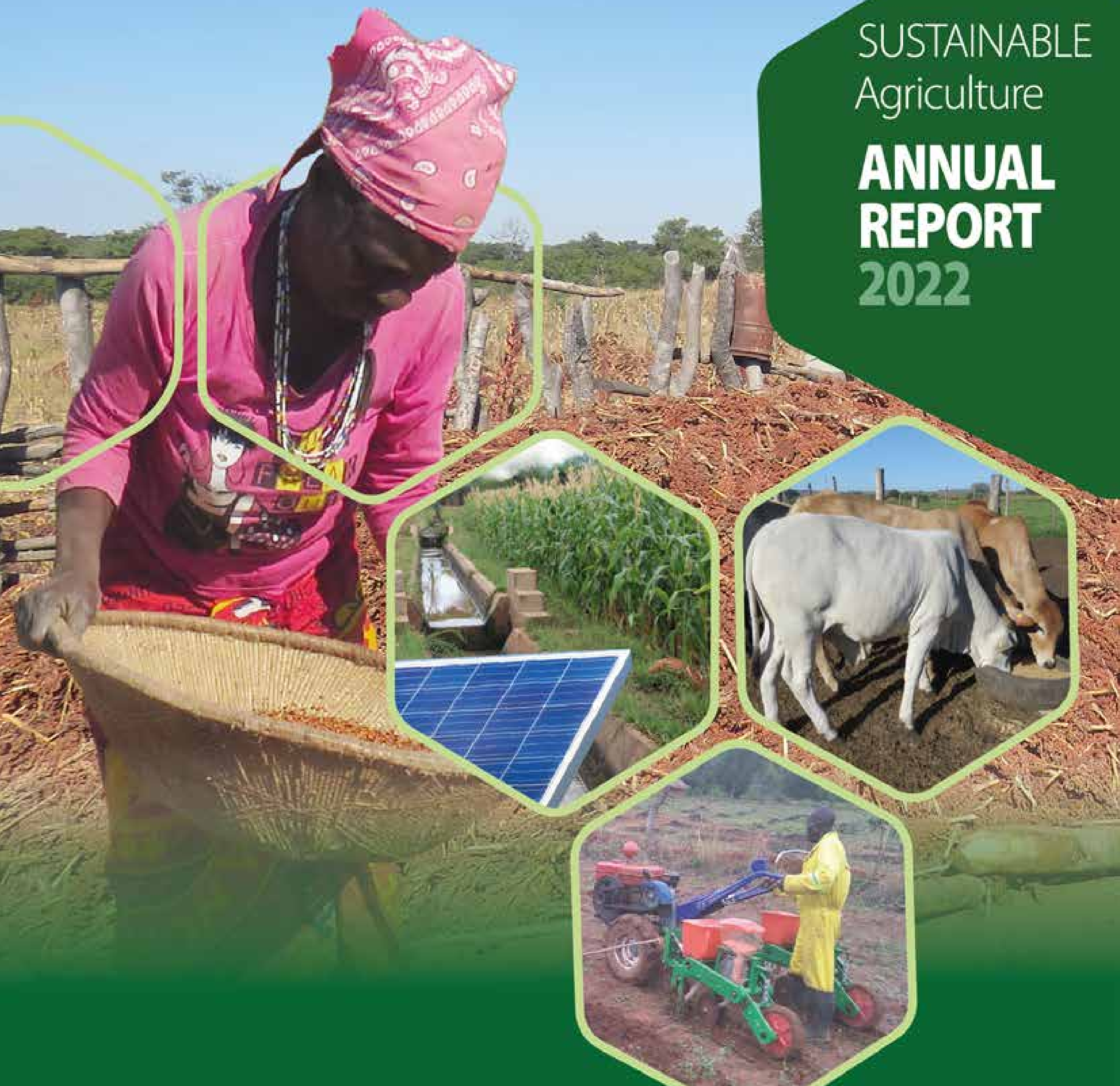
ZADT

Zimbabwe Agricultural Development Trust

SUSTAINABLE Agriculture

ANNUAL REPORT 2022



Zimbabwe Agricultural
Development Trust

Zimbabwe Agricultural Development Trust

2022

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
DCA	Dan Church Aid
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
HR	Human Resources
IESBA	International Ethics Standards Board of Accountants
MFI	Micro Finance Institution
MEAL	Monitoring Evaluation Accountability & Learning
MLAFWRD	Ministry of Lands, Agriculture, Fisheries, Water and Rural Development
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

The 2022 agricultural season was less than optimal with maize production standing at 43% less than for the 2021 season. Total cereal production was 1,752,014 Mt against a national requirement of 2,167,599Mt (1,817,599 Mt being for human consumption and 350,000 Mt for livestock).

Smallholder farmers are still perceived as a high-risk group by the formal financial services sector due to lack of credit culture, tangible/acceptable collateral, financial illiteracy, and inadequate capacity to prepare bankable project proposals. ZADT's mandate during the review period remained the same, that of supporting smallholder agriculture. To enhance service delivery under this mandate, the Trust in October 2022 crafted a new five-year strategy for the period 2023 to 2027.

During the year, ZADT continued to deploy the Fund through the three categories approved by the board in 2021 namely the Impact Fund, the Secretariat Fund, and the Growth Fund. The distribution of the Fund into the three categories remained the same as it was in 2021 as the Trust failed to access blocked funds which constituted 39% of the Fund.

In 2022, inflation was on an upward trajectory but declined as the RBZ hiked the bank rate to discourage speculative lending. Month-on-month inflation fell from a peak of 30.7% in June 2022 to below 2.5% by 31 December 2022. The local currency continued to lose value against the US Dollar with the exchange rate falling from ZWL108.67 at the beginning of 2022 to ZWL671.45 to one USD as at 31 December 2022. With the bulk of the current deployments being denominated in US dollars, the fall in the exchange rate had a limited adverse impact on the Fund.

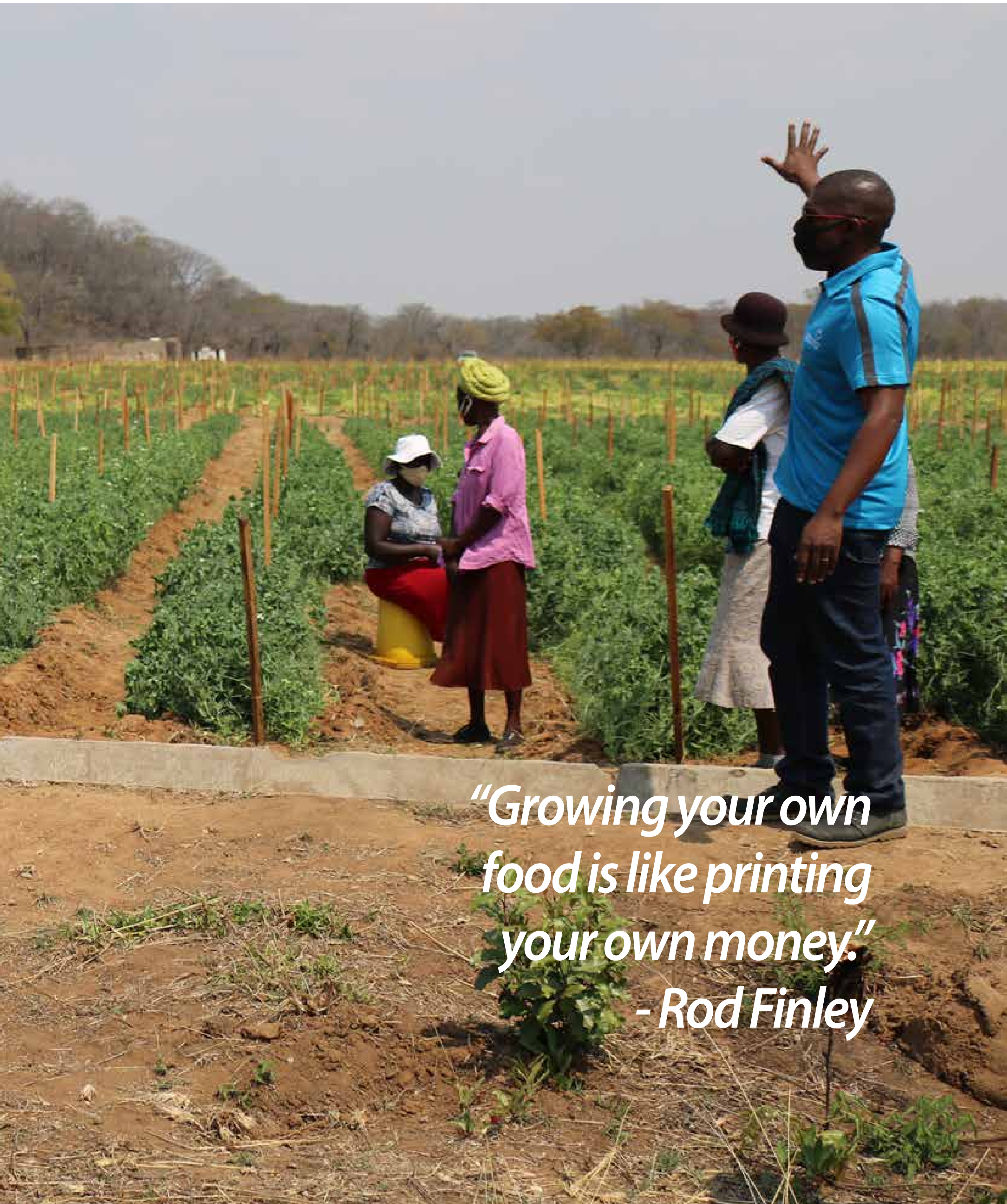
In terms of financial performance there was a 46% drop in inflation adjusted surplus from the ZWL$3,813,692,189 realised in the previous financial year to the ZWL$2,058,182,025 realised in 2022. Total revenue amounted to ZWL$3,268,976,934 against total operating costs of ZWL$1,210,794,909. However, based on historical cost accounting, the surplus was ZWL$2,860,420,701 compared to ZWL$146,781,516 realised in 2021.

Even though Investments under the Impact category constituted only 1% of the total portfolio against a short-term target of 8%, ZADT managed to post some positive impact on beneficiaries under several projects. These included the DanChurchAid (DCA) funded smallholder farmer dairy project in Marirangwe; the International Maize and Wheat Improvement Centre (CIMMYT) funded smallholder farm mechanization project in Masvingo district; the Welthungerhilfe (WHH) funded project on Strengthening Competitiveness and Potential for Export for Inclusive Value Chains in Zimbabwe (SCOPE 4IVC); the SNV funded Opportunities for Youth Employment (OYE) Project and the AGF funded YEI MDTF on Youth-Led MSMEs.

The cumulative total number of smallholder farmers linked to funded agribusinesses since the adoption of the Co-Investment funding model increased from 4,917 in 2021 to 5,913 in 2022 because of the 96 MSME youth beneficiaries under the AfDB funded Youth Entrepreneurship Innovation Multi-Donor funded project.

In terms of the number of beneficiaries from each of these projects 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). An additional nineteen service providers were added by CIMMYT which brought the total number of beneficiaries to thirty-four. Under the Opportunities for Youth Employment (OYE) project implemented in collaboration with SNV ZADT funded a total of seven OYE youth businesses out of the forty-six youths that were trained in the previous year. This represented 15%. In the Marirangwe United Bush Dairy Cooperative, the beneficiaries remained at sixty smallholder farmers owning shares. Under the Welthungerhilfe (WHH) project ZADT delivered capacity building services on financial literacy to sixteen SME businesses. On the AfDB/AGF project ZADT capacitated 96 MSMEs youths. The trained youths will undergo mentorship.

In 2022 there were no changes in the composition of the Board of Trustees. The Board provided due oversight to the Secretariat ensuring that the Trust remains in its mandate of supporting smallholder Agriculture. The Board comprised of six members of which three are women and three men. There were also no changes in the Secretariat in 2022. The Secretariat is comprised of three units namely Investments, Finance and Administration, and Monitoring Evaluation Accountability and Learning



"Growing your own food is like printing your own money."
- Rod Finley

2 | Message from the Chairperson

Notwithstanding the challenges faced in 2022 the Trust posted a modest surplus

Rachel Pfungwa Kupara
Board Chairperson

Introduction

Overview of the operating environment in 2022

In 2022 the Zimbabwean economy was characterized by high inflation and a weak local currency which adversely affected investment and business growth. The Central Bank responded to correct the situation by adopting a tight monetary policy stance in the second half of the year. The measures proved significantly effective as we noted inflationary pressures dissipating with attendant stability in prices and the exchange rate.

The introduction of gold coins by the Central Bank in July 2022 as a liquidity mopping instrument over and above the foreign exchange auction system was a welcome development which ZADT was able to take advantage of and bought some coins using some of its RTGS funds from maturing investments to preserve value.

Whilst the foreign exchange auction system remained the key source of foreign currency for the economy the introduction of the willing-buyer willing-seller (WBWS) interbank market for foreign exchange saw a significant narrowing between the official and parallel market exchange rates with the parallel market exchange rate premium declining to less than 20%. This had the effect of easing cashflow pressures arising from having to finance expenses based on parallel rates using local currency incomes. Whilst the Central Bank progressively reduced the foreign currency auction system backlog, some Trust deployments were affected by the backlog during the year with investees failing to get their allocations within their targeted window periods. The situation 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.

Financial performance of the Trust

Notwithstanding the challenges faced in 2022 the Trust posted a modest surplus. Inflation adjusted revenue amounted to ZWL$3,268,976,934 against total operating costs of ZWL$1,210,794,909 resulting in a surplus of ZWL$2,058,182,025 which represents a 46% drop from the ZWL$3,813,692,189 realised in the previous financial year. However, based on historical cost accounting, the surplus was ZWL$2,860,420,701 compared to ZWL$146,781,516 realised in 2021, a 1,849% increase.

Impact of Trust's activities during the year

The Trust continued to post some positive achievements on the targeted clientele of smallholder farmers, women, and youths. Specifically, ninety-six smallholder beneficiaries were impacted through capacity building during the year, thanks to the AfDB funded Youth Entrepreneurship Innovation Multi-Donor funded project; 34 Service providers were supported under the Small-Scale Mechanization pilot project implemented in Masvingo under partnership arrangements with CIMMYT. These provided mechanisation services to over 2,000 smallholder farmers in their surrounding areas and I am happy to point out that based on the success of this collaborative work the Government and other development partners are planning to scale up the project to other provinces.

Other areas where successes were registered during the year include supporting smallholder farmers to access finance in the dairy value chain; capacitating youths under the SNV Opportunities for Youth Employment (OYE) project who engage in diverse projects under agri-food, renewable energy, and recycling initiatives. Notwithstanding the current funding challenges, in the outlook, ZADT will continue to mobilise and deploy its financial and human resource capital to support smallholder farming through various value chains.

Board of Trustees

In 2022 there were no changes in the composition of the Board of Trustees. The Board provided due oversight to the Secretariat ensuring that the Trust remains in its mandate of supporting smallholder Agriculture.

Outlook

The Trust managed to preserve the available Fund and ensured sustainability of operations through the approved investment windows. The Trust was not able to drawdown on its blocked funds which were held at the Reserve Bank but later transferred to the Ministry of Finance and Economic Development. These blocked funds were converted into Treasury Bills with maturities of up to 2034. This has negatively affected the Trust's ability to finance short to medium term projects which benefit smallholder farmers.

Secretariat

Day to day management of the operations of the Trust is done by the Secretariat which is headed by the Chief Executive Officer. The Secretariat is organised into three departments namely Investments, Finance and Administration, and Monitoring Evaluation Accountability and Learning. Due to the funding challenges faced during the year, the Trust scaled down its staff compliment.

Funders

I would like to appreciate our funding partners namely DANIDA, FCDO, the Ford Foundation and DCA for the financial support which they provided which has enabled us to continue positively impacting on the livelihoods of smallholder farmers and linked agribusiness SMEs.

I would also like to take this opportunity to thank my fellow Trustees together with the entire Secretariat Team for the good work done to deliver value to target beneficiaries. I would also like to extend my appreciation to all our clients and business partners for the invaluable support rendered during the year 2022. With such continued support I am hopeful that the Trust will continue to scale even greater heights of achievement in 2023.

Rachel Pfungwa Kupara

Board Chairperson

3 | Message from the CEO

...we managed to launch the African Development Bank/ African Guarantee Fund Youth-Led MSME Training and Mentorship Programme

Godfrey R. Chinoera
Chief Executive Officer

The operating environment was not without challenges during the year 2022. Our co-investments portfolio remained at the same levels as in the previous year because we had exhausted our funds available for investments. We were therefore not able to achieve our set short term targets in the three sub-fund categories. The ZADT Fund stood at ZWL$6,467,610,460 as at 31 December 2022 (equivalent to US$9,632,303.91) with the blocked funds still constituting a significant portion, to the extent of 39%, of the Fund portfolio. During the financial year, the Ministry of Finance and Economic Development assumed responsibility of all the legacy debts that were held by the RBZ. The funds were transferred from the RBZ to the Ministry which converted them into Zero-Coupon Treasury Bills (TBs) through the Finance ACT No.7 of 2021. The TBs have differing maturity tenures ranging from August 2025 to November 2034. This move negatively affected our lending capacity as the TBs are redeemable from 2025 making the funds not readily available for deployment in impact bearing investments. We will, however, continue to explore ways to derive immediate value from the Treasury Bills and boost our lending capacity.

Regarding Covid 19, I am happy to report that during the year 2022 the Trust did not suffer any direct negative impacts of the pandemic as there were no lockdowns which were implemented by the government to contain the spread of the pandemic. Cases remained very insignificant. We however continued to employ preventive strategies for staff at the workplace such as conducting client meetings virtually where necessary.

Regarding work related to our core development mandate, I am pleased to point out that during the year, notwithstanding the lack of funds to deploy into new investments, we managed to continue delivering services in ongoing collaborative activities with other development partners to capacitate our target clientele, the smallholder farmers. We managed to implement to conclusion two collaborative programmes during the year namely the Smallholder Mechanization facility in Masvingo and the Welthungerhilfe (WHH) supported project. We also continued to offer Fund management activities under the Opportunities for Youth Employment (OYE) project where ZADT managed to finance 15 percent of the trained youth beneficiaries in financial literacy.

During the year we managed to launch the African Development Bank/ African Guarantee Fund Youth-Led MSME Training and Mentorship Programme and commenced the training component of the scheduled capacity building support services to ninety-six youths. This is an inclusive project targeting start-ups and growth oriented MSMEs of which 50% are women. Following the completion of the training activities, the beneficiaries will undergo a mentorship phase where each will get customised support. The mentorship support will be provided in 2023.

In the Dairy sub-sector ZADT managed to continue with its support to smallholder farmers in the Marirangwe United Bush Dairy Cooperative where sixty smallholder farmers were assisted to purchase shareholding with funding from DanchurchAid (DCA). The farmers received some dividends during the year and were able to service their loan obligations.

The year 2022 coincided with the final year of our current 2018-2022 strategy. I am happy to report that the Trust managed to review and develop a new 5-year strategy (2023 to 2027 period). The main key result area of the new strategy relates to increasing access to finance for smallholder farmers and related agribusinesses with special focus on women and youth. Given our reduced lending capacity, fund raising is also a key area of focus. The strategy was presented to key stakeholders for their validation before approval by the Board.

I would like to take this opportunity to express my profound gratitude to ZADT Trustees for providing all the necessary support and guidance during the year. The same goes to our business partners who supported us during the year. Finally, 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

"Farming is intrinsically about sustaining land, family, and community." - Hal Hamilton

ZADT Report for the period January to December 2022

4 | Introduction

The ZADT 2022 Annual report has been prepared for the Trust's key stakeholders. The focus of the narrative report is on the activities which were linked to target beneficiary groups which are the smallholder farmers including women and youth during the financial year which runs from January to December. The report also presents audited financial results for the same period.

5 | The 2022 agricultural season

The 2022 agricultural output was adversely affected due to the unfavorable rainfall distribution which was poor in both space and time across the country. The season was characterised by an early but false start of the rains in October 2021 which led to poor crop establishment and significant replanting by farmers. Incessant rains in January and April 2022 caused excessive leaching of crop nutrients followed by prolonged dry spells in February and March which affected crop performance. According to the Ministry of Lands, Agriculture, Fisheries, Water and Rural Development 2021/2022 Season Second Round Crop and Livestock Assessment Report dated 21 April 2022 the ultimate result was that maize production stood at 1,557,914 Mt which was a 43% decrease from the 2,717,171Mt produced in the 2021 season. Traditional grains production stood at 194 100Mt representing a 44% decrease from the 347 968 Mt produced in 2021. Total cereal production therefore was 1,752,014 Mt against a national requirement of 2,167,599Mt (1,817,599 Mt being for human consumption and 350,000 Mt for livestock). There was however a surplus of 107,328 Mt after considering Strategic Grain Reserve (SGR).

6 | The ZADT Strategy

Since inception ZADT has been crafting five-year strategies to guide the Trust. The first five-year strategy ran from 2012 to 2017. The second strategy period spanned from 2018 to 2022. The 2022 fiscal year therefore coincided with the end of a strategy tenure. In October 2022, the Secretariat engaged a consultant to facilitate the strategy review exercise. The review started by focussing on the performance of the Trust under the strategy. Consultations with key stakeholders were done.

The review showed that the original trajectory path (represented by a red/dashed line) in Figure 1 had been affected because of some significant changes in the operating environment. When the 2018 – 2022 strategy was crafted, it had been projected that by the end of that period, the Trust would be running a US$100 million Fund with 200,000 beneficiaries being impacted every year. As at 31 December 2022 the size of the ZADT Fund stood at ZWL$6,467,610,460 equivalent to US$9,632,303.91 at the ruling auction rate. Consequently, the number of beneficiaries being impacted has fallen significantly.

With smallholder farmers still being perceived as a high-risk group by the formal financial services sector due to a lack of credit culture, tangible/acceptable collateral, financial illiteracy, as well as inadequate capacity to prepare bankable project proposals, ZADT's mandate has largely remained the same, that of supporting smallholder agriculture. ZADT is currently prioritizing fund raising and preservation for it to be able to execute its mandate. Following the restructuring of the Fund into the three sub-categories of Impact Fund, Growth Fund and Secretariat Funds, portfolio activities in 2022 relate to fund deployments within these categories. The main key result areas of the new strategy places emphasis on increasing access to finance for smallholder farmers and related agribusinesses with special focus on women and youth, followed by growing the ZADT fund for impact-oriented service delivery. After crafting the new strategy, a stakeholder validation workshop was held in November 2022 where stakeholders provided useful feedback which was then incorporated in fine tuning the 2023 to 2027 strategy.

ZADT is now ready to take the next step and increase its level of impact, grow in size and expand the way it does business

THE TRANSFORMATION JOURNEY

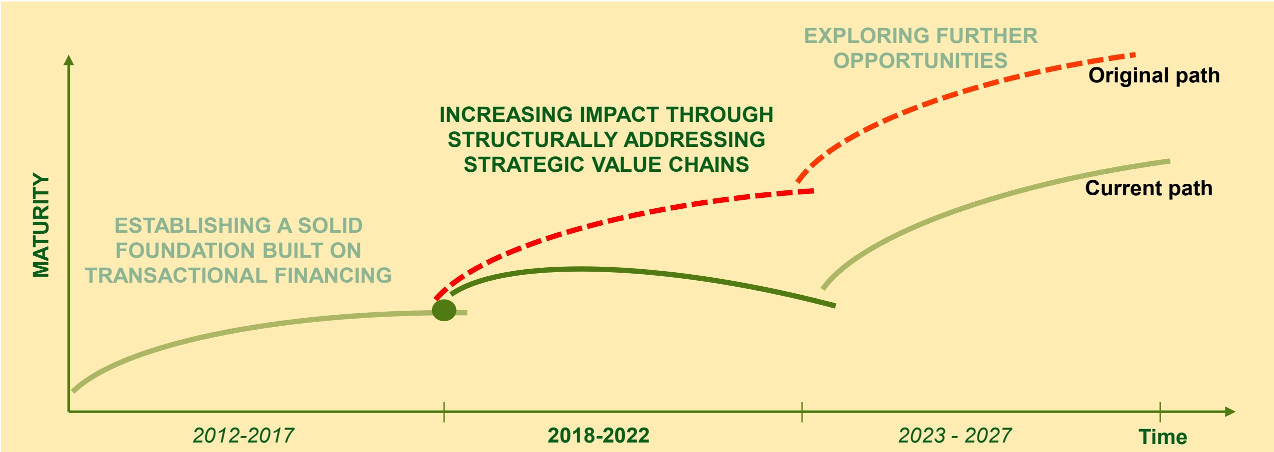


Figure 1: ZADT Strategy evolution

7 | Prevailing macro-economic factors with a bearing on Fund performance

ZADT is a development finance institution and is equally affected by many of the factors which affect the mainstream and traditional financial services sector and financial institutions. The main macro-economic factors of significance to Fund performance in 2022 relate to fiscal and monetary policy changes, inflation, exchange rate, interest rates and other capital demand and supply factors. Figure 2 presents the trend in two key variables which affected the investments and lending market in Zimbabwe.

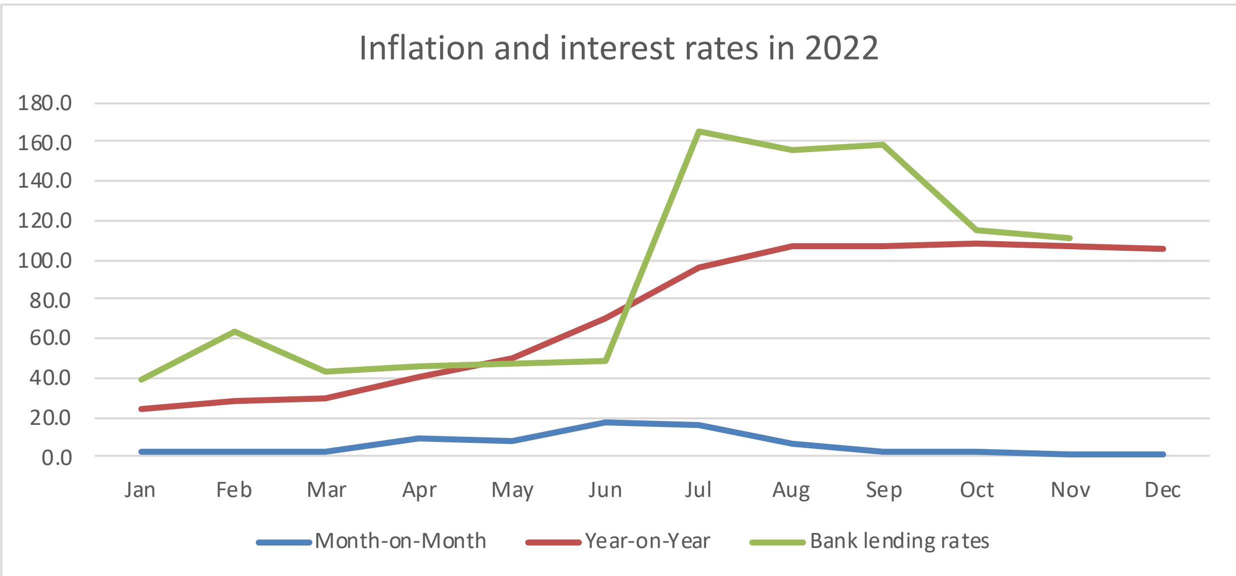


Figure 2: Trends in Inflation and Interest rates in 2022

ZADT Report (continued)

From the beginning of 2022, inflation was on an upward trajectory. According to the RBZ 2023 Monetary Policy Statement, expected inflation was above 200% compared to the Bank policy rate of 80% per annum, by the end of May 2022. This led to the Central Bank raising the lending rate to 200% per annum. The hike in lending rates discouraged speculative lending. The upward trend in annual inflation in 2022 started declining in September from a peak of 30.7% and decelerated to below 2.5% by 31 December 2022.

The foreign currency exchange rate

The foreign exchange auction system remained the major source of foreign currency for businesses, even for those funded from the ZADT Fund. However, supply of foreign currency through the auction system outstripped demand. The local currency continued to lose value against the US Dollar with the exchange rate falling from ZWL$108.67 to one USD at the beginning of 2022 to ZWL$671.45 to one USD as of 31 December 2022.

The Central Bank battled with a backlog at the foreign currency auction market with businesses taking up to 12 weeks to get their foreign currency allotments. Disbursements by ZADT to eligible agribusinesses who wanted to access foreign currency through the auction system were affected by such delays. The mismatch between demand and supply fueled the development of the parallel market to cater for the shortfall. Foreign currency on the parallel market was available at a premium which at one time went as high as 150%. However, by the end of 2022 the exchange rate had, to a large extent, stabilized with the gap between the auction and parallel rates narrowing and the parallel market premium falling to less than 20%.

8 | Portfolio Analysis

The proportionate distribution of the portfolio has not changed much from what it was from the beginning of the year. The Impact Fund constituted 0.5% of the total Fund. The Growth Fund constituted less than half of the short-term target of 50%. The blocked funds still constituted a significant portion of the Fund at 39% of the portfolio. The Ministry of Finance and Economic Development assumed responsibility of all the legacy debts that were held by the RBZ. The blocked funds were transferred from the RBZ to the Ministry of Finance and Economic Development which converted them into Zero-Coupon Treasury Bills (TBs) through the Finance ACT No.7 of 2021. The TBs are redeemable over the period 2025 to 2034 in varying proportions. This means that the Blocked Funds are not available in the short term for ZADT to co-invest. The Trust is exploring alternative ways to utilize these facilities to invest in projects which benefit smallholder farmers (SHFs) and related micro, small and medium size enterprises (MSMEs).

The long-term portfolio distribution target for the ZADT Fund has been redefined in the 2023-2027 Strategy. The ultimate target is to have a major portion, 60% of the ZADT Fund being deployed in investments that directly benefit smallholder farmers. Both the Secretariat and Growth funds are targeted to constitute 30% and 10% of the Fund, respectively.

8.1 Impact Fund portfolio

Out of the three fund sub-categories, the Impact category is at the core of the ZADT mandate of impacting on smallholder farmers. This section presents highlights from activities which were done through this fund. The portfolio brings together direct investments from ZADT as well as those funded by rural development organizations in partnership with ZADT. Most of the activities done during the financial year were from investments carried over from 2021. The number of beneficiaries grew slightly because of the African Development Bank Funded Youth Entrepreneurship Innovation Multi-donor Trust Funded Programme which brought in 96 MSMEs. ZADT signed on to this project in 2021 but recruitment and selection of beneficiaries and the actual delivery of activities which impacted on the beneficiaries started in earnest in 2022.

The cumulative total number of smallholder farmers linked to funded agribusinesses since the adoption of the Co-Investment funding model increased from 4,917 in 2021 to 5,913 in 2022, representing a 2% increase.

The specific projects that ZADT worked on which directly benefitted smallholder farmers included the DanChurchAid (DCA) funded smallholder farmer dairy project in Marirangwe in Mashonaland West province; the International Maize and Wheat Improvement Centre (CIMMYT) funded smallholder farm mechanization project in Masvingo district; the Welthungerhilfe (WHH) funded project on Strengthening Competitiveness and Potential for Export for Inclusive Value Chains in Zimbabwe (SCOPE 4IVC); the SNV funded Opportunities for Youth Employment (OYE) Project and the AGF funded YEI MDTF on Youth-Led MSMEs.

8.1.1 Youth-Led MSME Training and Mentorship Programme

In the on-going African Guarantee Fund Youth-Led MSME Training and Mentorship project financed by the African Development Bank (AfDB) Youth Entrepreneurship Innovation Multi Donor Trust Fund (YEI MDTF) targeting startup and growth-oriented youth MSMEs, ZADT conducted several activities during the year. The objectives of the programme are to capacitate the MSME Youth on Entrepreneurship, Financial literacy, and Access to Finance. The training and mentorship activities are preparing the MSMEs for accessing finance from financial institutions such as commercial banks, microfinance institutions and other financing houses.

ZADT established a multi-stakeholder selection committee with guidance from AGF. After selecting and enrolling one hundred targeted MSMEs, 50% of which were women, ZADT conducted a needs assessment which informed the development of a training curriculum.

Launch of the AGF programme

The programme was officially launched in March 2022. The launch event took place at The Venue in Harare and was attended by several key stakeholders which included representatives of the enrolled MSMEs, financial services sector, NGOs, and the Government. AGF was represented by the Regional Head responsible for Business Development for Southern Africa Ms Nicole Muia. The Keynote address and Official opening of the launch was delivered by the Guest Speaker – Dr. J.T Chipika from the Reserve Bank of Zimbabwe who commended the Zimbabwe Agricultural Development Trust for its active role in facilitating access to finance and entrepreneurship development for the previously excluded sectors of the economy in which women and youths are key players. She encouraged the ZADT to continue to increase its support for the smallholder farming sector in Zimbabwe.

RBZ Deputy Governor, Dr Chipika

ZADT CEO, Godfrey Chinoera

AGF Representative, Nicole Muia

Figure 3: Keynote addresses during the launch

After the launch, ZADT organised several training sessions which took place in May, June, July, and November of the same year. A total of ninety-six youths attended the trainings against a target of one hundred translating to a 96% performance. As a key step towards ensuring access to finance by the targeted MSMEs, ZADT invited financial institutions to come and make presentations to these Youth-led MSMEs.

ZADT Report (continued)

Figure 4: A group of growth oriented MSMEs pose for a photo during training.

The financial institutions who participated in the trainings were NMB Bank, POSB Bank, Empower Microfinance Bank, Women Microfinance Bank, and Inclusive Financial Services (IFS). Participants appreciated the interface with these financial institutions who presented financial products available and explained all issues which MSMEs were raising as challenges faced when seeking financial support from them. Following the completion of the training, the MSMEs will undergo a mentorship phase where each entrepreneur will be taken through a more focused and interactive process. This will be done in 2023.

8.1.2 Marirangwe United Bush Dairy Smallholder Farmer Project

The Marirangwe United Bush Dairy (MUBD) is a smallholder dairy cooperative operating in the Marirangwe area. Members of the cooperative are mainly from the small-scale commercial farming sector in Marirangwe. Noting the absence of participation of smallholder farmers from the surrounding communal farming sector in the dairy initiative, ZADT decided to support communal smallholder farmers from Dzumbunu and Monera through creating a sustainable and affordable commercial dairy revolving fund business model. This was meant to help smallholder farmers to diversify their livelihoods and income sources through dairy activities.

ZADT facilitated entry of the communal farmers into the cooperative through purchase of shares. The cooperative had few members and an unviable milking herd of less than 35 dairy cows. A viable milking herd was advised to be 100 cows and to bring the cooperative business to that level of operation required an injection of 65 dairy cows. ZADT purchased the required 65 dairy cows and heifers, as well as the requisite capital items and the Cooperative established a viable 100-milking-cow-dairy unit. This led to improved revenue, and dividend pay-out to members through increased volumes and improved quality of milk delivered to the Milk Collection Centre.

ZADT's investment constituted 62% of shares in the Cooperative. ZADT purchased these shares with the objective of disposing them to smallholder farmers after they had been capacitated to participate in the Cooperative. To do this ZADT partnered the Farmers Association of Community Self-Help Investment Groups (FACHIG) who were operating in the area. FACHIG then identified interested smallholder farmers in the two surrounding communal areas of Monera and Dzumbunu and capacitated them before they were incorporated into the Cooperative. Part of the training received by the targeted farmers was investing in shares, which was alien to them.

Each SHF was supported to buy one dairy cow for contribution into the cooperative. The cost of one cow was US$1,500 which was financed as a loan facility of US$600 from ZADT and a grant of US$900 from the DCA. The loan component by ZADT is repayable over a five-year period up to December 2026. Farmers will repay the loan over the five-year period through monthly instalments of US$13.75 broken down as US$10 capital component and a US$3.75 interest portion.

A total of 60 smallholder farmers benefitted from this initiative. The final batch of 21 beneficiaries received their shares in 2022 and this saw ZADT shed off 42% of its shareholding down to the current 15% in favour of the smallholder farmers. On inclusivity, it is pleasing to note that 42% (25) of the beneficiaries are women. Traditionally cattle (beef or dairy) are considered a preserve for men in rural households with women focussing on small stock such as poultry and goats. The MUBD dairy project therefore represents an empowerment vehicle for women.

Impact of ZADT funding on MUBD initiative.

ZADT investment into MUBD impacted the Cooperative at two levels, the enterprise level, and the smallholder farmer levels. At the Enterprise (Cooperative) level, ZADT managed to bring the business to a viable milking herd by bringing the dairy cowherd to 100 and subsequently increasing the Cooperative membership from 23 to 83. Figure 5 shows the progression in the membership level.

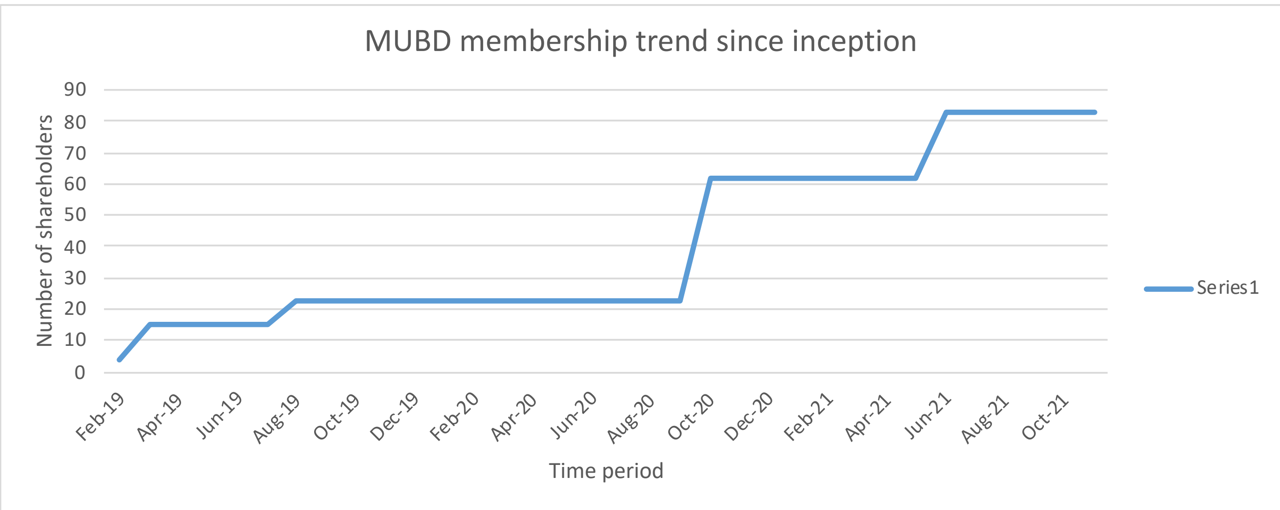
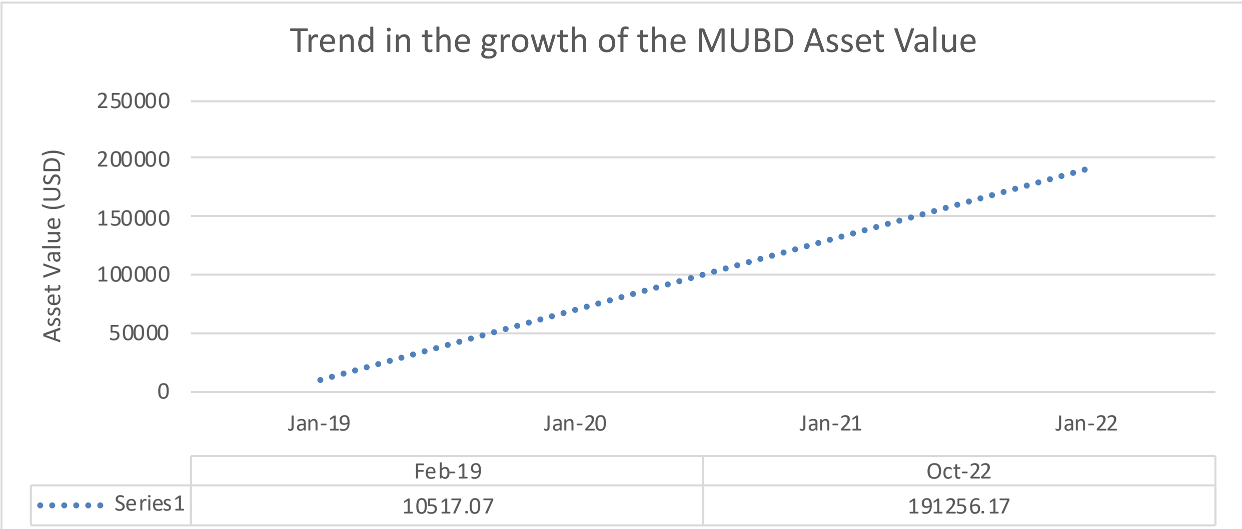


Figure 5: Progression in the MUBD membership

Another impact of the ZADT funding at the enterprise level was on the asset base. The value of the MUBD asset base significantly increased from US$10,517.07 at inception in February 2019, to US$33,887.60 in March 2019 to US$44,457.91 in June 2021. The ZADT investment of US$72,263.00 increased the asset base to US$116,720.91 in August 2019. This further increased to US$191,256.17 as at 31st October 2022 (with the dairy herd valued at $165,111.25). Figure 6 shows the trend in the average growth of the asset value of MUBD from inception to 31 October 2022.

ZADT Report (continued)



F igure 6: Growth trend in the asset value of the MUBD (US$)

At the smallholder farmer level, the benefit has also been at two levels. The first benefit is that the farmers managed to get into a dairy value chain, which they ordinarily would not have been able to enter on their own given the high levels of investments required. The farmers managed to get access to finance to invest which they would not have been able to get from financial institutions given their lack of banking and credit history, their lack of acceptable collateral, among other challenges. Through attending shareholder meetings, the farmers now appreciate better how to manage a dairy enterprise as most of them have their own dairy cattle at their homesteads.

The farmers have now received a total of four dividends since being incorporated at the end of 2020 of which in 2022 alone they received two. The business is improving its performance slowly as management focusses on reducing operating costs. The dividends received so far have been able to cover farmers' loan instalments. The smallholder farmers have registered their discontentment in that respect as many were expecting to get dividends every month. They have however been advised to be patient as the business grows, meanwhile MUBD management have promised to improve business performance.

8.1 3 Small Scale Mechanization Project

ZADT has been implementing a two-year Lease-to-Own mechanization facility agreement signed with CIMMYT in September 2020. This ended on the 31st of August 2022. In this Agreement ZADT was responsible for managing and monitoring the Lease/Investee Account, issuing Lease/Investee Account Statements, Collection of Lease/Investment amounts due and recoveries and facility restructuring where necessary.

The mechanization project was meant to raise awareness of benefits of using mechanical equipment in agriculture and reduce drudgery to smallholder farmers. Smallholder farmers are expected to learn about the different types of equipment available for performing various operations from planting to harvesting. The Service Provider model was used to achieve this objective. In the model Service Providers received farming equipment through a loan facility from CIMMYT. They hire out the equipment to surrounding smallholder farmers in their communities and generate revenue to repay the loan and live off the remaining balance. Four pieces of equipment were provided namely the Two-Wheel Tractor, a two-row direct Seeder (Planter), a 1.5 tonne Trailer and a Thresher, see Figure 8.

The project is promoting no-tilling technology, hence the reason for not including a plough in the implement set. The project therefore provided other materials to assist in profiling the benefits of using mechanised equipment including training. The inputs included seed (maize and cowpeas) and herbicides to run demonstration plots. Local extension staff were involved to provide the required agronomic support. Field days were organised where people from surrounding communities attended to learn about the performance of the equipment. The demonstration plots and field days were marketing windows for Service Providers for their services to the surrounding smallholder farmers. CIMMYT was responsible for implementation and monitoring of the demonstration plots and performance of the equipment. An end of project evaluation will be done by CIMMYT. Preliminary assessments highlighted some challenges related to less than normal rains received during the pilot period which affected equipment operation, performance of demonstration plots and consequently earnings. ZADT was responsible for monitoring repayments of the Lease-Own-Facility.

The project involved 15 Service Providers, however CIMMYT added nineteen additional beneficiaries in the second year. These were men and women residing in the project area who were using the equipment to provide services to surrounding smallholder farmers in their communities. Among the fifteen service providers only two (13%) were women.

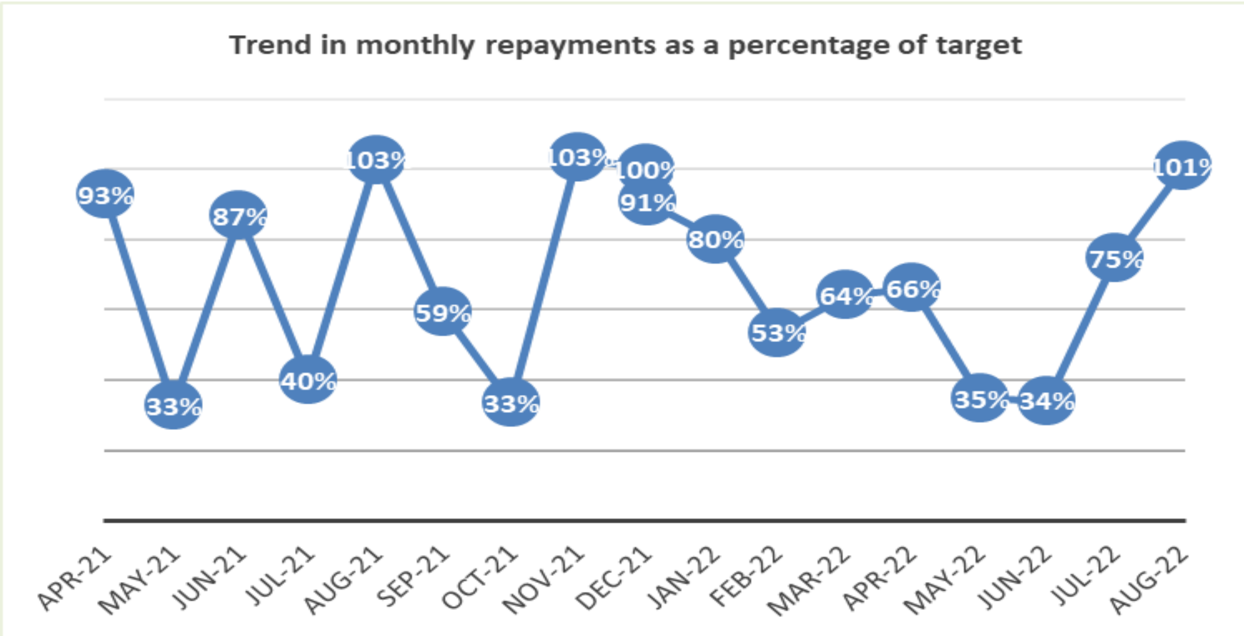


Figure 7: Monthly repayment trend by Service Providers over the contract period (%)

Repayment of the loans for the machinery was scheduled over twenty-four months including a four-month grace period. Each SP was expected to pay a monthly instalment of US$100 implying a combined total of US$1,500 from all the 15 Service Providers. Figure 7 presents the repayment trend from April 2021 to 30 September 2022. Apart from other intervening factors affecting performance of the project the repayment trend demonstrates the cyclical nature of the earning capacity of the equipment. Most of the equipment supplied can only be used during certain times of the year. Notwithstanding that, SPs were still expected to make regular payments for the equipment. A learning point from this is that future designs of such programmes will need careful consideration of the combination of the equipment set to ensure stable and sustainable income streams.

ZADT Report (continued)

2-Row Direct Seeder

1.5 tonne tipping trailer

Multi-crop sheller

2-Wheel Tractor

Figure 8: Set of farming equipment received by each service provider.

Out of the total loan amount of US$37,500, US$26,230 was repaid by Service Providers giving a recovery rate of 70% by 30 September 2022. ZADT handed over the collection of the outstanding fees for the months of October and November 2022 back to CIMMYT.

An assessment of the earnings from the equipment, figure 9, shows that some SPs have earned more income from the equipment than others. Income from hiring out the trailer for transporting services was the highest for all the SPs. This piece of equipment had no seasonality and was key in enabling the SPs to afford regular monthly repayments. Shelling, planting, and ploughing services were seasonal hence the earnings were not key in ensuring sustained monthly repayments.

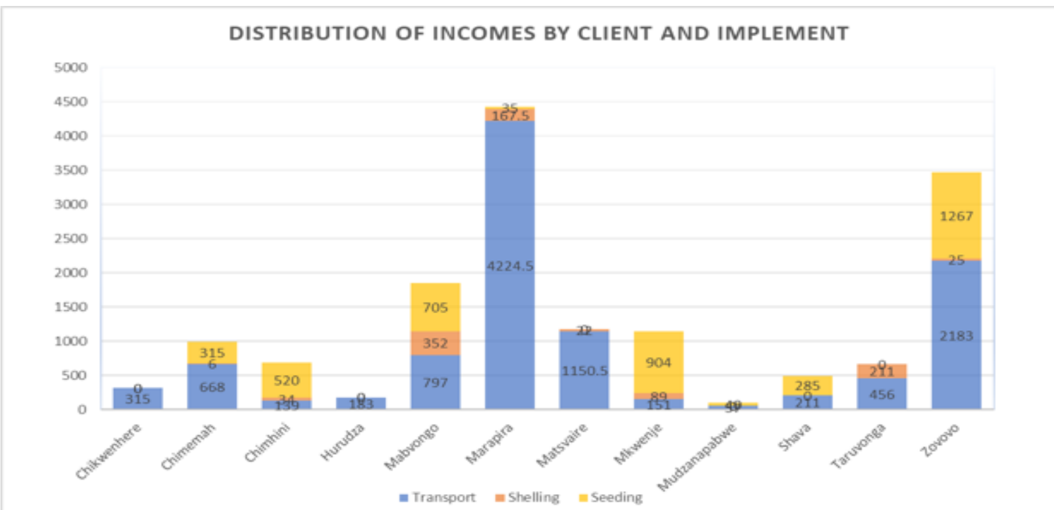


Figure 9: Gross incomes earned from the four-machinery business lines.

Figure 9 shows the contribution of each piece of equipment to the total machinery income basket from most of the SPs. Transportation was the highest income earner followed by ploughing, for those with ploughs. Shelling business is a function of the size of the harvest in the area. During the two-year contract period the harvests have been less than optimal thereby directly affecting demand for shelling services.

Most of the income raised from the service offerings went towards meeting facility repayment obligations. However, for those who made above average incomes, the earnings contributed to family expenses such as school fees, and other household expenses. Figure 10 presents earnings from transport services which was the main source of income among all equipment operated for one of the Service Providers, Mr. S. Marapira. The SP was earning an average income of US$154 per month from this line of business with a benefit cost ratio of 4:1.

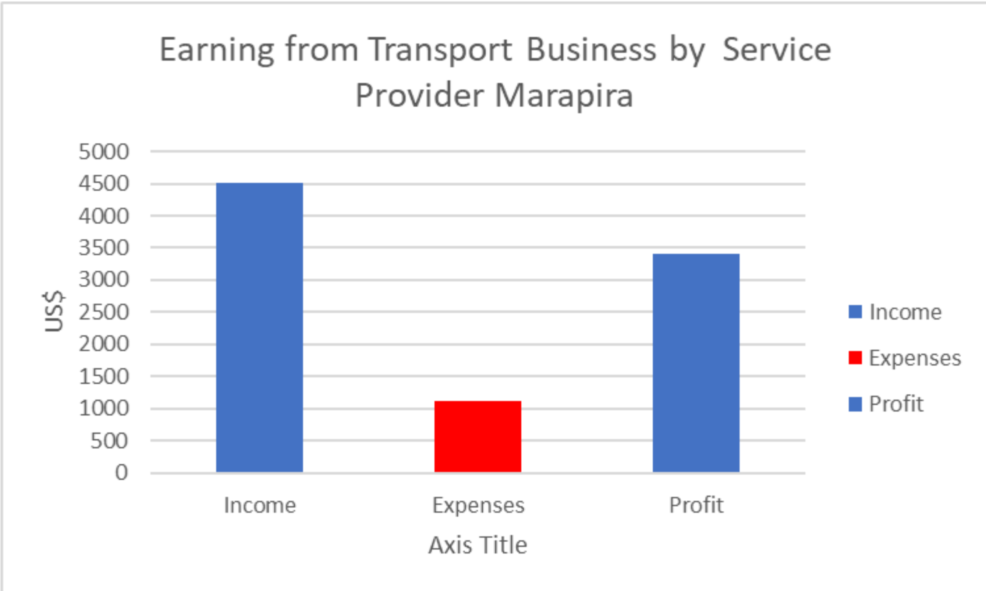


Figure 10: Earnings from transport business for one Service Provider S. Marapira

The Service Providers managed to service up to a total of 2,000 smallholder farmers in their areas of operation. The performance of the project during the first year of implementation was encouraging and CIMMYT mobilized additional funds for nineteen more beneficiaries in the same area. Overall, according to CIMMYT, smallholder farm mechanization has demonstrated great potential to reduce labour drudgery. The Government is already scaling up efforts to promote smallholder mechanisation drawing on lessons from pilot activities such as the Masvingo project.

8.1.4 Opportunities for Youth Employment (OYE) Project

ZADT continued to implement the OYE project in 2022 in partnership with SNV on the access to finance pillar. Under the collaboration Agreement ZADT is providing training to youths for agriculture production (crop, livestock, and poultry), energy and energy related enterprises on a cost recovery basis and any other sectors. ZADT also assists beneficiaries in developing bankable business plans preparing them to access credit facilities from financial institutions, including ZADT itself. Up to end of 2022, ZADT had trained a cumulative total of 46 youths against a target of 50, on entrepreneurship, financial literacy, and access to finance.

ZADT Report (continued)

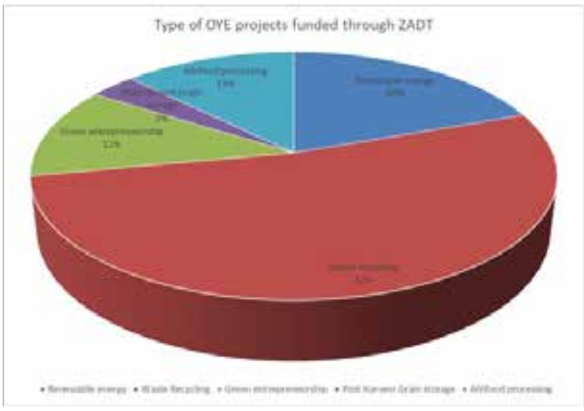


Figure 11: Types of OYE projects funded through ZADT.

The distribution (by value) of the OYE portfolio across the types of projects as at 31 December 2022 is presented in figure 11. Out of a project funding of US$100,000 (of which 50% is from ZADT) the total disbursements stood at US$59,370 (59.4%).

One of the major objectives of the OYE programme is employment creation. The programme set that each funded business be able to generate 5 additional jobs. In 2022 the programme target was that 45 businesses would have been funded implying a total of 225 jobs created. However, because of challenges in the performance of funded businesses, the funds have not been recovered fast enough into the revolving pot to enable other youths to access. The challenges faced by the funded businesses include unreliable markets for the products. Out of the seven businesses funded by the end of December 2022 21 jobs had been created after accessing finance from ZADT against a possible 35 jobs giving a 60% achievement.

One of the funded youth businesses, Unique Innovations (Pvt) Ltd trading as TEMP-BAG specializes in the manufacturing and distribution of thermal retention bags which have a triple function of Cooker, Warmer and Cooler. The business is performing well and in terms of employment, it has grown from a staff complement of seven at the time of accessing funding to 20 at the end of December 2022. The business has therefore created 13 jobs which is 8 more than the targeted 5 under the programme.

Figure 12: Super-cooler bags by Temp Bag

Capacity utilization for Temp-Bag has grown from 68% at the beginning of the year to 92%. The average for all the OYE funded businesses was 56% compared to the national industrial average of 63%. Because of the growth Temp Bag business had to move their manufacturing activities to bigger premises in December 2022.

8.1.5 Strengthening Competitiveness and Potential for Export for Inclusive Value Chains in Zimbabwe (SCOPE 4IVC)

ZADT was contracted by Welthungerhilfe (WHH) to provide capacity building services to identified agribusinesses. The objectives of the Program were to deliver training on value chain financing, preparation of bankable business plans as well as to link the SMEs to financial institutions for funding. ZADT managed to conduct training on the targeted agribusiness SMEs on preparation of business plans. Because of the differences in the stages of business development one-on-one trainings were done on record keeping, bookkeeping, and preparing financial statements with the SMEs.

The project ended mid-2022, by which time ZADT had mentored the trained businesses on development of bankable business plans. However, due to reduced lending capacity ZADT managed to fund only one of the businesses during the year. The mentored businesses were capacitated to approach local financial institutions to get access to finance.

ZADT Report (continued)

9 | Governance of the Trust

9.1 Board of Trustees

Responsibility over the ZADT is invested in the Board of Trustees. There were six members constituting the ZADT Board comprising of three women and three men. In 2022 there were no changes in the composition of the Board. The Board provided due oversight to the Secretariat ensuring that the Trust remained in its mandate of supporting smallholder Agriculture. The members of the Board of Trustees in 2022 and their brief profiles are presented below.

Rachel Kupara: Board Chairperson Rachel Kupara is a Chartered Accountant with 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 on the 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

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.

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.

ZADT Report (continued)

9.1 Board of Trustees (continued)

Leif Reeckmann: Board Member. Leif is a Danish national equipped with a background in farming, dairy, 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.

Kennedy Mugochi: Board Member. Kennedy 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

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.

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.

ZADT Report (continued)

9.2 ZADT Secretariat

Figure 13: ZADT Secretariat

The Secretariat, an autonomous management body appointed in 2013, runs the day-to-day operations of the Trust. A Chief Executive Officer heads it. The Secretariat is comprised of three units namely Investments, Finance and Administration, and Monitoring Evaluation Accountability and Learning. The Heads of these three units report directly to the Chief Executive Officer who is accountable to the Board of Trustees who provide oversight and support to the Secretariat.

There was restructuring of the staff organogram during the year to bring about efficiency and sustainability of the operations of the Trust. In June 2022, the Trust established a core staff team comprising of the Chief Executive Officer, the Investments Manager, the Finance and Administration Manager and the Monitoring Evaluation, Accountability and Learning Officer. Interns support this core staff. All staff positions that were not part of the core staff were abolished at the end of June 2022. At the end of December 2022, the staff complement stood at eight (8), see Figure 13.

10 | Financial Statements

for the Year ended 31 December 2022

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 Ecobank
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 - Investment Manager Morris Mudiwa - M & E and Risk & Compliance Officer Phillipa Mukwenha - Finance and Adminstration Manager
Main Funders	Danish International Development Agency ("DANIDA") Foreign Commonwealth Development Office ("FCDO") Ford Foundation DanChurchAid ("DCA")
Preparer	Phillipa Mukwenha [Finance and Administration Manager]

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Financial Statements

for the Year ended 31 December 2021

Trustees' Responsibility and Approval

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.

The Trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

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 Trustees have reviewed the trust's cash flow forecast for the year to 31 December 2023 and, in light of this review and the current financial position, they are satisfied that the trust has or had access to adequate resources to continue in operational existence for the foreseeable future.

The Trust's independent auditor, Nolands Chartered Accountants (Zimbabwe), has audited the financial statements and their report appears on page 32-33.

"The financial statements set out on pages 34 to 63, which have been prepared on the going concern basis, were approved by the Board of Trustees on 27 March 2023 and were signed on its behalf by:

Rachel Pfungwa Kupara
Board Chairperson

Ruramai Godfrey Chinoera
[Chief Executive Officer]

Board of Trustees' report

Trustees' Governance Report

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

The Trust Deed stipulates the size and composition of the Board of Trustees. The Deed provides for a maximum of eight members. Three of the members shall be appointees of founders and investors/donors as follows: - one representing SNV, another representing Hivos, and the third appointee representing Donors/Investors. The CEO of the Trust is an ex officio member. The other four members shall comprise independent Zimbabwean Trustees. The Chairperson is appointed by the founders and investors/donors in the Trust. A Trustee who has served on the Board for a period of six years is not eligible for re-election. In 2022 there were no changes to the ZADT Board.

Board Committees

The Board has reserved certain matters for its exclusive mandate and has approved delegated authority for specific matters to various committees. There are three Committees namely Investments, Human Resources (HR), and Audit, Risk and Compliance. All the Committees have formal Terms of Reference which are subject to annual review. The Board monitors the Trust's activities through these Committees which review and report on, inter alia, key risks, opportunity areas, operational, financial, and non-financial aspects.

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

I would like to sincerely appreciate our Development Partners namely DANIDA, FCDO, the Ford Foundation and DCA for the financial support which they provided. This has enabled us to continue positively impacting on the livelihoods of smallholder farmers and linked agribusiness SMEs.

The operating environment in which the Trust discharged its mandate in the year under review was dynamic and largely remained a challenge for most businesses. I would like to take this opportunity to thank my fellow Trustees together with the entire Secretariat Team for the good work done to deliver value to target beneficiaries. I would also like to extend my appreciation to all our clients and business partners for the invaluable support rendered during the year 2022. With such continued support I am hopeful that the Trust will continue to scale even greater heights of achievement in 2023.

Rachel P Kupara
Board Chairperson

Independent auditor's report

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W www.nolands.co.zw

Nolands
NOT YOUR ORDINARY AUDITORS

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 2022, and the Statement of Surplus or Deficit and Other 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 38 to 63.

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 2022, and its financial performance and cash flows for the year then ended in accordance with the provisions set out on accounting policy 2.1.

Basis for Adverse Opinion

Comparative information and Opening balances

The prior year financial statements for the year ended 31 December 2021 had an Adverse opinion basing on improper application of "The Effect of Changes in Foreign Exchange Rates" and unaudited investment in unlisted shares. Due to this, the opening balances for property and equipment, Investment in unlisted shares, reserves, and revolving fund as at 1 January 2022 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 2022 entered into the determination of the financial performance, changes in reserves and cash flows for the financial year ended 31 December 2022, adjustments might have been necessary in respect of the current year financial statements of the Trust.

Inflation adjusted amounts in terms of Financial Reporting in Hyperinflationary Economies, were arrived at basing on misstated historical amounts, consequently, corresponding numbers on the inflation adjusted Statement of Surplus or Deficit 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.

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 Trust 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.

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 provisions set out on accounting policy 2.1, 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 Trust'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 Trust's financial reporting process.

Independent auditor’s report

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 Trust'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 Trust'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 Trust 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 2022

Figures in ZWL Dollars	Note(s)	Inflation adjusted		Historical	
		2022	2021	2022	2021
Assets					
Non-Current Assets					
Property and equipment	4	473,429,599	249,520,548	404,039,526	40,430,614
Investments in equities	5	1,850,412,213	901,683,062	1,850,412,213	254,965,737
Trade and other receivables	6	1,075,329	587,392	1,075,329	170,753
Financial assets	7	3,627,158,943	2,905,137,219	3,627,158,943	844,516,633
		5,952,076,084	**4,056,928,220**	**5,882,686,011**	**1,140,083,738**
Current Assets					
Trade and other receivables	6	40,739,944	37,278,730	40,705,045	10,836,840
Financial assets	7	367,980,626	113,345,905	367,980,626	32,949,391
Cash and cash equivalents	8	106,813,806	94,994,672	106,813,806	27,614,730
		515,534,376	**245,619,307**	**515,499,478**	**71,400,961**
Total Assets		**6,467,610,460**	**4,302,547,527**	**6,398,185,489**	**1,211,484,699**
Reserves and Liabilities					
Reserves					
Revaluation reserve		504,331,765	249,272,368	412,359,178	45,076,378
Accumulated fund		3,140,744,791	1,082,562,766	3,163,292,407	302,871,706
		3,645,076,556	**1,331,835,134**	**3,575,651,585**	**347,948,083**
Liabilities					
Current Liabilities					
Revolving fund	9	2,763,063,240	2,943,276,507	2,763,063,240	855,603,636
Trade and other payables	10	59,470,664	27,435,886	59,470,664	7,932,980
Total Liabilities		**2,822,533,904**	**2,970,712,393**	**2,822,533,904**	**863,536,616**
Total Reserves and Liabilities		**6,467,610,460**	**4,302,547,527**	**6,398,185,489**	**1,211,484,699**

The financial statements set out on pages 34 to 63, which have been prepared on the going concern basis, were approved by the Board of Trustees on 27 March 2023 and were signed on its behalf by:

Rachel Pfungwa Kupara
Board Chairperson

Faith Chipiwa Mberi
Board Audit, Risk & Compliance Committee Chairperson

Statement of Surplus or Deficit and Other Comprehensive Income

for the Year ended 31 December 2022

Figures in ZWL Dollars	Note(s)	Inflation adjusted		Historical	
		2022	2021	2022	2021
Revenue	11	106,201,447	74,180,246	78,544,436	16,913,112
Other operating gains	12	3,162,775,487	688,800,523	2,937,143,411	160,679,443
Other operating expenses	13	(238,107,032)	(113,864,275)	(153,136,101)	(30,207,741)
Operating surplus		**3,030,869,902**	**649,116,493**	**2,862,551,746**	**147,384,814**
Monetary (loss) / gain		(969,351,850)	3,168,516,063	-	-
Finance costs	13	(3,336,027)	(3,333,891)	(2,131,045)	(426,997)
Loss in associate		-	(606,476)	-	(176,301)
Surplus / (deficit) for the year		**2,058,182,025**	**3,813,692,189**	**2,860,420,701**	**146,781,516**
Other comprehensive income:					
Gains on revaluation of assets	4	255,059,397	-	367,282,800	-
Other comprehensive income for the year		**255,059,397**	**-**	**367,282,800**	**-**
Total comprehensive income for the year		**2,313,241,423**	**3,813,692,190**	**3,227,703,502**	**146,781,517**

Statement of Changes in Reserves

for the Year ended 31 December 2022

Figures in ZWL Dollars	Revaluation Reserve	Accumulated Fund	Total Reserves
Inflation adjusted			
Balance at 01 January 2021	**249,272,368**	**(2,731,129,424)**	**(2,481,857,056)**
Surplus for the year	-	3,813,692,190	3,813,692,190
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	**3,813,692,190**	**3,813,692,190**
Balance at 31 December 2021	**249,272,368**	**1,082,562,766**	**1,331,835,134**
Surplus for the year	-	2,058,182,025	2,058,182,025
Other comprehensive income	255,059,397	-	255,059,397
Total comprehensive income for the year	**255,059,397**	**2,058,182,025**	**2,313,241,422**
Balance at 31 December 2022	**504,331,765**	**3,140,744,791**	**3,645,076,556**

Historical	Revaluation Reserve	Accumulated Fund	Total Reserves
Balance at 01 January 2021	**45,076,378**	**156,090,190**	**201,166,567**
Surplus for the year	-	146,781,516	146,781,516
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**146,781,516**	**146,781,516**
Balance at 31 December 2021	**45,076,378**	**302,871,706**	**347,948,083**
Surplus for the year	-	2,860,420,701	2,860,420,701
Other comprehensive income	367,282,800	-	367,282,800
Total comprehensive income for the year	**367,282,800**	**2,860,420,701**	**3,227,703,502**
Balance at 31 December 2022	**412,359,178**	**3,163,292,407**	**3,575,651,585**

Statement of Cash Flows

for the Year ended 31 December 2022

Figures in ZWL Dollars	Note(s)	Inflation adjusted		Historical	
		2022	2021	2022	2021
Cash flows from operating activities					
Surplus / (deficit) for the year		**2,058,182,025**	**3,813,692,189**	**2,860,420,701**	**146,781,516**
Adjustments for:					
Depreciation and amortisation	4	15,821,834	33,951,476	6,212,960	5,787,227
Fair value gains	12	(1,891,094,898)	(643,880,274)	(1,727,786,156)	(147,678,962)
Share of profits in associates		-	606,476	-	176,301
Inflation adjustments		18,129,642	(6,468,072,900)	-	-
Exchange gains	12	(1,211,881,105)	(16,143,263)	(1,145,644,758)	(4,949,876)
Finance costs	13	3,336,027	3,333,891	2,131,045	426,997
Leave pay		1,772,089	1,772,089	1,278,501	506,609
Loss on disposal		-	360,543	-	80,711
Impairment expense		-	430,198	-	91,794
Bad debts		-	50,002	-	14,536
Expected credit losses		25,847,349	(3,491,321)	22,540,462	(806,310)
Changes in working capital:					
Loans		-	15,703,356	-	2,839,667
Trade and other receivables	6	(3,949,151)	73,697,966	(30,772,781)	(3,259,920)
Financial assets	7	(793,116,230)	876,568,551	(2,990,694,102)	(211,611,994)
Trade and other payables	10	30,262,689	25,663,798	50,259,183	51,031,075
Cash generated from operations		**(1,746,689,729)**	**(2,285,757,223)**	**(2,952,054,944)**	**(160,570,629)**
Finance costs		(3,336,027)	(3,333,891)	(2,131,045)	(426,997)
Net cash from operating activities		**(1,750,025,756)**	**(2,289,091,114)**	**(2,954,185,991)**	**(160,997,626)**
Cash flows from investing activities					
Purchase of property and equipment	4	(2,801,130)	(1,229,425)	(2,539,070)	(829,032)
Movement in equity investments	7	732,978,183	1,572,796,336	(17,180,225)	2,576,000
Net cash from investing activities		**730,177,053**	**1,571,566,911**	**(19,719,295)**	**1,746,968**
Cash flows from financing activities					
Capital fund replenishment and recoveries	9	(180,213,267)	781,137,498	1,907,459,604	179,159,977
Cash from financing activities		**(180,213,267)**	**781,137,498**	**1,907,459,604**	**179,159,977**
Total movement for the year		**(1,200,061,971)**	**63,613,295**	**(1,066,445,682)**	**19,909,319**
Cash at the beginning of year		94,994,672	15,238,114	27,614,730	2,755,536
Effects of exchange gains		1,211,881,105	16,143,263	1,145,644,758	4,949,876
Total cash at end of the year	**8**	**106,813,806**	**94,994,672**	**106,813,806**	**27,614,730**

Accounting policies

for the Year ended 31 December 2022

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

These accounting policies are consistent with the previous period. The financial statements have been prepared in line with entity specific accounting policies, the requirements of Private Voluntary Organisation Act (Chapter 17:05) and the Trust Deed. The basis of accounting and the presentation and disclosures contained in these financial statements are entity specific and are not intended to, and do not, comply with all the requirements of the International Financial Reporting Standards. The financial statements have been prepared in line with the requirements of the Trust Deed.

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 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$. Items included in the financial statements of the Trust are measured using the currency of primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Zimbabwean Dollars (ZWL$), 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 which use Zimbabwean Dollars as their functional currency, on the application of Financial Reporting in Hyperinflationary Economies Standard 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 hyperinflation reporting 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.

Sources of price index

Indices used were obtained from the Zimbabwe Statistical Office for the period from February 2009 to December 2022:

Year	Indices	Average indices	Conversion factor
December 2021	3977.46	3135.22	3.44
December 2022	13,672.91	9,198.69	1

Accounting policies (continued)

for the Year ended 31 December 2022

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 16.

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.

Accounting policies (continued)
for the Year ended 31 December 2022

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 surplus or deficit 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 surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit 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 reserves.

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	10 years
Motor vehicles	Straight	4 years
Office equipment	Straight	3 years
ICT Systems	Straight	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

Accounting policies (continued)

for the Year ended 31 December 2022

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 surplus or deficit. (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 surplus or deficit.

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 surplus or deficit. (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 surplus or deficit).

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.

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.

Accounting policies (continued)

for the Year ended 31 December 2022

2.8 Financial instruments (continued)

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.

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).

Accounting policies (continued)

for the Year ended 31 December 2022

2.8 Financial instruments (continued)

Loans receivable at amortised cost (continued)

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 surplus or deficit.

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.

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.

Accounting policies (continued)

for the Year ended 31 December 2022

2.8 Trade and other receivables (continued)

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.

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.

Accounting policies (continued)

for the Year ended 31 December 2022

2.8 Financial instruments (continued)

Trade and other receivables (continued)

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 surplus or deficit.

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 surplus or deficit 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.

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).

Accounting policies (continued)

for the Year ended 31 December 2022

2.8 Financial instruments (continued)

Trade and other receivables (continued)

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 surplus or deficit.

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.

Accounting policies (continued)

for the Year ended 31 December 2022

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.

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.

Accounting policies (continued)

for the Year ended 31 December 2022

2.10 Revenue (continued)

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.

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 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.

Accounting policies (continued)
for the Year ended 31 December 2022

2.14 Provisions and contingencies

- 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.

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.

Accounting policies (continued)

for the Year ended 31 December 2022

2.15 Translation of foreign currencies (continued)

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.

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 surplus or deficit.

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 2022

Figures in ZWL Dollars

4 Property and equipment

	Inflation adjusted					
	31-Dec-22			31-Dec-2		
	Cost / Valuation	Accumulated depreciation	Carrying Value	Cost / Valuation	Accumulated depreciation	Carrying Value
Land	53,088,000	-	53,088,000	53,088,000	-	53,088,000
Buildings	221,577,378	-	221,577,378	76,845,303	(1,921,133)	74,924,171
Furniture and Fixtures	10,962,797	(7,530,660)	3,432,137	10,946,011	(6,170,446)	4,775,565
Motor vehicles	170,400,000	-	170,400,000	121,124,806	(28,604,932)	92,519,874
Office Equipment	39,474,582	(14,542,499)	24,932,084	36,690,239	(12,477,301)	24,212,938
Total	**495,502,757**	**(22,073,158)**	**473,429,599**	**298,694,358**	**(49,173,811)**	**249,520,548**

Reconciliation of property and equipment - 31 December 2022

	Opening balance	Revaluation	Disposals	Additions	Depreciation	Total
Land	53,088,000	-	-	-	-	53,088,000
Buildings	74,924,171	148,574,340	-	-	(1,921,133)	221,577,378
Furniture and Fixtures	4,775,565	-	-	16,786	(1,360,214)	3,432,137
Motor vehicles	92,519,874	106,485,058	-	-	(28,604,932)	170,400,000
Office Equipment	24,212,938	-	-	2,784,344	(2,065,198)	24,932,084
Total	**249,520,548**	**255,059,397**	**-**	**2,801,130**	**(33,951,476)**	**473,429,599**

Reconciliation of property and equipment - 31 December 2021

	Opening balance	Revaluation	Disposals	Additions	Depreciation	Total
Land	53,088,000	-	-	-	-	53,088,000
Buildings	76,845,303	-	-	-	(1,921,133)	74,924,171
Furniture and Fixtures	6,068,974	-	-	-	(1,293,409)	4,775,565
Motor vehicles	121,124,806	-	-	-	(28,604,932)	92,519,874
Office Equipment	4,217,174	-	(187,993)	1,229,425	18,954,333	24,212,938
ICT Systems	2,956,694	-	-	-	(2,956,694)	-
Total	**264,300,950**	**-**	**(187,993)**	**1,229,425**	**(15,821,834)**	**249,520,548**

Notes to the Financial Statements (continued)

for the Year ended 31 December 2022

Figures in ZWL Dollars

4 Property and equipment (contij5

nued)

	Historical					
	31-Dec-22			31-Dec-21		
	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	221,577,378	-	221,577,378	13,875,000	(346,875)	13,528,126
Furniture and Fixtures	69,638	(34,728)	34,910	52,851	(28,690)	24,162
Motor vehicles	170,400,000	-	170,400,000	21,870,000	(5,164,837)	16,705,163
Office Equipment	3,539,236	(1,111,997)	2,427,239	1,016,952	(443,787)	573,164
Total	**405,186,251**	**(1,146,725)**	**404,039,526**	**46,414,803**	**(5,984,189)**	**40,430,614**

Reconciliation of property and equipment - 31 December 2022

	Opening balance	Revaluation	Disposals	Additions	Depreciation	Total
Land	9,600,000	-	-	-	-	9,600,000
Buildings	13,528,126	208,396,127	-	-	(346,875)	221,577,378
Furniture and Fixtures	24,162	-	-	16,786	(6,038)	34,910
Motor vehicles	16,705,163	158,886,673	-	-	(5,191,837)	170,400,000
Office Equipment	573,164	-	-	2,522,284	(668,210)	2,427,239
Total	**40,430,614**	**367,282,801**	**-**	**2,539,070**	**(6,212,960)**	**404,039,526**

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		-	-	(5,164,837)	16,705,163
Office Equipment	131,134	-	(116,766)	829,032	(270,235)	573,165
Total	**45,505,576**	**-**	**(116,766)**	**829,032**	**(5,787,227)**	**40,430,614**

The Trust's motor vehicles and land and buildings are stated at revalued amounts. Refer to note 16 for specific details regarding the valuation of these assets.

Notes to the Financial Statements (continued)

for the Year ended 31 December 2022

Figures in ZWL Dollars	Note(s)	Inflation adjusted		Historical	
		2022	2021	2022	2021
5. Investments in equities					
Listed shares		128,617,417	137,596,343	128,617,417	39,998,937
Unlisted shares		**1,721,794,796**	**764,086,718**	**1,721,794,796**	**214,966,800**
		1,850,412,213	**901,683,062**	**1,850,412,213**	**254,965,737**
Listed shares					
Old Mutual Zimbabwe Limited		33,546,233	24,842,015	33,546,233	7,221,516
Padenga Holdings Limited		29,373,066	14,701,226	29,373,066	4,273,612
Econet Wireless Limited		12,405,439	37,676,617	12,405,439	10,952,505
Innscor Africa Limited		40,185,173	31,456,085	40,185,173	9,144,211
Cassava Smartech Zimbabwe Limited		2,773,820	9,677,365	2,773,820	2,813,188
SEED Company of Zimbabwe Limited		1,281,729	6,245,987	1,281,729	1,815,694
Axia		6,750,817	6,274,680	6,750,817	1,824,035
OK Zimbabwe Limited		2,301,141	6,722,367	2,301,141	1,954,177
		128,617,417	**137,596,343**	**128,617,417**	**39,998,937**
Unlisted shares					
Smartsurburb (Private) Limited		1,701,853,344	729,987,170	1,701,853,344	212,205,573
Marirangwe United Bush Dairy*		19,941,452	34,099,548	19,941,452	2,761,227
		1,721,794,796	**764,086,718**	**1,721,794,796**	**214,966,800**
		1,850,412,213	**901,683,062**	**1,850,412,213**	**254,965,737**

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

Figures in ZWL Dollars	Note(s)	Inflation adjusted 2022	Inflation adjusted 2021	Historical 2022	Historical 2021
6. Trade and other receivables					
Financial instruments:					
Income receivable		297,982	11,446,570	297,982	3,327,491
Staff loans		1,440,852	881,390	1,440,852	256,218
Partners projects receivables	14	37,974,488	22,445,605	37,939,590	6,524,885
		39,713,322	**34,773,564**	**39,678,423**	**10,108,594**
Non financial instruments:					
Prepayments		2,101,951	3,092,558	2,101,951	898,999
		2,101,951	3,092,558	2,101,951	898,999
Total trade and other receivables		**41,815,272**	**37,866,122**	**41,780,374**	**11,007,594**
Split between current and non current co-investments					
Current		40,739,944	37,278,730	40,705,045	10,836,840
Non-current		1,075,329	587,392	1,075,329	170,753
		41,815,272	**37,866,122**	**41,780,374**	**11,007,594**
7. Financial assets					
Long term investments					
Co-investments	7.1	992,325,967	594,383,924	992,325,967	172,786,024
Other financial assets	7.3	-	2,235,390,019	-	649,822,680
Treasury bills	7.4	2,550,106,488	-	2,550,106,488	-
Investments with participating financial institutions		84,726,489	75,363,276	84,726,489	21,907,929
		3,627,158,943	**2,905,137,219**	**3,627,158,943**	**844,516,633**
Short-term investments					
Co-investments	7.1	328,607,371	102,366,306	328,607,371	29,757,647
Partners projects investments	14	5,841,585	-	5,841,585	-
Other financial assets	7.2	33,531,669	10,979,600	33,531,669	3,191,744
		367,980,626	113,345,905	367,980,626	32,949,391
		3,995,139,569	**3,018,483,124**	**3,995,139,569**	**877,466,025**

Notes to the Financial Statements (continued)

for the Year ended 31 December 2022

Figures in ZWL Dollars	Note(s)	Inflation adjusted 2022	Inflation adjusted 2021	Historical 2022	Historical 2021
7. Financial assets (continued)					
7.1 Co- investments					
The co-investments are disaggregated as follows:					
Nurture Finance (Pvt) Limited		83,469,534	76,564,864	83,469,534	22,257,228
Viridi Solutions (Pvt) Limited		10,146,835	4,499,346	10,146,835	1,307,949
Orangerose Investments (Pvt) Ltd		7,961,499	3,452,624	7,961,499	1,003,670
Upcycle Goromonzi (Pvt) Limited		4,864,132	2,125,422	4,864,132	617,855
Unique Innovations (Pvt) Limited		-	4,747,596	-	1,380,115
Blue Agri (Pvt) Limited		866,055,204	458,116,026	866,055,204	133,173,263
Kalimba Investments (Pvt) Limited		80,756,638	47,554,102	80,756,638	13,823,867
MC Meats (Pvt) Limited		127,895,134	19,525,804	127,895,134	5,676,106
Noble Gold Private Limited		1,487,852	-	1,487,852	-
Chia Growers Zimbabwe (Pvt) Limited		15,095	-	15,095	-
Machiareer Investments (Pvt) Limited		160,821,878	80,164,445	160,821,878	23,303,618
Expected credit losses		(22,540,462)	-	(22,540,462)	-
Total		**1,343,473,801**	**696,750,230**	**1,320,933,338**	**202,543,671**

Split between current and non current co-investments.

Current	328,607,371	102,366,306	328,607,371	29,757,647
Non-current	992,325,967	594,383,924	992,325,967	172,786,024
	1,320,933,338	**696,750,230**	**1,320,933,338**	**202,543,671**

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.

7.2 Other financial assets

Danish Consul^	30,830,814	10,979,600	30,830,814	3,191,744
Gold coins*	2,700,856	-	2,700,856	-
	33,531,669	**10,979,600**	**33,531,669**	**3,191,744**

^The funds are held by Danish Consul on behalf of the Trust. The funds do not earn interest and are accessible for use by the Trust without any restrictions.

*The gold coins are valued at fair market value determined in terms of level 1 fair value hierarchy.

7.3 Other financial assets of ZWL$2 235 390 019 relate to blocked funds receivable from the Reserve Bank of Zimbabwe. These funds were converted to Treasury Bills in 2022 as per note 7.4 below.

7.4 The Treasury Bills of ZWL$2 550 106 488 relate to blocked funds which were due and payable on 22 February 2019 from the Reserve Bank of Zimbabwe (RBZ), when the authorities promulgated SI33/2019 which introduced the ZWL$ currency, which resulted in conversion of foreign denominated balances of the Trust to ZWL$ at 1:1. The foreign balances were registered and approved by the RBZ. The Treasury Bills were issued on 8 November 2022 at face value, with zero interest and have differing maturity tenures ranging from August 2025 to November 2034. In compliance with IFRS 9, the blocked funds were derecognised and the treasury bills were recognised. Refer to note 16 for valuation methodology.

8 Cash and cash equivalents

Cash and cash equivalents consists of :

	Note(s)	Inflation adjusted 2022	Inflation adjusted 2021	Historical 2022	Historical 2021
Cash on hand		30,479,479	47,550,643	30,479,479	13,822,861
Partners projects cash on hand	14	10,630,806	8,414,999	10,630,806	2,446,221
Bank balances		9,873,207	9,457,054	9,873,207	2,749,144
Money market investments		-	24,080,000	-	7,000,000
Partners projects bank balances	14	55,830,315	5,491,976	55,830,315	1,596,505
		106,813,806	**94,994,672**	**106,813,806**	**27,614,730**

Notes to the Financial Statements (continued)

for the Year ended 31 December 2022

Figures in ZWL Dollars	Note(s)	Inflation adjusted 2022	Inflation adjusted 2021	Historical 2022	Historical 2021
9. Revolving fund					
Opening balances 1 January		**2,943,276,507**	**2,162,139,008**	**855,603,636**	**676,443,659**
Capital fund replenishment*		-	781,137,498	1,907,459,604	179,159,977
Agriseeds recovery		-	-	-	-
Capital fund drawdown		(180,213,267)	-	-	-
Closing balance 31 December		**2,763,063,240**	**2,943,276,507**	**2,763,063,240**	**855,603,636**
*The capital fund drawdown of $180 213 267 (2021: 781 137 498) resulted from revaluation gain on blocked funds as at year end.					
10. Trade and other payables					
Financial instruments:					
Trade payables		1,438,852	1,411,649	1,438,852	410,363
Audit fees		3,288,460	1,405,982	3,288,460	408,716
Pay As You Earn		7,661	1,154,357	7,661	335,569
Pension and leave pay provision		1,889,615	2,692,896	1,889,615	782,819
Partners projects payables	14	52,697,828	20,750,728	52,697,828	5,989,620
Salaries		148,248	20,273	148,248	5,893
		59,470,664	**27,435,886**	**59,470,664**	**7,932,980**
Components of financial instruments					
At amortised cost		**59,470,664**	**27,435,886**	**59,470,664**	**7,932,980**
11. Revenue					
Revenue from contracts with customers					
Rendering of services		**106,201,447**	**74,180,246**	**78,544,436**	**16,913,112**
The Trust disaggregates revenue from customers as follows:					
Rendering of services					
Interest from loans		-	1,882,399	-	397,101
Income from co-Investments		89,644,825	58,054,571	66,519,391	13,160,660
Accrued interest income		-	197,492	-	57,410
Dividend and Interest from short term investments		16,556,623	14,032,712	12,025,045	3,294,141
Guarantees		-	13,072	-	3,800
		106,201,447	**74,180,246**	**78,544,436**	**16,913,112**
Timing of revenue recognition					
Over time					
Rendering of services		106,201,447	74,180,246	78,544,436	16,913,112
Total revenue from contracts with customers		**106,201,447**	**74,180,246**	**78,544,436**	**16,913,112**
12. Other operating gains (losses)					
Bad debts recovered		-	2,773,705	-	806,310
Exchange gains / (loss)		1,211,881,105	16,143,263	1,145,644,758	4,949,876
Fair value gains on equity investments		192,059,563	106,819,788	88,618,480	24,499,951
Fair value gains on investment properties		1,489,647,771	361,703,415	1,489,647,771	82,959,499
Fair value gains on co-investments		209,387,564	175,357,072	149,519,905	40,219,512
Clearing income		2,079,434	-	931,050	-
Partners projects income	14	57,720,050	26,003,281	62,781,446	7,244,296
		3,162,775,487	**688,800,523**	**2,937,143,411**	**160,679,443**

Notes to the Financial Statements (continued)

for the Year ended 31 December 2022

Figures in ZWL Dollars	Note(s)	Inflation adjusted 2022	Inflation adjusted 2021	Historical 2022	Historical 2021
13. Surplus for the year					
Operating surplus / (deficit) for the year is stated after charging (crediting) the following, amongst others:					
Auditor's remuneration - external					
Audit fees		7,451,384	1,864,390	6,411,848	420,000
Remuneration, other than to employees					
Consulting and professional services		3,752,965	1,423,754	2,762,799	323,000
Employee costs					
Salaries, wages and bonuses		90,309,234	33,751,859	65,588,114	9,107,917
Staff allowances		4,406,766	4,693,935	2,821,301	1,133,700
Overtime		15,126	-	4,959	-
Medical aid		7,416,378	5,983,799	4,399,221	1,416,217
Leave pay		1,278,501	1,772,089	1,278,501	506,609
Retirement benefit plans: defined contributions		7,748,668	3,046,583	5,403,399	728,057
Total employee costs		**111,174,673**	**49,248,265**	**79,495,495**	**12,892,500**
Depreciation and amortisation					
Depreciation of property and equipment		33,951,476	15,821,834	6,212,960	5,787,227
Total depreciation and amortisation		**33,951,476**	**15,821,834**	**6,212,960**	**5,787,227**
Movement in credit loss allowances					
Trade and other receivables		**25,847,349**	**(3,491,321)**	**22,540,462**	**(806,310)**
Finance costs					
Bank charges		3,336,027	667,549	2,131,045	159,034
Intermediate Money Transfer Tax		-	2,316,652	-	191,961
Financial asset charges		-	349,690	-	76,002
Total finance costs		**3,336,027**	**3,333,891**	**2,131,045**	**426,997**

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:

	Inflation adjusted 2022	Inflation adjusted 2021	Historical 2022	Historical 2021
Employee costs	111,174,673	49,248,265	79,495,495	12,892,500
Finance costs	3,336,027	3,333,891	2,131,045	426,997
Depreciation, amortisation and impairment	33,951,476	15,821,834	6,212,960	5,787,227
Other expenses	68,207,342	48,794,176	57,707,590	11,528,015
	241,443,060	**117,198,166**	**145,547,090**	**30,634,738**

Notes to the Financial Statements (continued)

for the Year ended 31 December 2022

Figures in ZWL Dollars	Note(s)	Inflation adjusted		Historical	
		2022	2021	2022	2021
13. Surplus for the year (continued)					
Operating surplus / (deficit) for the year is stated after charging (crediting) the following, amongst others:					
13.1 Other expenses					
Loss on disposal of non-current assets		-	360,543	-	80,711
Impairment expense		-	430,198	-	91,794
Audit fees		7,451,384	1,864,390	6,411,848	420,000
Advertising & marketing		-	988,187	-	240,671
Meetings expenses		2,021,973	3,151,194	1,714,416	798,906
Business Development Meetings		1,175,986	-	1,130,756	-
Value chain actors strategic partners		-	121,930	-	27,909
Annual reports concepts		783,794	974,116	637,107	220,375
Review of website		77,288	-	77,288	-
Board Fees and other expenses		4,424,022	2,105,344	3,474,740	545,219
Cleaning and teas		1,171,954	285,570	626,577	70,470
Computer network and internet expenses		2,260,706	2,198,793	1,434,642	496,015
Consulting fees		1,985,506	65,413	1,507,601	17,000
IT Consultancy Costs		1,767,458	1,358,341	1,255,199	306,000
Courier & postage		-	27,350	-	6,407
Bad debts		-	50,002	-	14,536
Expected credit losses		25,847,349	-	22,540,462	-
Meadows		2,029,783	-	2,029,783	-
Electricity & water		4,355,116	4,026,188	3,271,592	905,358
Training and record keeping		74,400	-	30,000	-
General expenses		67,371	14,422	46,796	3,460
Insurance		3,665,756	2,807,684	2,285,296	625,382
Legal Fees		697,852	891,797	223,161	198,898
Motor vehicle expenses		6,424,068	7,111,221	4,219,329	1,579,395
Printing & stationery		202,181	287,834	432,178	65,712
Repairs & maintenance		6,662,074	2,416,351	1,290,260	580,661
Security		3,028,811	4,377,933	2,456,229	1,014,356
Telephone & fax		584,981	657,206	382,200	153,583
Contingencies		225,526	308,595	117,928	63,653
Travel & accommodation		-	129,348	-	26,227
Monitoring visits		313,023	270,993	112,205	59,089
Partners projects expenses	14	15,682,521	11,513,231	9,720,056	2,916,228
		92,980,883	**48,794,176**	**67,427,646**	**11,528,015**

14. Partners' Projects

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

	Inflation adjusted 2022	Inflation adjusted 2021	Historical 2022	Historical 2021
14.1 DanChurchAid (DCA)				
Current Assets				
Cash on hand	5,203,711	-	5,203,711	-
Loans to 39 Dzumbunu Farmers	21,989,050	6,583,494	21,989,050	1,913,806
	27,192,761	**6,583,494**	**27,192,761**	**1,913,806**
Current Liabilities				
DanChurchAid	27,192,761	6,583,494	27,192,761	1,913,806
	27,192,761	**6,583,494**	**27,192,761**	**1,913,806**
Net assets	-	-	-	-

Notes to the Financial Statements (continued)

for the Year ended 31 December 2022

Figures in ZWL Dollars	Note(s)	Inflation adjusted 2022	Inflation adjusted 2021	Historical 2022	Historical 2021
14. Partners' Projects (continued)					
Operating surplus / (deficit) for the year is stated after charging (crediting) the following, amongst others:					
14.2 International Maize and Wheat Improvement Center (CIMMYT)					
Income					
Grant		747,157	5,063,727	501,448	1,431,695
Monetary gain / (loss)		(2,086,452)	-	-	-
Exchange gain / (loss)		3,339,637	(728,392)	2,241,367	(82,465)
		2,000,342	**4,335,335**	**2,742,815**	**1,349,229**
Expenditure					
Travel & accommodation		658,583	317,739	442,002	76,892
Fuel Costs		863,322	319,235	579,411	76,436
Vehicle Hire		1,317,401	601,387	884,162	149,003
Administration fees		230,761	20,560	154,873	4,639
Level of effort		2,610,990	1,062,580	1,752,343	273,252
		5,681,057	**2,321,501**	**3,812,790**	**580,222**
Surplus / (deficit)		(3,680,715)	2,013,833	(1,069,975)	769,007
Opening retained income		3,680,715	1,666,882	1,069,975	300,968
Closing retained income		**-**	**3,680,715**	**-**	**1,069,975**
Current Assets					
Receivables		-	7,158,481	-	2,080,954
Cash on hand		5,426,658	6,298,716	5,426,658	1,831,022
Cash at bank		19,781,629	4,450,766	19,781,629	1,293,827
		25,208,288	**17,907,964**	**25,208,288**	**5,205,803**
Current Liabilities					
Payables		24,192,221	14,017,914	24,192,221	4,074,975
Travel & accommodation		1,016,067	209,334	1,016,067	60,853
		25,208,288	**14,227,248**	**25,208,288**	**4,135,828**
Net assets		**-**	**3,680,715**	**-**	**1,069,975**
14.3 Food for Export Master Class					
Income					
Hivos		**-**	7,680,905	-	1,758,179
Exchange gain / (loss)		-	615,095	-	307,247
		-	**8,295,999**	**-**	**2,065,426**
Expenditure					
Level of effort		**2,116,283**	**2,618,344**	**615,198**	**603,793**
Programming activities		**-**	**1,384,035**	**-**	**344,959**
Bank charges		**-**	**586,285**	**-**	**150,179**
Lunch and Refreshments		**-**	**180,487**	**-**	**41,479**
Travel & Accommodation		**-**	**795,470**	**-**	**198,757**
		2,116,283	**5,564,622**	**615,198**	**1,339,167**
Surplus / (deficit)		**(2,116,283)**	**2,731,377**	**(615,198)**	**726,258**
Opening retained income		**2,116,283**	**(615,095)**	**615,198**	**(111,060)**
Closing retained income		-	2,116,283	-	615,198
Current Assets					
Cash on hand		-	2,116,283	-	615,198
		-	**2,116,283**	**-**	**615,198**

Notes to the Financial Statements (continued)

for the Year ended 31 December 2022

Figures in ZWL Dollars	Inflation adjusted		Historical	
	2022	2021	2022	2021
14. Partners' Projects (continued)				
14.4 African Guarantee Fund (AGF)				
Income				
Grant	15,173,216	13,460,161	10,183,366	3,452,735
Monetary gain / (loss)	(17,139,930)	(1,731,523)	-	-
Exchange gain / (loss)	23,692,964	1,643,309	15,901,318	376,906
	21,726,249	**13,371,947**	**26,084,684**	**3,829,641**
Expenditure				
Catering for training	1,643,354	-	1,102,922	-
Printing & stationery	34,927	-	23,441	-
Travel & accommodation	2,792,883	-	1,874,418	-
Level of effort	482,109	3,459,130	323,563	958,312
Bank charges	295,425	167,978	198,272	38,527
Launch ceremony and meals	489,226	-	328,340	-
Media livestreaming	140,385	-	94,218	-
Conference package rooms	674,176	-	452,467	-
Fuel and travel logistics	924,447	-	620,434	-
Consultancy fees	288,102	-	193,357	-
	7,765,035	**3,627,108**	**5,211,433**	**996,839**
Surplus	13,961,214	9,744,839	20,873,251	2,832,802
Opening retained income	9,744,839	-	2,832,802	-
Closing retained income	**23,706,053**	**9,744,839**	**23,706,053**	**2,832,802**
Current Assets				
Cash at bank	8,368,769	1,041,210	8,368,769	302,677
Cash on hand	436	-	436	-
Receivables	15,633,627	8,703,629	15,633,627	2,530,125
	24,002,833	**9,744,839**	**24,002,833**	**2,832,802**
Current liabilities				
Payables	296,779	-	296,779	-
	296,779	**-**	**296,779**	**-**
	23,706,053	**9,744,839**	**23,706,053**	**2,832,802**

Notes to the Financial Statements (continued)

for the Year ended 31 December 2022

Figures in ZWL Dollars	Inflation adjusted 2022	Inflation adjusted 2021	Historical 2022	Historical 2021
14. Partners' Projects (continued)				
14.5 Stitching Nederlandse Vrijwilligers (SNV)				
Income				
Grant income	8,905,461	-	5,976,820	-
Investment income	509,416	-	341,890	-
Donations	95,265	-	63,937	-
Monetary gain / (loss)	**(16,597,923)**	**-**	**-**	**-**
Exchange gain / (loss)	**41,081,239**	**-**	**27,571,301**	**-**
	33,993,459	**-**	**33,953,948**	**-**
Expenditure				
Bank charges	120,146	-	80,635	-
	120,146	**-**	**80,635**	**-**
Surplus	33,873,313	-	33,873,313	-
Opening retained income	-	-	-	-
Closing retained income	**33,873,313**	**-**	**33,873,313**	**-**
Current Assets	27,679,916	-	27,679,916	-
Cash at bank	351,811	-	351,811	-
Receivables	5,841,585	-	5,841,585	-
Investments	**33,873,313**	**-**	**33,873,313**	**-**

15. Related parties

Relationships

Those charged with governance	Board of Trustees
Key management personnel	Chief Executive Officer

	Inflation adjusted 2022	Inflation adjusted 2021	Historical 2022	Historical 2021
Related party balances				
Current payables				
Those charged with governance	-	857,633	-	249,312
Members of key management	9,170	223,555	9,170	64,987
	9,170	**223,555**	**9,170**	**314,299**
Related party transactions				
Trustees emoluments				
Members of key management	**37,860,803**	**9,671,353**	**25,409,935**	**2,811,440**
Trustees	**4,424,022**	**2,105,344**	**3,474,740**	**545,219**

Notes to the Financial Statements (continued)

for the Year ended 31 December 2022

16. 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	
	2022	**2021**	**2022**	**2021**
Levels of fair value measurements				
Level 1				
Recurring fair value measurements				
Gold coins	2,700,856	-	2,700,856	-
Listed equities	128,617,417	137,596,343	128,617,417	39,998,937
	131,318,272	**137,596,343**	**131,318,272**	**39,998,937**

Valuation techniques used to derive level 1 fair values

The values of listed equities were obtained from Zimbabwe Stock Exchange.
The values of gold coins were obtained from the Reserve Bank of Zimbabwe.

	Inflation adjusted		Historical	
	2022	**2021**	**2022**	**2021**
Level 2				
Recurring fair value measurements				
Investments in equities				
Unlisted equities	**1,721,794,796**	**764,086,718**	**214,966,800**	**129,039,626**
Property and equipment				
Building	221,577,378	-	221,577,378	-
Motor vehicles	170,400,000	-	170,400,000	-
Total property and equipment	**391,977,378**	**-**	**391,977,378**	**-**
Total	**2,113,772,174**	**901,683,062**	**735,561,595**	**169,038,563**

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 Smartsurburb (Private) Limited shares was derived from the market value of land which is the only asset owned by the company. The valuation of the property was done by the valuation experts at the reporting date. Marirangwe shares were valued basing on the market values of the cattle being invested in.

Notes to the Financial Statements (continued)

for the Year ended 31 December 2022

	Inflation adjusted		Historical	
	2022	**2021**	**2022**	**2021**
16. Fair value information (continued)				
Level 3				
Recurring fair value measurements				
Financial assets				
Treasury bills	**2,550,106,488**	**-**	**2,550,106,488**	**-**

Valuation techniques used to derive level 3 fair values

The Treasury bills are initially measured at fair value and subsequently measured at amortised cost using the level 3 valuation methodology. Treasury Bills are traded on an Over the counter (OTC) market which is a secondary market that is less regulated, less transparent and less liquid. In a secondary market, zero coupon bonds are traded at discount rates agreed by the counter parties. The information was gathered on the prevailing discount rates and discounted the Treasury Bills to determine the fair value. The discounted value of the TBs at 31 December 2022 is $2 550 106 488, indicating an average discount rate of 64% from par value. The Trust is confident that the Government will honour the treasury bills due to the sovereign nature of the instrument.

17. 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. Appendices

Table 1: 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

NOTES