Rockstone
Chartered Accountants Zimbabwe

INVESTOR PROTECTION FUND

FINANCIAL STATEMENTS

31 DECEMBER 2021

P.O Box BW 495, Borrowdale, Harare

General Information

Nature of business	The Investor Protection Fund (the Fund or IPF) was established in 2013 in Zimbabwe by the Securities Act [Chapter 24:25] (Act), with the objective of compensating protected investors from losses suffered as a result of malpractice on the part of a contributor or in the event of a contributor becoming insolvent.		
Board of Directors	Mrs. Justice V. Ziyambi (Retired) [Chairman] Mr. J. Bgoni [Board Member] Mr. T. Chimano [Board Member] Mr. M. Kaliati [Board Member] Mr. N.P.S Zhou [Board Member]		
Registered Office	Investor Protection fund c/o Comarton Consultants (Private) Limited 118 McCherly Avenue Eastlea Harare		
Fund Administrator	Comarton Consulatants (Private) Limited 118 McCherly Avenue Eastlea Harare		
Financial statements	These financial statements were prepared under the direction and supervision of the Accounts Manager Mr. Maxman Kopera, PAAB Registration number 04588.		
Custodian	Stanbic Custodial Services 59 Samora Machel Avenue Harare		
External Auditors	Rockstone Chartered Accountants 11 Edinburgh Borrowdale Harare Email: info@rockstone.co.zw Website: www.rockstone.co.zw		
Bankers	Stanbic Bank Zimbabwe Limited 59 Samora Machel Avenue Harare		
Asset Managers	Invesci Asset Management 41 Harare Drive Chisipite Harare	ABC Asset Management 1 Endavour Crescent Mt Pleasant Business Park Mt Pleasant Harare	Old Mutual Investment Group Mutual Gardens 100 The Chase West Emarald Hill Harare
Internal Auditors	PKF Chartered Accountants (Zimbabwe) 3rd Floor Takura House 67 Kwame Nkrumah Avenue P.O Box CY 629 Causeway **Harare**		

Investor Protection Fund

Financial Statements for the year ended 31 December 2021

Index

The reports and statements set out below comprise the financial statements presented to the stakeholders

Contents	Page (s)

Investor Protection Fund

Financial Statements for the year ended 31 December 2021

Chairman's Report

Objectives of the Fund
The Investor Protection Fund (hereinafter called "the Fund") was established in terms of the Securities Act as amended by the Securities Amendment Act No. 2 of 2013, for the purpose of providing compensation to investors for losses suffered as a direct result of a licenced contributor being unable to meet its liabilities through insolvency or malpractice. Thus an investor will have recourse to the Fund here where a licensed contributor is unable to pay its liabilities, in the event of (a) a contributor having insufficient assets to meet its liabilities or (b) insolvency declared by a competent court in Zimbabwe.

Board of Directors
The management of the Fund is vested in a Board of Directors, which is responsible for the administration and management of the Fund. The Board consists of six directors.

Service Providers
During the year, the Fund's investments continued to be under the management of three asset managers, ABC Asset Management, Invesci Asset Management and Old Mutual Investment Group. The assets are registered in the name of the Fund and are kept at Stanbic Custodial Services. Accounting, administration and secretarial services of the Fund continued to be provided by Comarton Consultants (Private) Limited.

Fund Performance
During the year, the Fund maintained its conservative investment strategy which focuses on capital preservation. Total income of the Fund was ZWL$53,688,136 which included levy income of ZWL$33,308,276, interest income of ZWL$1,187,501, sundry income of ZWL$14,373,538, foreign exchange gain ZWL$4,366,326 and surplus on sale of shares of ZWL$452,495. Levy income contributed significantly to total income.

Expenses for the year amounted to ZWL$25,313,599 with the major expense items being funding of the investor education and awareness campaign carried out by the Securities and Exchange Commission of Zimbabwe, administration services and asset management fees.

Net income from operations for the year came in at ZWL$28,374,537. The unrealized fair value gain of ZWL$650,052,722 was split between property investments and equity investments at ZWL$68,841,638 and ZWL$581,211,084, respectively. The Fund recorded a surplus of ZWL$678,427,259 on historical basis for the year ended 31 December 2021, a 162% jump from the position as at 31 December 2020. The surplus resulted in an increase in the Fund balance from ZWL$301,292,610 as at 31 December 2020 to ZWL$979,719,869 as at 31 December 2021.

Bziyambi
....

JUSTICE V. ZIYAMBI (RETD)
CHAIRMAN

Date of Approval: 23 June 2022

Rockstone Chartered Accountants
Registered Public Auditors
11 Edinburgh Road
Opposite Sam Levy's Village
Post Office Box BW 495
Borrowdale, Harare
Zimbabwe

Website: www.rockstone.co.zw
Email: info@rockstone.co.zw
Tel: +263 (0) 8644 282 305
Tel: +263 (0) 772 275 108
Tel: +263 (0) 713 998 223

REPORT OF THE INDEPENDENT AUDITORS

TO THE BOARD MEMBERS OF INVESTOR PROTECTION FUND

Qualified Opinion

We have audited the accompanying financial statements of Investor Protection Fund, set out on pages 10 to 36, which comprise the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

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

Basis for Qualified Opinion

The prior year financial statements for the year ended 31 December 2020 included a modified opinion for non-compliance with International Accounting Standard (IAS) 21. The Fund did not apply the requirements of IAS21, The Effects of Changes in Foreign Exchange Rates, in the year 2019 financial statements because of the unavailability of exchange rates in the period October 2018 to 22 February 2019. Transactions in Zimbabwe during that period had a three-tier pricing structure where a single product had different prices depending on the mode of payment, namely the United States Dollar cash, Bond Notes, electronic money or mobile money. This resulted in transactions bearing similarities to what one would expect with transactions that are undertaken in different currencies to which IAS21, The Effects of Changes in Foreign Exchange Rates would apply. Statutory Instrument 133 of 2016, Statutory Instrument 33 of 2019 and monetary policy statement of 20 February 2019 all confirmed the parity of 1:1 between the United States dollar cash, Bond Notes, mobile money and electronic money. This presented difficulties in ascertaining the fair values of the Fund's material assets and liabilities as at the reporting date. IAS21, The Effect of Changes in Foreign Exchange Rates, requires the use of spot rate in accounting for transactions. During the period, premiums and discounts were offered on the official exchange rate of 1:1 between the RTGS balances, Bond Notes and United States dollar cash. Under International Financial Reporting Standards, the Fund should have converted all transactions at spot rate.

Had the entity applied the requirements of IAS21, all expense items in the statement of profit or loss and other comprehensive income and all current assets, current liabilities and non-current liabilities stated on the statement of financial position along with the consequential impacts to retained earnings of the prior year financial statements, which is presented as comparative information, would have been materially impacted. In the current year, the entity has not restated the opening balances to resolve the matters which resulted in the modified audit report in the prior period and therefore the matter is continuing.

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Investor Protection Fund in accordance with the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Zimbabwe and we have fulfilled our other ethical responsibilities under these ethical requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters noted below relate to the financial statements:

Valuation of investment property.

The key audit matter	*How we addressed the matter in our audit*
The fund owns investment properties in Harare. As at 31 December 2021, the total carrying amount of the investment property was ZWL 87,318,436 as indicated in Note 14.3.2 of financial statements. We identified the valuation of the investment properties as a key audit matter since the determination of the fair values involves significant judgement and estimation, particularly in selecting the appropriate methodology and in determining the underlying assumptions, which increase the risk of error or potential management bias.	Our audit procedures to assess the valuation of investment properties included the following: • Evaluating the property valuers' qualifications, experience, competence and valuation report, to understand their valuation methods and assumptions applied. • Evaluating the methodology used by property valuers by comparing with the valuation methodologies applied by other valuers for similar property types. • Assessing the projected cash flows used in the valuations by comparing specific details with underlying leases and externally available industry and economic data; • Assessing the key assumptions adopted in the valuations, taking into consideration comparability and market factors, and considering the possibility of error or management bias in the selection of assumptions adopted.

Other Information

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

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

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

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), the requirements of Investor Protection Fund rules, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional 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 control.

We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Investor Protection Fund's internal control. We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We 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 Investor Protection Fund'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 Investor Protection Fund to cease to continue as a going concern.

We 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 obtain sufficient audit evidence regarding the financial information of Investor Protection Fund or business activities of Investor Protection Fund to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of Investor Protection Fund's audit. We remain solely responsible for our audit opinion.

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.

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

Report on legal and regulatory requirements

The financial statements have been prepared in compliance with the requirements of the Section 86B of the Securities Amendment Act, 2013 (the Act).

Rockstone

Rockstone Chartered Accountants
Engagement Partner: Pearce Janga
PAAB Practicing Certificate Number: 0609

Harare
Date: 23 June 2022

Investor Protection Fund

Financial Statements for the year ended 31 December 2021

Directors' Responsibility Statement and Approval

The Directors are responsible for the maintenance of adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Fund as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Fund and place considerable importance on maintaining a strong control environment. The Directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Fund and the Fund Administrator is required to maintain the highest ethical standards in ensuring the Fund's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Fund is on identifying, assessing, managing and monitoring all known forms of risk across the Fund. While operating risk cannot be fully eliminated, the Fund endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors 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. The Directors are satisfied that the Fund has or has access to adequate resources to continue in operational existence for the foreseeable future.

Financial Statements are prepared with the aim of complying with International Financial Reporting Standards (IFRS). The Directors assessed the ability of the Fund to continue operating as a going concern and believe that the preparation of the financial statements on a going concern basis is still appropriate.

The external auditors are responsible for independently reviewing and reporting on the Fund's financial statements. The financial statements have been examined by the Fund's external auditors and their report is presented on pages 6 to 9.

The financial statements set out on pages 10 to 36, which have been prepared on the going concern basis, were approved by the Directors and were signed on their behalf by:

DIRECTOR

DIRECTOR

Date of Approval: 23 June 2022

Investor Protection Fund

Financial Statements for the year ended 31 December 2021

Statement of Financial Position

		Inflation Adjusted		Historical	
Figures in ZWL Dollar	Notes	2021	2020	2021	2020
ASSETS					
Non Current Assets					
Directly owned investment properties	14.3.2	87 318 436	96 137 777	87 318 436	59 810 540
		87 318 436	96 137 777	87 318 436	59 810 540
Currents Assets					
Cash and cash equivalents	10.3	24 935 912	9 480 776	24 935 912	5 898 310
Trade and other receivables	13	4 765 239	2 192 265	4 765 239	1 363 882
		29 701 151	11 673 041	29 701 151	7 262 192
Investments					
Money market investments	11	3 594 452	57 063	3 594 452	35 501
Quoted investments	14.1	780 981 866	310 869 213	780 981 866	193 402 180
Unquoted investments	14.2	2 914 612	3 577 736	2 914 612	2 225 830
Unit property investments	14.3.1	81 794 569	65 035 593	81 794 569	40 460 827
		869 285 499	379 539 605	869 285 499	236 124 338
TOTAL ASSETS		986 305 086	487 350 423	986 305 086	303 197 070
RESERVES AND LIABILITIES					
Reserves					
Accumulated fund		979 719 869	484 124 348	979 719 869	301 292 610
		979 719 869	484 124 348	979 719 869	301 292 610
Non Current Liabilities					
Rent Deposit		108 666	296 362	108 666	81 787
		108 666	296 362	108 666	81 787
Current Liabilities					
Trade and other payables	12	6 476 551	2 929 713	6 476 551	1 822 673
		6 476 551	2 929 713	6 476 551	1 822 673
TOTAL RESERVES AND LIABILITIES		986 305 086	487 350 423	986 305 086	303 197 070

The financial statements and the notes thereto on pages 10 to 36, were approved by the Board of Directors and were signed on its behalf by:

Chairman
23 June 2022

Director
23 June 2022

Investor Protection Fund

Financial Statements for the year ended 31 December 2021

Statement of Comprehensive Income

		Inflation Adjusted		Historical	
Figures in ZWL Dollar	Notes	2021	2020	2021	2020
Income					
Investor protection levies		39 688 520	19 069 075	33 308 276	8 662 465
Interest income	4	1 397 926	12 182	1 187 501	5 905
Sundry income	5	17 249 037	8 797 868	14 373 538	7 494 039
Foreign exchange gain		4 366 326	5 254 407	4 366 326	3 268 943
Surplus on sale of shares		494 238	263 876	452 495	149 753
		63 196 047	**33 397 408**	**53 688 136**	**19 581 105**
Expenditure					
Administration costs		8 690 832	4 392 706	7 046 819	1 698 732
Board fees	6	1 301 203	1 912 726	1 005 459	1 002 060
Asset management fees	7	7 989 210	3 273 262	6 466 245	1 489 947
Other expenditure	8	1 310 057	3 678 929	1 037 400	1 239 346
Loss on sale of of shares		784 386	7 414 592	527 361	2 892 528
Transfer to other fund		-	-	-	2 974 187
Investor education and awareness campaign		9 633 768	8 624 222	6 762 637	4 552 029
Audit fees		-	344 016	-	165 457
Audit fees provision		1 706 626	2 632 046	1 311 745	1 401 496
Custodial fees	9	1 149 004	482 501	908 668	209 398
Bank charges		299 541	163 268	247 265	77 378
Monetary loss		184 788 622	235 805 010	-	-
		217 653 249	268 723 277	25 313 599	17 702 560
(Deficit)/Surplus for the year before fair value		**(154 457 202)**	**(235 325 869)**	**28 374 537**	**1 878 545**
Increase in fair value of investments	14.4	650 052 722	413 001 118	650 052 722	256 941 868
Surplus for the year		**495 595 520**	**177 675 249**	**678 427 259**	**258 820 413**
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		**495 595 520**	**177 675 249**	**678 427 259**	**258 820 413**

Investor Protection Fund

Financial Statements for the year ended 31 December 2021

Statement of Changes in Reserves

Figures in ZWL Dollar

Inflation adjusted	**Retained Earnings**	**Total**
Balance at 31 December 2019	306 449 099	306 449 099
Total comprehensive income for the year	177 675 249	177 675 249
Balance at 31 December 2020	484 124 348	484 124 348
Total comprehensive income for the year	495 595 520	495 595 520
Balance at 31 December 2021	**979 719 869**	**979 719 869**

Historical cost	**Retained Earnings**	**Total**
Balance at 31 December 2019	42 472 197	42 472 197
Total comprehensive income for the year	258 820 413	258 820 413
Balance at 31 December 2020	301 292 610	301 292 610
Total comprehensive income for the year	678 427 259	678 427 259
Balance at 31 December 2021	**979 719 869**	**979 719 869**

Investor Protection Fund

Financial Statements for the year ended 31 December 2021

Statement of Cash Flows

		Inflation Adjusted		Historical	
Figures in ZWL Dollar	Notes	2021	2020	2021	2020
CASHFLOWS FROM OPERATING ACTIVITIES					
Surplus for the year		495 595 520	177 675 249	678 427 259	258 820 413
Adjustments for :					
Interest income	4	(1 397 926)	(12 182)	(1 187 501)	(5 905)
Dividends received	5	(14 129 103)	(6 220 179)	(11 857 330)	(3 382 329)
(Surplus)/ loss on disposal of shares		74 867	4 408 659	74 867	2 742 775
Loss on sale of skyes maize future contracts			161 239		100 312
Foreign exchange gain		(4 366 326)	(5 254 407)	(4 366 326)	(3 268 943)
Credit loss allowance		-	-	-	-
Inflation adjustments		179 742 505	226 685 984		-
Other non - cash items			292 701	-	182 099
Increase in fair value of investments	14.4	(650 052 722)	(413 001 118)	(650 052 722)	(256 941 868)
		5 466 816	(15 264 054)	11 038 247	(1 753 447)
Working capital changes					
(Increase)/decrease in trade and other receivables		(2 572 974)	(994 783)	(3 401 357)	(1 197 959)
(Decrease)/increase in trade and other payables		3 546 837	1 412 970	4 653 878	1 612 514
Rent deposit		(187 696)	197 091	26 879	(81 787)
Cash generated from operations		6 252 983	(14 648 776)	12 317 646	(1 420 679)
Net cashflows from operating activities		6 252 983	(14 648 776)	12 317 646	(1 420 679)
CASHFLOWS FROM INVESTING ACTIVITIES					
Interest received	4	1 397 926	12 182	1 187 501	5 905
Dividends received	5	14 129 103	6 220 179	11 857 330	3 382 329
Purchase of shares		(16 758 383)	(25 999 418)	(16 758 383)	(16 175 111)
Sale of shares		8 428 645	15 628 041	8 428 645	9 722 729
Sale of property		-	188 009	-	116 967
Sale of Sykes Maize Futures Contract		-	7 242 944	-	4 506 079
Purchase of money markets		(2 361 463)	-	(2 361 463)	-
Sale of money markets		-	686 428	-	427 050
Net cash flows from investing activities		4 835 827	3 978 366	2 353 630	1 985 949
Net increase in cash and cash equivalents		11 088 810	(10 670 411)	14 671 276	565 271
Effects of foreign exchange gain on cash and cash equivalents		4 366 326	5 254 407	4 366 326	3 268 943
Cash and cash equivalents at the beginning of the year		9 480 776	14 896 780	5 898 310	2 064 095
Cash and cash equivalents at the end of the year	10.3	24 935 912	9 480 776	24 935 912	5 898 310
Represented by:-					
Cash and Bank Balances		24 935 912	9 480 776	24 935 912	5 898 310

Accounting Policies

1. Incorporation and activities

The fund was established by the Act of Parliament in terms of Section 86B of the Securities Amendment Act, 2013 (the Act).

The objective of the Fund as provided for in section 4 of the Securities Act (Chapter 24:25) is to provide high levels of investor protection by providing an additional layer of protection to investors and offer reimbursement for losses suffered as a direct result of participant firm becoming insolvent.

The management of the Fund is vested in a Board set up in terms of Section 86C of the Act, currently made up of six members. The Board has outsourced the investment management function to three professional asset managers, with the Board exercising oversight. Other professional services such as Fund administration services and custodial services are contracted out to professional service providers.

2. Significant accounting policies

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

2.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reports Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the Securities Act [Chapter 24:21], except for the non-compliance with International Accounting Standards (IAS 21), The effect of Changes in Foreign Exchange Rates explained on note 2.1.1.

Accounting Policies

2.1.1 Functional and presentation currency

Items included in the financial statements of the Fund 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 is the Fund's functional and presentation currency.

During the period October 2018 to February 2019, the Fund operated in a multi-currency environment, the main currencies being the Unites States Dollars (USD) and quasi-currency instruments in form of electronic balances and bond notes which were officially pegged to the USD at an official exchange rate of 1:1. Multi-tier pricing in the market depending on the mode of payment (USD, bond note, mobile money or RTGS) and persistent shortages of foreign currency resulting in delays in settling foreign obligations at the official exchange rate, particularly subsequently to monetary policy changes in October 2018, triggered deliberations on whether the USD remained the functional currency for companies operating in Zimbabwe.

Given the environment that the Fund is currently operating in, the directors assessed in terms on IAS 21, if there has been any change in the functional currency being used by the Fund. In their assessment the Directors included those considerations of whether the various modes of settlement may represent different forms of currency. The following was considered:

(a) On the 1st t October 2018 the Reserve bank of Zimbabwe (RBZ) through Exchange control Directive RT120/2018, directed all banks to ring-fence Nostro Foreign Currency (FCAs) by separating them into two categories, namely Real Time Gross Settlement (RTGS) FCAs for local RTGS transactions and Nostro FCAS for foreign currency transactions at a parity rate of 1:1.

(b) On the 22nd of February 2019 statutory Instrument 33 of 2019 (SI 33) was issued as an amendment to the Reserve Bank of Zimbabwe Act and it introduced a new currency named the RTGS Dollar at a base rate of USD1:ZWL$2.5. Another Exchange Control Directive RU 28 of 2019 was issued at the time which introduced an interbank market for trading US$ as well as other currencies in the multi-currency regime.

(c) On the June 24 2019 the Government gazetted Statutory Instrument 142 of 2019 which outlawed the use of multi-currencies and compelled that all transactions be made in local currency (RTGS Dollar/ZWL).

2.1.1 Functional and presentation currency (continued)

(d) The Reserve Bank of Zimbabwe announced various interventions in response to the financial vulnerabilities caused by the Covid-19 pandemic. One the measures announced therein was the authorization of the use of free funds in paying for goods and services, in terms of Statutory Instrument 185 of 2020. The government of Zimbabwe issued Statutory Instruments 185 of 2020 which granted permission to display, quote or offer prices of all goods and services in both the Zimbabwean dollars and foreign currency at the interbank exchange rates.

As a result of these currency changes announced by the monetary authorities, the directors concluded that the Fund's functional currency remains the Zimbabwean Dollar (ZWL) following its change from the United States Dollar (USD) with effect from 22 February 2019.

2.1.2 IAS 29 Hyperinflationary Economies

The Public Accountant and Auditors Board through its procurement 01/2019 provided guidance to all entities that report based on the International Financial Reporting Standards (IFRSs) on the application of Financial Reporting in Hyperinflationary Economies Standard (IAS29) in Zimbabwe. The pronouncement requires that companies that prepare and present financial statements for financial period ended on or after 1 July 2019 apply requirements of IAS29 "Financial Reporting in Hyperinflationary Economies".

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 judgment was used and appropriate adjustments were made to historical financial statements in preparing financial statements which are IAS29 compliant.

2.1.2 IAS 29 Hyperinflationary Economies (Continued...)

Sources of Price index

Indices used were obtained from the Zimbabwe Statistical Office for the period February 2019 to December 2021.

Year	Indices	Conversion factor
Dec - 19	551.63	7.21
Dec - 20	2,474.51	1.61
Dec - 21	3,977.50	1.00

2.1.3 Significant Accounting policies

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

Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgments, 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 believe 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 recognized in the period in which the estimates are revised and in any future periods affected.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates.

2.1.3 Significant Accounting policies (Continued...)

Fair value estimation

The fair value of financial statement traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price is used for financial assets held by the Fund is the current bid price.

The carrying value less impairment provision of trade receivables and trade payables are assumed to approximate their fair values.

Trade receivables, loans and other receivables.

The Fund assesses its trade receivables, loans and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Fund makes judgements as to whether an impairment loss should be recorded in profit or loss, the Fund makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

3.1 Financial Instruments

Financial instruments held by the fund are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the Fund, as applicable, are as follows:

Financial assets which are equity instruments:

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

3.1 Financial instruments (continued...)

Financial Assets which are debt instruments:

- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortized cost at fair value through other comprehensive income): or
- Designated at fair value through profit and loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit and loss.

Financial liabilities:

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

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

Trade and other receivable

Classification

Trade and other receivables, excluding, when subsequently measured at amortized cost. Applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortized cost.

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

3.1 Financial instruments (continued...)

Trade and other receivables (continued...)

Recognition and measurement

Trade and other receivables are recognized when the Fund becomes a part to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transactional costs, if any. They are subsequently measured at amortized cost. The amortized cost is the amount recognized on the receivable initially, minus principal repayments, plus cumulative amortization (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 on trade receivables is dependent on the credit impaired. The gross carrying amount is the amortized cost before adjusting for a loss allowance.
- If a receivable is purchased or originated as credit-impaired, then a credit-impaired, then the effective interest rate is applied to the amortized 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 amortized 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 US$ equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains and losses are recognizes in the profit or loss in other operating gains (loses)

3.1 Financial instruments (continued...)

Trade and other receivables (continued...)

Impairment

The Fund 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 payables in totality.

An impairment gain or loss is recognized in the profit or loss with the 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 operation expenses in profit or loss as a movement in credit loss allowance.

Write off policy

The Fund writes off a receivable when there is information indicating the counterparty 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 Fund recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Credit risk

Details of credit risk are included in the Trade and other receivables note.

Derecognition

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

3.1 Financial instruments (continued...)

Trade and other payables

Classification

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

Recognition and measurement

They are recognized when the Fund 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 amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized 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 value cash payments (including all fees and points paid or received that form an integral part of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

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

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

Trade and other payables denominated in foreign currency

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

3.1 Financial instruments (continued…)

Trade and other payables

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 are stated at carrying amount which is deemed to be fair value.

Money market instruments

Money market instruments are generally fixed rate and are measured at amortised cost using the effective interest rate method.

Quoted Investments

Quoted investments are investments in shares trading on the stock Exchange for trading purposes. These investments are recognized at fair value through profit and loss. The share values are determined in line with IFRS 13 level 1 Fair value measurement. Details of the fair valuation are on specific notes.

Unquoted Investments

Unquoted investments are investments in shares that are not trading on Stock Exchange for trading purposes. The shares are recognized at fair value through profit and loss. The share values are determined in line with the IFRS 12 Level 2 Fair value measurement. Details of the fair valuation are on specific notes.

3.1 Financial instruments (continued...)

De-recognition

Financial assets

The fund derecognizes a financial assert 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 Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognize the financial asset and also recognizes a colaterized borrowing for the proceeds received.

Financial liabilities

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

Reclassification

Financial assets

The Fund only reclassifies affected financial assets if there is any 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 stated.

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

Financial Liabilities

Financial Liabilities are not reclassified

3.2 Taxation

Effective from 1 January 2014 the Investor Protection Fund was established as a separate legal entity from the Securities and Exchange Commission of Zimbabwe (the Commission). The Fund was up to that point exempt from corporate tax when it was a part of the Commission as the Commission is exempt from corporate tax. In terms of the letter dated 24 July 2019 from the Ministry of Finance, the Income Tax exemption that was granted to the Fund prior promulgation of the securities Amendment Act still subsists, hence the Fund also as a separate legal entity is exempt for tax purposes.

3.3 Offset

If a legal enforceable right exists to set-off recognized amounts of the financial assets and liabilities, which are indeterminable monetary amounts and the Fund intends to settle on a net basis, the relevant financial assets and liabilities are offset.

3.4 Unclaimed shares

Unclaimed shares certificates are not assets of the Fund; however the Fund does have a responsibility for their safe custody until the date of collection by the respective investors. They are accounted for as off statement of financial position items and are carried at the fair value of the underlying listed equity counters. The resultant dividends from the unclaimed share certificates are also not income for the Fund and are carried at amortized cost as an off statement of financial position item.

3.5 Investor Protection Income

Income comprises of levies for services rendered in the ordinary course of the fund's activities. Income is measured by reference to the fair value of the consideration received or receivable by the Fund for services provided, excluding rebates and trade discounts.

In terms of the statutory Instruments 108 of 2014 every registered contributor is liable to pay contributions for the fund at the rate of 0.025% of total value of trades.

3.6 Investment properties

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

Property investments comprise of investments in property units and investment property. The investments held to earn rentals or capital appreciation and are initially measured at cost, including transaction costs and subsequently at fair value with the gains and losses arising from changes in the fair value of the investments being recognized in profit or loss in the reporting period in which they arise. Rental income from the investments is accounted in profit or loss.

3.7 Provisions

A provision is recognized in the statements of financial position when the Fund has a legal or constructive obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of the money and, where appropriate, the risks specific to the liability.

3.8 Rental Income

Rental income arising from operating leases on investment properties is accounted for on straight line basis over the lease terms.

3.9 Interest Income

Interest income from Fund deposited is recognized on accrual basis.

3.10 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial and operating decisions. The Fund has related party relationships with its key management, the Fund Directors, Fund Secretaries, the Ministry of Finance and the Securities and Exchange Commission of Zimbabwe.

	Inflation Adjusted		Historical	
Figures in ZWL Dollar	2021	2020	2021	2020
4 Interest income				
Interest on money market investments	1 397 926	12 182	1 187 501	5 905
	1 397 926	**12 182**	**1 187 501**	**5 905**
5 Sundry income				
Dividends	14 129 103	6 220 179	11 857 330	3 382 329
Rentals	3 112 792	2 572 750	2 510 108	1 135 997
Other Income	7 142	4 939	6 100	2 975 713
	17 249 037	**8 797 868**	**14 373 538**	**7 494 039**
6 Board fees				
Retainer fees	951 906	1 200 020	735 552	628 680
Sitting allowances	226 737	433 831	175 203	227 280
Committee fees	122 560	278 874	94 704	146 100
	1 301 203	**1 912 726**	**1 005 459**	**1 002 060**
Broken down as follows:				
Kaliati M	225 051	300 940	173 900	157 660
Ziyambi V	286 988	376 948	221 760	197 480
Bgoni J	243 004	314 646	187 773	164 840
Zhou NPS	243 700	287 331	188 311	150 530
Zvareva N	59 349	312 870	45 860	163 910
Chinamo T	243 110	319 991	187 855	167 640
	1 301 203	**1 912 726**	**1 005 459**	**1 002 060**
7 Asset management fees				
ABC Asset Management	3 192 847	1 628 272	2 577 545	720 896
Old Mutual Investment Group	1 995 968	830 519	1 631 734	375 369
Atria Asset Management	-	28 124	-	4 526
Invesci Asset Management	2 800 396	786 346	2 256 966	389 156
	7 989 210	**3 273 262**	**6 466 245**	**1 489 947**
8 Other expenditure				
Directors' expenses	109 860	962 369	84 783	588 794
Property expenses	134 761	1 441 903	103 662	42 418
Credit loss allowance	55 137	-	55 137	-
Three anchor (Old Mutual Custodial Services) fees		28 811	-	15 882
Advertisement expenses	-	-	-	-
PRI Subscriptions	58 143	42 597	58 143	18 112
Other expenses	702	261 119	487	162 450
Legal fees	-	754 753	-	335 879
Intellego Investment Consultants fees	499 449	187 378	398 544	75 812
Procurement fees	452 006	-	336 644	-
	1 310 057	**3 678 929**	**1 037 400**	**1 239 346**
9 Custodial fees				
Stanbic Nominees (Private) Limited	548 359	183 904	442 399	82 239
Chengetedzai	600 645	298 597	466 269	127 159
	1 149 004	**482 501**	**908 668**	**209 398**

Figures in ZWL Dollar		Inflation adjusted 2021	Inflation adjusted 2020	Historical 2021	Historical 2020
10	**Cash and cash equivalents**				
10.1	**Cash and Bank**				
	Stanbic Bank Zimbabwe Limited (main)	1 608 316	203 358	1 608 316	126 516
	Nedbank Nostro Foreign Currency Account	1 537 267	1 577 428	1 537 267	981 371
		3 145 583	**1 780 786**	**3 145 583**	**1 107 887**
10.2	**Call accounts**				
	Old Mutual Investment Group	6 123 422	4 483 185	6 123 422	2 789 140
	Atria	38	61	38	38
	Banc ABC	8 731 541	573 761	8 731 541	356 956
	Datvest	9	14	9	9
	Invesci	6 935 319	2 642 968	6 935 319	1 644 279
		21 790 329	**7 699 989**	**21 790 329**	**4 790 423**
10.3	**Cash and Cash Equivalents**				
	Cash and Bank	3 145 583	1 780 786	3 145 583	1 107 887
	Call accounts 225	21 790 329	7 699 989	21 790 329	4 790 423
		24 935 912	**9 480 776**	**24 935 912**	**5 898 310**
11	**Money market investments**				
	Invesci Asset Management	1 207 779	16 668	1 207 779	10 370
	ABC Asset Management	996 591	18 842	996 591	11 722
	Old Mutual Investment Group	1 390 082	21 553	1 390 082	13 409
		3 594 452	**57 063**	**3 594 452**	**35 501**
12	**Trade and other payables**				
	Management fees and Custodial fees outstanding	1 565 502	614 175	1 565 502	382 099
	Levies overpaid	21 924		21 924	-
	Unclaimned shares portfolio dividends deposited into IPF	2 842 582	5 372	2 842 582	3 342
	Directors fees witholding tax		407 075		253 255
	Audit fees provision	974 987	1 903 091	974 987	1 183 977
	Other payables	1 071 555		1 071 555	-
		6 476 551	**2 929 713**	**6 476 551**	**1 822 673**
13	**Trade and other receivables**				
	Levies outstanding.	4 241 314	2 175 251	4 241 314	1 353 297
	Credit loss allowance	(55 137)	-	(55 137)	-
		4 186 177	**2 175 251**	**4 186 177**	**1 353 297**
	Rent receivable	543 454	3 724	543 454	2 317
	Interest due from money markets investments	35 609	13 290	35 609	8 268
		4 765 239	**2 192 265**	**4 765 239**	**1 363 882**

14 Consolidated position - investments

14.1 Quoted investments

	Inflation adjusted			
	31-Dec-21		31-Dec-20	
Counter	Number of shares	Market value	Number of shares	Market Value
Afreximbank	54 750	16 063 551	54 728	23 526 418
Art	15 600	163 020	-	-
Axia Corporation Limited	920 646	27 665 412	797 721	13 568 917
Bindura Nickel Corporation Limited	1 468 235	8 775 200	1 432 235	8 654 873
British American Tobacco Zimbabwe	6 405	20 502 405	6 405	5 662 369
Caledonia	1 503	2 123 225	-	-
Cassava Smartech Zimbabwe	623 296	25 338 852	928 972	6 349 731
CBZ Holdings Limited	-	-	199 480	-
Cottco Holdings Ltd	662 138	545	662 138	-
Dairiboard Zimbabwe	277 366	9 707 810	255 866	4 511 899
Delta Corporation Limited	1 080 236	175 572 053	1 100 736	40 785 943
Econet Wireless Zimbabwe Limited	992 842	84 391 570	1 153 659	15 241 109
Edgars Stores Limited	165 790	721 187	165 790	333 187
FBC Holdings Limited	480 580	16 269 315	593 780	14 329 263
First Capital Bank	722 819	2 496 617	1 418 730	1 139 648
Hippo Valley Estates	50 288	14 080 640	41 258	5 979 878
Innscor Africa Limited	703 816	114 297 185	597 964	42 288 998
Larfage	1 000	80 000	-	-
Meikles Limited	100 823	12 612 998	29 840	1 219 436
Nampak Zimbabwe	311 395	3 474 203	311 395	1 142 454
National Foods Holdings Limited	19 836	27 266 332	20 436	1 974 180
Nedbank Group Ltd	3 840	4 591 145	2 855	3 317 992
NMBZ Limited Holdings	293 569	2 364 141	293 569	1 887 498
OK Zimbabwe Limited	2 101 157	57 668 985	1 869 457	30 409 061
Old Mutual Plc	74 697	6 678 342	74 497	8 842 398
Padenga Holdings Limited	855 829	19 529 954	829 221	31 084 313
PPC Limited	77 234	2 679 602	122 017	2 800 174
Proplastic Limited	34 800	1 009 141	-	-
Quilter PLC	36 127	7 823 338	36 127	9 952 624
Seedco Co Limited	285 017	27 573 047	283 764	11 428 079
Seedco International Limited	208 303	6 356 364	200 510	4 744 682
Simbisa Brands Limited	836 061	75 245 490	397 428	17 230 759
TSL Limited	107 625	7 552 197	106 425	2 463 330
ZBFH	4 000	308 000	-	-
		780 981 866		**310 869 213**

14.2 Unquoted investments

Astra	231 135	2 914 612	231 135	3 577 736
		783 896 478		**314 446 950**

Figures in ZWL Dollar

14 Consolidated position - investments (continued)

14.1 Quoted investments (continued)

	Historical cost			
	31-Dec-21		31-Dec-20	
Counter	Number of shares	Market value	Number of shares	Market Value
Afreximbank	54 750	16 063 551	54 728	14 636 575
Art	15 600	163 020	-	-
Axia Corporation Limited	920 646	27 665 412	797 721	8 441 679
Bindura Nickel Corporation Limited	1 468 235	8 775 200	1 432 235	5 384 487
British American Tobacco Zimbabwe	6 405	20 502 405	6 405	3 522 750
Caledonia	1 503	2 123 225	-	-
Cassava Smartech Zimbabwe	623 296	25 338 852	928 972	3 950 381
CBZ Holdings Limited	-	-	199 480	-
Cottco Holdings Ltd	662 138	545	662 138	-
Dairiboard Zimbabwe	277 366	9 707 810	255 866	2 807 004
Delta Corporation Limited	1 080 236	175 572 053	1 100 736	25 374 305
Econet Wireless Zimbabwe Limited	992 842	84 391 570	1 153 659	9 482 006
Edgars Stores Limited	165 790	721 187	165 790	207 287
FBC Holdings Limited	480 580	16 269 315	593 780	8 914 716
First Capital Bank	722 819	2 496 617	1 418 730	709 013
Hippo Valley Estates	50 288	14 080 640	41 258	3 720 283
Innscor Africa Limited	703 816	114 297 185	597 964	26 309 406
Larfage	1 000	80 000	-	-
Meikles Limited	100 823	12 612 998	29 840	758 652
Nampak Zimbabwe	311 395	3 474 203	311 395	710 759
National Foods Holdings Limited	19 836	27 266 332	20 436	1 228 204
Nedbank Group Ltd	3 840	4 591 145	2 855	2 064 234
NMBZ Limited Holdings	293 569	2 364 141	293 569	1 174 276
OK Zimbabwe Limited	2 101 157	57 668 985	1 869 457	18 918 498
Old Mutual Plc	74 697	6 678 342	74 497	5 501 153
Padenga Holdings Limited	855 829	19 529 954	829 221	19 338 595
PPC Limited	77 234	2 679 602	122 017	1 742 082
Proplastic Limited	34 800	1 009 141	-	-
Quilter PLC	36 127	7 823 338	36 127	6 191 862
Seedco Co Limited	285 017	27 573 047	283 764	7 109 792
Seedco International Limited	208 303	6 356 364	200 510	2 951 826
Simbisa Brands Limited	836 061	75 245 490	397 428	10 719 834
TSL Limited	107 625	7 552 197	106 425	1 532 521
ZBFH	4 000	308 000	-	-
		780 981 866		**193 402 180**

14.2 Unquoted investments

Astra	231 135	2 914 612	231 135	2 225 830
		783 896 478		**195 628 010**

Figures in ZWL Dollar

14 Consolidated Position - Investments (continued)

14.3 Property investments

14.3.1 Unit properties

	Inflation adjusted				Historical			
	31-Dec-21		31-Dec-20		31-Dec-21		31-Dec-20	
ABC Asset Management	Units	Market Value	Units	Market Value	Units	Market Value	Units	Market Value
Brick and Mortar property units	5 336	38 619	5 336	62 075	5 336	38 619	5 336	38 619
Willowvale Industrial	33 860	4 503 779	33 860	3 602 954	33 860	4 503 779	33 860	2 241 519
Motor City property units	34	27 508 195	34	22 006 134	34	27 508 195	34	13 690 755
Zimtile property	11 894	1 994 287	11 894	1 595 399	11 894	1 994 287	11 894	992 551
Mount Pleasant	5	8 403 239	5	6 722 461	5	8 403 239	5	4 182 269
Kingsmead Clusters	24 012	10 229 427	24 012	8 183 384	24 012	10 229 427	24 012	5 091 158
		52 677 544		**42 172 407**		**52 677 544**		**26 236 871**
Old Mututal Investment Group								
Real Estate Co-Fund	327 828	29 117 024	327 828	22 863 186	327 828	29 117 024	327 828	14 223 956
Total unit properties		**81 794 569**		**65 035 593**		**81 794 569**		**40 460 827**
Reconcilliation of carrying amount of unit properties								
Balance as at 1 January		65 035 594		13 066 586		40 460 827		8 129 162
Purchase of units in investment properties				-				-
Fair value gain		16 758 975		51 780 998		41 333 742		32 214 697
Sale of property		-		188 009		-		116 967
Balance as at 31 December		**81 794 570**		**65 035 594**		**81 794 569**		**40 460 827**

Investments in property units comprise of the units purchased from different properties. The fund purchases units in the properties from which it earns rental income which is proportional to the units held. Units in investment properties can be disposed at any time as there is no fixed renewal periods. Further informatioon of investments in property units held by the fund are illustrated here above.

	Inflation adjusted 31-Dec-21	Inflation adjusted 31-Dec-20	Historical 31-Dec-21	Historical 31-Dec-20
14.3.2 Directly - owned properties	**87 318 436**	**96 137 777**	**87 318 436**	**59 810 540**
Balance as at 1 January	96 137 777	78 172 113	59 810 540	10 831 514
Fair value gain	(8 819 341)	17 965 664	27 507 896	48 979 026
Balance as at 31 December	**87 318 436**	**96 137 777**	**87 318 436**	**59 810 540**

14 **Consolidated position - Investments (continued)**

14.3 **Property investments (continued)**

The Fund purchased 24 stands at Riverside in 2018 at a total cost of $816,344 and the stands were revalued at year end to $37 598 436 (31 December 2020: 32 574 560). The Fund also purchased Lot 92 Highlands Estate from the Securities Exchange of Zimbabwe (SECZ) for a purchase price of $356,805 in 2018. The property was being rented out to Display Wonderland beginning 1 March 2019, for a monthly rental fee of US$800 and ZWL values are being converted using monthly auction rates. The Highlands property was last revalued at $49,720,000 as at 31 December 2021.

Valuation technique

The last fair valuations of the Riverside stands and the Highlands Property were done by Dawn property consultants and Ark properties respectively.

Lot 92 Highlands Estate

The Highlands property was last revalued at $49,720,000 as at 31 December 2021 and the Investment method was used. The investment method involves the capitalisation of expected rental income by an appropriate yield. The expected rental income applied is the current rental income of the property as per lease agreement.

Riverside Stands

The Riverside stands were last revalued at $37 598 436 as at 31 December 2021 and the comparison method was used. The method compares like with like, extracts data from properties recently sold or on offer similar to those to be valued with the same planning controls.

		Inflation Adjusted		Historical	
		2021	2020	2021	2020
14.4	**Fairvalue of investments**				
	Increase/(decrease) in fair value of investments				
	Invesci Asset Management	192 976 286	91 290 358	192 976 286	56 794 798
	ABC Asset Management	184 059 455	119 389 882	184 059 455	74 276 456
	Old Mutual Investment Group	204 175 343	135 861 149	204 175 343	84 523 784
	Owner Managed property	68 841 638	66 459 729	68 841 638	41 346 830
		650 052 722	**413 001 118**	**650 052 722**	**256 941 868**

15 **Related Party Disclosures**

15.1 **Ministry of Finance and other Regulators**

There were no transactions directly with the Ministry of Finance during the year.

15.2	**Securities Exchange Commission**				
	Transactions				
	Procurement fees	452 006	-	336 644	-
	Balances				
	Procurement fees	79 155	-	79 155	-

15.3 **Key Management personnel**

Key management personnel responsible for the day to day management of the Fund. These individuals and the Board of the Fund are responsible for the operational and strategic decisions of the fund.

Compensation of key management personnel of the Fund				
Fund Secretary fees	7 046 819	1 698 732	7 046 819	1 698 732
Board fees (note 6)	1 301 203	1 912 726	1 005 459	1 002 060
	8 348 022	**3 611 458**	**8 052 278**	**2 700 792**

There were no loans to Fund Directors during the year.

16 Risk Management

16.1 Financial risk management

The main risks arising from the Fund's financial instruments are market risk (which includes currency risk and interest risk), credit risk and liquidity risk. The Fund does not use derivative financial instruments for speculative purposes. The Board of directors has the overall responsibility for the establishment and oversight of the Fund's risk management framework. These policies are reviewed by management on a regular basis for adequacy in being able to manage any changes in risks arising from changes in the operating environment.

The Fund's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance. Risk management is carried out by Directors. The Directors provide principles for overall risk management, as well as policies covering specific areas, such as market risk, interest risk, credit risk, and investment of excess liquidity.

Currency risk

In respect of monetary assets and liabilities denominated in foreign currencies, the Fund ensures that net exposure is kept to an acceptable level. This is achieved through all levies remitted and purchases being made in Zimbabwe dollars, which is the Fund's functional currency.

Interest rate risk

The interest rates for interest receivable from local financial institutions are generally pegged against the London Interbank Offered Rate (LIBOR). The Fund manages this risk by financing its operations through accummulated funds as a result of which exposure to interest rate risk is minimal.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Fund's risk to liquidity is a result of the funds available to cover future commitments. The Fund manages liquidity risk through an ongoing review of future commitments and credit facilities.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The Fund only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. Independent rating is inapplicable so the Board assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

16.2 Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Inflation Adjusted		Historical	
Carrying amount	**2021**	**2020**	**2021**	**2020**
Trade receivables	4 186 177	2 175 251	4 186 177	1 353 297
Cash and cash equivalents	24 935 912	9 480 776	24 935 912	5 898 310
Investments	3 594 452	57 063	3 594 452	35 501
	32 716 541	**11 713 090**	**32 716 541**	**7 287 108**

Figures in ZWL Dollar

16 **Risk Management (continued)**

16.2 **Credit risk (continued)**

Impairment costs

The ageing of trade receivables at the reporting date was as follows:

	Inflation Adjusted			
	Gross 2021	**Provision 2021**	**Gross 2020**	**Provision 2020**
Not past due 0-30 days	2 857 290	37 145	2 175 131	-
Past due 31-120 days	1 382 239	17 969	79	-
More than 120 days	1 785	23	42	-
	4 241 314	55 137	**2 175 251**	-

	Historical cost			
	Gross 2021	**Provision 2021**	**Gross 2020**	**Provision 2020**
Not past due 0-30 days	2 857 290	37 145	1 353 222	-
Past due 31-120 days	1 382 239	17 969	49	-
More than 120 days	1 785	23	26	-
	4 241 314	55 137	**1 353 297**	-

16.3 **Liquidity risk**

The following are contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Inflation Adjusted		Historical cost	
	Carrying amount	Payable within 12 months	Carrying amount	Payable within 12 months
31-Dec-21				
Trade and other payables	6 476 551	6 476 551	6 476 551	6 476 551
31-Dec-20				
Trade and other payables	2 929 713	2 929 713	1 822 673	1 822 673

16.4 **Exposure to currency risk**

The Fund is exposed to currency risk related to certain bank accounts which are denominated in a foreign currency. The net carrying amounts, in Zimbabwe Dollar, of cash and cash equivalents, are denominated in the following currencies. The amounts have been presented in Zimbabwe Dollar by converting the foreign currency amount at the closing rate at the reporting date.

	Inflation Adjusted		Historical cost	
	2021	2020	2021	2020
Zimbabwe dollar amount				
US Dollar	1 537 267	10 855 713	1 537 267	6 753 704
Rand	-	-	-	-
	1 537 267	10 855 713	1 537 267	6 753 704

16 Risk Management (continued)

16.4 **Exposure to currency risk (continued)**

Impairment costs

The net carrying amounts, in foreign currency of the above exposure was as follows:

	Inflation Adjusted		Historical cost	
	2021	2020	2021	2020
Foreign currency amount				
US Dollar	14 147	132 732	14 147	82 577
Rand	-	-	-	-
		132 732		82 577
The following exchange rates were applied at reporting date:				
Zimbabwe Dollar per unit of foreign currency:				
US Dollar	109	82	109	82
Rand		-		-

17 Unclaimed share portfolio

17.1 Ministry of Finance and other Regulators

The Investor Protection Fund, as legally set up seeks to protect public investors. In this regard, the custodian fees are paid by the Fund. The assets currently within the unclaimed share portfolio do not form part of the Fund's assets. The role of the Fund is to pay the custodial fees and provide general oversight of the unclaimed share portfolio. Custodial fees paid for unclaimed shares are disclosed on note 6.

The Commission directed all Stockbrokers to surrender any unclaimed share certificates to appointed custodians these being Old Mutual Custodial Services and Commercial Bank of Zimbabwe (CBZ) Custodial Services. The Fund began the process of dematerialization in 2016 and completed the process in 2019, whereby the individual physical securities were converted to electronic format.

The table below shows the reconciliation of unclaimed shares after completion of the dematerialization process:

17.2 Reconciliation of unclaimed share certificates

	2021	2020
Market value		
Portfolio valuation opening balance	367 328 518	32 062 597
Portfolio valuation closing balance	1 803 745 548	367 328 518

17.3 Dividends from unclaimed shares

During the year the Fund received dividends from various entities for unclaimed shares. The Fund handed over cash received as dividends from the unclaimed share portfolio to three asset managers. The total dividend received during the year is as below:

Dividend received	5 054 160	2 635 170

17.4 Number of share certificates

	Share certificates	
Opening balance	19 974	20 030
Transfer in	2 248	-
Invalid and delisted	565	-
Certificates collected	(44)	(56)
Closing balance	**22 743**	**19 974**

Figures in ZWL Dollar

17 Unclaimed share portfolio (continued)

17.5 Dematerialisation of share certificates

	Share certificates	
	2021	**2020**
Share certificates dematerialised successfully	19 956	19 956
Share certificates not yet dematerialised	74	74
Total share certicates as at 31 December	**20 030**	**20 030**

18 Assessment of non-trading shares

The following equity investments have become non-trading shares on the ZSE:

	Share certificates	
Non trading shares	996	2 551

19 Going concern

The financial statements have been prepared on the basis of accounting policies aplicable 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 ability of the Fund to remain as a going concern is dependant on a number of factors. The most significant of these is that the Directors continue to procure funding for the ongoing operations of the Fund.

20 Subsequent events

Statutory Instrument 96 of 2022 amended Section 39 (Rates of capital gains tax withholding tax) of the Finance Act (Chapter 23:04) by the repeal of paragraph (c) and the substitution of –

(c) in the case of a sale of a marketable security that is a listed security, one comma five per centum of the price at which the security was sold if such security was held for at least two hundred and seventy (270) days on the date of its sale, or four per centum of the price at which the security was sold if such security was held for less than two hundred and seventy (270) days on the date of its sale.