programme which is being implemented in four other countries namely Ghana, Mali, Nigeria and Togo. The programme is targeting Start-ups and Growth oriented micro, small to medium enterprises. By the end of the year, ZADT had already received the list of applicants from AGF, established a selection committee comprising of key stakeholders dealing with youth and developed the tailored training materials to capacitate the youths. The official launch of the programme which was initially scheduled at the end of the year will be done in 2022.

Expected impact from the programme is increased youth employment (direct jobs created) and employability through increased access to finance and business survival of youth led MSMEs who will have received Business Development Services. The programme will be implemented over twelve months in 2021 and 2022.

8.4 Medium to Short term co-Investments

Deployments totalling ZWL$479,135,432 were funded from the Revenue and Growth Funds whose main objectives were to generate revenue and grow the Fund to cater for more beneficiaries. ZADT operational costs are financed from revenue. These investments were into several value chains which include Chia, beef, stock feeds and horticulture. The key highlights of the short to medium term investments are presented below.

Investments into Beef

ZADT invested into Livestock Units (LUs) in one of the major beef trading companies. At the beginning of the year there were 133.33 LUs owned by ZADT. By the end of the year the LUs had increased to 137.62 after ZADT converted an outstanding loan amount in the business which was losing value due to exchange rate linked depreciation. Table 3 presents a summary of the livestock units and values during the year.

Table 3: Summary of the number and value of ZADT livestock units as at 31 December 2021

	31 - Dec- 21			31 - Dec- 21		
	Number of Livestock Units	Value of ZADT Livestock Units (ZWL$)	Value of ZADT Livestock Units (USD)	Number of Livestock Units	Value of ZADT Livestock Units (ZWL$)	Value of ZADT Livestock Units (USD)
Livestock Units	137.62	20,267.688.00	186,154.00	133.33	10,529,390.00	128,742.00
Change (%)	3%	92%	45%			

As at 31 December 2021 each livestock unit was valued at ZWL$147,269 from ZWL$78,970 at the beginning of the year. This represented an 86.5% increase. However, in terms of the total value of the livestock units in ZWL$, there was a 92% increase between the value at the beginning and end of the year.

In 2021, ZADT maintained its investment of a mixed breeding cattle herd purchased in 2019. Between January and October 2021, the herd grew from 197 to 207. In October 2021 there was a progeny sharing exercise on 42 calves between ZADT and the managing company with each party getting 21. This was the first progeny sharing exercise since the animals were purchased in 2019. ZADT breeding herd therefore fell to 186 by the end of December 2021. However, by that time 48 cows were in-calf and expected to calve in the 1st quarter of 2022. Through this co-investment ZADT is contributing to national building of the breeding herd.

Figure 11: ZADT cattle breeding programme

Co-Investments into Pen fattening of beef cattle

In a revenue generating investment, ZADT purchased beef cattle and pen fattened them through another beef trading company. Three batches were fattened during the year. More investments will be considered in 2022 after the rainy season when veld-based feed runs out. That is the period when pen fattening generates better profits.

Co-Investments into Horticulture value chain

ZADT invested into a company which is involved in horticulture focussing on avocado, citrus, banana and cut-flower projects in Zimbabwe. The total investment was split between 40% Working capital and 60% Capital Expenditure (Capex) needs of the investee. The funds which were invested in this venture were drawn from the Blocked facility at the Reserve Bank.

Chia Production

Chia Growers Zimbabwe is involved in the production of Chia by smallholder farmers, and a relatively new oil sed value chain on the Zimbabwe market and is grown mainly for export. Client deals with farmers on an out-grower basis in different parts of the country. The total out grower base for the company is 4,200 farmers. Because of lock lockdown conditions during the year, farm-based assessments were not conducted in 2021.

Investments in Unlisted Shares

The Trust maintained its investments in unlisted shares during the reporting period which were valued at ZWL$262,117,169 as at the end of the reporting period. This value was based on an independent professional valuation of the primary underlying asset of Smart Suburb which is land in the outskirts of Harare.

Stock market investments

In 2021 ZADT continued to invest on the stock market where shares are held in several counters which include Padenga Holdings, Innscor Africa Limited, Econet Wireless Limited, Cassava Smartech Plc and Old Mutual Zimbabwe. The government extended the suspension of Old Mutual from the ZSE until March 2022. During the year, some shares were disposed, and others bought on new counters. However, the inflation-adjusted value of the shares grew from ZWL$23,015,635 on 31 December 2020 to ZWL$39,998,937 at the end of December 2021, a gain of ZWL$16,983,302 representing 74%.

9. Governance of the Trust

The Board of Trustees is the steward of the Trust and was responsible for ensuring that the developmental mandate of ZADT was fulfilled in compliance with corporate governance principles. Table 4 presents members of the Board of Trustees in 2021 and their brief profiles.

Table 4: ZADT Board Members in 2021

Rachel Pfungwa Kupara
Board Chairperson

Rachel Kupara is a Chartered Accountant with vast experience in the Financial Services Sector working for various companies at senior management positions, specifically Insurance and Banking; Agriculture & Agro-processing and manufacturing industries. She has served in Boards of several big Corporates. Currently she sits on boards of BAT Zimbabwe Limited, Dairibord Holdings Limited, Financial Securities Exchange (Finsec) as Chair, First Mutual Wealth Management, and Zimbabwe Insurance Brokers.

Leif Reeckmann
Board Member

Leif is a Danish national equipped with a background in farming, dairy and transport and logistics. He currently is the Managing Director of Kefalos Cheese Products (Pvt) Ltd a company he joined in 1997 as a Production Manager and rose through the ranks. Leif encapsulates a hands-on principle whose management approach is very unconventional and elicits self-actualization in his peers and subordinates, encouraging them to be out of the box thinkers and decision makers.

Tawanda Namusi
Board Member

Tawanda is the Chief Executive Officer of Interfresh. He is a Chartered Accountant with considerable knowledge and experience in the financial services sector accumulated over a period spanning over 12 years. He has worked in the Meat, Horticulture and Assurance Sectors in both the local and international markets. His core strengths include capital raising, business reorganizations, strategic planning and monitoring, international financial reporting, internal controls and corporate governance among other skills sets. Before joining Interfresh Tawanda was the Chief Financial Officer at Blue Agri.

Faith Chipiwa Mberi
Board Member

Faith is the Managing Consultant of Novelsol Consulting; specialists in transfer pricing and other tax services - a business she founded in 2017. She holds an MBA from GIBS and is a qualified Chartered Accountant. Faith is a seasoned business advisory consultant with over 13 years local and international experience in tax matters, financial advisory, international financial reporting corporate strategy, corporate accountability, and risk management among others. Mrs. Mberi recently served as a Trustee of Zimplats and the Mhondoro Ngezi Chegutu Zvimba Community Share Ownership Trust. She also served as a Board Member of Sable Foods.

Lucy Fulgence Silas

Board Member

Lucy is an international development professional with over 17 years' experience in management, consultancy and leading development programs in the NGO sphere in East and Southern Africa. Lucy's areas of expertise include strategic planning, improving operational efficiencies, project management, stakeholder engagement, operations management, donor engagement and management, and budgeting. She joined SNV Tanzania in 2017 as Deputy Country Director and was appointed as Country Representative for Zimbabwe in early 2021.

Prior to joining SNV, Lucy was Country Director of D-tree international for 8 years where she provided strategic leadership to the Tanzania and Malawi offices. Her work experience covered a variety of sectors including women and youth economic empowerment, health, enterprise development, agriculture, renewable energy and Water and Sanitation. She sits on various Boards and consultative committees at national and regional levels with not-for-profit institutions and organizations. Lucy holds a Bachelor of Science Degree in Biology and an MBA from the University of Phoenix, USA.

Kennedy Mugochi

Board Member

Kennedy Mugochi is an experienced Development expert whose career spans close to twenty years. Areas of expertise includes Programme/project management; development and implementation of complex multi-stakeholder initiatives; Human rights research and documentation; Local and international human rights and governance lobby and advocacy; Project monitoring and evaluation; Proposal writing and fundraising; Grant making and Team management. He is currently employed by HIVOS Foundation as the Regional Director for Southern Africa with the overall responsibility of managing the regional office for Southern Africa. This includes overseeing programmes and projects, operations and staff in Malawi, Mozambique, Namibia, Zambia and Zimbabwe. He holds a Doctorate in Development Studies

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Godfrey Chinoera

Chief Executive Officer

Godfrey` is a seasoned development expert with many years of experience in strategic planning, programme management, partnership engagement and fund raising and management for the benefit of disadvantaged communities such as smallholder farmers, women, and youth. His expertise overlays the several years that he spent working in the financial services sector where he was involved in development banking focusing on agribusiness, project financing, advisory and trade financing structures. He is employed as CEO at ZADT where he heads the Secretariat which he was hired to establish in 2013 and is responsible for the development and execution of the corporate strategy of the Trust. He also ensures effective monitoring and management of corporate principal risks that the Trust faces. He holds a Bachelor of Science (Hons) Degree in Agriculture, a Post-Graduate Diploma in Management and a Master's in Business Administration (MBA) degree.

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9.1 ZADT Secretariat

The day-to-day operations of the Trust are run by the Secretariat which was appointed in 2013. The Secretariat, which is an autonomous management body is headed by a Chief Executive Officer. In 2021 the Secretariat was organised into three main units whose Heads report directly to the Chief Executive Officer. The three units are Investments, Finance and Administration, and Monitoring Evaluation Accountability and Learning. The Chief Executive Officer is accountable to the Board of Trustees which provides oversight and support to the Secretariat. At the beginning of the financial year the Secretariat had a staff compliment of 11. There were three (3) resignations during the year. Two recruitments were done as well as two Graduate Interns who were recruited to assist in workload management. As at end of December 2021 the staff complement stood at 10.

10. Financial Statements

General Information

Country of Incorporation and Domicile	Zimbabwe
Nature of Business and Principal Activities	Provision of access to finance and related capacity building services to smallholder farmers and other agricultural value chain actors whose businesses directly or indirectly benefit smallholder farmers.
Board of Trustees	Rachel Pfungwa Kupara (Chairperson) (Appointed in May 2020) Leif Reeckmann (Reappointed in January 2020) Tawanda Namusi (Appointed in May 2020) Faith Chipiwa Mberi (Appointed in May 2020) Lucy Fulgence (Appointed in January 2021) Kennedy Mugochi (Appointed in September 2020)
Registered Office	Zimbabwe Agricultural Development Trust 44 The Chase Mt Pleasant Harare
Business Address	Zimbabwe Agricultural Development Trust 44 The Chase Mt Pleasant Harare
Bankers	Standard Chartered Bank of Zimbabwe Limited 68 Nelson Mandela Avenue Harare
Auditors	Nolands Harare Chartered Accountants Registered Auditors No.7 Glenara Avenue South Eastlea Harare
Attorneys	V Nyemba and Associates Legal Practitioners 6th Floor Beverly Court 100 Nelson Mandela Avenue Harare
	Danziger and Partners Legal Practitioners 5th Floor First Mutual Building Corner 9th Avenue and Jason Moyo Bulawayo
Secretariat	Ruramai Godfrey Chinoera - Chief Executive Officer Fortunate Vengesai - Investments Manager Morris Mudiwa - M & E and Risk & Compliance Officer Sarah Chimonyo - Finance and Administration Officer Patricia Matambo - Investments Officer
Main Funders	Danish International Development Agency ("DANIDA") Foreign Commonwealth Development Office ("FCDO") Ford Foundation DanChurchAid ("DCA")
Preparer	Maselyn Mavingire [Finance and Administration Manager]

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Board of Trustees' Responsibility and Approval

INTRODUCTION

Zimbabwe Agricultural Development Trust ("the Trust" or "ZADT"), is a trust that was formed by SNV Netherlands Development Organisation - Zimbabwe and Hivos - Zimbabwe. It is funded by The Royal Danish Ministry of Foreign Affairs ("DANIDA"), Foreign Commonwealth Development Office (FCDO, formerly UKAID), and Ford Foundation and DanChurchAid (DCA). The Trust's objective is to promote growth in primary agriculture and related value chains with the main aim of improving food security and incomes for rural communities through provision of funding for agricultural activities.

STATEMENT OF THE BOARD OF TRUSTEE'S RESPONSIBILITIES

The Board of Trustees is responsible for the preparation, presentation and integrity of the financial statements and all the information contained in the report. The information contained in these financial statements has been prepared in accordance with the accounting policies described in note 2 of the financial statements and they incorporate full and responsible disclosure to ensure that the information contained therein is both reliable and relevant.

The Board of Trustees is also responsible for the systems of internal control. These are designed to provide reasonable, but not absolute assurance as to the reliability of the financial statements and to safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatements and losses. The systems are implemented and monitored by suitably trained personnel, with an appropriate segregation of authority and duties. Nothing has come to the attention of the Trustees to indicate that a material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

These financial statements are prepared on the going concern basis. Nothing has come to the attention of the Board of Trustees to indicate that the Trust will not remain a going concern for the foreseeable future.

The Trust's independent auditor, Nolands Chartered Accountants (Zimbabwe), has audited the financial statements and their report appears on page 32-68

The financial statements set out on pages 35 - 68 were approved by the Board of Trustees on 29 March 2022 and are signed on its behalf by:

Rachel Pfungwa Kupara

Board Chairperson

Faith Chipiwa Mberi

Board Audit, Risk & Compliance Committee Chairperson


"If we empower smallholder farmers to achieve their aspirations, they will do the heavy lifting of development themselves."
– Agnes Kalibata

Board of Trustees' report

Governance Report

The Board of Trustees is the steward of the Trust and was responsible for ensuring that the developmental mandate of ZADT was fulfilled in compliance with corporate governance principles.

There were no changes to the ZADT in 2021 both in terms of size and composition. The size of the Board of Trustees is dictated by the Trust Deed, which has provision for a maximum of eight members, three of whom shall be appointees of founders and investors/donors as follows: - one Trustee representing SNV, one Trustee representing Hivos, one Trustee representing Donors/Investors and the CEO of the Trust holding office ex officio, and that four Trustees shall comprise independent Zimbabwean Trustees. The founders and investors/donors in the Trust appoint the Chairperson. A Trustee who has served on the Board for a period of six years is not eligible for re-election.

Board Committees

In accordance with the Trust Deed the Board has reserved certain matters for its exclusive mandate and has approved delegated authority for specific matters to various committees all of which have formal Terms of Reference which are subject to annual review. Through review and regular reporting by the Committees, the Board can receive assurance that inter alia, key risks, opportunity areas, operational, financial and non-financial aspects relevant to the Trust's activities are monitored.

Investment Committee

The Investment Committee undertakes extensive due diligence research on potential beneficiaries of the ZADT Fund for facilities that exceed management's discretion, assesses Management's recommendations for changes to the investment policies and present to the Trust Board for approval, monitors the investments portfolio quality and the underlying default risk arising from adverse internal and external factors impacting on investee businesses, monitors actual and forecast investment exposures against policy limits and risk appetite and monitors the overall performance of the ZADT Fund. Where special expertise is required that is not within the Trust, the Committee with the approval of the Board is able to use external resources to assist in the evaluation of investment opportunities

Audit Risk and Compliance Committee

The Audit Risk and Compliance Committee continuously evaluates the Trust's exposure and response to significant risk, reviews the appropriateness and adequacy of the systems of internal financial and operational control; reviews and evaluates accounting policies and financial information of the Trust, reviews the performance of the internal and external auditors, recommends the appointment of the external auditors, and recommends their fees to the Board of Trustees for approval.

Human Resources Committee

The Human Resources Committee assists the Board in the recruitment of the Chief Executive Officer, assists the Chief Executive Officer in the recruitment process of the Senior Management Team reporting directly to him/her and provides an independent and objective body that will make recommendations on policies and practices as well as on remuneration and other relevant human resources matters, for the Chief Executive Officer and his staff.

Acknowledgements

The continued success of the Trust in positively impacting on the livelihoods of smallholder farmers and is a direct result of the financial support that was provided mainly by DANIDA and the FCDO. I would like to, in that regard, thank the Development Partners.

In light of the difficult operating environment during the period under review, I would like to appreciate my fellow Trustees and the whole Management team for their sterling work done to maintain the Fund whilst at the same time delivering value to target beneficiaries. My appreciation also goes to all our clients and business partners for the support rendered during the year 2021. I am hopeful that with such continued support the Trust will scale even greater heights of achievement in 2022.

Rachel Pfungwa Kupara
Board Chairperson

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Nolands
NOT YOUR ORDINARY AUDITORS

Independent auditor's report

To the members of Zimbabwe Agricultural Development Trust

Adverse Opinion

We have audited the accompanying financial statements of **Zimbabwe Agricultural Development Trust,** which comprise of the Statement of Financial Position as at 31 December 2021, and the Statement of Surplus and Deficit and Comprehensive Income, Statement of Changes in Reserves and Statement of Cash flows for the year then ended, and a summary of significant accounting policies and the explanatory notes as set out on pages 32 to 68.

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion paragraph, the accompanying financial statements do not present fairly, the financial position of Zimbabwe Agricultural Development Trust**,** as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Private Voluntary Organisation Act (Chapter 17:05).

Basis for Adverse Opinion

Comparative information and Opening balances

The prior year financial statements for the year ended 31 December 2020 had an Adverse opinion basing on improper application of International Accounting Standard (IAS) 21 "The Effect of Changes in Foreign Exchange Rates" and consolidation of unaudited investment in associate. Due to this, the opening balances as at 1 January 2021 contain misstatements that materially affect the current period's financial statements of the Trust, and the effects of the misstatements are not appropriately accounted for. Since the opening balances as at 1 January 2021 entered into the determination of the financial performance, changes in reserves and cash flows for the financial year ended 31 December 2021, adjustments might have been necessary in respect of the current year financial statements of the Trust in line with the requirements of IAS 8 – Accounting Polices, Changes in Accounting Estimates and Errors.

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

Consolidating Investment with underlying matters

The Investment in unlisted shares amount disclosed under Note 6 to the inflation adjusted Statement of Financial Position of ZWL$9 916 070 which arose from fair value accounting as required by IFRS was derived from unaudited figures of the investment. This amount was consolidated to the financial statement resulting in distortion of audited financial reports.

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Organisation in accordance with the International Ethics Standards Board of Accountants Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Zimbabwe. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Independent auditor's report (continued)

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

The management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and requirements of the Private Voluntary Organisation Act (17:05), and for such internal controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

• Obtain an understanding of internal controls 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 Organisation's internal controls.

• 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 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 Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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 we identify during our audit.

We also provide those charged with governance with a statement that we 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 our independence, and where applicable, related safeguards.

Nolands

Nolands Chartered Accountants

29 March 2022
Date

Statement of Financial Position

for the Year ended 31 December 2021

Figures in ZWL Dollars	**Note(s)**	**Inflation adjusted**		**Historical**	
		2021	**2020**	**2021**	**2020**
Assets					
Non-Current Assets					
Property and Equipment	4	66,756,829	75,995,609	40,430,614	45,505,576
Intangible assets	5	-	102,081	-	63,404
Investments in equities	6	262,117,169	230,430,364	254,965,737	143,358,420
Investments in associates	7	-	26,363,927	-	7,343,821
Loans	8	-	2,415,000	-	1,500,000
Trade and Other receivables	9	170,753	-	170,753	-
Financial assets	10	194,693,953	6,301,228	194,693,953	3,913,806
		523,738,705	341,608,210	490,261,058	201,685,028
Current Assets					
Loans	8	-	2,156,863	-	1,339,667
Trade and Other receivables	9	11,498,459	32,480,684	11,498,459	20,174,338
Financial assets	10	679,580,327	670,141,192	679,580,327	661,940,224
Cash and cash equivalents	11	27,312,053	4,436,413	27,312,053	2,755,536
		718,390,839	709,215,152	718,390,839	686,209,765
Total Assets		**1,242,129,544**	**1,050,823,362**	**1,208,651,897**	**887,894,792**
Reserves and Liabilities					
Reserves					
Revaluation Reserve		-	-	45,076,378	45,076,378
Accumulated fund		(2,713,439,276)	(2,731,129,424)	300,038,904	156,090,190
		(2,713,439,276)	**(2,731,129,424)**	**345,115,281**	**201,166,567**
Liabilities					
Current Liabilities					
Revolving fund	12	3,947,635,840	3,768,475,863	855,603,636	676,443,659
Trade and other payables	13	7,932,980	13,476,923	7,932,980	10,284,565
Total Liabilities		3,955,568,820	3,781,952,786	863,536,616	686,728,224
Total Reserves and Liabilities		**1,242,129,544**	**1,050,823,362**	**1,208,651,897**	**887,894,792**

The financial statements and the notes on pages 38 to 66, were approved by the board on the 29 March 2022 and were signed on its behalf by:

Rachel Pfungwa Kupara

Board Chairperson

Faith Chipiwa Mberi

Board Audit, Risk & Compliance

Committee Chairperson

Statement of Surplus and Deficit and Other Comprehensive Income

for the Year ended 31 December 2021

Figures in ZWL Dollars	Note(s)	Inflation adjusted		Historical	
		2021	**2020**	**2021**	**2020**
Revenue	14	174,518,185	259,174,803	164,592,074	152,966,674
Other operating gains / (losses)	15	9,171,018	8,624,300	9,170,840	7,311,128
Other operating expenses	16	(37,726,530)	(35,975,394)	(29,210,902)	(13,462,701)
Operating surplus		**145,962,672**	**231,823,709**	**144,552,012**	**146,815,100**
Monetary gain / (loss)		(120,100,804)	9,938,970,096	-	-
Finance costs	16	(969,154)	(1,388,019)	(426,997)	(461,646)
Profit/ (loss) in associate		(7,202,566)	10,213,552	(176,301)	6,343,821
Surplus for the year		**17,690,147**	**10,179,619,337**	**143,948,714**	**152,697,275**
Other comprehensive surplus:					
Items that will not be reclassified to surplus:					
Gains on revaluation of assets	4&5	-	-	-	45,076,378
Total items that will not be reclassified to surplus		**-**	**-**	**-**	**45,076,378**
Other comprehensive income for the year		**-**	**-**	**-**	**45,076,378**
Total comprehensive surplus for the year		**17,690,148**	**10,179,619,337**	**143,948,715**	**197,773,653**

Statement of Changes in Reserves

for the Year ended 31 December 2021

Figures in ZWL Dollars	Revaluation Reserve	Accumulated Fund	Total Reserves
Inflation adjusted			
Balance at 01 January 2020	**-**	**(12,910,748,761)**	**(12,910,748,761)**
Surplus for the year	-	10,179,619,337	10,179,619,337
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**10,179,619,337**	**10,179,619,337**
Balance at 31 December 2020	**-**	**(2,731,129,424)**	**(2,731,129,424)**
Surplus for the year	-	17,690,148	17,690,148
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**17,690,148**	**17,690,148**
Balance at 31 December 2021	**-**	**(2,713,439,276)**	**(2,713,439,276)**

Historical			
	Revaluation Reserve	**Accumulated Fund**	**Total Reserves**
Balance at 01 January 2020	**-**	**3,392,913**	**3,392,913**
Surplus for the year	-	152,697,275	152,697,275
Other comprehensive income	45,076,378	-	45,076,378
Total comprehensive income for the year	**45,076,378**	**152,697,275**	**197,773,653**
Balance at 31 December 2020	**45,076,378**	**156,090,190**	**201,166,567**
Surplus for the year	-	143,948,714	143,948,714
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**143,948,714**	**143,948,714**
Balance at 31 December 2021	**45,076,378**	**300,038,904**	**345,115,281**

Statement of Cash Flows

for the Year ended 31 December 2021

Figures in ZWL Dollars	Note(s)	Inflation adjusted		Historical	
		2021	**2020**	**2021**	**2020**
Cash flows from operating activities					
Surplus for the year		17,690,147	10,179,619,337	143,948,714	152,697,275
Adjustments for:					
Depreciation and amortisation	4	10,280,212	3,975,635	5,787,227	123,955
Fair value (gains) / losses	14	(147,678,962)	(218,362,130)	(147,678,962)	(135,628,652)
Share of profits in associates	7	7,202,566	(10,213,552)	176,301	(6,343,821)
Inflation adjustments		114,509,274	16,404,844,759	-	-
Exchange (gains) / loss		(4,692,809)	(2,195,135)	(4,949,875)	(2,699,925)
Finance costs		969,154	1,388,019	426,997	461,646
Leave pay		515,142	93,691	506,609	26,843
Loss on disposal		104,809	-	80,711	-
Impairment expense		125,058	-	91,794	-
Bad debts		14,536	-	14,536	-
Provision for credit losses		(806,310)	806,310	(806,310)	806,310
Changes in working capital:					
Loans	8	4,571,863	335,089,285	2,839,667	7,928,973
Trade and other receivables	9	18,957,269	(715,014,422)	9,311,435	(16,918,864)
Other investments	10	(179,143,931)	(27,260,107,049)	(167,763,954)	(645,036,002)
Trade and other payables	13	(5,543,942)	249,776,395	(2,858,194)	5,910,276
Cash generated from operations		**(162,925,926)**	**(1,030,298,854)**	**(160,873,305)**	**(638,671,987)**
Finance costs		**(969,154)**	**(1,388,019)**	**(426,997)**	**(461,646)**
Net cash from operating activities		**(163,895,081)**	**(1,031,686,874)**	**(161,300,302)**	**(639,133,633)**
Cash flows from investing activities					
Purchase of property and equipment	4	(1,229,425)	(15,135)	(829,032)	(2,142)
Investments in associates	7	4,147,360	-	2,576,000	-
Net cash from investing activities		**2,917,935**	**(15,135)**	**1,746,968**	**(2,142)**
Cash flows from financing activities					
Capital fund replenishment and recoveries	12	179,159,977	1,027,651,408	179,159,977	638,292,800
Cash from financing activities		**179,159,977**	**1,027,651,408**	**179,159,977**	**638,292,800**
Total movement for the year		**18,182,831**	**(4,050,601)**	**19,606,643**	**(842,975)**
Cash at the beginning of the year		**4,436,413**	**5,787,088**	**2,755,536**	**898,587**
Effects of exchange gains		**4,692,809**	**2,699,925**	**4,949,875**	**2,699,925**
Total cash at end of the year	**11**	**27,312,053**	**4,436,413**	**27,312,053**	**2,755,536**

Accounting policies

for the Year ended 31 December 2021

1 Trust information

Zimbabwe Agricultural Development Trust ("the Trust" or "ZADT"), is a Trust that was formed by SNV Netherlands Development Organisation - Zimbabwe and Humanist Institute for Development Cooperation - Zimbabwe. It is funded by The Danish International Development Agency ("DANIDA"), Foreign Commonwealth Development Office ("FCDO"), Ford Foundation and DanChurchAid ("DCA"). The Trust's objective is to promote growth in primary agriculture and related value chains with the main aim of improving food security and incomes for rural communities through provision of funding for agricultural activities and related technical assistance services.

2 Significant accounting policies

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

2.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and Statutory Instrument (SI 33/99 and SI 62/96).

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Zimbabwean Dollars, which is the Trust's functional currency.

These accounting policies are consistent with the previous period.

2.2 Change in functional currency

The Trustees assessed as required by IAS 21 and in consistence with the guidance issued by the Public Accountants and Auditors Board (PAAB), whether use of the US$ in 2019 as functional currency remained appropriate. Based on the assessment, the Trustees concluded that the Trust's functional currency became ZWL with effect from 22 February 2019. The same assessment was done during the current year and the Trustees concluded that the functional currency remains ZWL$. Items included in the financial statements of the Trust are measured using the currency of primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Zimbabwe Dollars (ZWL$), which was assessed to be the Trust's functional and presentation currency.

2.3 IAS 29 Hyperinflationary economies

The Public Accountants and Auditors Board through its pronouncement 01/2019 provided guidance to all entities that report based on the International Financial Reporting Standards (IFRSs) on the application of Financial Reporting in Hyperinflationary Economies Standard (IAS29) in Zimbabwe. The pronouncement requires that companies that prepare and present financial statements for financial period ended on or after 1 July 2019 apply the requirements of IAS29 "Financial Reporting in Hyperinflationary economies". The functional currency did not change in the current year and the currency was assessed to be still hyper inflationary, hence application of IAS29 is still necessary in the current year.

The historical amounts were restated at the end of the reporting period to reflect the general change in purchasing power of the reporting currency (ZWL$). Professional judgement was used and appropriate adjustments were made to historical financial statements in preparing financial statements which are IAS29 compliant.

Sources of price index

Indices used were obtained from the Zimbabwe Statistical Office for the period from February 2009 to December 2021:

Year	Indices	Average indices	Conversion factor
December 2020	2474.51	1579.09	1.61
December 2021	3977.46	3135.22	1.00

Accounting policies (continued)
for the Year ended 31 December 2021

2.4 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

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

Key sources of estimation uncertainty

Impairment of financial assets

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

Fair value estimation

Several assets and liabilities of the Trust are either measured at fair value or disclosure is made of their fair values. Observable market data is used as inputs to the extent that it is available. Qualified external valuers are consulted for the determination of appropriate valuation techniques and inputs.

Information about the specific techniques and inputs of the various assets and liabilities is disclosed in note 19.

Impairment testing

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

Useful lives of property and equipment

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

Provisions

Provisions are inherently based on assumptions and estimates using the best information available.

2.5 Investments in associates

An associate is defined as an entity that the Trust has significant influence over. The Trust classifies as associate, all organisations in which the Trust has at least an ownership interest of 20% or more of the voting power (directly or through subsidiaries) unless it can be clearly demonstrated otherwise.

The investment in an associate is initially recognised at cost and subsequently accounted for using equity accounting method.

2.6 Property and equipment

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

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

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

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

Property and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

When an item of property and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset.

Any increase in an asset's carrying amount, as a result of a revaluation, is recognised in other comprehensive income and accumulated in the revaluation reserve in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in profit or loss in the current year. The decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in the revaluation reserve in equity.

The revaluation reserve related to a specific item of property and equipment is transferred directly to retained income when the asset is derecognised.

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

The useful lives of items of property and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight	40 years
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	4 years
Office equipment	Straight line	3 years
ICT Systems	Straight line	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Accounting policies (continued)
for the Year ended 31 December 2021

2.6 Property and equipment (continued)

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

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset. Impairment tests are performed on property and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

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

2.7 Intangible assets

An intangible asset is recognised when:

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

Intangible assets are initially recognised at cost.
Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.
An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

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

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

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

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.
Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets. Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation	Average useful life
Website	Straight line	2

2.8 Financial instruments

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

- Broadly, the classification possibilities, which are adopted by the Trust ,as applicable, are as follows:
  Financial assets which are equity instruments:
- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

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

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

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

Loans receivable at amortised cost

Classification

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

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

Accounting policies (continued)

for the Year ended 31 December 2021

2.8 Financial instruments (continued)

Recognition and measurement

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

They are subsequently measured at amortised cost.

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

Loans denominated in foreign currencies

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

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

Impairment

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

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

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

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

Significant increase in credit risk

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

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

2.8 Financial instruments (continued)

Significant increase in credit riskt (continued)

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

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

Definition of default

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

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

Write off policy

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

Measurement and recognition of expected credit losses

The measurement of expected credit losses (ECL) is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default, taking the time value of money into consideration.

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

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

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

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

Measurement and recognition of expected credit losses

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

2.8 Financial instruments (continued)

Derecognition

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

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

Trade and other receivables

Classification

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

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

Recognition and measurement

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

They are subsequently measured at amortised cost.

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

Application of the effective interest method

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

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

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

2.8 Financial instruments (continued)

Trade and other receivables (continued)

Trade and other receivables denominated in foreign currencies

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

Impairment

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

The Trust measures the loss allowance for trade and other receivables at an amount equal to lifetime losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

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

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

Write off policy

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

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.
Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost line item.

Trade and other payables
Classification

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

Recognition and measurement

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

2.8 Financial instruments (continued)

Trade and other payables Classification (continued)

Recognition and measurement

They are subsequently measured at amortised cost using the effective interest method.

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

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

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

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

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

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

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

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

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Derecognition
Financial assets

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

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

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

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

Financial liabilities
Financial liabilities are not reclassified.

2.9 Impairment of assets
The Trust assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Trust estimates the recoverable amount of the asset.
Irrespective of whether there is any indication of impairment, the Trust also:

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

- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.
The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

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

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

Accounting policies (continued)
for the Year ended 31 December 2021

2.9 Impairment of assets (continued)

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

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

2.10 Revenue

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

The Trust recognises revenues when the amount of revenue can be reliable measured : when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Trust's activities as described below:

The Trust recognises revenue from the following major sources:

- Interest income
- Investment income
- Dividend and Interest from short term investments
- Guarantees
- Gains on equity instruments

Interest income

Revenue is recognised upfront when the loan contract has been signed rather that when cash is received and not over the term of the loan.

Investment income

The investment income consists of share of profit earned from joint investments through co-investments. The income is recognised when proceeds are received from the investments. The Trust also recognises interest income earned from money market investments and other long term investments when the investments mature and funds are received from the investment.

Guarantees fees

The Trust initially recognises income earned from guarantee fees when the fees have been received in the Trust account. The Trust accrues outstanding fees basing on the guarantee loan agreement.

Dividend income

Dividend income is recognised when they are received in the Trust account.

2.10 Revenue (Continued)

Gains on equity instruments

The gains on equity instruments consist of gains on disposal of equity instruments and fair value gains on equity instruments. The gains on disposal of equity instruments are recognised upon disposal of instruments and fair value gains are recognised when the market values of instruments increase.

2.11 Co-Investments

The Trust uses the cost method in valuing its co-investments, increases in fair value are not recognised. The cost method is very conservative meaning that only declines in the asset's fair value (impairments) are recognised in the financial statements. That occurs when the market value of the co-investments falls below historical cost. Income or dividend from co-investments are recognised under operating income.

2.12 Revolving fund

The revolving fund comprises of funds that have been received from funding partners for the purposes of onward investing.

2.13 Employee benefits

Short-term employee benefits

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

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

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

Defined contribution plans

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

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the Trust's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

2.14 Provisions and contingencies

Provisions are recognised when:

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

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

2.14 Provisions and contingencies (continued)

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

Provisions are not recognised for future operating losses.
If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - he location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and

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

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

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

Contingent assets and contingent liabilities are not recognised.

2.15 Translation of foreign currencies

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

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

In circumstances where the Trust receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the Trust initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

2.15 Translation of foreign currencies (continued)

If there are multiple payments or receipts in advance, Trust determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

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

3 Taxation

The income earned by the Trust is exempt from corporate tax in terms of Income Tax Act (Chapter 23:06), Section 14, Third Schedule sub-paragraph 2L. The trust being a non-profit making organisation has not provided for corporate tax on this basis.

Notes to the Financial Statements

for the Year ended 31 December 2021

Figures in ZWL Dollars

4 Property and equipment

	Inflation adjusted					
	31-Dec-21			31-Dec-20		
	Cost / Valuation	Accumulated depreciation	Carrying Value	Cost / Valuation	Accumulated depreciation	Carrying Value
Land	15,456,000	-	15,456,000	15,456,000	-	15,456,000
Buildings	22,338,751	(558,469)	21,780,282	22,338,751	-	22,338,751
Furniture and Fixtures	3,234,526	(1,793,734)	1,440,792	3,234,526	(1,470,289)	1,764,237
Motor vehicles	35,210,699	(8,315,387)	26,895,312	35,210,699	-	35,210,699
Office Equipment	10,858,127	(9,673,685)	1,184,443	9,816,696	(8,590,773)	1,225,923
Total	**87,098,103**	**(20,341,275)**	**66,756,829**	**86,056,672**	**(10,061,062)**	**75,995,609**

Reconciliation of property and equipment - 31 December 2021

	Opening balance	Revaluation	Disposals	Additions	Depreciation	Total
Land	15,456,000	-	-	-	-	15,456,000
Buildings	22,338,751	-	-	-	(558,469)	21,780,282
Furniture and Fixtures	1,764,237	-	-	-	(323,445)	1,440,792
Motor vehicles	35,210,699	-	-	-	(8,315,387)	26,895,312
Office Equipment	1,225,923	-	(187,993)	1,229,425	(1,082,912)	1,184,443
Total	**75,995,609**	**-**	**(187,993)**	**1,229,425**	**(10,280,212)**	**66,756,829**

Reconciliation of property and equipment - 31 December 2020

	Opening balance	Revaluation	Disposals	Additions	Depreciation	Total
Land	9,971,388	5,484,612	-	-	-	15,456,000
Buildings	13,630,760	9,070,199	-	-	(362,209)	22,338,751
Furniture and Fixtures	2,087,681	-	-	-	(323,445)	1,764,237
Motor vehicles	983,556	35,065,800	-	-	(838,656)	35,210,699
Office Equipment	2,802,609	-	-	15,135	(1,591,822)	1,225,923
ICT Systems	859,504	-	-	-	(859,502)	-
Total	**30,335,499**	**49,620,611**	**-**	**15,135**	**(3,975,635)**	**75,995,609**

Figures in ZWL Dollars

4 Property and equipment

	Historical					
	31-Dec-21			31-Dec-20		
	Cost / Valuation	Accumulated depreciation	Carrying Value	Cost / Valuation	Accumulated depreciation	Carrying Value
Land	9,600,000	-	9,600,000	9,600,000	-	9,600,000
Buildings	13,875,000	(346,875)	13,528,126	13,875,000	-	13,875,000
Furniture and Fixtures	52,851	(28,690)	24,162	52,851	(23,410)	29,442
Motor vehicles	21,870,000	(5,164,837)	16,705,163	21,870,000	-	21,870,000
Office Equipment	1,016,952	(443,787)	573,164	327,418	(196,284)	131,134
Total	**46,414,803**	**(5,984,189)**	**40,430,614**	**45,725,269**	**(219,693)**	**45,505,576**

Reconciliation of property and equipment - 31 December 2021

	Opening balance	Revaluation	Disposals	Additions	Depreciation	Total
Land	9,600,000	-	-	-	-	9,600,000
Buildings	13,875,000	-	-	-	(346,875)	13,528,125
Furniture and Fixtures	29,442	-	-	-	(5,280)	24,162
Motor vehicles	21,870,000	-	(116,766)	-	(5,164,837)	16,705,163
Office Equipment	131,134	-	(116,766)	829,032	(270,235)	573,165
Total	**45,505,576**	**-**	**(187,993)**	**829,032**	**(5,787,227)**	**40,430,614**

Reconciliation of property and equipment - 31 December 2020

	Opening balance	Revaluation	Disposals	Additions	Depreciation	Total
Land	152,232	9,447,768	-	-	-	9,600,000
Buildings	189,130	13,695,206	-	-	(9,336)	13,875,000
Furniture and Fixtures	34,673	-	-	-	(5,231)	29,442
Motor vehicles	12,754	21,870,000	-	-	(12,754)	21,870,000
Office Equipment	212,347	-	-	2,142	(83,355)	131,134
ICT Systems	13,279	-	-	-	(13,279)	-
Total	**614,415**	**45,012,974**	**-**	**2,142**	**(123,955)**	**45,505,576**

The Trust's motor vehicles and land and buildings are stated at revalued amounts. Refer to note 19 for specific details regarding the valuation of these assets.

Figures in ZWL Dollars

4 Property and equipment

	Inflation adjusted					
	2021			2020		
	Cost / Valuation	Accumulated amortisation	Carrying Value	Cost / Valuation	Accumulated amortisation	Carrying Value
Website	102,081	102,081	-	102,081	-	102,081
		Opening balance	Revaluation	Additions	Amortisation Impairement	Total
Reconciliation of intangible assets - 2021						
Website		102,081	-	-	102,081	-
Reconciliation of intangible assets - 2020						
Website		-	102,081	-	-	102,081

	Historical cost					
	2021			2020		
	Cost / Valuation	Accumulated amortisation	Carrying Value	Cost / Valuation	Accumulated amortisation	Carrying Value
Website	63,404	(63,404)	-	63,404	-	63,404
		Opening balance	Revaluation	Additions	Amortisation / Impairement	Total
Reconciliation of intangible assets - 2021						
Website		63,404	-	-	63,404	-
Reconciliation of intangible assets - 2020						
Website		-	63,404	-	-	63,404

Figures in ZWL Dollars

6 Investments in equities

	Inflation adjusted		Historical	
	2021	**2020**	**2021**	**2020**
Listed shares	39,998,937	23,015,634	39,998,937	14,318,794
Unlisted shares	222,118,232	207,414,730	214,966,800	129,039,626
	262,117,169	**230,430,364**	**254,965,737**	**143,358,420**
Listed shares				
Old Mutual Zimbabwe Limited	7,221,516	8,584,989	7,221,516	5,341,008
Padenga Holdings Limited	4,273,612	7,020,261	4,273,612	4,367,539
Econet Wireless Limited	10,952,505	3,327,960	10,952,505	2,070,435
Innscor Africa Limited	9,144,211	3,358,405	9,144,211	2,089,376
Cassava Smartech Zimbabwe Limited	2,813,188	724,019	2,813,188	450,437
SEED Company of Zimbabwe Limited	1,815,694	-	1,815,694	-
Axia	1,824,03sx	-	1,824,035	-
OK Zimbabwe Limited	1,954,177	-	1,954,177	-
	39,998,937	**23,015,635**	**39,998,937**	**14,318,794**
Unlisted shares				
Smartsurburb (Private) Limited	212,205,573	207,414,730	212,205,573	129,039,626
Marirangwe United Bush Dairy*	9,912,659	-	2,761,227	-
	222,118,232	**207,414,730**	**214,966,800**	**129,039,626**
	262,117,169	**230,430,364**	**254,965,737**	**143,358,420**

*Marirangwe United Bush Dairy - Marirangwe United Bush Dairy Cooperative Society Limited

Figures in ZWL Dollars

7 Investments in associates

	Inflation adjusted		Historical	
	2021	**2020**	**2021**	**2020**
The following table lists all investment in associates of the Trust:				
Carrying amounts				
Marirangwe United Bush Dairy Cooperative Society Limited	**-**	**26,363,927**	**-**	**7,343,821**
Reconciliation of movements in investment in associates				
Opening balance	**26,363,927**	16,150,375	**7,343,821**	**1,000,000**
Additions / (disposal)	(9,248,702)	-	(2,576,278)	-
Transfers from investments in associates	(9,912,659)		(2,761,227)	-
Equity accounted earnings	(7,202,566)	**10,213,552**	(2,006,315)	6,343,821
Closing balance	-	26,363,927	**-**	**7,343,821**

The Trust disposed off 24% of its 39% ownership interest in Marirangwe United Bush Dairy Co-operative Society Limited on 12 January 2021 for ZWL$2 576 278.

8 Loans

	Inflation adjusted 2021	Inflation adjusted 2020	Historical 2021	Historical 2020
Opening balance 1 January	4,571,863	78,685,472	2,839,667	10,895,000
Loans and advances repaid by financial institutions	**(4,571,863)**	**(74,113,609)**	**(2,839,667)**	**(7,249,023)**
Provision for credit losses	-	-	-	(806,310)
Closing balance 31 December	**-**	**4,571,863**	**-**	**2,839,667**
Split between current and non current loans				
Current	-	2,156,863	-	1,339,667
Non current	-	2,415,000	-	1,500,000
	-	**4,571,863**	**-**	**2,839,667**

Figures in ZWL Dollars

8 Maturity analysis as at 31 December 2021

Inflation adjusted

Maturity analysis as at 31 December 2021

	0 to 6 months	6 to 12 months	Over 12 months	Credit Losses Allowance	Total
Inclusive Financial Services (Pvt) Limited	-	-	-	-	-
Success Microfinance Bank Limited	-	-	-	-	-
NMB Bank Limited	-	-	-	-	-
CBZ Bank Limited	-	-	-	-	-
Oakfin Finance (Private) Limited	-	-	-	-	-
Getbucks Financial Services (Pvt) Limited	-	-	-	-	-
Wintron Financial Services (Pvt) Limited	-	-	-	-	-
Nurture Finance (Pvt) Limited	-	-	-	-	-
	-	-	-	-	-

Maturity analysis as at 31 December 2020

	0 to 6 months	6 to 12 months	Over 12 months	Credit Losses Allowance	Total
Inclusive Financial Services (Pvt) Limited	1,298,159	-	-	(1,298,159)	-
Success Microfinance Bank Limited	805,000	-	-	-	805,000
NMB Bank Limited	-	80,500	-	-	80,500
CBZ Bank Limited	-	183,003	-	-	183,003
Oakfin Finance (Private) Limited	-	193,200	-	-	193,200
Getbucks Financial Services (Pvt) Limited	-	805,000	-	-	805,000
Wintron Financial Services (Pvt) Limited	-	90,160	-	-	90,160
Nurture Finance (Pvt) Limited	-	-	2,415,000	-	2,415,000
	2,103,159	**1,351,863**	**2,415,000**	**(1,298,159)**	**4,571,863**

Figures in ZWL Dollars

8 Loans continued

HISTORICAL

Maturity analysis as at 31 December 2021

	0 to 6 months	6 to 12 months	Over 12 months	Credit Losses Allowance	Total
Inclusive Financial Services (Pvt) Limited	-	-	-	-	-
Success Microfinance Bank Limited	-	-	-	-	-
NMB Bank Limited	-	-	-	-	-
CBZ Bank Limited	-	-	-	-	-
Oakfin Finance (Private) Limited	-	-	-	-	-
Getbucks Financial Services (Pvt) Limited	-	-	-	-	-
Wintron Financial Services (Pvt) Limited	-	-	-	-	-
Nurture Finance (Pvt) Limited	-	-	-	-	-
	-	-	-	-	-

Maturity analysis as at 31 December 2020

	0 to 6 months	6 to 12 months	Over 12 months	Credit Losses Allowance	Total
Inclusive Financial Services (Pvt) Limited	806,310	-	-	(806,310)	-
Success Microfinance Bank Limited	500,000	-	-	-	500,000
NMB Bank Limited	-	50,000	-	-	50,000
CBZ Bank Limited	-	113,667	-	-	113,667
Oakfin Finance (Private) Limited	-	120,000	-	-	120,000
Getbucks Financial Services (Pvt) Limited	-	500,000	-	-	500,000
Wintron Financial Services (Pvt) Limited	-	56,000	-	-	56,000
Nurture Finance (Pvt) Limited	-	-	1,500,000	-	1,500,000
	1,306,310	**839,667**	**1,500,000**	**(806,310)**	**2,839,667**

9 Trade and Other receivables

	Notes	Inflation adjusted		Historical	
		2021	**2020**	**2021**	**2020**
Financial instruments:					
Income receivable		3,327,491	22,027,373	3,327,491	13,681,598
Financial asset		3,191,744	-	3,191,744	2,914,721
Staff loans		256,218	-	256,218	-
Partners projects receivables	17	3,994,760	7,031,521	3,994,760	2,453,598
Other receivables		-	8,246	-	5,122
Trade receivables at amortised cost		**10,770,213**	**29,067,140**	**10,770,213**	**19,055,039**
Non financial instruments:					
Prepayments		1,141,729	1,802,071	898,999	1,119,299
		1,141,729	1,802,071	898,999	1,119,299
Total trade and other receivables		**11,911,943**	**30,869,211**	**11,669,213**	**20,174,338**
Split between current and non current co-investments					
Current		11,498,459	32,480,684	11,498,459	20,174,338
Non-current		170,753	-	170,753	-
		11,911,943	**30,869,211**	**11,669,213**	**20,174,338**

Figures in ZWL Dollars

10 Financial assets

	Notes	Inflation adjusted		Historical	
		2021	2020	2021	2020
Long term investments					
Co-investments	10.1	172,786,024	3,081,228	172,786,024	1,913,806
Investments with participating financial institutions		21,907,929	3,220,000	21,907,929	2,000,000
		194,693,953	**6,301,228**	**194,693,953**	**3,913,806**
Short-term investments					
Co-investments	10.1	29,757,647	21,645,177	29,757,647	13,444,209
Invoice discounting		-	2,203,215	-	2,203,215
Other financial assets	10.2	649,822,680	646,292,800	649,822,680	646,292,800
		679,580,327	**670,141,192**	**679,580,327**	**661,940,224**
Total		**874,274,280**	**676,442,420**	**874,274,280**	**665,854,031**

10.1 Co- investments

The co-investments are disaggregated as follows:

	Inflation adjusted 2021	Inflation adjusted 2020	Historical 2021	Historical 2020
Nurture Finance (Pvt) Limited	22,257,228	1,610,000	22,257,228	1,000,000
Viridi Solutions (Pvt) Limited	1,307,949	-	1,307,949	-
Orangerose Investments (Pvt) Limited	1,003,670	-	1,003,670	-
Upcycle Goromonzi (Pvt) Limited	617,855	-	617,855	-
Unique Innovations (Pvt) Limited	1,380,115	-	1,380,115	-
Blue Agri (Pvt) Limited	133,173,263	-	133,173,263	-
Kalimba Investments (Pvt) Limited	13,823,867	-	13,823,867	-
Chatukuta Dried Foods PBC	-	75,564	-	46,934
MC Meats (Pvt) Limited	5,676,106	17,593,362	5,676,106	10,927,554
Chia Growers Zimbabwe (Pvt) Limited	-	1,251,914	-	777,586
Dzumbunu Farmers	-	3,081,228	-	1,913,806
Icefeed (Pvt) Limited	-	19,226	-	11,942
Machiareer Investments (Pvt) Limited	23,303,618	1,095,111	23,303,618	680,193
Total	**202,543,671**	**24,726,405**	**202,543,671**	**15,358,016**
Split between current and non current co-investments				
Current	29,757,647	21,645,177	29,757,647	13,444,209
Non-current	172,786,024	3,081,228	172,786,024	1,913,806
	202,543,671	**24,726,405**	**202,543,671**	**15,358,016**

Co- investments relates to specific projects in which the Trust invests jointly with targeted businesses under agreed terms and conditions. The investments can either be on long-term or short-term basis.

10.2 Other financial assets of ZWL$649 822 680 relate to blocked funds receivable from the Reserve Bank of Zimbabwe.

	Notes	Inflation adjusted		Historical	
		2021	2020	2021	2020
11 Cash and cash equivalents					
Cash and cash equivalents consists of :					
Cash on hand		13,822,861	982	13,822,861	610
Partners projects cash on hand	17	2,446,221	639,747	2,446,221	397,359
Bank balances		2,749,144	1,579,992	2,749,144	981,361
Money market investments		7,000,000	-	7,000,000	-
Partners projects bank balances	17	1,293,827	2,215,692	1,293,827	1,376,206
		27,312,053	**4,436,413**	**27,312,053**	**2,755,536**

Figures in ZWL Dollars

12 Revolving fund

	Notes	Inflation adjusted 2021	2020	Historical 2021	2020
Opening balances 1 January		3,768,475,863	2,740,824,455	676,443,659	38,150,859
Capital fund replenishment*		179,159,977	1,027,651,408	179,159,977	638,292,800
Closing balance 31 December		**3,947,635,840**	**3,768,475,863**	**855,603,636**	**676,443,659**

* The capital fund replenishment of ZWL$215 080 750 resulted from revaluation gain on blocked funds as at year end.

13 Trade and other payables

	Notes	Inflation adjusted 2021	2020	Historical 2021	2020
Financial instruments:					
Trade payables		410,363	6,036,629	410,363	3,749,459
Audit fees		408,716	603,078	408,716	374,583
Pay As You Earn		335,569	80,864	335,569	50,226
Pension and leave pay provision		782,819	134,625	782,819	83,618
Partners projects payables	17	5,989,620	6,499,980	5,989,620	5,951,061
Other payables		5,893	121,747	5,893	75,619
		7,932,980	**13,476,923**	**7,932,980**	**10,284,565**
Components of financial instruments					
At amortised cost		**7,932,980**	**13,476,923**	**7,932,980**	**10,284,565**

14 Revenue

	Notes	Inflation adjusted 2021	2020	Historical 2021	2020
Revenue from contracts with customers					
Rendering of services		**174,518,185**	**259,174,803**	**164,592,074**	**152,966,674**

The company disaggregates revenue from customers as follows:

	Notes	Inflation adjusted 2021	2020	Historical 2021	2020
Rendering of services					
Interest from loans		547,209	1,407,121	397,101	296,961
Income from co-Investments		16,876,329	33,709,330	13,160,660	15,324,579
Accrued interest income		57,410	19,226	57,410	11,942
Dividend and Interest from short term investments		4,079,277	5,676,997	3,294,141	1,704,541
Guarantees		3,800	-	3,800	-
Fair value gain on equity investments		152,954,160	218,362,130	147,678,962	135,628,652
		174,518,185	259,174,803	164,592,074	152,966,674
Timing of revenue recognition					
Over time					
Rendering of services		174,518,185	259,174,803	164,592,074	152,966,674
Total revenue from contracts with customers		**174,518,185**	**259,174,803**	**164,592,074**	**152,966,674**

15 Other operating gains (losses)

	Notes	Inflation adjusted 2021	2020	Historical 2021	2020
Bad debts recovered		806,310	479,780	806,310	200,000
Exchange gains / (loss)		4,692,809	2,195,135	4,949,876	2,699,926
Partners projects income	17	3,671,899	5,949,385	3,414,655	4,411,202
Total other operating gains (losses)		**9,171,018**	**8,624,300**	**9,170,840**	**7,311,128**

Figures in ZWL Dollars

16 Surplus for the year

	Notes	Inflation adjusted 2021	2020	Historical 2021	2020
Operating surplus for the year is stated after charging (crediting) the following, amongst others:					
Auditor's remuneration - external					
Audit fees		**541,974**	**1,632,527**	**420,000**	**405,442**
Remuneration, other than to employees					
Consulting and professional services		**413,882**	**888,350**	**323,000**	**394,929**
Employee costs					
Salaries, wages and bonuses		9,811,587	3,407,519	9,107,917	1,686,147
Staff allowances		1,364,516	1,026,702	1,133,700	465,792
Hardship allowance		-	8,792,838	-	2,525,508
Medical aid		1,739,476	999,264	1,416,217	431,077
Leave pay		**515,142**	**93,691**	**506,609**	**26,843**
Retirement benefit plans: defined contributions		**885,635**	**257,402**	**728,057**	**119,904**
Total employee costs		**14,316,356**	**14,577,416**	**12,892,500**	**5,255,270**
Depreciation and amortisation					
Depreciation of property and equipment		**10,280,212**	**3,975,635**	**5,787,227**	**123,955**
Total depreciation and amortisation		**10,280,212**	**3,975,635**	**5,787,227**	**123,95**
Movement in credit loss allowances					
Trade and other receivables		806,310	(806,310)	806,310	(806,310)
Finance costs					
Bank charges		194,055	134,968	159,034	58,529
Intermediate Money Transfer Tax		673,445	1,253,052	191,961	403,117
Financial asset charges		101,654	-	76,002	-
Total finance costs		**969,154**	**1,388,019**	**426,997**	**461,646**
Expenses by nature					
The total selling and distribution expenses, marketing expenses, general and administrative expenses, maintenance expenses and other operating expenses are analysed by nature as follows:					
Employee costs		14,316,356	14,577,416	12,892,500	5,255,270
Finance costs		969,154	1,388,019	426,997	461,646
Depreciation, amortisation and impairment		10,280,212	3,975,635	5,787,227	123,955
Other expenses	16.1	13,129,961	16,034,324	10,531,176	8,083,476
		38,695,684	**35,975,394**	**29,637,899**	**13,924,347**

Notes to the Financial Statements *(continued)*

for the Year ended 31 December 2021

Figures in ZWL Dollars

16 Surplus for the year

16.1 Other Expenses

	Notes	Inflation adjusted 2021	2020	Historical 2021	2020
Loss on disposal of non-current assets		104,809	-	80,711	-
Impairment expense		125,058	-	91,794	-
Audit fees		541,974	1,632,527	420,000	405,442
Advertising & marketing		287,264	114,694	240,671	68,729
Meetings expenses		916,045	273,737	798,906	119,575
Value chain actors strategic partners		35,445	48,380	27,909	26,830
Annual reports concepts		283,173	39,341	220,375	23,495
Review of website		-	46,345	-	14,438
Board Fees and other expenses		612,019	538,221	545,219	252,000
Cleaning and teas		83,015	42,072	70,470	7,056
Computer network and internet expenses		639,184	419,813	496,015	183,538
Consulting fees		19,015	1,058,751	17,000	478,929
IT Consultancy Costs		394,867	-	306,000	-
Courier & postage		7,951	1,529	6,407	278
Bad debts		14,536	1,298,159	14,536	806,310
Electricity & water		1,170,403	272,529	905,358	125,031
General expenses		4,192	5,010	3,460	810
Insurance		816,187	1,113,791	625,382	486,183
Legal Fees		259,243	232,769	198,898	119,626
Newspapers and magazines		-	10,064	-	1,658
Motor vehicle expenses		2,067,215	313,835	1,579,395	155,012
Printing & stationery		83,673	54,876	65,712	14,034
Repairs & maintenance		702,428	180,580	580,661	46,826
Security		1,272,655	858,204	1,014,356	394,799
Sundry expenses		-	3,380	-	2
Telephone & fax		191,048	139,339	153,583	55,621
Contingencies		89,708	1,869	63,653	300
Travel & accommodation		37,601	70,939	26,227	35,986
Monitoring visits		78,777	68,655	59,089	39,668
Partners projects expenses	17	2,292,478	7,194,915	1,919,389	4,221,294
		13,129,962	**16,034,324**	**10,531,176**	**8,083,472**

Notes to the Financial Statements *(continued)*
for the Year ended 31 December 2021

Figures in ZWL Dollars

17 Partners Projects

	Notes	Inflation adjusted 2021	2020	Historical 2021	2020

Included in the financial statements are transactions for the projects funded by CIMMYT, HIVOS, AGF and DCA. Below are the reports showing the breakdown of these transactions and balances:

17.1 International Maize and Wheat Improvement Center (CIMMYT)

	Inflation adjusted 2021	Inflation adjusted 2020	Historical 2021	Historical 2020
Income				
Grant	1,472,014	752,560	1,431,695	472,645
Exchange gain / (loss)	(211,742)	-	(82,465)	(4,839)
	1,260,272	**752,560**	**1,349,229**	**467,806**
Expenditure				
Travel & accommodation	92,366	157,193	76,892	98,149
Fuel Costs	92,801	-	76,436	-
Vehicle Hire	174,822	-	149,003	-
Administration fees	5,977	-	4,639	-
Level of effort	**308,890**	**110,808**	**273,252**	**68,689**
	674,855	**268,001**	**580,222**	**166,838**
Surplus	**585,417**	**484,559**	**769,007**	**300,968**
Opening retained income	484,559	-	300,968	-
Closing retained income	**1,069,975**	**484,559**	**1,069,975**	**300,968**
Current Assets				
Receivables	2,080,954	3,950,293	2,080,954	2,453,598
Cash on hand	1,831,022	639,747	1,831,022	397,359
Cash at bank	1,293,827	2,004	1,293,827	1,245
	5,205,803	**4,592,044**	**5,205,803**	**2,852,201**
Current Liabilities				
Payables	4,074,975	3,950,293	4,074,975	2,453,598
Travel & accommodation	60,853	157,193	60,853	97,635
	4,135,828	**4,107,485**	**4,135,828**	**2,551,233**
Net assets	**1,069,975**	**484,559**	**1,069,975**	**300,968**

17.2 Food for Export Master Class

	Inflation adjusted 2021	Inflation adjusted 2020	Historical 2021	Historical 2020
Income				
Hivos	2,232,821	6,748,107	1,758,179	3,266,740
Exchange gain / (loss)	178,807	-	307,247	676,656
	2,411,628	**6,748,107**	**2,065,426**	**3,943,396**
Expenditure				
Level of effort	761,147	1,092,903	603,793	619,510
Programming activities	402,336	3,075,288	344,959	1,750,594
Bank charges	170,432	-	150,179	-
Lunch and Refreshments	52,467	-	41,479	-
Travel & Accommodation	231,241	-	198,757	-
Training evaluation and audit	-	2,758,722	-	1,684,353
	1,617,623	**6,926,914**	**1,339,167**	**4,054,456**
Surplus	**794,005**	**(178,807)**	**726,258**	**(111,060)**
Opening retained income	(178,807)	-	(111,060)	-
Closing retained income	**615,198**	**(178,807)**	**615,198**	**(111,060)**

Figures in ZWL Dollars

17 Partners Projects (continued)

17.2 Food for Export Master Class (continued)	**Notes**	**Inflation adjusted**		**Historical**	
		2021	**2020**	**2021**	**2020**
Current Assets					
Cash on hand		615,198	2,213,687	615,198	1,374,961
		615,198	**2,213,687**	**615,198**	**1,374,961**
Current Liabilities					
Supplier control		-	2,076,471	-	1,289,734
Audit fees		-	316,023	-	196,288
		-	**2,392,495**	**-**	**1,486,022**
		615,198	**(178,807)**	**615,198**	**(111,060)**
DanChurchAid (DCA)					
Income					
Grant			-	-	-
Exchange gain / (loss)		-	(1,551,283)	-	(214,795)
		-	**(1,551,283)**	**-**	**(214,795)**
Expenditure					
Heifers For Dzumbunu Farmers		-	-	-	-
		-	**-**	**-**	**-**
Surplus		**-**	**(1,551,283)**	**-**	**(214,795)**
Opening retained income		-	1,551,283	-	214,795
Closing retained income		-	-	-	-
Current Assets					
Loans to 39 Dzumbunu Farmers		1,913,806	3,081,228	1,913,806	1,913,806
		1,913,806	**3,081,228**	**1,913,806**	**1,913,806**
Current Liabilities					
DanChurchAid		1,913,806	3,081,228	1,913,806	1,913,806
		1,913,806	**3,081,228**	**1,913,806**	**1,913,806**
Net assets		**-**	**-**	**-**	**-**

Figures in ZWL Dollars

18 Related parties

Relationships

Associates: Marirangwe United Bush Dairy Cooperative Society Limited

Those charged with governance : Board of Trustees, Chief Executive Officer

	Inflation adjusted			Historical
	2021	2020	2021	2020
Related party balances				
Current payables				
Those charged with governance	249,312	-	249,312	-
Members of key management	64,987	20,218	64,987	12,558
	314,299	**20,218**	**314,299**	**12,558**
Related party transactions				
Trustees and directors emoluments				
Executive directors	3,566,705	2,072,404	2,811,440	769,201
Trustees	**691,687**	**543,156**	**545,219**	**201,600**

19 Fair value information

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the trust can access at measurement date.
Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

	Inflation adjusted			Historical
	2021	2020	2021	2020
Levels of fair value measurements				
Level 1				
Recurring fair value measurements				
Investments in equities				
Listed equities	**39,998,937**	**23,015,634**	**39,998,937**	**14,318,794**

Valuation techniques used to derive level 1 fair values
The values of listed equities were obtained from Zimbabwe Stock Exchange.

	Inflation adjusted			Historical
	2021	2020	2021	2020
Level 2				
Recurring fair value measurements				
Investments in equities				
Unlisted equities	**222,118,232**	**207,414,730**	**129,039,626**	**129,039,626**

Notes to the Financial Statements (continued)

for the Year ended 31 December 2021

	Inflation adjusted		Historical	
	2021	**2020**	**2021**	**2020**
Fair value information (Continued)				
Property and equipment				
Land				
Building	-	22,338,751	-	13,875,000
Motor vehicles	-	21,870,000	-	21,870,000
Total property and equipment	**-**	**59,664,751**	**-**	**45,345,000**
Total	**222,118,232**	**307,078,417**	**169,038,563**	**188,703,420**

Valuation techniques used to derive level 2 fair values

Land and office building

Level 2 fair values of land and building have been generally derived using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre of similar properties in the proximity.

Motor Vehicles

The Motor Vehicles have been valued basing on the market prices of other motor vehicles with similar conditions. Adjustments have made on the market values where different conditions exist.

Unlisted equities

The value of unlisted Marirangwe shares where derived from the market value of land which is the only asset owned by the organisation. The valuation of the property was done by the valuation expert at the reporting date.

Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Trust has taken a number of measures to monitor and prevent the effects of the COVID-19 virus such as safety and health measures for employees (like social distancing and working from home) and securing the supply of materials that are essential to business operations.

The Trustees believe that under the current economic environment, a continuous assessment of the ability of the Trust to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.

After considering the uncertainties described above, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. It is for the following reasons that the Trust has adopted the going concern basis of accounting in preparing the annual financial statements.

11. Apendices

Table 5: Appendix - Founding and Funding Partners

Foreign, Commonwealth & Development Office	Hivos people unlimited
Ministry of Foreign Affairs of Denmark DANIDA International Development Cooperation	SNV
FORD FOUNDATION	DCA actalliance

Zimbabwe Agricultural
Development Trust

44 The Chase
Mt. Pleasant
Harare, Zimbabwe

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