INVESTOR PROTECTION FUND

FINANCIAL STATEMENTS

31 DECEMBER 2023

Investor Protection Fund

Financial Statements for the year ended 31 December 2023

Index

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

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 Vernanda Ziyambi (Retired) [Chairman] Mr Justin Bgoni [Board Member] Mr Thomson Masvaure [Board Member] Mr Anymore Taruvinga [Board Member] Ms Thandiwe Shonhiwa [Board Member] Mrs Sandra Musevenzo [Board Member]
Registered Office	Investor Protection Fund c/o Comarton Consultants (Private) Limited 118 McChlery Avenue Eastlea Harare
Fund Administrator	Comarton Consultants (Private) Limited 118 McChlery 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 Chengetedzai Depository Company 4 Gloucester Close, Eastlea Harare
External Auditors	Rockstone Chartered Accountants 14182 Gunhill Avenue 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) 8th 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 2023

Chairman's Report

Objectives of the Fund

The Investor Protection Fund (hereinafter called "the Fund") was established in terms of the Securities Act [Chapter 24:25] 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 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 and Chengetedzai Depository Company. 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 ZWL5,441,940,088 (2022: ZWL138,712,905) which included levy income of ZWL286,179,871 (2022: ZWL66,403,859), interest income of ZWL3,576,123 (2022: ZWL268,113), sundry income of ZWL1,798,062,780 (2022: ZWL56,620,270), foreign exchange gain ZWL3,322,989,760 (2022: ZWL9,543,984) and surplus on sale of shares of ZWL31,131,554 (2022: ZWL5,876,679).

Expenses for the year amounted to ZWL748,595,152 (2022: ZWL73,960,600) with the major expense items being asset management fees and administration costs.

Surplus for the year before fair value came in at ZWL4,693,344,936 (2022: ZWL64,752,306). The unrealized fair value gain of ZWL17,909,235,877 (2022: ZWL1,879,908,145) was split between property investments and equity investments at ZWL5,269,787,952 (2022: ZWL766,412,646) and ZWL12,639,447,925 (2022: ZWL1,113,495,499) respectively. The Fund recorded a surplus of ZWL22,602,580,813 (2022: ZWL1,944,660,451) on historical basis for the year ended 31 December 2023. The surplus resulted in an increase in the accumulated fund balance from ZWL3,014,349,526 as at 31 December 2022 to ZWL25,616,930,339 as at 31 December 2023.

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JUSTICE V. ZIYAMBI (RETD)
CHAIRMAN

Date of Approval: 27 June 2024

Investor Protection Fund

Financial Statements for the year ended 31 December 2023

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 8.

The financial statements set out on pages 9 to 31, which have been prepared on the going concern basis, were approved by the Directors and were signed on their behalf by:

CHAIRMAN	**DIRECTOR**

Date of Approval: 27 June 2024

Rockstone

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

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REPORT OF THE INDEPENDENT AUDITORS

TO THE BOARD MEMBERS OF INVESTOR PROTECTION FUND

Opinion

We have audited the accompanying financial statements of Investor Protection Fund, set out on pages 9 to 31, which comprise the statement of financial position as at 31 December 2023, 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 the financial statements present fairly, in all material respects, the financial position of the Investor Protection Fund as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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 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. There were no key audit matters that came to our attention during the audit.

Other Information
The Directors are responsible for the other information. The other information comprises the Directors' Responsibility Statement and Approval as well as the Chairman's Report. 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 the Section 86B of the Securities Amendment Act, 2013, 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: 27 June 2024

Investor Protection Fund

Financial Statements for the year ended 31 December 2023

Statement of Financial Position

Figures in ZWL Dollar	Notes	Inflation Adjusted 2023	Inflation Adjusted 2022	Historical Cost 2023	Historical Cost 2022
ASSETS					
Non current assets					
Directly owned investment properties	14.3.2	5 488 145 617	2 201 584 222	5 488 145 617	458 150 414
		5 488 145 617	2 201 584 222	5 488 145 617	458 150 414
Currents assets					
Cash and cash equivalents	10.3	810 690 884	312 172 910	810 690 884	64 963 287
Trade and other receivables	13	219 260 375	58 263 265	219 260 375	12 124 605
		1 029 951 259	370 436 175	1 029 951 259	77 087 892
Investments					
Money market investments	11	258 342 215	142 471 924	258 342 215	29 648 455
Quoted investments	14.1	14 475 686 418	9 505 662 885	14 475 686 418	1 978 131 630
Unquoted investments	14.2	13 516 775	50 186 815	13 516 775	10 443 893
Unlisted commodities		154 097 904	12 978 624	154 097 904	2 700 856
Unit property investments	14.3.1	4 622 403 100	2 293 781 115	4 622 403 100	477 336 618
		19 524 046 412	12 005 081 363	19 524 046 412	2 498 261 452
TOTAL ASSETS		26 042 143 288	14 577 101 760	26 042 143 288	3 033 499 758
RESERVES AND LIABILITIES					
Reserves					
Accumulated fund		25 616 930 339	14 485 077 728	25 616 930 339	3 014 349 526
		25 616 930 339	14 485 077 728	25 616 930 339	3 014 349 526
Non current liabilities					
Rent deposit		6 104 723	3 288 476	6 104 723	684 333
		6 104 723	3 288 476	6 104 723	684 333
Current liabilities					
Trade and other payables	12	419 108 226	88 735 556	419 108 226	18 465 899
		419 108 226	88 735 556	419 108 226	18 465 899
TOTAL RESERVES AND LIABILITIES		26 042 143 288	14 577 101 760	26 042 143 288	3 033 499 758

The financial statements and the notes thereto were approved by the Board of Directors and were signed on its behalf by:

Chairman
27 June 2024

Director
27 June 2024

Investor Protection Fund

Financial Statements for the year ended 31 December 2023

Statement of Profit or Loss and other Comprehensive Income

		Inflation Adjusted		Historical Cost	
Figures in ZWL Dollar	**Notes**	**2023**	**2022**	**2023**	**2022**
Income					
Investor protection levies		534 678 582	524 293 284	286 179 871	66 403 859
Interest income	4	6 953 054	1 826 609	3 576 123	268 113
Sundry income	5	2 795 430 012	432 063 932	1 798 062 780	56 620 270
Foreign exchange gain		3 322 989 760	45 862 415	3 322 989 760	9 543 984
Surplus on sale of shares		41 732 562	81 013 435	31 131 554	5 876 679
		6 701 783 970	**1 085 059 675**	**5 441 940 088**	**138 712 905**
Expenditure					
Administration costs		277 577 410	186 868 882	184 453 726	23 831 583
Board fees	6	175 422 447	6 701 066	90 157 993	885 566
Asset management fees	7	255 128 907	190 272 115	139 948 298	24 108 532
Other expenditure	8	188 107 209	80 971 498	115 935 949	14 553 601
Loss on sale of of shares		58 051 560	-	49 565 617	-
Investor education and awareness campaign		72 669 597	-	57 523 080	-
Audit fees		102 619 039	40 398 782	68 762 632	6 403 780
Custodial fees	9	61 181 007	24 807 178	30 691 618	3 422 575
Bank charges		19 886 518	5 390 827	11 556 239	754 963
Monetary loss		1 233 649 246	267 880 496	-	-
		2 444 292 940	803 290 844	748 595 152	73 960 600
Surplus for the year before fair value		**4 257 491 030**	**281 768 831**	**4 693 344 936**	**64 752 306**
Increase/(Decrease) in fair value of investments	14.4	6 874 361 581	(2 412 969 158)	17 909 235 877	1 879 908 145
Surplus/(deficit) for the year		**11 131 852 611**	**(2 131 200 327)**	**22 602 580 813**	**1 944 660 451**

Investor Protection Fund

Financial Statements for the year ended 31 December 2023

Statement of Changes in Reserves

Figures in ZWL Dollar

Inflation adjusted	Accumulated funds	Total
Balance at 31 December 2021	16 183 942 360	16 183 942 360
Movements in foreign reserves	432 335 695	432 335 695
Total deficit for the year	(2 131 200 327)	(2 131 200 327)
Balance at 31 December 2022	14 485 077 728	14 485 077 728
Total surplus for the year	11 131 852 611	11 131 852 611
Balance at 31 December 2023	**25 616 930 339**	**25 616 930 339**

Historical cost	Accumulated funds	Total
Balance at 31 December 2021	979 719 872	979 719 872
Movements in foreign reserves	89 969 203	89 969 203
Total surplus for the year	1 944 660 451	1 944 660 451
Balance at 31 December 2022	3 014 349 526	3 014 349 526
Total surplus for the year	22 602 580 813	22 602 580 813
Balance at 31 December 2023	**25 616 930 339**	**25 616 930 339**

Investor Protection Fund

Financial Statements for the year ended 31 December 2023

Statement of Cash Flows

		Inflation Adjusted		Historical Cost	
Figures in ZWL Dollar	Notes	2023	2022	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES					
Surplus/(deficit) for the year		**11 131 852 611**	**(2 131 200 327)**	**22 602 580 813**	**1 944 660 451**
Adjustments for :					
Interest income	4	(6 953 054)	(1 826 609)	(3 576 123)	(268 113)
Dividends received	5	(558 428 675)	(379 431 533)	(350 645 914)	(48 963 702)
Loss/(profit) on disposal of shares		16 318 998	(75 882 742)	18 434 063	(4 984 759)
Foreign exchange gain		(3 322 989 760)	(45 862 415)	(3 322 989 760)	(9 543 984)
(Increase)/decrease in fair value of investments	14.4	(6 874 361 581)	2 412 969 158	(17 909 235 877)	(1 879 908 145)
		385 438 539	**(221 234 468)**	**1 034 567 202**	**991 748**
Working capital changes					
(Increase)/decrease in trade and other receivables		(160 997 110)	20 453 480	(207 135 770)	(7 359 363)
Increase/(decrease) in trade and other payables		330 372 670	(18 250 245)	400 642 327	11 989 349
Increase in rent deposit		2 816 247	1 493 429	5 420 390	575 667
Cash generated from operations		**557 630 346**	**(217 537 804)**	**1 233 494 149**	**6 197 401**
Net cash flows from operating activities		**557 630 346**	**(217 537 804)**	**1 233 494 149**	**6 197 401**
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	4	6 953 054	1 826 609	3 576 123	268 113
Dividends received	5	558 428 675	379 431 533	350 645 914	48 963 702
Purchase of shares/investments		(4 728 233 468)	(557 262 270)	(4 625 783 651)	(56 895 352)
Proceeds from sale of shares		780 749 607	247 937 362	460 805 302	31 949 526
Net cash flows from investing activities		**(3 382 102 132)**	**71 933 234**	**(3 810 756 312)**	**24 285 990**
Net increase in cash and cash equivalents		(2 824 471 786)	(145 604 570)	(2 577 262 163)	30 483 391
Effects of foreign exchange gain on cash and cash equivalents		3 322 989 760	45 862 415	3 322 989 760	9 543 984
Cash and cash equivalents at the beginning of the year		312 172 910	411 915 065	64 963 287	24 935 912
Cash and cash equivalents at the end of the year	10.3	**810 690 884**	**312 172 910**	**810 690 884**	**64 963 287**
Represented by:-					
Cash and cash equivalents	10	**810 690 884**	**312 172 910**	**810 690 884**	**64 963 287**

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 24:25].

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 Zimbabwe Dollars (ZWL), which is the Fund's functional and presentation currency.

2.1.2 IAS 29 Hyperinflationary Economies

The Public Accountants and Auditors Board through its pronouncement 01/2019 provided guidance to all entities that report based on the International Financial Reporting Standards (IFRSs) on the application of Financial Reporting in Hyperinflationary Economies Standard (IAS 29) in Zimbabwe. The pronouncement requires that entities that prepare and present financial statements for financial period ended on or after 1 July 2019 apply requirements of IAS 29 "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 IAS 29 compliant.

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

2.1.2 IAS 29 Hyperinflationary Economies (continued)

Sources of price index

The price indices provided by the Zimbabwe Statistical Office and reported on the Reserve Bank of Zimbabwe website as well as price indices provided by the Institute of Chartered Accountants were used to adjust the historical cost financial statements as shown below:

Year	Indices	Conversion factor
Dec-21	3,977.46	16.52
Dec-22	13,672.91	4.81
Dec-23	65,703.44	1.00

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 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 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.

Fair value estimation

The fair value of financial assets 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 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. Significant accounting policies

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).

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 or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit and loss).

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

3. Significant accounting policies

3.1 Financial instruments

Trade and other receivables

Classification

Trade and other receivables are subsequently measured at amortized cost. Applicable, Value Added Tax (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.

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 receivables 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 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 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 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 USD equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains and losses are recognized in the profit or loss in other operating gains (loses)

3. Significant accounting policies

3.1 Financial instruments

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 receivables 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 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 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.

De-recognition

Refer to the de-recognition section of the accounting policy for the policies related to de-recognition.

Any gains or losses arising on the de-recognition of trade and other receivables are included in profit or loss in the de-recognition gains (losses) on financial assets at amortized 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 amortized cost.

3. Significant accounting policies

3.1 Financial instruments

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 that form an integral part of the 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.

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 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.

3. Significant accounting policies

3.1 Financial instruments

De-recognition

Financial assets

The fund derecognizes 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 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 are expired. 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.

The reclassification date is at the beginning of the first reporting period following the change in business models which necessitates 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 and Economic Development, 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. Significant accounting policies

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 are 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 statement 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 funds 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 Economic Development and the Securities and Exchange Commission of Zimbabwe.

Investor Protection Fund

Financial Statements for the year ended 31 December 2023

Notes to Financial Statements

	Inflation Adjusted		Historical Cost	
Figures in ZWL Dollar	**2023**	**2022**	**2023**	**2022**
4 Interest income				
Banc ABC Asset Management	6 895 859	106 295	3 546 033	13 363
Old Mutual Investment Group	-	1 720 314	-	254 750
Stanbic Bank	57 195	-	30 090	-
Interest on money market investments	6 953 054	1 826 609	3 576 123	268 113
	6 953 054	**1 826 609**	**3 576 123**	**268 113**
5 Sundry income				
Dividends	558 428 675	379 431 533	350 645 914	48 963 702
Rentals	185 886 957	52 484 634	114 083 763	7 640 499
Other income	2 051 114 380	147 765	1 333 333 103	16 069
	2 795 430 012	**432 063 932**	**1 798 062 780**	**56 620 270**
6 Board fees				
Retainer fees	123 538 177	4 194 775	63 492 183	554 352
Sitting allowances	43 626 218	1 105 991	22 421 602	146 160
Committee fees	8 258 052	1 400 300	4 244 208	185 054
	175 422 447	**6 701 066**	**90 157 993**	**885 566**
Broken down as follows:				
Kaliati M	3 696 892	1 277 004	1 900 010	168 760
Ziyambi V	41 635 223	1 594 149	21 398 334	210 672
Dzangare G	804 438	897 793	413 439	118 646
Bgoni J	25 273 476	1 289 114	12 989 249	170 360
Zhou NPS	6 634 052	1 214 304	3 409 557	160 474
Masvaure T	30 325 313	-	15 585 630	-
Shonhiwa T	24 398 344	-	12 539 477	-
Musevenzo ST	14 301 701	-	7 350 329	-
Taruvinga A	28 288 920	428 702	14 539 030	56 654
Chinamo T	64 088	-	32 938	-
	175 422 447	**6 701 066**	**90 157 993**	**885 566**
7 Asset management fees				
ABC Asset Management	104 969 786	72 564 299	58 768 214	9 068 974
Old Mutual Investment Group	84 988 529	47 273 643	47 410 882	5 910 090
Invesci Asset Management	65 170 592	70 434 173	33 769 202	9 129 468
	255 128 907	**190 272 115**	**139 948 298**	**24 108 532**
8 Other expenditure				
Directors' expenses	132 983 947	12 402 335	85 636 987	1 657 085
Property expenses	12 088 978	3 847 216	4 382 644	520 390
Credit loss allowance	1 253 842	738 168	1 253 842	153 613
PRI Subscriptions	-	1 829 944	-	185 552
Consultation fees	-	11 072 505	-	2 249 678
Old Mutual write up fair value	-	27 302 412	-	5 681 641
Other expenses	2 795 142	278 894	693 878	17 785
Legal fees	-	5 536 252	-	1 124 839
Intellego investment consultants fees	10 163 535	9 254 834	4 131 700	1 419 799
Procurement fees	28 821 765	8 708 938	19 836 898	1 543 219
	188 107 209	**80 971 498**	**115 935 949**	**14 553 601**
9 Custodial fees				
Stanbic Nominees (Private) Limited	11 678 784	10 967 085	5 185 725	1 276 758
Old Mutual Investment Group	782 940	-	418 946	-
Chengetedzai Depository Company	48 719 283	13 840 093	25 086 947	2 145 817
	61 181 007	**24 807 178**	**30 691 618**	**3 422 575**

Investor Protection Fund

Financial Statements for the year ended 31 December 2023

Notes to Financial Statements

		Inflation adjusted		Historical Cost	
Figures in ZWL Dollar		2023	2022	2023	2022
10	**Cash and cash equivalents**				
10.1	**Cash and Bank**				
	Stanbic Bank Zimbabwe Limited (main)	18 502 060	16 628 147	18 502 060	3 460 323
	Nedbank Zimbabwe Limited	234 907 101	155 569 259	234 907 101	32 374 015
		253 409 161	**172 197 406**	**253 409 161**	**35 834 338**
10.2	**Call accounts**				
	Old Mutual Investment Group	97 110 434	112 226 931	97 110 434	23 354 462
	Atria	38	183	38	38
	Banc ABC	180 582 467	19 512 756	180 582 467	4 060 611
	Datvest	9	43	9	9
	Invesci Asset Management	279 588 775	8 235 590	279 588 775	1 713 829
		557 281 723	**139 975 503**	**557 281 723**	**29 128 950**
10.3	**Cash and cash equivalents**				
	Cash and Bank	253 409 161	172 197 407	253 409 161	35 834 338
	Call accounts	557 281 723	139 975 503	557 281 723	29 128 949
		810 690 884	**312 172 910**	**810 690 884**	**64 963 287**
11	**Money market investments**				
	Invesci Asset Management	-	35 861 807	-	7 462 854
	ABC Asset Management	-	16 342 953	-	3 400 974
	Old Mutual Investment Group	258 342 215	90 267 164	258 342 215	18 784 627
		258 342 215	**142 471 924**	**258 342 215**	**29 648 455**
12	**Trade and other payables**				
	Management fees and custodial fees outstanding	1 612 059	25 012 761	1 612 059	5 205 164
	Unclaimed shares portfolio dividends deposited into IPF	2 614 154	1 182 920	2 614 154	246 166
	Net inter-fund transfers	250 854 084	-	250 854 084	-
	Levies without details	68 884 318	24 107 607	68 884 318	5 016 801
	Money market payables	31 436 872	19 411 708	31 436 872	4 039 583
	Audit fees provision	32 980 452	17 202 077	32 980 452	3 579 758
	Other payables	30 726 287	1 818 483	30 726 287	378 427
		419 108 226	**88 735 556**	**419 108 226**	**18 465 899**
13	**Trade and other receivables**				
	Levies outstanding.	108 265 744	56 782 158	108 265 744	11 816 386
	Credit loss allowance	(1 407 455)	(738 168)	(1 407 455)	(153 613)
		106 858 289	**56 043 990**	**106 858 289**	**11 662 773**
	Rent receivable	1 526 181	-	1 526 181	-
	Sale of shares	109 881 144	-	109 881 144	-
	Other debtors	994 761	-	994 761	-
	Debit without information	-	1 490 372	-	310 147
	Tax refunded to Directors	-	192 542	-	40 068
	Interest due from money markets investments	-	536 361	-	111 617
		219 260 375	**58 263 265**	**219 260 375**	**12 124 605**

Investor Protection Fund

Financial Statements for the year ended 31 December 2023

Notes to the Financial Statements

Figures in ZWL Dollar

14 Consolidated position - investments

14.1 Quoted investments

	Inflation Adjusted			
	31-Dec-23		31-Dec-22	
Counter	**Number of shares**	**Market value**	**Number of shares**	**Market Value**
Afreximbank	54 750	952 565 653	54 750	476 965 085
ART	15 600	998 400	15 600	1 049 494
Axia Corporation Limited	920 526	443 991 584	920 526	491 961 303
Bindura Nickel Corporation Limite	1 432 235	97 943 460	1 432 235	108 958 950
British American Tobacco Zimbabv	6 405	83 905 500	6 405	86 152 322
Caledonia	2 143	211 935 213	1 503	64 253 534
Cassava Smartech Zimbabwe	632 196	162 693 396	307 237	59 175 138
CBZ Holdings Limited	-	-	199 480	-
Cottco Holdings Ltd	272 464	545	272 464	2 619
Dairibord Holdings Limited	277 366	168 359 581	255 866	43 033 616
Delta Corporation Limited	1 017 665	3 635 429 594	1 022 965	1 768 545 351
DZL	-	-	21 500	3 616 044
Ecocash Holdings	-	-	324 959	62 588 472
Econet Wireless Zimbabwe Limited	999 115	897 326 668	1 074 342	497 035 447
Edgars Stores Limited	165 790	14 921 100	165 790	7 568 489
FBC Holdings Limited	483 907	312 684 197	483 907	144 171 964
First Capital	129 000	86 621 762	-	-
Hippo Valley Estates Limited	50 288	95 547 200	50 288	44 125 609
Innscor Africa Limited	722 093	1 911 226 783	722 093	2 476 373 184
Lafarge	1 000	143 750	1 000	690 773
Meikles Limited	100 823	125 723 267	100 823	54 263 132
Nampak Zimbabwe	311 395	91 859 694	1 034 214	68 188 588
National Foods Holdings Limited	21 392	186 811 257	21 392	124 947 661
Nedbank Group Ltd	3 840	273 332 487	3 840	155 337 141
NMBZ Limited Holdings	301 340	223 808 400	301 340	54 543 319
OK Zimbabwe Limited	1 110 890	237 557 605	2 191 876	340 413 277
Old Mutual Plc	74 697	320 242 282	74 697	148 923 667
Padenga Holdings Limited	855 829	887 410 594	855 829	635 533 970
PPC Limited	77 234	100 785 079	77 234	32 106 392
Proplastics Limited	35 101	21 341 408	35 101	5 566 224
Quilter PLC	33 296	247 749 667	33 296	120 706 798
Seedco Co Limited	850 718	281 198 000	305 167	97 736 647
Seedco International Limited	241 791	451 982 329	241 791	236 072 489
Simbisa Brands Limited	833 024	1 640 715 425	833 024	987 683 826
Tanganda	189 008	181 225 176	189 008	81 322 277
TSL Limited	106 425	124 217 500	106 425	23 879 015
ZBFH	4 000	3 431 862	4 000	2 171 068
		14 475 686 418		**9 505 662 885**

14.2 Unquoted investments

Astra	231 135	13 516 775	231 135	27 167 482
Sykes Maize Futures Contract	-	-	-	23 019 333
		14 489 203 193		**9 532 830 367**

Figures in ZWL Dollar

14 Consolidated position - investments (continued)

14.1 Quoted investments (continued)

	Historical Cost			
	31-Dec-23		31-Dec-22	
Counter	**Number of shares**	**Market value**	**Number of shares**	**Market value**
Afreximbank	54 750	952 565 653	54 750	99 256 594
ART	15 600	998 400	15 600	218 400
Axia Corporation Limited	920 526	443 991 584	920 526	102 377 312
Bindura Nickel Corporation Limited	1 432 235	97 943 460	1 432 235	22 674 394
British American Tobacco Zimbabwe	6 405	83 905 500	6 405	17 928 327
Caledonia	2 143	211 935 213	1 503	13 371 182
Cassava Smartech Zimbabwe	632 196	162 693 396	307 237	12 314 366
Cottco Holdings Ltd	272 464	545	272 464	545
Dairibord Holdings Limited	277 366	168 359 581	255 866	8 955 310
Delta Corporation Limited	1 017 665	3 635 429 594	1 022 965	368 034 880
DZL	-	-	21 500	752 500
Ecocash Holdings	-	-	324 959	13 024 682
Econet Wireless Zimbabwe Limited	999 115	897 326 668	1 074 342	103 433 243
Edgars Stores Limited	165 790	14 921 100	165 790	1 575 005
FBC Holdings Limited	483 907	312 684 197	483 907	30 002 234
First Capital	129 000	86 621 762	-	-
Hippo Valley Estates Limited	50 288	95 547 200	50 288	9 182 554
Innscor Africa Limited	722 093	1 911 226 783	722 093	515 334 089
Lafarge	1 000	143 750	1 000	143 750
Meikles Limited	100 823	125 723 267	100 823	11 292 176
Nampak Zimbabwe	311 395	91 859 694	1 034 214	14 190 068
National Foods Holdings Limited	21 392	186 811 257	21 392	26 001 650
Nedbank Group Ltd	3 840	273 332 487	3 840	32 325 711
NMBZ Limited Holdings	301 340	223 808 400	301 340	11 350 483
OK Zimbabwe Limited	1 110 890	237 557 605	2 191 876	70 840 117
Old Mutual Plc	74 697	320 242 282	74 697	30 991 065
Padenga Holdings Limited	855 829	887 410 594	855 829	132 254 832
PPC Limited	77 234	100 785 079	77 234	6 681 351
Proplastics Limited	35 101	21 341 408	35 101	1 158 333
Quilter PLC	33 296	247 749 667	33 296	25 119 125
Seedco Co Limited	850 718	281 198 000	305 167	20 339 029
Seedco International Limited	241 791	451 982 329	241 791	49 126 764
Simbisa Brands Limited	833 024	1 640 715 425	833 024	205 537 335
Tanganda	189 008	181 225 176	189 008	16 923 193
TSL Limited	106 425	124 217 500	106 425	4 969 231
ZBFH	4 000	3 431 862	4 000	451 800
		14 475 686 418		**1 978 131 630**

14.2 Unquoted investments

Astra	231 135	13 516 775	231 135	5 653 562
Sykes Maize Futures Contract	-	-	-	4 790 331
		14 489 203 193		**1 988 575 523**

Figures in ZWL Dollar

14 Consolidated Position - Investments (continued)

14.3 Property investments

14.3.1 Unit properties

	Inflation Adjusted				Historical Cost			
	31-Dec-23		31-Dec-22		31-Dec-23		31-Dec-22	
ABC Asset Management	Units	Market Value	Units	Market Value	Units	Market Value	Units	Market Value
Brick and mortar property units	6 183	42 427 444	-	-	6 183	42 427 444	-	-
Willowvale Industrial	33 860	235 699 485	33 860	105 360 393	33 860	235 699 485	33 860	21 925 533
Motor City property units	34	1 439 606 127	34	643 520 584	34	1 439 606 127	34	133 916 849
Zimtile property	11 894	104 368 465	11 894	46 653 909	11 894	104 368 465	11 894	9 708 694
Mount Pleasant	5	439 772 727	5	196 583 494	5	439 772 727	5	40 909 091
Kingsmead Clusters	24 012	535 343 934	24 012	239 304 930	24 012	535 343 934	24 012	49 799 436
		2 797 218 182		1 231 423 310		2 797 218 182		256 259 603
Old Mutual Investment Group								
Real estate co-fund	327 828	1 825 184 918	327 828	1 062 357 805	327 828	1 825 184 918	327 828	221 077 015
Total unit properties		4 622 403 100		2 293 781 115		4 622 403 100		477 336 618
Reconciliation of carrying amount of unit properties								
Balance as at 1 January		2 293 781 114		1 351 160 300		477 336 618		81 794 570
Purchase of units in investment properties				-				-
Fair value gain		2 328 621 986		943 153 201		4 145 066 482		395 580 667
Sale of property		-		(532 387)				(38 619)
Balance as at 31 December		4 622 403 100		2 293 781 114		4 622 403 100		477 336 618

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 information of investments in property units held by the fund are illustrated here above.

	Inflation Adjusted 31-Dec-23	Inflation Adjusted 31-Dec-22	Historical Cost 31-Dec-23	Historical Cost 31-Dec-22
14.3.2 Directly - owned properties	5 488 145 617	2 201 584 222	5 488 145 617	458 150 414
Balance as at 1 January	2 201 584 222	1 442 408 774	458 150 414	87 318 436
Fair value gain	3 286 561 395	759 175 448	5 029 995 203	370 831 978
Balance as at 31 December	5 488 145 617	2 201 584 222	5 488 145 617	458 150 414

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 by year end to ZWL3 168 351 029 (31 December 2022: ZWL232 320 524). 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$1200 and ZWL values are being converted using monthly auction rates. The Highlands property was last revalued at ZWL2 319 794 588 (31 December 2022:ZWL225,829,890)

Valuation technique

The last fair valuations of the Riverside stands and the Highlands p+C35roperty were done by Dawn Property Consultants and Robert Root respectively.

Lot 92 Highlands Estate

The Highlands property was last revalued at $2 319 794 588 as at 31 December 2023. The property was valued by considering the comparable market evidence that is available, and taking into account the general trends in the residential property market in the neighbouring suburbs.

Riverside Stands

The Riverside stands were last revalued at $$3 168 351 029 as at 31 December 2023 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 Cost	
		2023	2022	2023	2022
14.4	**Fair value of investments**				
	Increase/(decrease) in fair value of investments				
	Invesci Asset Management	1 637 498 941	(1 915 617 354)	4 266 047 753	545 082 697
	ABC Asset Management	1 548 469 221	(133 110 156)	4 034 105 596	49 890 295
	Old Mutual Investment Group	1 665 614 330	(2 067 895 835)	4 339 294 576	518 522 507
	Property investments	2 022 779 089	1 703 654 187	5 269 787 952	766 412 646
		6 874 361 581	**(2 412 969 158)**	**17 909 235 877**	**1 879 908 145**

15 Related Party Disclosures

15.1 Ministry of Finance and Economic Development and other Regulators

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

		Inflation Adjusted 2023	Inflation Adjusted 2022	Historical Cost 2023	Historical Cost 2022
15.2	**Securities Exchange Commission of Zimbabwe**				
	Transactions				
	Procurement fees	28 821 765	8 708 938	19 836 898	1 543 219
	Balances				
	Procurement fees	6 443 131	1 818 483	6 443 131	378 427

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.

	Inflation Adjusted 2023	Inflation Adjusted 2022	Historical Cost 2023	Historical Cost 2022
Compensation of key management personnel of the Fund				
Fund Secretary fees	277 577 410	186 868 882	184 453 726	23 831 583
Board fees (note 6)	175 422 447	6 701 066	90 157 993	885 566
	452 999 857	**193 569 948**	**274 611 719**	**24 717 149**

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 United States Dollars and Zimbabwe Dollars, which is the Fund's functional currency.

Interest rate risk

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 Cost	
Carrying amount	**2023**	**2022**	**2023**	**2022**
Trade receivables	106 858 289	56 043 990	106 858 289	11 662 773
Cash and cash equivalents	810 690 884	312 172 910	810 690 884	64 963 287
Investments	258 342 215	142 471 924	258 342 215	29 648 455
	1 175 891 388	**510 688 824**	**1 175 891 388**	**106 274 515**

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	Provision	Gross	Provision
	2023	2023	2022	2022
Not past due 0-30 days	64 510 998	838 643	43 134 428	560 749
Past due 31-120 days	3 904 052	50 753	13 200 060	171 600
More than 120 days	39 850 694	518 059	447 669	5 819
	108 265 744	1 407 455	**56 782 157**	**738 168**

	Historical Cost			
	Gross	Provision	Gross	Provision
	2023	2023	2022	2022
Not past due 0-30 days	64 510 998	838 643	8 976 289	116 692
Past due 31-120 days	3 904 052	50 753	2 746 937	35 710
More than 120 days	39 850 694	518 059	93 160	1 211
	108 265 744	1 407 455	**11 816 386**	**153 613**

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 December 2023				
Trade and other payables	419 108 226	419 108 226	419 108 226	419 108 226
31 December 2022				
Trade and other payables	88 735 556	106 985 807	18 465 899	18 465 899

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 Dollars by converting the foreign currency amount at the closing rate at the reporting date.

	Inflation Adjusted		Historical Cost	
	2023	2022	2023	2022
Zimbabwe dollar amount				
US Dollar	234 907 101	155 569 259	234 907 101	32 374 015
Rand	-	-	-	-
	234 907 101	155 569 259	234 907 101	32 374 015

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	
	2023	2022	2023	2022
Foreign currency amount				
US Dollar	38 480	227 328	38 480	47 307
Rand	-	-	-	-
	38 480	227 328	38 480	47 307
The following exchange rates were applied at reporting date:				
Zimbabwe Dollar per unit of foreign currency:				
US Dollar	6105	684	6105	684
Rand	-	-	-	-

17 Unclaimed share portfolio

17.1 Ministry of Finance and Economic Development 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 9.

The Commission directed all Stockbrokers to surrender any unclaimed share certificates to appointed custodians these being Old Mutual Custodial Services and 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:

	2023	2022
17.2 Reconciliation of unclaimed share certificates		
Market value		
Portfolio valuation opening balance	2 537 469 691	1 803 745 548
Portfolio valuation closing balance	24 924 959 456	2 537 469 691

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	2 614 154	246 166

	Share certificates	
17.4 Number of share certificates		
Opening balance	22 675	22 743
Certificates collected	(87)	(68)
Closing balance	**22 588**	**22 675**

Figures in ZWL Dollar

17 Unclaimed share portfolio (continued)

17.5 Dematerialisation of share certificates

	Share certificates	
	2023	**2022**
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	996

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

On the 5th of April 2024, the Government of Zimbabwe issued Statutory Instrument 60 of 2024, introducing a new currency, the Zimbabwe Gold (ZiG), and replacing the Zimbabwe Dollar (ZWL). According to the Statutory Instrument, for accounting and other purposes (including the discharge of financial or contractual obligations), all assets and liabilities that were, immediately before the effective date, valued and expressed in Zimbabwe Dollars, shall be deemed to be valued in ZiG by applying an exchange rate of ZWL2 498.7242 : ZiG1 as at 5th April 2024.

Prior to its replacement by the ZiG, ZWL was the functional and presentation currency of the entity. The replacement of the ZWL by the ZiG implies that the entity will have to reassess its functional currency and choose a new presentation currency going forward. Management have accounted for the replacement of the ZWL by the ZiG as a non-adjusting event after the reporting period.