ZHL
ZIMRE HOLDINGS LIMITED

Security Growth and Profitability

ANNUAL REPORT 2021

www.zhl.co.zw

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Welcome to the ZHL eco-system

Emeritus Reinsurance

Innovative risk solutions to protect growth and prosperity.

WFDR Risk Services

Create, grow and protect.

CredSure
Innovative Insurance Solutions

ZIMRE CAPITAL
PRIVATE LIMITED

Financial engineering at it's best.

ZHL
ZIMRE HOLDINGS LIMITED
Security Growth and Profitability

FIDELITY LIFE
ASSURANCE OF ZIMBABWE

From cradle to grave.

ZIMRE PROPERTY INVESTMENTS LIMITED

Turning dreams into reality.

CORPORATE INFORMATION

DIRECTORS

Benjamin. N. Kumalo (Chairperson)
Mark Haken
Jean Maguranyanga
Desmond Matete (appointed 12 April 2021)
Ignatius Mvere
Hamish BW Rudland
Cron von Seidel
Edwin Zvandasara
Stanley Kudenga (Group Chief Executive Officer)

COMPANY SECRETARY

Ruvimbo Chidora

REGISTERED OFFICE

2nd Floor, Block D
Smatsatsa Office Park
Borrowdale
Harare, Zimbabwe.
Tel: +263 (242) 870 762-8
Email: zhl@zimre.co.zw
Website: www. zhl.co.zw

TRANSFER SECRETARIES

ZB Transfer Secretaries (Private) Limited
21 Natal Road,
Avondale, Harare, Zimbabwe.

LEGAL ADVISORS

Wintertons Legal Practitioners
Beverly Court,
11 Selous Avenue,
Harare, Zimbabwe.

Mhishi Nkomo Legal Practice
86 McChlery Avenue,
Eastlea, Harare, Zimbabwe.

INDEPENDENT AUDITORS

Grant Thornton
Camelsa Business Park
135 Enterprise Road
Highlands
Harare, Zimbabwe

PRINCIPAL BANKERS

NMB Bank Limited
Angwa City Branch
Harare, Zimbabwe.

National Building Society
Social Security Centre,
77 Park Lane,
Harare, Zimbabwe.

Recognition of the ZHL Group

Living up to our values of integrity and excellence

ZIMRE HOLDINGS LIMITED
Security Growth and Profitability

- 1st Runner Up - Best Listed Insurance Group from the Zimbabwe Independent Insurance Survey Awards
- 2nd Runner Up - Most Innovative Board of the Year (Large and Listed Companies) from the Institute of Corporate Directors

Emeritus Reinsurance

- 1st Runner Up – Reassurance Company of the Year from the Zimbabwe Independent Insurance Survey Awards
- 2nd Runner Up - Short Term Reinsurance Company of the Year from the Zimbabwe Independent Insurance Survey Awards

FIDELITY LIFE
ASSURANCE OF ZIMBABWE

- Leader In Funeral Assurance Of The Year from the Megafest Leadership Business Awards
- Excellence in Corporate Governance under the Insurance Companies Category from the Chartered Governance and Accountancy Institute in Zimbabwe

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

Dear Members

It is my pleasure to present the Zimre Holdings Limited (ZHL) Group Financial Results for the year ended 31 December 2021. In 2020 we spoke of the impact of the Covid-19 pandemic unaware of the depth and length of the resultant economic downturn. Although, ZHL successfully consolidated its heartland investments in 2020, it was not immune to the grim global outlook of 2021. Accordingly, ZHL took 2021 as a reflective year to ensure that its new consolidated Group structure could withstand and respond to the new normal being forged by the pandemic.

BUSINESS ENVIRONMENT

Following the easing of lockdown restrictions and the increase in vaccine uptake, especially in the 2nd Half of 2021, the operating environment in **Zimbabwe** was fairly stable, registering economic growth of 7.8% largely anchored by Agriculture, Mining, Manufacturing, Construction, Accommodation and Food Services. The growth was also supported by a sustained reduction in year-on-year inflation with consumer inflation closing the year at 60.7% compared to 348.6% as at 31 December 2020. Additionally, the Reserve Bank of Zimbabwe (RBZ) Foreign Exchange Auction Trading System recorded a 33% depreciation of the local currency, closing the year at USD1:ZWL108.7.

The **Botswana** economy grew by 9% in 2021 despite being faced with rising inflation like its regional neighbours. The country's economy remains heavily reliant on diamond sales which rebounded in 2021 whilst the tourism sector remained depressed due to travel restrictions.

The **Malawi** Government outlined that the economy remained depressed due to the Covid-19 pandemic and has put in place a 10 year plan in order to revive the economy with the main pillar being Agriculture. The economy grew by 3% in 2021.

The new government of **Zambia** which was ushered in 2021, projected a 3.3% GDP growth in 2021 due to favourable performance in the Agriculture, Energy, Construction, and Information and Communication Technology sectors. The country recorded reduced Copper earnings by the end of December 2021 which remains the country's main foreign currency earner.

Following an economic contraction like its regional counterparts in 2020, **Mozambique** resumed its economic growth to 2.2% in 2021. The government's fight against jihadists in the gas-rich Cabo Delgado province posed as downside risk to exploration projects and prospects slowed down in 2021.

DIRECTORS RESPONSIBILITY

The Directors of ZHL are responsible for the preparation and presentation of the Group's Consolidated Financial Statements. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), except for non-compliance with International Accounting Standard ("IAS")21, 'The Effects of changes in Foreign Exchange rates and consequently IAS 29, 'Financial Reporting In Hyper-Inflationary Economies'.

Notwithstanding, the ZHL Financial Statements are compliant with the Companies and Other Business Entities Act [Chapter 24:31] and the Zimbabwe Stock Exchange ("ZSE") Listing

Requirements. There were no changes to the principal accounting policies of the Group compared to those applied in the previous years. The Board, therefore, advises users to exercise caution in the interpretation of these financial statements.

Inflation adjusted financial performance

As a result of the new Group structure, the ZHL Group was able to generate ZWL10.6 billion in total income, a 137% growth from the prior year. Gross Premium Written (GPW) increased from ZWL3.4 billion to ZWL5.2 billion, a 53% growth from prior year. Rental income contributed 3% of the Group's total income at ZWL294 million from ZWL144.1 million in the prior year. The increase was in spite of disparities in growth of investment property values and rental income as well as a direct consequence of the anticipated cost saving from de-listing the Group's property arm.

In its year of reflection, concerted effort was given to implementing appropriate responses to the pandemic. These responses included robust initiatives to investments, resulting in notable growth in investment income of 270% to ZWL171.6 million. Also among the key responses was prudent and tough decisions on costs given both the pandemic and inflation in Zimbabwe. Total Expenses were therefore ZWL6.44 billion being a 186% increase from prior year and the cost to income ratio dropped from 50% to 41%, a creditable performance given the circumstances.

The Group recorded a profit of ZWL2.8 billion (2020:ZWL1.6 billion) despite insurance benefits and claims increasing by 107% and operating and administrative expenses growing by 502%, a demonstration of the resilience of the Group's strategy and resourcefulness of its team.

Review of Operations

The year 2021 saw the ZHL Group begin the process of restructuring and repositioning itself to include wealth creation and management both for its shareholders and the communities within which it operates. This included the integration and reorganisation of Fidelity Life Assurance of Zimbabwe Limited to ensure the business focuses on core business, business acquisition and innovation. The Group also embarked on restructuring its property portfolio and initiating new strategies to ensure portfolio optimisation.

IMPACT OF Covid-19 PANDEMIC

2 years into the Covid-19 pandemic, the Group has maintained a zero fatality record through a comprehensive business continuity plan, adherence to safety protocols and practices as issued by the Ministry of Health and Child Welfare and World Health Organization ("WHO"). In addition, locally, through Fidelity Life Medical Aid Society (FLIMAS), the Group rolled out an effective vaccination programme. As at 31 December 2021, 90% of Group employees were vaccinated. Nevertheless the Group's thoughts and prayers were and continue to be with those that have suffered more significantly and/or personally as a result of the pandemic. Going forward, the Group intends to be more proactive as opposed to reactive to the effects of Covid-19, to ensure the Group's financial health for the benefit of all its stakeholders.

DIRECTORATE

During the year under review, there were no changes to the ZHL Board of Directors.

DIVIDEND

In line with the Group's dividend policy and after careful consideration of the Group's level of profitability and reserves, economic down turn as a result of the Covid-19 pandemic and associated risks to business growth, the Directors have found it prudent to declare a total dividend payable of ZWL102.6 million or ZWL5.64 cents per share (2020: ZWL30 million). Although the dividend of ZWL102.6 million is below the Group's expected dividend policy of two and half times cover, the Directors' recognise the need for frequent dividend distributions as a culture of mutual support and confidence between the Company and its shareholders. A separate dividend notice was published on 1 June 2022 in accordance with the Company's Articles of Association and the ZSE Listing Requirements.

OUTLOOK AND STRATEGY

The Group acknowledges the difficult operating environment. Notwithstanding, the Group will continue to pursue its new DNA of being a Financial Services Group with core competencies in Insurance, Property and Wealth Management. The strategy will be anchored by robust investment initiatives, continued consolidation of operations to capitalise on economies of scale while eliminating duplication of costs, and exploring strategic partnerships both locally and regionally to enhance its market presence.

Following the consolidation of the Group's heartland investments, the Group will be developing an over arching and formalised policy to Environmental, Social Responsibility and Corporate Governance. The policy will encourage the sharing of ideas to ensure that best practices are implemented in a coordinated manner across all the operations to create sustainable economic value.

The new consolidated structure has also made culture a real focus of the Group. The Group, has therefore adopted a uniform culture that builds on the opportunities of 2020, to align the organisational purpose, strategic values and leadership behaviours. The culture transformation is expected to result in a positive effect on the Group employees and in turn its success.

APPRECIATION

Having reflected on the 2021 financial performance of ZHL, it is evident that the positive performance is as a result of the adaptability, effort and hard work of the ZHL teams across the Group, which I appreciate.

I wish to extend my thanks and gratitude to the Group's shareholders and investor community for their continued support and confidence evidenced by the accolades received by the various Group companies and employees.

Finally, I wish to thank my fellow Board Members for their invaluable contributions and commitment to the business.

B. N. Kumalo
CHAIRMAN
13 May, 2022

THE GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

2021 was a year of reflection, restructuring and remodelling the Group's business portfolio. Whilst the operating environment was characterised by challenges brought about by the Covid-19 pandemic, the ZHL Group weathered the storm and focused on harnessing and integrating its new ecosystem.

Business Environment

The Covid-19 pandemic remained the biggest threat to global economic growth, maintaining an inhibiting impact on growth through supply chain disruption and demand drag. As the year progressed, improvements in Covid-19 statistics were recorded and relaxation of lockdown restrictions led to increased economic activity across the globe. Zimbabwe's economy was however riddled with currency volatility and rising inflation whilst the regional countries within which the Group operates were hit with cyclones and unprecedented agricultural shocks.

ZHL Group Performance

Notable growth and operating profitability was recorded in the reporting period as a result of the integration of the FLA Group and currency stability in some of the regional markets, primarily Zambia, Botswana and Mozambique. The Group's restructuring efforts and strategies will continue to yield a positive impact into the future as the Group further refines the execution of strategies to sweat value.

The **Reinsurance and reassurance** cluster recorded commendable growth with regional units posting a 29% growth in total income in real terms despite a high claims experience due to covid-19 and weather related claims. Performance was largely driven by the Zambian and Botswana operations as a result of economic stability and strengthening of the Zambian Kwacha.

Short-term insurance operations were expanded to include short term insurance broking in order to extract value from synergies between companies and leveraging the insurance value chain. ZHL acquired a 60% stake in WFDR Risk Services whose main business is to provide risk management and insurance brokerage services.

The **Life and Pensions** cluster was consolidated in the 2021 numbers following the successful restructuring and integration of the Fidelity Life Assurance Group with ZHL in order to optimize performance paramters. The segment contributed 31% to the Group's total core revenue.

The property market was adversely affected by subdued demand in the real estate space and growing void levels in commercial properties. Despite restrained growth in rental values, management implemented various measures to preserve rental values and ramp up collections.

The Group incorporated the **wealth management** cluster which compliments the ZHL ecosystem through the investment banking boutique (Zimre Capital), asset management (Fidelity Life Asset Management), actuarial services (Zimbabwe Actuarial Consultants), and microfinance (Fidelity Life Financial Services). These operations are critical to the Group's investment income generation, Asset & Liability matching and balance sheet optimisation for shareholders and policyholders.

Business Outlook

The Group's ecosystem continues to evolve and adapt to the dynamic operating environment whilst keeping our customers at the core of our offering and delivering shareholder value.

The Group will be focusing on a cultural transformation to define a common work ethic that ensures stakeholder value proposition is improved. Despite the economic challenges faced in our various operating environments, the Group is implementing measures and strategies that will leverage the insurance value chain and synergies across the strategic business units.

S. Kudenga
Group Chief Executive Officer
13 May, 2022

REINSURANCE & REASSURANCE	PROPERTY	WEALTH MANAGEMENT	SHORT TERM INSURANCE	LIFE AND PENSIONS
Specialists in providing reinsurance and risk management solutions to the direct insurance market.	Adding value to the Zimbabwe property landscape whilst providing commercial and individual property solutions.	Offer savings and investment products through investment banking, provate equity, asset management and actuarial services.	Provide affordable and innovative insurance solutions to the Zimbabwean market, specialising in credit and short-term insurance products.	Providing cradle to grave risk solutions which include life assurance, employee benefits, medical insurance and funeral assurance.

FINANCIAL HIGHLIGHTS

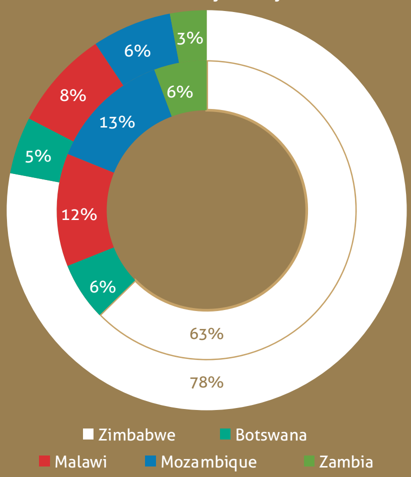
Total Insurance Revenue
ZWL4.24 billion
YOY: 73%

Total Revenue
ZWL10.56 billion
YOY: 137%

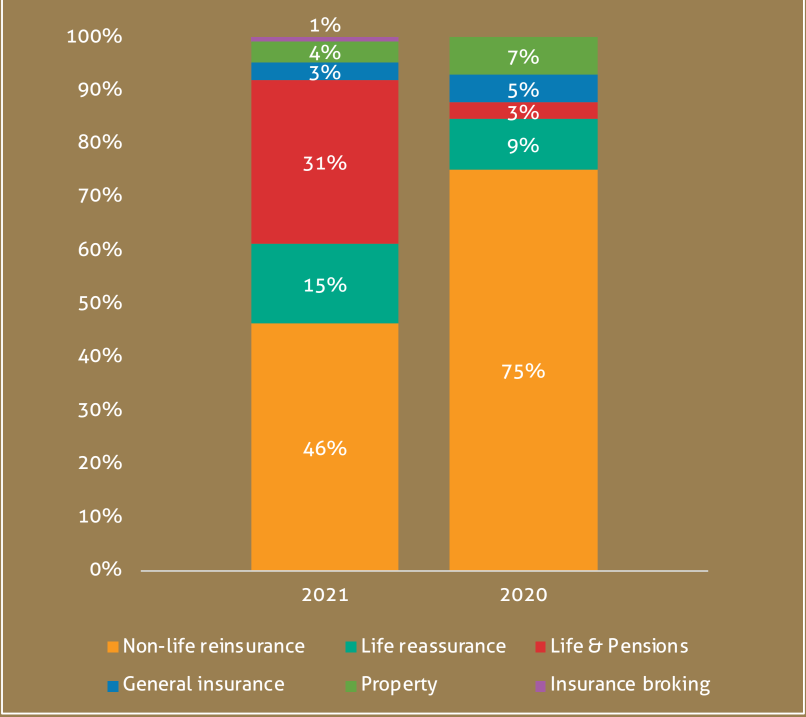
Cash & Cash Equivalents
ZWL1.61 billion
YOY: -16%

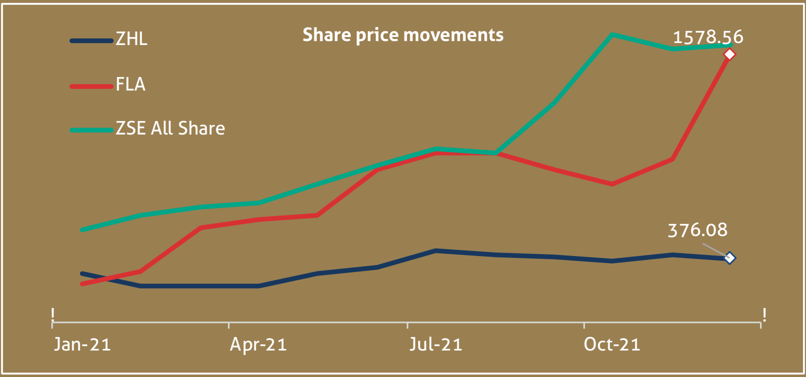
Profit for the year
ZWL2.81 billion
YOY: 78%

Contribution to Total Income by country



Contribution to total income by core business unit





Basic and diluted earnings per share
ZWL1.48
up 156% from 2020

Market Capitalisation of
ZWL6.84b
a year on year growth of 20%

Net Asset Value per Share of
ZWL6.18
with NAV at ZWL11.23billion

Return on Equity
24%
up from 10% in 2020

Share price
ZWL3.76
a year on year growth of 20%

We are not a team because we work together, we are a TEAM because we respect, trust and care for each other.

The ZHL Management Team

Stanley Kudenga
Group Chief Executive Officer
CA(Z), MBL (Unisa)

Chakanyuka Crawford Nziradzemhuka
Chief Operating Officer
HBS (Finance & Banking) (UZ), MSc Finance and Investment,(Nust), Exec MBA (Nust), MIFM (SA Institute of Financial Markets

Zvenyika Zvenyika
Chief Finance Officer
Chartered Accountant FCA(Z)

Ruvimbo Chidora
Group Legal Executive/Company Secretary
LLB Law and Business Studies

Emeritus Reinsurance

FIDELITY LIFE ASSURANCE OF ZIMBABWE

CredSure Innovative Insurance Solutions

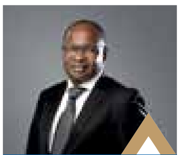
ZIMRE PROPERTY INVESTMENTS LIMITED

WFDR Risk Services

Leo T Huvaya
Managing Director Zimbabwe
Bsc – Eco (Hons) (UZ), ACII

Patience Mashaire Marwiro
Managing Director- Botswana
MBA, BA – Admin, Bsc (Hons), ACII, FIISA

Reginald Chihota
Managing Director
BA - Business Administration - UZ, MBA - UK, Post Grad CIM - UK



Calven Mutyavaviri
Managing Director
MBL (UNISA), BBS (UZ), AIISA, FIISA

Edson Muvingi
Managing Director
MBL (UNISA), BBS (UZ), AIISA, FIISA.

Nyasha Perekwa
Managing Director
FCCA, RPAcc(Z)

Christopher Mukwindidza
Managing Director - Malawi
BBS (Hons) –UZ, MBA (UZ), ACII (SA)

Mufaro Chauruka
Managing Director - Mozambique
BBS (Hons) –UZ, MBA (UZ), FIISA

Webster Chigwende
Managing Director -Zambia
Msc Strategic Planning, MBA, BCom – Insurance and Risk Management (Hons), ACII (UK)

ZHL'S COMMITMENT TO ENVIRONMENTAL SOCIAL AND GOVERNANCE REGULATIONS (ESG)

Environment

During 2021, the ZHL Group returned to normal operations following the successful national roll outs of the Covid-19 vaccinations. To prioritize the health and safety of its employees at the work place, ZHL has maintained a decongested workflow, which significantly reduced the Group's overall energy consumption thereby supporting the Company's move to solar energy for its Borrowdale Offices.

In line with the Group Strategy, to become a bionic company that is driven by data, research and innovation, and to ensure continued service provision to customers and clients during intermitted lockdowns, ZHL initiated a digitation initiative. The initiative resulted in the optimization of the Group's internal controls and processes by transforming them from paper to electronic on an intuitive and customized intranet. The initiative together with the hybrid board meetings and completely electronic board packs has reduced both the Company and the Group's paper consumption and in turn carbon foot print.

As single-use plastic pollution accumulates most visibly on our streets and makes its way by rain or storm drains into our rivers and streams. Aside from being eye sores on the streets, it's a significant contributor to water pollution. The Company has therefore begun the slow process of phasing out single use plastic through the placement of water dispensers in its communal areas.

Social

ZHL realizes that its strategic focus on value creation is a way of life whereby positives are maximized, and negatives minimized for the benefit of both shareholders and the community. During the year under review, ZHL noticed the pressure Covid-19 put on the national health care service and its infrastructure, resulting in chronic and terminal illnesses being sidelined. ZHL and its subsidiary companies, in an effort of maximizing the positives, donated a 2020 Suzuki Dzire to Island Hospice, an organisation that selflessly anchored our national health care services during the Covid-19 pandemic. Island Hospice provides expert palliative care to suffers of chronic and terminal illnesses, training to home based care givers as well as bereavement services to families and communities suffering loss due to any cause, including trauma.

The ZHL Group is proud to have retained all of its employees despite the economic downturn caused by the Covid-19 pandemic. Having, for decades, invested in its people, ZHL is proud to be an employer of expert financial and risk advisors and insurance practitioners whose dedication to their clients and the Group enabled the Group to continue operating despite the challenges of Covid-19.

Governance

The consolidation of business units brought about a governance conundrum for ZHL, notably:-

- the search for balance between the degree of control that needs to be exercised by the parent over its subsidiaries;
- the degree of independence that needs to be provided to the subsidiaries; and
- the level of standardization of the systems and processes across the Group and local adaptation at the subsidiary levels.

The Group will be putting in place a Subsidiary Governance Framework (SGF) to ensure strategic alignment, operational synergies and culture uniformity among all the operational units. The SGF will be in accordance with the guiding laws and regulations of the Group, namely the Companies and Other Business Entities Act [Chapter 24:31], the National Code on Corporate Governance of Zimbabwe, the Zimbabwe Stock Exchange Listing Requirements and the King Code as amended from time to time.

CORPORATE GOVERNANCE STATEMENT

Introduction

The consolidation of heartland investments in 2020 emphasised the need for ZHL Board to balance oversight with control and create symmetry on the Group's purpose, strategy and overall commercial objectives. To this end, the Board has ensured that the Group adopts policies and procedures that are appropriate to the Group's size and activities while the Chairman has lead the adoption, delivery and communication of the Company's corporate governance model.

Accordingly, the Board remains committed to ensuring that a strong governance framework operates throughout the Group, recognising that a good corporate governance is a vital component to support management in their delivery of the Group's strategic objectives, and to operate a sustainable business for the benefit of all stakeholders. The Board further recognises that the process of identifying, developing and maintaining high standards of corporate governance namely accountability, integrity and transparency, suitable for the Group, is ongoing and dynamic exercise. The standard must at all times reflect changes in the Group and its business, the macro-economic environment, the composition of the boards, and regulatory and corporate governance developments.

The ZHL Board therefore considers that the King Code as amended as read with the National Code on Corporate Governance of Zimbabwe best align with the expectations of the Group's stakeholders and therefore remain the most appropriate governance codes to the size of the Group, its geographical positioning and the regulatory framework within the Group companies. The Board confirms that for the year under review, it has not departed from any of the principles of the King Code as amended and as read with the National Code on Corporate Governance of Zimbabwe. Where the Company has not complied, it has taken corrective measures.

Communication with Shareholders and Stakeholders

The Board seeks to continuously engage with the investing public to maintain a mutual understanding of the Group's objectives beyond the bottom line. Relations with shareholders and potential investors are managed principally by the Executive Management team with the assistance of the Board Chairman as and when necessary.

During the year under review, the Group stakeholder engagement strongly improved following the implementation of a robust communication plan that aligned investor perceptions to the Group's value proposition while embracing the new digital landscape.

The ZHL DNA was widely broadcasted in virtual panel discussions, editorial pieces in a number of publications around the country and pop-up road shows to the Company's shareholders. In line with the provisions of the Companies and Other Business Entities Act [Chapter 24:31] together with the Zimbabwe Stock Exchange Listing Requirements (Statutory Instruments

134 of 2019), the Company also complied with the statutory engagements, Annual General Meetings, ("AGM"s), notices and announcements in the press, interim and annual reports, bi-annual analyst briefings and quarterly trading updates. We believe that communication plan has made the Group current, visible and accessible.

In addition to the above, shareholders and the general public are welcome to direct any communication through the Group Company Secretary or the Transfer Secretaries.

Declaration of Directors' and Employee Interests
At the 23rd AGM of the Company, the shareholders approved the Employee Share Appreciation Scheme which aligns employees to shareholders interest of consistent performance to realize sustainable profits. As at 31 December 2021, 25 054 970 ordinary shares were granted to the Group's 210 employees. To further performance, the outstanding rights of 20 499 521 ordinary shares will only be issued as employees meet their respective key performance indicators. Members are reminded that the employee share appreciation rights may only be exercised as from the 3rd year of its anniversary.

For transparency, and preservation of fair and equitable trading practices, the ZHL Group adheres to the principal of the "closed period". That is, the Group's directors' and employees are strictly prohibited from trading in the shares of the Company for the period from the end of the Company's financial year end to the date of earliest publication of the issuer's preliminary report, abridged report or provisional report; or the period from the expiry of the first six months of the Company's financial year to the date of publication of the issuer's interim results.

The Company Secretary circulates a memo at the beginning and end of the closed period to all directors and employees of the prohibition to trade in the shares of the Company. During the year under review no directors or employees acquired any material interests which could cause significant conflict of interest with the Group's objectives.

The beneficial interests of the Directors and their families in the shares of ZHL are presented on page 20 of this Annual Report.

In addition to the prohibition to trade during a "closed period", the Directors and employees of the ZHL Group may not deal directly or indirectly in the shares of ZHL or its listed subsidiaries during a period when they are aware of any information, negotiations or details which may affect the share price.

The Role and Functioning of the Board
The Board is collectively responsible for the long-term success of the Group and its companies. It's fiduciary duties include:-

- approval of overall strategy and objectives;
- approval of the annual budget and monitoring progress towards its achievement;
- setting the Group corporate culture
- aligning its subsidiaries to the Group vision, business objectives and strategic direction,
- coordinating and supervising the operating entities,
- implementing an efficient risk management system
- overseeing that appropriate internal controls are in place and being observed
- Managing shareholder and stakeholder relations
- Overseeing the preparation of interim and annual financial statements of the Group and ZHL as an entity.

The Group's strategy, business model and annual budget are developed by the Group Chief Executive Officer and the Executive Management team.

The acquisition of majority interest in Fidelity Life Assurance Company of Zimbabwe Limited (FLA) and WFDR Risk Advisory Services (Private) Limited (WFDR) and 100% of Zimre Property Investments Limited (ZPI) significantly altered the DNA of the ZHL Group. For strategy alignment across the Group, the Group Chief Executive Office held a strategy retreat attended by the senior management of all ZHL Group companies. After three grueling days, the team formulated the ZHL Group Strategy aimed at market leadership anchored by the newly developed ZHL Eco-system that is geared to create value. The strategy was accordingly approved by the Board and cascaded and customized by the various subsidiary boards.

To preserve the independence of subsidiary boards and prevent shadowing, the ZHL Board has commissioned the development of a subsidiary governance framework. The framework will allow ZHL to manage its subsidiaries with a consistent approach that supports the Group's strategic objectives while recognising the roles and duties of subsidiary directors and management.

Composition of the ZHL Board
As 2021 was a reflective year for ZHL, the Board held 5 meetings. The additional meeting was to complete, on a human capital level, the re-consolidation of group companies. To ensure smooth transition, loyalty and uniformity, the Board has commissioned a culture transformation exercise based on the attributes of the Eagle.

The ZHL Board comprises of an independent non-executive Chairman, one executive member, and seven non-executive members. The Directors have a balance and depth of skills and experience, which together with their long-standing knowledge of the Group, enables them to discharge their respective duties and responsibilities effectively.

The Chair is responsible for the effective running of the Board and for ensuring that all Directors play a full and constructive part in the development and determination of the Group's strategy and overall commercial objectives. The Group Chief Executive Officer's primary role is to deal with the running of the Group businesses and the executive management teams within the subsidiaries. There is a clear division of responsibilities between the Chairman and Group Chief Executive Officer, through the Board Charter. The Company Secretary advises the Board and reports directly to the Chairman on Corporate Governance and legal matters to ensure that Board's procedures and applicable rules and regulations are observed.

The Directors have unrestricted access to the Executive Management team and are also able to take independent professional advice in the furtherance of their duties as and when necessary at the cost of the Company.

Board Committees
While retaining overall responsibility, the ZHL Board has assigned certain of its duties to three committees:

Audit and Risk Management Committee
Edwin Zvandasara (Chairperson), Mark Haken, Jean Maguranyanga, Ignatius Mvere, Stanley Kudenga *(by invitation).*

Key Responsibilities

- Initial review of the annual budgets, consolidated financial statements, management and risk reports, dividend proposal, review of half-yearly reports or, where applicable, quarterly financial reports or statements.
- Monitoring of the financial reporting process, the effectiveness of the internal controls and audit systems and legal and compliance issues.
- Monitoring of the audit procedures, including the independence of the external auditor and the services additionally rendered, awarding of the audit contract and determining the focal points of the audit. The Committee chairperson has unrestricted access to the internal and external auditors.
- Monitoring of the general risk situation and special risk developments within the ZHL Group as well as monitoring the effectiveness of the risk management system.

Finance and Investments Committee
Hamish BW Rudland (Chairperson), Desmond Matete
Ignatius Mvere, Cron von Seidel, Stanley Kudenga *(ex officio)*

Key Responsibilities

- Formulation, implementation and review of the capital and liquidity planning for the Group and ZHL.
- Providing guidelines for currency management, Group financing and internal Group capital management, as well as establishing and overseeing a Group-wide risk management and monitoring system including dynamic stress tests.
- Implementing the Group investment strategy, including monitoring Group-wide investment activities as well as approving investment related frameworks and guidelines and individual investments within certain thresholds.

Human Resources and Nominations
Benjamin N Kumalo (Chairperson), Jean Maguranyanga,
Desmond Matete, Ignatius Mvere, Hamish BW Rudland,
Stanley Kudenga *(by invitation).*

Key Responsibilities

- Undertakes the selection of executive management, concludes, amends, and when necessary terminates executive management contracts.
- Prepares the compensation system for the Group and the overall compensation of the ZHL Board and executive management.
- Prepares the staff development plan as well as the long-term succession planning for executive management and Board.
- Sets concrete objectives for the composition of the Board including the establishment of selection criteria for shareholder representatives in compliance prevailing codes and legislation.
- Selection of suitable candidates for election to the Board.

Remuneration of Directors
The Human Resources and Nominations Committee maintains that the heart of the ZHL Group is its formidable teams, who kept the Group operational during the challenging 2 years of the Covid-19 pandemic.

The Group thrives to be a top employer and to retain the skills, experience and resilient attitude of its directors and employees. With the assistance of professional advisors, the remuneration packages for the non-executive were reviewed and found to be within the upper quartile of the industry average.

The remuneration packages for non-executive directors are available for inspection on request at the Company's Registered Office. The executive packages include a guaranteed salary as well as a performance bonus, linked to the achievement of pre-set targets which takes into account the needs of the Company from time to time.

Board Attendance
In compliance with the Covid-19 induced lockdowns and travel restrictions, the Company's Board and Committee meetings were a mix of physical and virtual, allowing for maximum participation. Below is the table of attendance as collated by the Company Secretary. It is confirmed that the directors devoted adequate time to the business of the Company.

Ruvimbo Chidora
Group Company Secretary/Legal Executive

	Human Resources and Nominations	*Finance and Investments*	*Audit and Risk Management*	*Main Board*
B. Kumalo	*5/5*			*5/5*
M. Haken			*4/4*	*4/5*
J. Maguranyanga	*5.5*		*4/4*	*5/5*
*D. Matete**	*3/5*	*2/4*		*4/5*
I. Mvere	*5/5*	*3/4*	*4/4*	*5/5*
H. Rudland	*4/5*	*4/4*		*4/5*
C. von Seidel		*4/4*		*5/5*
E. Zvandasara			*4/4*	*5/5*
*S. Kudenga^*	*5/5*	*4/4*	*4/4*	*5/5*

* Appointed 12 April 2021
^ Executive

ZHL DIRECTORS

Benjamin .N. Kumalo
Non-executive Chairman
Year of appointment: 1999
Committee: Chairman of Human Resources and Nominations
Expertise: Finance and Administration

Mark Haken
Independent Non-executive
Year of appointment: 2018
Committee: Audit and Risk Management
Expertise: Insurance and Business Administration

Jean Maguranyanga
Independent Non-executive
Year of appointment: 2012
Committee: Audit and Risk Management, Human Resources and Nominations
Expertise: Commercial Law and Banking

Desmond Matete
Non-executive
Year of appointment: 2021
Committee: Finance and Investments and Human Resources and Nominations
Expertise: Law, Financial Advisory, Investment Banking and Development Finance

Ignatius Mvere
Non-executive
Year of appointment: 2013
Committee: Audit and Risk Management, Finance and Investments and Human Resources and Nominations
Expertise: Finance and Administration

Hamish B W Rudland
Non-executive
Year of appointment: 2015
Committee: Chairman of Finance and Investments and member of Human Resources and Nominations
Expertise: Business Management and Transport

Robert C von Seidel
Non-executive
Year of appointment: 2015
Committee: Finance and Investments
Expertise: Corporate Finance and Banking

Edwin Zvandasara
Non-executive
Year of appointment: 2012
Committee: Chairman Audit and Risk Management
Expertise: Accounting and Financial Management

Stanley Kudenga
Group Chief Executive Officer
Year of appointment: 2016
Committee: All as invitee or ex offcio
Expertise: Accounting, Insurance, Investment Banking and Strategy

DIRECTORS' REPORT

The Directors present their 24th Directors' Report together with the Audited Financial Statements of the Group for year ended 31 December 2021.

Functional And Presentation Currency
These inflation adjusted Financial Statements are presented in Zimbabwean Dollars (ZWL) which is the Group's functional and presentation currency since 22 February 2019.

Share Capital
The share capital of the Company remains 1 818 218 786. The full capital structure is detailed below.

Placing of authorised unissued shares under the control of the Directors
The Company has 181 781 214 unissued shares and has sought in the AGM Notice, authority to place those unissued shares under the control of the Directors until the next AGM. The proposal will enable the Directors to undertake key transactions in the ordinary course of business without compromising members' shareholding. The Directors shall notify the Zimbabwe Stock Exchange (ZSE) before any such transactions are executed and shall be in compliance with any instruction given by the ZSE.

	December 2021	December 2020
Authorized shares	2 000 000 000	2 000 000 000
Issued shares	1 818 218 786	1 818 2118 786
Unissued shares	181 781 214	181 781 214

Employee Share Appreciation Rights Scheme

Last year, members approved the ZHL Employee Share Appreciation Scheme applied to 5% of the Company's issued share capital amounting to 90 932 745 ordinary shares. To date the Company has granted 25 054 970 to 210 employees. The balance of 20 499 521 share appreciation rights will be issued subject to employees meeting their respective key performance indicators. The share appreciation rights become exercisable on the 3rd anniversary of the Scheme. The Board can confirm that the Scheme has positively impacted the moral of the Group and the employees' commitment to deliver value to shareholders.

Dividends

In continuation of the Company's commitment to pay regular dividends, and after careful consideration of the Group's level of profitability and reserves, economic downturn as a result of the Covid-19 pandemic and associated risks to business growth (Dividend Policy), the Directors have found it prudent to declared a final dividend for the year ended 31 December 2021 of ZWL102 569 358 amounting to ZWL5.64 cents per share. The Dividend Notice was published on 1 June 2022 and payment was effected on 20 June 2022. Per the AGM Notice, members will be asked to confirm payment of the same.

Purchase of Own Shares

At the last AGM, authority was granted for the Company to purchase its own shares up to a maximum of 5% of the number of shares in issue as at 11 August 2021. The authority is due to expire at the conclusion of the next AGM in 2022. The Notice of the AGM proposes that shareholders approve a resolution renewing the authority for the share buyback. During the year ended 31 December 2021, the Company purchased 123 800 ordinary shares amounting to ZWL389 537.74.

Going Concern

The Directors believe that ZHL has a winning strategy that effectively utilizes its advanced leadership and recent innovative investments to complete the Group's ecosystem to create new sources of value creation for shareholders. Accordingly, the Directors consider that the Group is able to continue operating for the foreseeable future and therefore, have continued to adopt the going concern basis in preparing the annual financial statements. The Directors are satisfied that the Group is in a sound financial position and has access to facilities and resources which enable it to meet its foreseeable cash requirements.

Directorate

In accordance with Article 75 of the Company's Articles of Association, Messrs Benjamin Kumalo and Edwin Zvandasara and Ms. Jean Maguranyanga retire as Directors of the Company and all being eligible, Mr. Zvandasara and Ms. Maguranyanga offer themselves for re-election. Shareholders will be requested to consider their re-election at the AGM.

At the AGM, Mr. Kumalo, the Chairman of ZHL, accordingly steps down from the Board. Mr Kumalo has served on the ZHL Board since 1999, providing it with charismatic leadership from a position of courage and inclusivity. His considered guidance navigated the Company out of hyperinflation and sanctions to the prevailing return to profitability and strong financial performance. In 2021, the investing public acknowledged Mr. Kumalo's years of great leadership with two awards:-

- 2nd runner up, Board Chairman of the Year (Large and Listed Companies) from the Institute of Corporate Directors; and
- African Leadership Legend in Zimbabwe from the African Leadership Legends Institute.

The Board, Management and staff of ZHL and all the ZHL subsidiary companies thank Mr. Kumalo for his years of service and wish him the best in his future endeavors.

Director's Remuneration

A resolution will be proposed at the AGM to approve the Directors' Remuneration amounting to ZWL15 264 211 (2020: ZWL7 054 986) for the year ended 31 December 2021.

Directors' Shareholding

The directors' shareholding as at 31 December 2021 is detailed below:-

	2021	2020
B Kumalo	1 042 538	1 031 315
H Rudland	614 769 314	614 769 314
C von Seidel	166 033 426	166 033 426
S Kudenga	100 000	100 000

Mr Rudland indirectly holds 614 769 314 (33.18%) shares through Day River Corporation (Private) Limited and Mr von Seidel indirectly holds 157 498 202 (8.66%) shares through Lalibela Limited and 8 535 224 (0.47%) shares through Richard John von Seidel.

External Auditor

Shareholders will be requested to approve the remuneration paid to the independent auditor amounting to ZWL ZWL12 898 172 for the financial year ended 31 December 2021 at the AGM. 2021 is Grant Thornton Zimbabwe's first year as the Company's external auditor. Section 191 of the Companies and Other Business Entities Act [Chapter 24:31] requires that no person serve as an auditor of a company for more than five consecutive financial years. Accordingly, Grant Thornton Zimbabwe, being eligible and willing, seek re-appointment as the external auditor for the ensuing year.

Annual General Meeting

The 24th Annual General Meeting of members of the Company will be held in a hybrid manner, both physically and virtually to comply with public health and safety measures on the 22 July 2022, at 206 Samora Machel Avenue, Harare at 10:00 hours and via the following link:

https://us06web.zoom.us/j/85172658749?pwd=a3FzZWVVVlBCOGRrOTNxSUVZWldsdz09

By order of the Board
R Chidora
Group Company Secretary/Legal Executive

DIRECTORS' RESPONSIBILITY STATEMENT

In conformity with International Financial Reporting Standards (IFRS), t/he Companies and Other Business Entities Act Chapter [24:31] and the Zimbabwe Stock Exchange Listing Requirement (Statutory Instrument 134 of 2019) and based on this Annual Report, the Board confirms that, to the best of its knowledge:-

- the internal risk management and control systems of the Company provide reasonable assurance that financial reporting does not contain any material inaccuracies;
- there have been no material failings in the effectiveness of the internal risk management and control systems of the Company;
- save the Covid – 19 pandemic there are no material risks or uncertainties that could reasonably be expected to have a material adverse effect on the continuity of the Company's operations in the coming twelve months; and
- it is appropriate that the financial reporting is prepared on a going concern basis.

It should be noted that the above does not imply that the systems and procedures employed by the Company provide absolute assurance as to the realisation of ZHL's operational and strategic objectives, or that they can prevent all misstatements, inaccuracies, errors, fraud and noncompliance with legislation, rules and regulations. Nor can they provide certainty that we will achieve our objectives.

In view of the above, the Directors hereby further confirm that, and to the best of their knowledge, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and of the companies included in the consolidation; and that the Group Chief Executive Officer's Report provides a fair review of the Company's position, the development and performance of the business during the financial year and the principal risks and uncertainties that the Company faces.

Chairman
B N Kumalo
13 May 2022

Group Chief Executive Officer
S Kudenga
13 May 2022

DECLARATION BY CHIEF FINANCE OFFICER

These audited consolidated and separate financial statements were prepared under the direction and supervision of the Chief Finance Officer, Zvenyika Zvenyika, FCA(Z) (PAAB Number 03505).

Z Zvenyika
Chief Finance Officer
13 May 2022

INDEPENDENT AUDITOR'S REPORT

To the members of Zimre Holdings Limited

Report on the Audit of the Inflation Adjusted Consolidated Financial Statements

Adverse Opinion

We have audited the inflation adjusted consolidated financial statements of Zimre Holdings Limited ("the Group") set out on pages 31 to 176, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant Group accounting policies.

In our opinion, because of the significance of the matters described in the *Basis for Adverse Opinion* section of our report, the inflation adjusted consolidated financial statements do not present fairly, in all material respects, the financial position of Zimre Holdings Limited 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 Adverse Opinion

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

During the current and prior financial years, the foreign currency denominated transactions and balances of the Zimbabwe operations and the Group's foreign operations were translated into ZWL using the interbank exchange rates/foreign currency auction rates which were not considered appropriate spot rates for translations as required by IAS 21. The opinion on the prior year consolidated financial statements was modified in respect of this matter and the misstatements have not been corrected in the consolidated financial statements for the year ended 31 December 2021.

Had the consolidated financial statements been prepared in accordance with the requirements of IAS 21, many elements would have been materially different. The effects of the non-compliance with the requirements of IAS 21 have been considered to be material and pervasive to the consolidated financial statements as a whole.

Non-compliance with International Accounting Standard (IAS) 29 – Financial Reporting in Hyperinflationary Economies

The Directors have applied the IAS 29 – Financial Reporting in Hyperinflationary Economies with effect from 1 January 2019 to 31 December 2021. However, its application was based on prior and current year's financial statements which was not in compliance with IAS 21 as described above. Had the correct base numbers been used, most elements of the consolidated financial statements would have been materially different. The impact of the departure from the requirements of these standards is considered material and pervasive to the consolidated financial statements.

Inclusion of the unaudited financial statements of Fidelity Life Assurance of Zimbabwe Limited in the Group financial statements of Zimre Holdings Limited

The Group financial statements include unaudited financial statements of Fidelity Life Assurance of Zimbabwe Limited, a significant component of Zimre Holdings Limited. As a result, we were unable to satisfy ourselves that all necessary adjustments and disclosures have been made to the unaudited financial statements of Fidelity Life Assurance of Zimbabwe Limited for the year ended 31 December 2021. Accordingly, we were unable to determine the effect this might have on the Group financial statements of Zimre Holdings Limited for the year ended 31 December 2021.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Emphasis of matter

We draw attention to **Note 39** to these inflations adjusted annual financial statements which describes the uncertainties related to the possible effects of the COVID-19 outbreak on the Group. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Areas of focus	**How our audit addressed the key audit matter**
Gross premiums recognition • There is a presumed fraud risk with regards revenue recognition as guided by International Standard on Auditing (ISA 240: Revised). There is a risk that gross premiums are presented at amounts higher than what has been actually generated by the Group. This is a significant risk and accordingly a key audit matter.	Our audit procedures incorporated a combination of tests of the Group's controls relating to gross premiums recognition and the appropriateness of premiums recognition policies as well as substantive procedures in respect of testing the occurrence assertion. Our substantive procedures included but were not limited to the following: • Reviewed that gross premiums recognition criteria is appropriate and in line with the requirements of IFRS 4. • Identified key controls and tested these controls to obtain satisfaction that they were operating effectively for the year under review. • Tested the design and operating effectiveness of internal controls implemented as well as test of details to ensure accurate processing of premiums transactions. • The results of our controls testing have been the basis for the nature and scoping of the additional test of details, which mainly consisted of testing individual transactions by reconciling them to external sources (supporting documentation). • Performed cut-off tests on year end balances to ensure premiums are recognised in the

Areas of focus	How our audit addressed the key audit matter
	correct period. • Analytical procedures and assessed the reasonableness of explanations provided by management. We satisfied ourselves that the recognition of gross premiums is appropriate.
Adequacy of allowance for credit losses on trade and other receivables The Group has trade and other receivables amounting to **ZWL 2 263 741 001 (2020: ZWL 2 008 719 017)**. This was considered an area of focus as IFRS 9 requires management to exercise significant judgement using subjective assumptions when determining both timing and amounts of the impairment provision for trade and other receivables. Key areas of judgement included: • The interpretation of the requirements to determine impairment under application of IFRS 9, which is reflected in the Group's expected credit loss model; and • Assumptions used in the expected credit loss model such as the financial condition of the counterparty, expected future cash flows and forward looking macroeconomic factors (e.g. exchange rates, interest rates, gross domestic product growth, inflation).	Assessed management's allowance for credit losses, which included the following: • We performed an assessment of the modelling techniques and methodology used against the requirements of IFRS 9; • We assessed and tested the modelling assumptions with a focus on the: i. Key modelling assumptions adopted by the Group; ii. Reliability of the historical data collected; and iii. appropriateness of macroeconomic factors used. • We examined a sample of exposures and performed procedures to evaluate the: i. Timely identification of exposures with a significant deterioration in credit quality; and ii. Expected loss calculation for exposures assessed on an individual basis. • We assessed the adequacy of the disclosures in the financial statements. Based on our audit work performed, the assumptions used by management were appropriate.
Valuation of insurance/reassurance contract liabilities • Data is a key input into the valuation process. The calculation of insurance contract liabilities has a number of inputs, which are reliant on various processes and systems for accurate and complete data. A breakdown of	**Our audit procedures included the following:** • Assessed the design and operating effectiveness of the key aspects of the control environment over data integrity, including an evaluation of the effectiveness of the information technology (IT) environment over the policy administration systems and the

Areas of focus	How our audit addressed the key audit matter
these processes and systems could result in a misstatement of the value of insurance contracts. • The valuation of the Group insurance contract liabilities involves complex calculations, significant judgements, and long and short term estimates and assumptions. • The methodology involves judgements about future events, both internal and external to the Group; and the value of the Group insurance contract liabilities is significant to the Consolidated financial statements. • The main valuation assumptions include mortality, expenses, expense inflation, discount rates and lapses, previous experience in claim patterns, claim settlement patterns, trends in claims frequency.	actuarial valuation systems, together with the data extraction and conversion processes. • Assessed the design and operating effectiveness of the key controls of the actuarial valuation process for the setting and updating of actuarial assumptions and the process for model and methodology changes. • Reviewed management's key assumptions around mortality, longevity, disability, morbidity, persistency and expenses and assess the results of management's experience analyses. • Compared the mortality tables against the standard actuarial mortality tables to assess the reasonableness of the assumptions. • Assessed whether discount rates used reflect the nature of the assets backing the insurance contract liabilities and also whether they reflect the conditions of the market in which these assets are held. • Compared the actual emerging claims for prior years against the provision for the same period to assess the reasonableness of management's previous provisions. We satisfied ourselves that the valuation of insurance/reassurance contract liabilities is appropriate.

Other information

The Directors are responsible for the other information. The other information comprises the 'Corporate information', 'Directors' responsibility for financial reporting', 'historical cost information' and 'Company statements', which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or 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 this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the consolidated financial statements

Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) and for such internal control as is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Directors are also responsible for overseeing the Group'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 judgement 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in

a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group 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.

Report on Other Legal and Regulatory Requirements

In our opinion, except for the effects of the matters described in the *Basis for Adverse Opinion*, the consolidated financial statements have been properly prepared, in all material respects in accordance with the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

The engagement partner on the audit resulting in this independent auditor's report is Edmore Chimhowa.

Grant Thornton

Edmore Chimhowa
Partner

Registered Public Auditor (PAAB No: 0470)

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors
HARARE

02 June 2022

		INFLATION ADJUSTED		HISTORICAL COST	
ASSETS	**Notes**	**Group 2021 ZWL**	**Group 2020 ZWL**	**Group 2021 ZWL**	**Group 2020 ZWL**
Property and equipment	8	1 329 301 365	1 191 741 863	1 234 202 897	664 736 728
Right of use assets	9	35 796 654	74 378 837	35 655 046	40 192 019
Investment properties	10	13 296 162 925	9 961 829 594	13 296 162 925	6 197 588 803
Intangible assets	11	110 476 592	217 037 492	94 635 809	200 907 041
Investment in associates	13	1 401 705 029	1 571 721 593	1 156 317 343	693 976 146
Deferred tax assets	14	52 842 266	138 659 401	32 384 017	79 871 904
Inventories	15	148 713 286	243 995 791	8 987 278	6 707 535
Trade and other receivables	16	2 263 741 001	2 008 719 017	2 228 652 160	1 245 214 247
Life reassurance contract asset	22.1	26 102 000	20 948 877	26 102 000	13 033 000
Current income tax assets		74 265 157	75 822 053	74 265 157	47 171 446
Deferred acquisition costs	17	242 747 213	167 325 455	176 792 016	85 927 557
Financial assets :					
- at amortised cost	18.1	874 160 186	712 122 276	874 160 186	443 035 188
- at fair value through profit or loss	18.2	1 319 718 775	1 184 303 083	1 319 718 775	736 794 728
- at fair value through other comprehensive income	18.3	655 347 019	581 334 514	655 347 019	361 667 728
Cash and cash equivalents	19	1 631 281 977	1 902 615 895	1 631 281 977	1 183 681 256
Total assets		**23 462 361 445**	**20 052 555 741**	**22 844 664 605**	**12 000 505 326**
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to equity holders of the parent					
Share capital	20	821 991 552	821 991 552	18 175 447	18 175 447
Share premium	20	1 857 057 001	1 857 057 001	787 722 112	787 722 112
Treasury shares	20	(3 023 289)	(2 504 488)	(1 412 619)	(1 023 081)
Revaluation reserve		841 258 052	757 610 666	903 666 649	465 230 460
Financial assets at fair value through other comprehensive income reserve		230 897 029	186 895 596	147 739 785	88 304 391
Foreign currency translation reserve		1 336 492 858	1 393 511 358	583 552 452	528 713 948
Change in ownership reserve		720 381 606	720 381 606	334 501 014	334 501 014
Retained earnings		4 606 429 134	2 425 203 471	7 105 586 920	2 351 969 692
Total equity attributable to equity holders of the parent		**10 411 483 943**	**8 160 146 762**	**9 879 531 760**	**4 573 593 983**
Non-controlling interest		818 310 466	1 084 893 294	853 922 597	803 620 028
Total equity		**11 229 794 409**	**9 245 040 056**	**10 733 454 357**	**5 377 214 011**
Deferred tax liabilities	14	651 276 072	385 117 603	702 008 883	192 647 632
Short term insurance contract liabilities	21	1 383 486 621	1 143 379 350	1 211 397 022	657 854 452
Insurance contract liabilities and investment contract liabilities with discretionary participation features	21.2	6 859 887 711	5 983 071 832	6 859 887 711	3 722 269 955
Investment contracts without discretionary participation features	21.3	951 149 833	638 880 441	951 149 833	397 468 982
Life reassurance contract liabilities	22.2	139 890 000	57 831 631	139 890 000	35 979 000
Borrowings	23	125 733 818	119 692 444	125 733 818	74 464 690
Lease liabilities	9	32 719 877	69 692 363	32 719 877	43 357 960
Other provisions	24	63 758 624	83 127 818	63 758 624	51 716 608
Trade and other payables	25	1 867 872 170	2 275 747 198	1 867 872 170	1 415 818 773
Current income tax payable		156 792 310	50 505 760	156 792 310	31 421 330
Bank overdraft	19	-	469 245	-	291 933
Total liabilities		**12 232 567 036**	**10 807 515 685**	**12 111 210 248**	**6 623 291 315**
TOTAL EQUITY AND LIABILITIES		**23 462 361 445**	**20 052 555 741**	**22 844 664 605**	**12 000 505 326**

B. N. Kumalo
Chairman
13 May 2022

S.Kudenga
Group Chief Executive
13 May 2022

GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

		INFLATION ADJUSTED		HISTORICAL COST	
INCOME	**Notes**	**Group 2021 ZWL**	**Group 2020 ZWL**	**Group 2021 ZWL**	**Group 2020 ZWL**
Gross written premium	26	5 236 731 307	3 423 112 425	4 636 790 891	1 767 071 823
Retrocession premium	27	(1 224 594 485)	(969 845 276)	(1 113 239 489)	(578 231 795)
Net premium written		4 012 136 822	2 453 267 149	3 523 551 402	1 188 840 028
Change in unearned premium reserve	28	(201 476 917)	(193 491 051)	(174 597 449)	(74 718 917)
Net premium earned		**3 810 659 905**	**2 259 776 098**	**3 348 953 953**	**1 114 121 111**
Brokerage commission and fees	29	433 685 897	205 323 366	401 101 209	129 505 241
Total insurance income		**4 244 345 802**	**2 465 099 464**	**3 750 055 162**	**1 243 626 352**
Rental income from investment property		311 008 318	144 079 567	253 330 511	73 977 410
Fair value adjustments on investment property	10	3 797 934 830	1 307 014 578	7 352 760 127	2 671 608 387
Net property income	30	37 615 642	47 109 633	(295 216)	36 088 998
Bargain on purchase	36.5.2	467 904 412	-	409 565 344	-
Investments income	32	171 639 673	46 348 872	169 606 527	26 660 775
Other income	33	1 525 337 887	448 657 716	1 398 476 467	313 865 556
Total income		**10 555 786 564**	**4 458 309 830**	**13 333 498 922**	**4 365 827 478**
EXPENDITURE					
Insurance benefits and claims					
Non-life insurance claims		(1 351 503 626)	(1 302 098 136)	(1 008 995 955)	(602 672 890)
Life reassurance benefits and claims		(758 131 900)	(121 347 637)	(664 591 103)	(65 767 717)
Movement in life reassurance contract liabilities	22.2	(112 557 374)	(45 070 114)	(90 842 000)	(17 893 300)
Claims ceded to reinsurers		405 521 681	591 805 291	362 228 893	301 004 582
		(1 816 671 219)	(876 710 596)	(1 402 200 165)	(385 329 325)
Gross change in insurance and investment contract liabilities		(1 291 984 504)	(78 581 354)	(3 143 094 417)	(163 125 389)
Net property operating costs	31	(95 544 180)	(16 344 491)	(37 086 916)	(18 226 772)
Commission and acquisition expenses		(1 020 807 896)	(733 608 135)	(910 349 314)	(391 603 684)
Operating and administrative expenses	34	(1 944 493 116)	(323 144 177)	(1 836 031 749)	(403 859 485)
Allowance for expected credit losses on receivables	16	(215 051 726)	(202 615 356)	(182 353 895)	(146 541 931)
Finance costs		(56 681 540)	(19 271 517)	(48 042 338)	(9 509 571)
Total expenses		(6 441 234 181)	(2 250 275 626)	(7 559 158 794)	(1 518 196 157)
Net monetary loss		(865 064 018)	(680 579 464)	-	-
Profit before share of profit of associates accounted for using the equity method		**3 249 488 365**	**1 527 454 740**	**5 774 340 128**	**2 847 631 321**
Share of (loss)/profit of associates	13	(146 210 823)	157 605 755	92 517 053	121 600 187
Profit before income tax		**3 103 277 542**	**1 685 060 495**	**5 866 857 181**	**2 969 231 508**
Income tax expense	14.2	(289 253 399)	(104 764 932)	(471 305 890)	(97 592 579)
Profit for the year		**2 814 024 143**	**1 580 295 563**	**5 395 551 291**	**2 871 638 929**

GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

		INFLATION ADJUSTED		HISTORICAL COST	
	Notes	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to profit or loss:					
Property revaluation surplus (loss)	8	210 265 940	(10 124 076)	477 386 819	115 915 441
Share of other comprehensive income of associates accounted for using the equity method	13	36 878 235	5 936 696	352 551 093	482 915 734
Gross change in insurance liabilities through other comprehensive income					
Other comprehensive income		(173 050 519)	(5 367 386)	(339 097 687)	(20 785 361)
Income tax relating to components of other comprehensive income	14.1	(378 915)	(2 507 645)	(10 108 415)	(1 560 090)
		73 714 741	(12 062 411)	480 731 810	576 485 724
Items that may be reclassified to profit or loss:					
Exchange gains on translation of foreign operations		(41 480 844)	716 071 273	70 376 161	455 178 868
Changes in fair value of financial assets at FVOCI	18	44 445 892	(101 751 907)	60 035 752	36 659 604
Income tax relating to components of other comprehensive income	14.1	(444 459)	4 350 188	(600 358)	(5 613 328)
		2 520 590	618 669 554	129 811 555	486 225 144
Other comprehensive income for the year net of tax		**76 235 332**	**606 607 143**	**610 543 365**	**1 062 710 868**
Total comprehensive income for the year		**2 890 259 475**	**2 186 902 706**	**6 006 094 657**	**3 934 349 797**
Profit attributable to:					
Equity holders of Zimre Holdings Limited		2 685 525 636	897 316 129	5 193 182 572	2 015 543 197
Non-controlling interests		128 498 507	682 979 434	202 368 720	856 095 732
		2 814 024 143	1 580 295 563	5 395 551 292	2 871 638 929
Total comprehensive income attributable to:					
Equity holders of Zimre Holdings Limited		2 756 155 954	1 452 450 802	5 745 892 659	2 888 641 224
Non-controlling interests		134 103 521	734 451 904	260 201 998	1 045 708 573
		2 890 259 475	2 186 902 706	6 006 094 657	3 934 349 797
Earnings per share attributable to owners of Zimre Holdings Limited					
Basic and diluted earnings per share (ZWL cents):	35	147.70	57.63	285.62	129.44

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

INFLATION ADJUSTED	Share capital ZWL	Share premium ZWL	Treasury shares ZWL	Revaluation reserve ZWL	Financial assets at fair value through other comprehensive income reserve ZWL	Foreign currency translation reserve ZWL	Change in ownership reserve ZWL	Retained earnings ZWL	Attributable equity holders of parent ZWL	Non-controlling interest ZWL	Total equity ZWL
Year ended 31 December 2020											
Balance as at 1 January 2020	**817 412 473**	**609 262 169**	**(834 429)**	**768 703 301**	**284 297 313**	**729 882 332**	**36 458 605**	**881 490 618**	**4 126 672 383**	**1 169 789 785**	**5 296 462 168**
Total comprehensive income for the year	-	-	-	**(11 092 635)**	**(97 401 717)**	**663 629 026**	-	**897 316 129**	**14 524 550 802**	**734 451 904**	**2 186 902 706**
Profit for the year	-	-	-	-	-	-	-	897 316 129	897 316 129	682 979 434	1 580 295 563
Other comprehensive income for the year net of tax	-	-	-	(11 092 635)	(97 401 717)	663 629 026	-	-	555 134 673	51 472 470	606 607 143
Write back of impairment associate	-	-	-	-	-	-	-	654 928 433	654 928 433	-	654 928 433
No-controlling interests on acquisition of subsidiary	-	-	-	-	-	-	-	-	-	864 705 379	864 705 379
Transactions with owners in their capacity as owners	**4 579 078**	**1 247 794 832**	**(1 670 059)**	-	-	-	**683 923 001**	**(8 531 708)**	**1 926 095 144**	**(1684 053 774)**	**242 041 370**
Dividend declared and paid	-	-	-	-	-	-	-	(8 531 708)	(8 531 708)	(2 350 885)	(10 882 593)
Issue of shares	4 579 078	1 289 010 574	-	-	-	-	-	-	1 293 589 652	-	1 293 589 652
Issue of shares transaction costs	-	(41 215 742)	-	-	-	-	-	-	(41 215 742)	-	(41 215 742)
Share buy-back	-	-	(1 670 059)	-	-	-	-	-	(1 670 059)	-	(1 670 059)
Change in ownership percentage	-	-	-	-	-	-	683 923 001	-	683 923 001	(1 681 702 889)	(997 779 888)
Balance as at 31 December 2020	**821 991 552**	**1 857 057 001**	**(2 504 488)**	**757 610 666**	**186 895 596**	**1 393 511 358**	**720 381 606**	**2 425 203 471**	**8 160 146 762**	**1 084 893 294**	**9 245 040 056**
Year ended 31 December 2021											
Balance as at 1 January 2021	**821 991 552**	**1857 057 001**	**(2 504 488)**	**757 610 666**	**186 895 596**	**1 393 511 358**	**720 381 606**	**2 425 203 471**	**8 160 146 762**	**1 084 893 294**	**9 245 040 056**
Total comprehensive income for the year	-	-	-	**83 647 386**	**44 001 433**	**(57 018 500)**	-	**2 685 525 636**	**2 756 155 955**	**134 103 520**	**2 890 259 475**
Profit for the year	-	-	-	-	-	-	-	2 685 525 636	2 685 525 636	128 498 507	2 814 024 143
Other comprehensive income for the year net of tax	-	-	-	83 647 386	44 001 433	(57 018 500)	-	-	70 630 319	5 605 013	76 235 332
Bargain on purchase	-	-	-	-	-	-	-	(465 342 643)	(465 342 643)	-	(465 342 643)
Non controller interest on acquisition of subsidiary	-	-	-	-	-	-	-	-	-	(400 686 348)	(400 686 348)
Transactions with owners in their capacity as owners	-	-	**(518 801)**	-	-	-	-	**(38 957 330)**	**(39 476 131)**	-	**(39 476 131)**
Dividend declared and paid				-	-	-	-	(38 957 330)	(38 957 330)	-	(38 957 330)
Share buy-back	-	-	(518 801)	-	-	-	-	-	(518 801)	-	(518 801)
Balance as at 31 December 2021	**821 991 552**	**1 857 057 001**	**(3 023 289)**	**841 258 052**	**230 897 029**	**1 336 492 858**	**720 381 606**	**4 606 429 134**	**10 411 483 943**	**818 310 466**	**11 229 794 409**

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021 *(continued)*

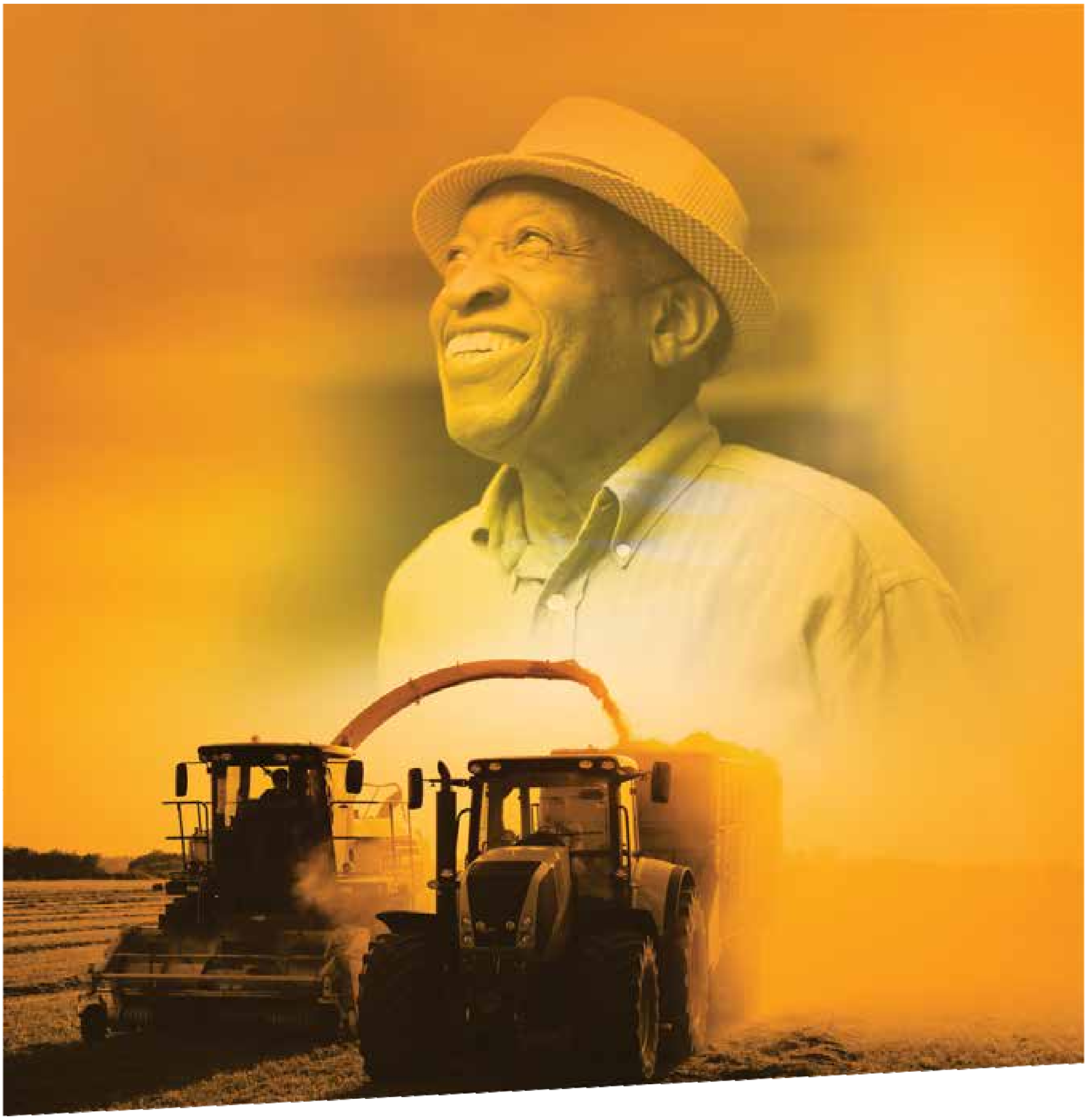
HISTORICAL COST	Notes	Share capital ZWL	Share premium ZWL	Treasury shares ZWL	Revaluation reserve ZWL	Financial assets at fair value through other comprehensive income reserve ZWL	Foreign currency translation reserve ZWL	Change in ownership reserve ZWL	Retained earnings ZWL	Attributable equity holders of parent ZWL	Non-controlling interest ZWL	Total ZWL
Year ended 31 December 2020												
Balance as at 1 January 2020		**15 326 649**	**11 427 034**	**(25 932)**	**46 318 339**	**57 258 115**	**105 574 318**	**814 869**	**290 497 468**	**527 190 860**	**179 612 441**	**706 803 301**
Total comprehensive income for the year		**-**	**-**	**-**	**418 912 121**	**31 046 276**	**423 139 630**	**-**	**2 015 543 197**	**2 888 641 224**	**1 045 708 573**	**3 934 349 797**
Profit for the year		-	-	-	-	-	-	-	2 015 543 197	2 015 543 197	856 095 732	2 871 638 929
Other comprehensive income for the year net of tax		-	-	-	418 912 121	31 046 276	423 139 630	-	-	873 098 027	189 612 841	1 062 710 868
Write back of impairement associate		-	-	-	-	-	-	-	49 029 027	49 029 027	-	49 029 027
Non-controlling interests on acquisition of subsidiary					-	-	-		-	-	533 591 839	533 591 839
Transactions with owners in their capacity as owners		**2 848 798**	**776 295 078**	**(997 149)**	**-**	**-**	**-**	**333 686 145**	**(3 100 000)**	**1 108 732 873**	**(955 292 825)**	**153 440 047**
Dividend declared and paid		-	-	-	-	-	-	-	(3 100 000)	(3 100 000)	(854 296)	(3 954 296)
Issue of shares		2 848 798	801 936 775	-	-	-	-	-	-	804 785 573	-	804 785 573
Issue of shares transaction costs		-	(25 641 697)	-	-	-	-	-	-	(25 641 697)	-	(25 641 697)
Share buy-back	20	-	-	(997 149)	-	-	-	-	-	(997 149)	-	(997 149)
Change in ownership percentage	36.5	-	-	-	-	-	-	333 686 145	-	333 686 145	(954 438 529)	(620 752 384)
Balance as at 31 December 2020		**18 175 447**	**787 722 112**	**(1 023 081)**	**465 230 460**	**88 304 391**	**528 713 948**	**334 501 014**	**2 351 969 692**	**4 573 593 983**	**803 620 028**	**5 377 214 011**
Year ended 31 December 2021												
Balance as at 1 January 2021		**18 175 447**	**787 722 112**	**(1 023 081)**	**465 230 460**	**88 304 391**	**528 713 948**	**334 501 014**	**2 351 969 692**	**4 573 593 983**	**803 620 028**	**5 377 214 011**
Total comprehensive income for the year		**-**	**-**	**-**	**438 436 189**	**59 435 394**	**54 838 504**	**-**	**5 193 182 572**	**5 745 892 659**	**260 201 998**	**6 006 094 657**
Profit for the year		-	-	-	-	-	-	-	5 193 182 572	5 193 182 572	202 368 720	5 395 551 292
Other comprehensive income for the year net of tax		-	-	-	438 436 189	59 435 394	54 838 504	-	-	552 710 087	57 833 278	610 543 365
Burgain purchase		-	-	-	-	-	-	-	(409 565 344)	(409 565 344)	-	(409 565 344)
Non-controlling interests on acquisition of subsidiary		-	-	-	-	-	-	-	-	-	(209 899 429)	(209 899 429)
Transactions with owners in their capacity as owners		**-**	**-**	**(389 538)**	**-**	**-**	**-**	**-**	**(30 000 000)**	**(30 389 538)**	**-**	**(30 389 538)**
Dividend declared and paid		-							(30 000 000)	(30 000 000)	-	(30 000 000)
Share buy-back	20	-	-	(389 538)	-	-	-	-	-	(389 538)	-	(389 538)
Balance as at 31 December 2021		**18 175 447**	**787 722 112**	**(1 412 619)**	**903 666 649**	**147 739 785**	**583 552 452**	**334 501 014**	**7 105 586 920**	**9 879 631 760**	**853 922 597**	**10 733 454 357**

GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	INFLATION ADJUSTED Group 2021 ZWL	INFLATION ADJUSTED Group 2020 ZWL	HISTORICAL COST Group 2021 ZWL	HISTORICAL COST Group 2020 ZWL
Profit before income tax		3 103 277 542	1 685 060 495	5 866 857 181	2 969 231 508
Adjustments for non-cash items:			-		
Net monetary loss		865 064 018	680 579 464	-	-
Depreciation	8	68 352 440	46 213 174	43 659 283	13 587 987
Lease depreciation charge	9	23 357 476	41 903 941	7 470 307	6 123 309
Fair value adjustments on investment property	10	(3 797 934 830)	(1 307 014 578)	(7 352 760 127)	(2 671 608 387)
Amortisation of intangible assets	11	4 849 801	3 180 039	503 785	819 336
Goodwill reversal	11	98 720 203	-	144 955 157	-
Investments in associates	13	146 210 823	(157 605 755)	(92 517 053)	(121 600 187)
Movement in life reassurance contract liabilities	22	112 557 374	45 070 114	90 842 000	17 893 300
Movement in life assurance contract liabilities		1 189 085 271	6 621 952 273	3 691 298 607	4 119 738 937
Movement in allowance for credit losses	16	215 051 726	202 615 356	182 353 895	146 541 931
Movement in deferred acquisition costs	17	(75 421 758)	(77 305 503)	(90 864 459)	(74 448 336)
Movement in short term insurance contract liabilities	21	245 955 303	505 591 163	284 835 251	215 302 423
Movement in other provisions	24	15 534 200	99 541 552	12 042 016	39 517 672
Bargain on purchase	36	(467 904 412)	-	(409 565 344)	-
Profit from disposal of property and equipment	33	(17 709 667)	(1 528 062)	(16 828 997)	(1 099 159)
Loss from disposal of investment property	33	67 790 386	1 684 138	61 366 348	160 379
Fair value gains on financial assets at fair value					
through profit or loss	33	(533 582 644)	46 214 208	(526 463 404)	(57 171 162)
Unrealised exchange (gains)/losses	33	(245 534 031)	(158 222 701)	(239 463 484)	(98 435 657)
Fair value on remeasurement of associate		-	(82 158 676)	-	(19 177 952)
Impairment reversal of investment in CFI		-	(577 201 118)	-	(10 824 334)
Adjustments for separately disclosed items:					
Finance costs		56 681 540	19 271 517	48 042 338	9 509 571
Dividend received	32	(22 736 872)	(9 311 761)	(26 791 460)	(3 844 106)
Interest received	32	(148 902 801)	(37 037 111)	(142 815 067)	(22 816 669)
Working capital changes:					
Increase in trade and other receivables		(255 021 984)	(720 596 953)	(983 437 913)	(1 066 567 392)
Decrease/(increase) in inventory		95 282 505	(108 099 031)	(2 279 743)	(3 792 575)
(Decrease)/increase in trade and other payables		(407 875 028)	926 839 434	452 053 397	1 228 741 680
Cash flows from operations		**335 146 581**	**7 689 635 620**	**1 002 492 514**	**4 615 782 117**
Finance costs		(56 681 540)	(19 271 517)	(48 042 338)	(9 509 571)
Income tax paid		(66 476 056)	(22 304 518)	(61 336 598)	(13 129 865)
Net cash flows from operating activities		**211 988 985**	**7 648 059 585**	**893 113 578**	**4 593 142 681**

GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

		INFLATION ADJUSTED		HISTORICAL COST	
	Notes	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
Cash flows from investing activities					
Purchase of property and equipment	8	(62 875 470)	(92 564 303)	(63 699 910)	(45 106 737)
Purchase of intangible assets - software	11.1	(7 727 929)	(41 778 141)	(9 344 983)	(25 308 651)
Acquisition and development of investment property	10	(293 541 289)	(5 111 641 080)	(265 339 458)	(2 829 204 655)
Acquisition of an associate	12	(759 253 916)	(21 581 730)	(507 018 367)	(7 727 058)
Purchase of financial assets at amortised cost	18.1	(10 484 618)	(248 439 306)	(11 129 119)	(31 164 429)
Purchase of financial assets at fair value through profit or loss	18.2	(45 152 933)	(834 299 390)	(34 309 018)	(592 487 627)
Purchase of financial assets at FVOCI	18.3	(30 884 704)	-	(25 488 295)	-
Proceeds from disposal of financial assets at amortised cost	18.1	1 824 814	164 084 376	1 824 814	10 134 513
Proceeds from disposal of financial assets through profit or loss	18.2	158 972 321	589 962 126	174 150 394	176 700 496
Proceeds from disposal of financial assets at FVOCI	18.3	-	540 641	-	336 351
Dividends received	32	22 736 872	9 311 761	26 791 460	3 844 106
Interest received	32	148 902 801	37 037 111	142 815 067	22 816 669
Proceeds from sale of property and equipment		-	3 388 575	-	2 325 505
Cash flows (used in) investing activities		**(877 484 051)**	**(5 545 979 360)**	**(570 747 415)**	**(3 314 841 517)**
Financing activities					
Dividends paid to Company shareholders	37	(38 957 330)	(8 531 708)	(30 000 000)	(3 100 000)
Dividends paid to non-controlling interests in subsidiaries		-	(2 350 884)	-	(854 296)
Share issue transaction costs		-	(41 215 742)	-	(25 641 697)
Loan drawdown	23	164 659 936	14 707 915	10 667 041	9 150 288
Loan repayment	23	(88 331 153)	(16 109 305)	17 444 642	(7 112 332)
Lease payments	9	(10 160 705)	(10 818 042)	(10 733 854)	(5 536 138)
Share buy-back	20	(518 801)	(1 670 059)	(389 538)	(997 149)
Cash generated (used in) financing activities		26 691 947	(65 987 825)	(13 011 709)	(34 091 324)
Inflation effect		229 400 247	(548 531 444)	-	-
Net increase/ (decrease) in cash and cash equivalents		(638 803 119)	2 036 092 398	309 354 455	1 244 209 841
Cash and cash equivalents at the beginning of the year		1 902 146 650	659 325 680	1 183 389 323	91 440 449
Effects of exchange rate changes on cash and cash equivalents		138 538 199	(244 739 986)	138 538 199	(152 260 967)
Cash and cash equivalents at the end of the year	19	1 631 281 977	1 902 146 650	1 631 281 977	1 183 389 323



COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		INFLATION ADJUSTED		HISTORICAL COST	
ASSETS	**Notes**	**Company 2021 ZWL**	**Company 2020 ZWL**	**Company 2021 ZWL**	**Company 2020 ZWL**
Property and equipment	8	-	3 712 097	-	69 623
Right of use of assets	9	643 610	13 209 848	502 001	2 136 735
Investment in subsidiaries	12	4 310 996 373	3 551 742 454	1 363 494 358	856 475 991
Investment in associates	13	38 027 134	38 027 133	713 218	713 218
Deferred tax assets	14.3	-	-	1 070 347	448 851
Other receivables and prepayments	16	76 692 491	5 359 876	72 850 685	3 334 559
Financial assets :					
- at amortised cost	18.1	46 864	75 328	46 864	46 864
- at fair value through profit or loss	18.2	12 909 488	10 271 461	12 909 488	6 390 221
- at fair value through other comprehensive income	18.3	85 703 489	41 257 597	85 703 489	25 667 737
Cash and cash equivalents	19	1 425 485	19 456 829	1 425 485	12 104 747
Total assets		**4 526 444 931**	**3 683 112 623**	**1 538 715 935**	**907 388 546**
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to equity holders of the parent					
Share capital		821 991 550	821 991 550	18 175 447	18 175 447
Share premium		1 857 057 002	1 857 057 002	787 722 113	787 722 113
Treasury shares		(3 023 289)	(2 504 488)	(1 412 619)	(1 023 081)
Financial assets at fair value through other comprehensive income reserve		20 621 053	(23 380 380)	79 032 551	19 597 157
Retained earnings		997 289 243	921 134 833	(128 162 194)	17 854 896
Total equity		**3 693 935 559**	**3 574 298 517**	**755 355 298**	**842 326 532**
LIABILITIES					
Deferred tax liabilities	14.3	2 392 798	4 235 258	-	-
Lease liabilities	9	276 877	3 383 936	276 877	2 105 260
Other provisions	24	8 544 205	5 053 670	8 544 205	3 144 058
Trade and other payables	25	821 295 492	95 671 997	774 539 555	59 520 763
Bank overdraft	19	-	469 245	-	291 933
Total liabilities		**832 509 372**	**108 814 106**	**783 360 637**	**65 062 014**
TOTAL EQUITY AND LIABILITIES		**4 526 444 931**	**3 683 112 623**	**1 538 715 935**	**907 388 546**

B. N. Kumalo
Chairman
13 May 2022

S. Kudenga
Group Chief Executive Officer
13 May 2022

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

		INFLATION ADJUSTED		HISTORICAL COST	
INCOME	**Notes**	**Company 2021 ZWL**	**Company 2020 ZWL**	**Company 2021 ZWL**	**Company 2020 ZWL**
Investments income	32	30 568 024	2 140 736	22 994 988	1 037 100
Other gains	33	9 402 840	26 388 197	20 511 623	25 598 628
Total income		**39 970 864**	**28 528 933**	**43 506 611**	**26 635 728**
EXPENDITURE					
Operating and administrative expenses	34	(196 242 104)	(98 724 610)	(160 569 953)	(22 877 863)
Net impairment losses on financial assets		-	-	-	-
Finance costs		(240 357)	(580 734)	(175 602)	(210 180)
Total expenses		**(196 482 461)**	**(99 305 344)**	**(160 745 555)**	**(23 088 043)**
Net monetary gains		265 287 714	87 621 561	-	-
Profit/(loss) before tax		**108 776 117**	**16 845 150**	**(117 238 944)**	**3 547 685**
Income tax (expense)/credit	14.3	(1 398 001)	10 976 559	1 221 854	694 856
Profit/(loss) for the year		**107 378 116**	**27 821 709**	**(116 017 090)**	**4 242 541**
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to profit or loss					
Items that may be reclassified to profit or loss:					
Fair value gains for financial assets at FVOCI	18.3	44 445 892	(50 245 500)	60 035 752	12 977 371
Income tax relating to components of other comprehensive income		(444 459)	556 236	(600 358)	(143 664)
Other comprehensive (loss)/income for the year net of tax		**44 001 433**	**(49 689 264)**	**59 435 394**	**12 833 707**
Total comprehensive income for the year		**151 379 549**	**(21 867 555)**	**(56 581 696)**	**17 076 248**
Profit/(loss) attributable to:					
Equity holders of Zimre Holdings Limited		107 378 116	27 821 708	(116 017 090)	4 242 541
		107 378 116	**27 821 709**	**(116 017 090)**	**4 242 541**
Total comprehensive income/(loss) attributable to:					
Equity holders of Zimre Holdings Limited		151 379 549	(21 867 555)	(56 581 696)	17 076 248
		151 379 549	(21 867 555)	(56 581 696)	17 076 248
Earnings per share from profit of continuing operations attributable to owners of Zimre Holdings Limited					
Basic and diluted earnings per share (ZWL cents):	35	5.91	1.81	(6.38)	0.28
Number of shares for basic and diluted earnings per share		1 818 218 786	1 818 218 286	1 818 218 786	1 818 218 286

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

INFLATION ADJUSTED	Notes	Share capital ZWL	Share premium ZWL	Treasury shares ZWL	Financial assets at fair value through other comprehensive income reserve ZWL	Retained earnings ZWL	Total ZWL
Balance as at 31 December 2020							
Balance as at 1 January 2020		817 412 469	609 262 168	(834 429)	26 308 884	901 844 833	2 353 993 925
Total comprehensive income for the year		-	-	-	(49 689 264)	27 821 708	(21 867 556)
Profit for the year		-	-	-	-	27 821 708	27 821 708
Other comprehensive income for the year, net of tax		-	-	-	(49 689 264)	-	(49 689 264)
Transactions with owners in their capacity as owners		4 579 081	1 247 794 834	(1 670 059)	-	(8 531 708)	1 242 172 148
Dividend declared and paid	37	-	-	-	-	(8 531 708)	(8 531 708)
Issue of shares		4 579 081	1 289 010 574	-	-	-	1 293 589 655
Issue of shares transaction costs		-	(41 215 740)	-	-	-	(41 215 740)
Share buyback	20	-	-	(1 670 059)	-	-	(1 670 059)
Balance as at 31 December 2020		821 991 550	1 857 057 002	(2 504 488)	(23 380 380)	921 134 833	3 574 298 517
Year ended 31 December 2021							
Balance as at 1 January 2021		821 991 550	1 857 057 002	(2 504 488)	(23 380 380)	921 134 833	3 574 298 517
Total comprehensive income for the year		-	-	-	44 001 433	107 378 116	151 379 549
Profit for the year		-	-	-	-	107 378 116	107 378 116
Other comprehensive income for the year, net of tax		-	-	-	44 001 433	-	44 001 433
Transactions with owners in their capacity as owners		-	-	(518 801)	-	(31 223 706)	(31 742 507)
Dividend declared and paid	37	-	-	-	-	(31 223 706)	(31 223 706)
Share buyback	20	-	-	(518 801)	-	-	(518 801)
Balance as at 31 December 2021		821 991 550	1 857 057 002	(3 023 289)	20 621 053	997 289 243	3 693 935 559

HISTORICAL COST

Year ended 31 December 2020	Notes	Share capital ZWL	Share premium ZWL	Treasury shares ZWL	Financial assets at fair value through other comprehensive income reserve ZWL	Retained earnings ZWL	Total ZWL
Balance as at 1 January 2020		**15 326 649**	**11 427 034**	**(25 932)**	**6 763 450**	**16 712 355**	**50 203 556**
Comprehensive income for the year		-	-	-	12 833 707	4 242 541	17 076 248
Profit for the year		-	-	-	-	4 242 541	4 242 541
Other comprehensive income for the year, net of tax		-	-	-	12 833 707	-	12 833 707
Transactions with owners in their capacity as owners		2 848 798	776 295 079	(997 149)	-	(3 100 000)	775 046 728
Dividend declared and paid	**37**	-	-	-	-	(3 100 000)	(3 100 000)
Issue of shares		2 848 798	801 936 775	-	-	-	804 785 573
Issue of shares transaction costs		-	(25 641 696)	-	-	-	(25 641 696)
Share buyback	**20**	-	-	(997 149)	-	-	(997 149)
Balance as at 31 December 2020		**18 175 447**	**787 722 113**	**(1 023 081)**	**19 597 157**	**17 854 896**	**842 326 532**
Year ended 31 December 2021							
Balance as at 1 January 2021		**18 175 447**	**787 722 113**	**(1 023 081)**	**19 597 157**	**17 854 896**	**842 326 532**
Comprehensive income for the year		**-**	**-**	**-**	**59 435 394**	**(116 017 090)**	**(56 581 696)**
Profit for the year		-	-	-	-	(116 017 090)	(116 017 090)
Other comprehensive income for the year, net of tax		-	-	-	59 435 394	-	59 435 394
Transactions with owners in their capacity as owners		**-**	**-**	**(389 538)**	**-**	**(30 000 000)**	**(30 389 538)**
Dividend declared and paid	**37**	-	-	-	-	(30 000 000)	(30 000 000)
Share buyback	**20**	-	-	(389 538)	-	-	(389 538)
Balance as at 31 December 2021		18 175 447	787 722 113	(1 412 619)	79 032 551	(128 162 194)	755 355 298

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

		INFLATION ADJUSTED		HISTORICAL COST	
	Notes	Company 2021 ZWL	Company 2020 ZWL	Company 2021 ZWL	Company 2020 ZWL
Profit /(loss) before income tax		108 776 117	16 845 149	(117 238 944)	3 547 685
Adjustments for non-cash items:					
Depreciation	8	2 474 730	4 949 564	69 623	92 831
Lease depreciation charge	9	11 277 052	34 636 301	3 349 709	1 601 867
Fair value gains on financial assets at fair value through profit or loss	33	(4 275 431)	(20 272 789)	(7 844 441)	(21 411 359)
Monetary (gains)/losses		(265 287 714)	(87 621 561)	-	-
Movement in leave pay provision	24	8 462 202	7 337 652	5 400 147	2 929 031
Unrealised exchange (gains)/losses	33	(1 317 716)	(2 416 879)	(1 317 716)	(1 503 622)
Adjustments for separately disclosed items:					
Finance costs		240 357	580 734	175 602	210 180
Dividend received	32	(29 723 538)	(1 103 742)	(22 327 271)	(415 579)
Interest received	32	(844 486)	(1 036 994)	(667 716)	(621 521)
Working capital changes:					
Increase in other receivables and prepayments		(71 332 615)	(540 916)	(69 516 126)	(2 666 228)
Increase in trade and other payables		725 623 494	1 415 627	715 018 792	46 448 553
Cash flows from operations		**484 072 453**	**(51 062 276)**	**505 101 659**	**28 211 838**
Finance costs		(240 357)	(580 734)	(175 602)	(210 180)
Net cash flows (utilised in)/generated from operating activities		**483 832 096**	**(47 187 854)**	**504 926 057**	**28 001 658**
Cash flows from investing activities					
Acquisition of subsidiary	12	(759 253 917)	-	(507 018 367)	-
Acquisition of associate	13	-	12 178 297	-	(7 576 528)
Purchase of financial assets at fair value through profit or loss	18.2	(5 969 617)	(12 556 829)	(4 145 448)	(3 061 429)
Proceeds from disposal of financial assets through profit or loss	18.2	9 760 000	15 687 949	5 470 622	22 752 931
Dividends received	32	29 723 538	1 103 742	22 327 271	415 579
Interest received	32	844 486	1 036 994	667 716	621 521
Cash flows used in investing activities		**(724 895 510)**	**(6 906 441)**	**(482 698 206)**	**13 152 074**

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

		INFLATION ADJUSTED		HISTORICAL COST	
	Notes	Company 2021 ZWL	Company 2020 ZWL	Company 2021 ZWL	Company 2020 ZWL
Financing activities					
Dividends paid	37	(31 223 706)	(5 307 862)	(30 000 000)	(3 100 000)
Share issue transaction costs		-	(41 215 740)	-	(25 641 696)
Lease payments	9	(3 107 059)	(4 609 545)	(3 680 208)	(1 673 624)
Share buy-back	20	(518 801)	(1 670 059)	(389 538)	(997 149)
Generated from /cash (used) in financing activities		**34 849 566**	**(52 803 206)**	**34 069 746**	**(31 412 469)**
Inflation effect on cash		248 712 445	128 429 724	-	-
Net decrease in cash and cash equivalents		(27 200 535)	12 475 684	11 841 895	9 741 264
Cash and cash equivalents at the beginning of the year		27 463 387	4 095 020	12 104 747	567 929
Effects of exchange rate changes on cash and cash equivalents		1 162 633	2 416 878	1 162 633	1 795 555
Cash and cash equivalents at the end of the year	19	1 425 485	18 987 582	1 425 485	12 104 747

1 GENERAL INFORMATION

The principal activities of Zimre Holdings Limited (the "Company" or "ZHL") and its subsidiaries and associates (together "the Group") is the provision of life assurance, non life insurance (general insurance, reinsurance, healthcare, funeral assurance), property management and development services, asset management and microlending. The Group also has an associate in the agro-industrial sector.

Zimre Holdings Limited is a public company incorporated and domiciled in Zimbabwe whose shares are publicly traded on the Zimbabwe Stock Exchange ("ZSE").
The registered office is located at Block D, 2nd Floor, Smatsatsa Office Park, Stand Number 10667, Borrowdale, Harare, Zimbabwe.

The financial statements of the Group for the year ended 31 December 2021 were authorised for issue by a resolution of the Board of Directors on 13 May 2022.

1.1 Acquisition of WFDR Risk Services

On 6 September 2021, the Board of Directors of Zimre Holdings Limited ("ZHL") approved the acquisition by ZHL of 60% share holding of WFDR Risk Services.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

These financial statements for the year ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), except for non-compliance with International Accounting Standard 21, ("IAS 21"), 'The effects of foreign exchange rates' and IAS 29, 'Financial reporting in hyper-inflationary economies'.

2.1.2 Compliance statement

These financial statements for the year ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards and in a manner required by the Zimbabwe Companies and Other Business Entities Act [Chapter 24:31] , except for non-compliance with International Accounting Standard ("IAS") 21, 'The effects of foreign exchange rates' which also led to non-compliance with IAS 29, 'Financial reporting in hyper-inflationary economies'.

2.1.3 a) Hyperinflation accounting

On 9 July 2019, the Public Accountants and Auditors Board ("PAAB") issued Pronouncement 01/2019, which advised that Zimbabwe had met all the conditions for the application of IAS 29 effective for financial reporting periods ending on or after 1 July 2019. These hyper-inflationary conditions persisted into the current reporting period, making the application of IAS 29 imperative.

For purposes of fair presentation in accordance with IAS 29, the historical cost information has been restated for changes in the general purchasing power of the Zimbabwe dollar. Accordingly, the inflation adjusted financial statements represent the primary financial statements of the Group. In line with the provisions of IAS 29, the historical cost financial information has been provided by way of supplementary information only.

IAS 29 requires that the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date and that the corresponding figures for the comparative periods be stated in the same terms. These financial statements and the corresponding figures for the previous years have been restated to take account of the changes in the account of the changes in the general purchasing power of the ZWL. The restatement is based on conversion factors derived from the Zimbabwe Consumer Price Index ("CPI") compiled by the Zimbabwe National Statiastics Agency from the figures published by the Reserve Bank of Zimbabwe. The indices and conversion factors used are as follows:

Dates	**Index**	**Conversion factor**
31 December 2021	3,977.46	1.000
31 December 2020	2474.51	1.607
Averages		
31 December 2021	3,135.22	1.27
31 December 2020	1579.09	1.57

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of preparation (continued)

b) Functional and presentation currency

The financial statements are presented in Zimbabwe dollar ("ZWL") which is both the functional and presentation currency of the Group.

(c) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions or valuation where items are re-measured. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are generally recognised in the statement of profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses). Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

(d) Group companies

The results and financial positions of all the Group's subsidiaries and associates that have a functional currency different from the ZWL (none of which is a currency of a hyperinflationary economy) are translated into ZWL as follows:
(i) income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average foreign currency exchange rate;
(ii) assets and liabilities for each statement of financial position are translated at the closing foreign currency exchange rate at the date of the statement of financial position; and
(iii) all resulting foreign currency exchange rate differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment is repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation and presentation (continued)

2.1.4 New standards, amendments and interpretations, effective for the first time for 31 December 2021 year ends that are relevant to the Group

Number	Effective date	Executive summary
Amendments to IFRS 9 'Financial instruments', IAS 39 'Financial instruments: Recognition and measurement', IFRS 7 'Financial instruments: Disclosures', IFRS 4 'Insurance Contracts' and IFRS 16 'Leases' – interest rate benchmark (IBOR) reform (Phase 2)	1 January 2021	The Phase 2 amendments address issues that arise from the implementation of the reform of an interest rate benchmark, including the replacement of one benchmark with an alternative one.
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)	1 January 2021	In May 2020, the IASB issuedCovid-19-Related Rent Concessions (Amendment to IFRS 16). The pronouncement amendedIFRS 16Leasesto provide lessees with an exemption from assessing whether a Covid-19-related rent concession is a lease modification. On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021. Since lessors continue to grant Covid-19-related rent concessions to lessees and since the effects of the Covid-19 pandemic are ongoing and significant, the IASB decided to look into whether to extend the time period over which the practical expedient is available for use. The Changes inCovid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)amend IFRS 16to permit a lessee to apply the practical expedient regarding Covid-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022 (rather than only payments originally due on or before 30 June 2021); and specify that, in the reporting period in which a lessee first applies the amendment, a lessee is not required to disclose the information required by paragraph 28(f) of IAS 8.
Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1 January 2021	The changes in*Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)*relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 to accompany the amendments regarding modifications and hedge accounting.

2.1.4 New standards, amendments and interpretations issued but not effective for 31 December 2021 year ends that are relevant to the Company and have not been early adopted

Number	Effective date	Executive summary
Amendment to IAS 1 'Presentation of financial statements' on classification of liabilities as current or non-current	1 January 2022	The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation and presentation (continued)

2.1.4 New standards, amendments and interpretations, effective for the first time for 31 December 2021 year ends that are relevant to the Group

Number	Effective date	Executive summary
Amendment to IFRS 3, 'Business combinations'	1 January 2022	The Board has updated IFRS 3, 'Business combinations', to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, the Board added a new exception in IFRS 3 for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets', or IFRIC 21, 'Levies', rather than the 2018 Conceptual Framework. The Board has also clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date.
Amendments to IAS 16 'Property, plant and equipment' on proceeds before intended use	1 January 2022	The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss.
Amendments to IAS 37 'Provisions, contingent liabilities and contingent assets' on onerous contracts—cost of fulfilling a contract	1 January 2022	The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of 'costs to fulfil a contract'. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract. • IFRS 1, 'First time adoption of IFRS' has been amended for a subsidiary that becomes a first-time adopter after its parent. The subsidiary may elect to measure cumulative translation differences for foreign operations using the amounts reported by the parent at the date of the parent's transition to IFRS. • IFRS 9, 'Financial Instruments' has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation. • IFRS 16, 'Leases', amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the illustration of payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives. • IAS 41, 'Agriculture' has been amended to align the requirements for measuring fair value with those of IFRS 13. The amendment removes the requirement for entities to exclude cash flows for taxation when measuring fair value.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation and presentation (continued)

2.1.4 New standards, amendments and interpretations, effective for the first time for 31 December 2021 year ends that are relevant to the Group

Number	Effective date	Executive summary
IFRS 17, 'Insurance contracts'	1 January 2023 Early application is permitted for entities that apply IFRS 9, 'Financial instruments', and IFRS 15, 'Revenue from contracts with customers', at or before the date of initial application of IFRS 17.	The IASB issued IFRS 17, 'Insurance contracts', and thereby started a new epoch of accounting for insurers. Whereas the current standard, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to IFRS 17 will have an impact on financial statements and on key performance indicators. Under IFRS 17, thegeneral modelrequires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period. Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contract, including those with a coverage period of one year or less. For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. Consequently, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract.
IFRS 17, 'Insurance contracts' Amendments	1 January 2023	In response to some of the concerns and challenges raised, the Board developed targeted amendments and several proposed clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and ease transition. The amendments are not intended to change the fundamental principles of the standard or unduly disrupt implementation already underway. The Group commenced preparations for the implementation of IFRS 17 a project team was set up and the following have been done • A project charter and detailed implementation plan was drafted • Performance of Gap analysis on products, systems, and business processes to enable full project documentation. • Data categorisation defining starting points to align to the current system. • Aligning and upgrading existing operating and accounting systems to the new user requirements arising from implementing IFRS 17. • Aligning actuarial models currently in use to IFRS 17 requirements and integrating the actuarial systems to the Group's operating systems and accounting systems. • Reviewing and updating accounting policies and updating business processes for financial reporting purposes. • Training sessions were organised for the project team and these will be held continuously until project is fully implemented. • The full quantitative impact of applying this standard is still being assessed to determine the impact on the Group's financial statements and a full test run is expected at 30 June 2022.

There are no other standards, amendments and interpretations that are not yet effective that are likely to have a material impact on the Company

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Principles of consolidation and equity accounting

Group

The consolidated financial statements comprise the financial statements of Zimre Holdings Limited (the "Company") and its subsidiaries and associates.

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.
Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; or
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired during the year are included in the statement of comprehensive income and statement of financial position from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9, 'Financial instruments' either in statement of profit or loss or as a change to the comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Acquisition related costs are expensed as incurred. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition- date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest is less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the profit or loss as a bargain purchase. Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between Group entities are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the transferred asset. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All subsidiaries of the Company have 31 December year ends and are consolidated in the financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Principles of consolidation and equity accounting

Loss of control

If the Group loses control over a subsidiary, it;

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

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners of the Group in their capacity as owners. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity. Gains or losses from disposal to non-controlling interests are also recorded in equity.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated allowance for impairment.

(b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. If the shareholding is less than 20%, the Group will be presumed not to have significant influence unless such influence can be clearly demonstrated. The existence of significant influence by the Group is usually evidenced in one or more of the following ways:

- representation on the board of directors or equivalent governing body of the investee;
- participation in the policy-making process;
- material transactions between the investor and the investee;
- interchange of managerial personnel; or
- provision of essential technical information.

Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost and thereafter the carrying amount is increased or decreased to recognise the investor's share of post-acquisition profits or losses of the investee and the Group's share of movements in other comprehensive income after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

When the investment, or portion of an investment, meets the criteria to be classified as held for sale, the portion so classified is accounted for in accordance with IFRS 5, 'Non-current assets held for sale and discontinued operations'. Any remaining portion is accounted for using, the equity method until the time of disposal, at which time the retained investment is accounted under IFRS 9, 'Financial instruments', unless the retained interest continues to be an equity accounted entity in accordance with the provisions of the standard.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. When the Group's share of losses in an equity - accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the other entity.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of an associate' in the statement of profit or loss.

Unrealised gains resulting from upstream and downstream transactions between the Group and its associate are eliminated in the Group's financial statements to the extent of the investor's interests in the entity. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting polices of equity accounted investees have been changed where necessary to ensure consistency with the polices adopted by the Group. The associates, except for CFI Holdings Limited which has a 30 September year end, have 31 December year-ends, and are included in the financial statements based on audited year end financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Earnings per share

(i) Basic earnings per share

Basic earnings per share are calculated by dividing:
- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker, responsible for allocating resources and assessing performance of the operating segments, has been identified as the "Group Executive Committee" which comprises the Group Chief Executive Officer, Group Finance Executive and the Managing Directors of the subsidiaries.

2.5 Property and equipment

Property and equipment is measured at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the items can be measured reliably. The carrying amount is any component accounted for as a separate asset is derecognised when replaced. Repairs and maintenance costs are recognised in profit or loss as incurred.

Land and buildings are measured at fair value less accumulated depreciation and impairment loss recognised after the date of the revaluation. Valuations are performed annually to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any revaluation surplus net of tax is credited in other comprehensive income to revaluation reserve included in shareholders' equity.

To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the revaluation reserve to retained earnings.

Depreciation is calculated on a straight-line basis over the useful life of the asset as follows:

- Freehold buildings
- Vehicles
- Computers and office equipment
- Furniture and fittings

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition is included in profit or loss in the year the asset is de-recognised. The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year-end, and adjusted prospectively if appropriate. Changes in the asset's depreciation method, residual value or useful life are treated as a change in accounting estimate in accordance with IAS 8, 'Accounting policies, changes in accounting estimates and errors. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Owner occupied properties comprises property which is owned by the Group and is significantly occupied by group companies, regardless of the leasing of the property being at market related rentals and terms. Significant occupation by group companies is considered as 75% (2020 75%) of the space of the property occupied or above. Such owner occupied properties are classified under property and equipment and depreciated in line with the Group accounting policies.

2.6 Investment property

Investment property comprises completed property and property under construction or development that is held to earn rentals or for capital appreciation or both. Property held under a lease is classified as investment property when it is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property is included in the statement of profit or loss in the period in which they arise. Fair values are evaluated annually by an accredited external independent valuer, applying valuation models recommended by the International Valuation Standards Committee.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Investment property (continued)

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the cost of the replacement is included in the carrying amount of the property and the fair value is re-assessed.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit or loss in the period of derecognition. Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use. The difference between the cost-based measurement and fair value is treated as a revaluation adjustment.

2.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at historical cost. The historical cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in statement of comprehensive income in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in statement of comprehensive income when the asset is derecognised. The software licences have a finite life of up to 5 years and are amortised over that period. The amortisation costs for the year are included in operating and administrative expenses in the statement of profit or loss.

2.8 Inventory

Inventory comprises property acquired or being constructed for sale in the ordinary course of business, consumables and other stocks. Property classified as inventory is residential property that the Group is developing and intends to sell before or on completion of construction. Cost includes;

- amounts paid to contractors for construction; and
- borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property
- transfer taxes, construction overheads and other related costs.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and less costs to completion and the estimated costs of sale. Net realisable value for completed inventory property is assessed with reference to market conditions and prices existing at the reporting date, and is determined by the Group in light of recent market transactions.

Consumables and other stocks are valued on the basis of weighted average cost and at the lower of cost or estimated net realisable value, inventory is valued at the lower of cost or estimated net realisable value, but is based on the specific identification of the property.

2.9 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of the asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Impairment of non-financial assets (continued)

An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, it is reduced to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified; an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in statement of comprehensive income.

2.10 Trade and other receivables

Premiums receivables relate to insurance premiums outstanding from insurance companies, reinsurance brokers and insurance agents and are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable. Subsequent to initial recognition, premiums receivable are measured at amortised cost, using the effective interest rate method. See note 2.12 for further information about the Company's accounting for financial assets.

Insurance contracts are issued at market rates even when credit terms are offered. Furthermore, short term insurance contracts are for periods not exceeding one year. Therefore there is no significant financing component in insurance premiums thus their carrying amount is considered to be the same as their fair value.

Other receivables are amounts that generally arise from transactions outside the usual operating activities of the Company. If collection of the amount is due in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Other receivables comprise loans to employees and prepayments.

Other receivables are recognised initially at fair value and subsequently at amortised cost using the effective interest rate method less allowance for impairment. See note 2.12 for description of the Company's impairment policy.

2.11 Deferred acquisition costs

Deferred acquisition costs relate to commission incurred to acquire insurance business, deferred over a period in which the related premiums are earned. The deferred portion is calculated by applying the actual commission rate on the unearned premium reserve balance.

2.12 Financial Instruments

i) Classification

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument on another entity.

The Group's financial assets are classified as measured at:
- fair value (either through other comprehensive income or through profit or loss), and
- amortised cost.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI"). The Group reclassifies debt investments when and only when their business model for managing those assets changes.

ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Financial Instruments (continued)

iii) Measurement
At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost**: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

- **FVOCI**: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as a separate line item in the statement of profit or loss.

- **FVPL:** Assets that do not meet the criteria for amortised cost are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

The Group has classified investments in quoted equities as financial assets at FVPL because they are held for trading with expected disposal in the short-term. Unquoted equity investments are long-term strategic investments and not expected to be disposed in the short-term, as such have been classified as financial assets at FVOCI.

iv) Impairment

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies both the simplified approach and the general approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 3.3 for further details.

De-recognition of financial assets

A financial asset is de-recognised when the right to receive cash flows from the asset has expired or the Group has transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and have transferred substantially all the risks and rewards of the asset to another party, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset. When the Group has transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, they evaluate if and to what extent they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and Company have retained.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial liabilities

The Group's financial liabilities include trade and other payables, bank borrowings, policy holder liabilities, and investment contracts.

Measurement

Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, less directly attributable transaction costs. Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at amortised cost. The Group determines the classification of its financial liabilities at initial recognition. Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in statement of comprehensive income when the liabilities are derecognised.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such a modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

2.14 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported, on the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.15 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in the statement of financial position.

2.16 Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of income tax from the proceeds.

Treasury shares (repurchase and reissue of ordinary shares)

Where the Company purchases its own shares or a group company purchases the Company's ordinary share capital ("treasury shares"), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

2.17 Reinsurance contract liabilities

Reinsurance contract liabilities relate to life reassurance and non-life reinsurance. At the end of the year, a liability adequacy test is carried out by a registered actuary to determine the sufficiency of the insurance contract liabilities.

2.17.1 Life reassurance policy holder liabilities

Life reassurance policy holder liabilities are policyholders' liabilities computed by an independent actuary in accordance with the guidelines issued by the Actuarial Society of Zimbabwe and Actuarial Society of South Africa. Under this method, the policy holders' liabilities are valued using realistic expectations of future experience with prescribed margins for prudence and deferral profit emergence.

2.17.2 Non-life reinsurance contract liabilities

These include the outstanding claims and the incurred but not reported reserve ("IBNR") (disclosed as insurance payable) and the provision for unearned premium.

Outstanding claims

The outstanding claims reserve is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, together with related claims handling costs and reduction for the expected salvage and other recoveries.

Incurred but not reported - ("IBNR")

The provision for incurred but not reported claims ("IBNR") represents all claims incurred before the reporting date but only reported subsequent to year-end. IBNR is estimated using a rate of 10% (2020 -10%) of net premium written and actuarially tested for adequacy as at reporting date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17.2 Non-life reinsurance contract liabilities (continued)

Delays can be experienced in the notification and settlement of certain types of claims, therefore the ultimate cost of these cannot be known with certainty at the reporting date. The liability is calculated at the reporting date using a range of standard actuarial claim project techniques, based on empirical data and current assumptions that include a margin for adverse variation. The liability is not discounted for the time value of money. The liabilities are derecognised when the obligation to pay a claim expires, is discharged or is cancelled.

Unearned premium reserves - ("UPR")

The unearned premium reserve represents that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date. The provision is recognised on contracts entered into with maturities beyond the financial year end of the Group and earned premiums is brought to account over the term of the contract in accordance with the pattern of insurance service provided under the contract. The subsidiaries within the Group use various methods to account for unearned premium reserve which include the 1/8 method, the 1/365 method and the 24th method.

2.18 Retrocession

The Group cedes reinsurance risk in the normal course of business for its reinsurance businesses to retrocessionaires. Retrocession receivables and payables are disclosed as part of insurance trade receivables and payables respectively. Retrocession income and expenses are disclosed in profit or loss.

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement. Restructuring provisions are recognised only when the recognition criteria for provisions are fulfilled.

The Group has a constructive obligation when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, an appropriate timeline, and furthermore, the employees affected have been notified of the plan's main features. If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects, current market assessments of the time value of money, and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

The Group and Company recognise obligations for retrenchments as a liability and expense when there is a demonstrable commitment to either terminate the employment of an employee or group of employees before normal retirement date as a result of an offer made in order to encourage voluntary redundancy.

2.20 Revenue recognition

The Group recognises revenue when the following conditions have been met;
- when contracts have been approved by all parties to the contract;
- each party's rights in relation to the goods or services to be transferred can be identified;
- the payment terms for the goods or services to be transferred can be identified;
- the contract has commercial substance; and
- and it is probable that the consideration to which the Group is entitled to in exchange for the goods or services will be collected

The Group derives revenue from the transfer of goods and provision of services over time and at a point in time in the following major product lines:

2.20.1 Premium income

Gross premiums comprise the premiums on contracts entered into during the year. Premiums written include adjustments to premiums written in prior periods. Premium income arising from pensions is recognized when due while that from individual life is recognized when paid.

Premiums are recognised as revenue (earned premiums) proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the reporting date is reported as the unearned premium liability. Premiums are shown before deduction of commission and are net of any taxes or duties levied on premiums.

Premium income is accounted for gross of reinsurance and accounted for as follows:
Pensions - when due
Life - when paid
Property and casualty insurance (short-term insurance) - when due
Health insurance - when paid

In the short-term business, premium income is accounted for as and when the premiums are agreed and risks accepted.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20.2 Fund management and investment contracts fee income

Fees charged for investment management services are recognised as revenue as the services are provided. Initial fees which exceed the level of recurring fees and relate to the future provision of services are deferred and amortised over the anticipated period in which the services will be provided.

2.20.3 Rental income

The Group is the lessor on operating lease transactions. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

Services and management charges are recognised in the accounting period in which they are incurred. Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Directors are reasonably certain that the tenant will exercise that option. Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the statement of profit or loss when the right to receive them arises.

2.20.4 Property services income

Property services income comprises income received from property-related services to other parties. The income is recognised when the related services have been provided. Property services income will be generated, and revenue recognised as indicated, from the following services:

- Project management - over time ;
- Property management - over time;
- Property purchases - at a point in time;
- Property sales - at a point in time; and
- Property valuations - at a point in time.

2.20.5 Sale of inventory property and stands

The Group develops and sells residential properties. Revenue is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer.

The revenue is measured at the transaction price agreed under the contract. The consideration is due upon signing the sale contract. Deferred payment terms may be agreed in some cases for periods up to 36 months. In such cases, the transaction price is adjusted for the effects of a significant financing component.

The Group has contracts with customers where the period between signing of the sale contract and payment by the customer exceeds one year. As a consequence, the Group adjusts the transaction prices for the time value of money at the effective interest rate.

2.21 Deferred income

Where conditions precedent to the sale of completed stands have not been met, any related revenue is recognised as deferred income. Amounts recognised in deferred income will only be recognised as revenue after all conditions precedent have been met and significant risks and rewards have been transferred to the buyer, and the buyer has accepted the property.

2.22 Other income

2.22.1 Dividend income

Dividend income is recognised when the Group and Company's rights to receive the payment is established, when the investee`s Board of Directors has declared the dividend.

2.22.2 Interest income

Interest earned on cash invested with financial institutions is recognised on an accrual basis using the effective interest method, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in the statement of comprehensive income.

2.22.3 Fee income

Insurance contract policyholders are charged for policy administration services, surrenders and other contract fees. These fees and charges are recognised as income over the period in which the related services are performed. Actuarial and consultancy fee income is recognised on an accrual basis, based on the values of the services provided and disclosed under other income.

2.22.4 Commission income

Commission income received or receivable under reinsurance contracts for non life insurance contracts is recognised as revenue proportionally over the period of the insurance contract.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22.5 Realised gains and losses

Realised gains and losses recorded in the statement of comprehensive income on investments include gains and losses on financial assets at FVPL and investment properties. Gains and losses on financial assets are from financial assets at FVPL. Gains from financial assets at FVOCI are recognised through other comprehensive income and are not recycled to profit or loss on disposal. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortised cost and are recorded on occurrence of the sale transaction.

2.23 Insurance claims and benefits

2.23.1 Life and health reassurance

Insurance benefits and claims relating to life assurance contracts are recognised in profit or loss based on the estimated liability for compensation owed to the contract holder. Death, disability and severe illness and surrender claims are accounted for when notified. These claims include outstanding claims and claims incurred but not reported ("IBNR"). The IBNR estimate is determined taking into account the likelihood of the claim being valid and the expected severity of the claim. The proportion to be included is estimated separately for each benefit type. An estimate of the expected claim amount is charged to profit or loss and included in liabilities under insurance contracts. Maturity and income disability are recorded as incurred. Liabilities are held to reflect IBNR claims.

The IBNR is modified to reflect actual current operating conditions. The liabilities are calculated gross of reinsurance. An asset is then raised to allow for the expected recoveries from reinsurers. Claims are accounted for as incurred and consist of claims paid, movement in the provision for outstanding claims and relates claims handling expenses. The provision for outstanding claims is based on estimates of the cost of settling all claims incurred but unpaid at the reporting date, whether reported or not.

2.23.2 Non-life insurance

Benefits payable under non-life insurance contracts are accounted for as incurred. Liabilities are held to reflect IBNR claims. The IBNR calculation is performed using the chain ladder approach. This allows for the historical patterns of claims payment in determining the likely future emergence of claims. The IBNR is further modified to reflect current operational conditions or known events.

2.23.3 Retrocession recoveries

Related retrocession recoveries are disclosed separately as assets in the statement of financial position and are included in recoveries from retrocessions in profit or loss.

2.24 Acquisition costs on reinsurance contracts

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

Commission

Commission is recognised as an expense in statement of comprehensive income when the premium is received through an intermediary or agent. The period of the commission and the commission rate differ per product depending on the product design structure. Commission is deferred in deferred acquisition costs over the duration of the contract.

Other acquisition costs

Other acquisition costs are expenses incurred to acquire reinsurance and insurance business including staff costs directly associated with obtaining business.

2.25 Employee benefits

Post-employment benefits

The Group operates one defined contribution pension plan, which requires contributions to be made to the fund which is separately administered. The pension plan is funded by payments from employees and the Group. The Group's contribution to the defined contribution pension plan is charged to the statement of profit or loss in the period to which the contributions relate. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Retirement benefits are also provided for the Company's employees through the National Social Security Authority ("NSSA") Scheme. The cost of retirement benefits applicable to the scheme is determined by the systematic recognition of legislated contributions.

Termination benefits

The Group recognises termination benefits when there is a demonstrable commitment to either terminate employment of an employee or group of employees before normal retirement date or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. The Group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37, 'Provisions, contingent liabilities and contingent assets', and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Employee benefits (continued)

Short term employee benefits

Short term employee benefits consist of salaries, accumulated leave payments, bonuses and any non-monetary benefits such as medical aid contributions. Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Profit sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the Group's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.26 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are derecognised from the statement of financial position when the obligation specified in the contract is discharged or cancelled or has expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs. Where the terms of a financial liability are renegotiated and the Company or a subsidiary issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.27 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

2.28 Current income and deferred taxes

The income tax expense or credit for the year is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses. Current income and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

2.28.1 Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to the tax authorities. The tax rates and laws used to compute the amounts are those that are enacted or substantively enacted by the reporting date. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provision, where appropriate on the basis of amounts expected to be paid to the tax authorities.

Taxable income for the life reassurance subsidiary is calculated in accordance with the insurance formula as laid down in the Eighth Schedule to the Zimbabwe Income Tax Act (Chapter 23:06).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.28 Current income and deferred taxes (continued)

2.28.2 Deferred tax

Deferred tax is provided in full using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences, except;

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint arrangements, except for deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and carry forward of unused tax credits and unused tax losses can be utilised except, when the deferred tax asset relating to deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss; and in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised in other comprehensive income or equity is also recognised in other comprehensive income or equity and not in statement of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.28.3 Value added tax ("VAT")

Expenses and assets are recognised net of the amount of VAT, except, when the value added tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

2.29 Leases

From 1 January 2019, the Group adopted IFRS 16, 'Leases' (as issued by the IASB in January 2016).

The Group as a lessee

The Group makes the use of leasing arrangements principally for office space, and IT equipment and motor vehicles (although the Group currently has no motor vehicles). The rental contracts for offices are typically negotiated for terms of between 3 and 20 years and some of these have extension terms. Lease terms for office fixtures and equipment and motor vehicles have lease terms of between 6 months and 6 years without any extension terms. The Group does not enter into sale and leaseback arrangements. All the leases are negotiated on an individual basis and contain a wide variety of different terms and conditions such as purchase options and escalation clauses.

IFRS 16 introduced new or amended requirements with respect to lease accounting. It introduced significant changes to lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right of use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged.

The Group and Company assess whether a contract is or contains a lease, at inception of contract. The Group and Company recognise a right of use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this this rate cannot be readily determined, the Group and Company use its incremental borrowing rate.

The lease liability is presented as a separate line in the statement of financial position. The liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using the effective interest method and reducing the carrying amount to reflect the lease payments made. The Group and Company remeasure the lease liability and makes a corresponding adjustment to the related right of use asset whenever the lease term has changed or the lease contract has been modified.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.29 Leases (continued)

Right of use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right of use assets are presented as a separate line in the statement of financial position.The Group and Company apply IAS 36 Impairment of assets to determine whether a right of use asset is impaired and accounts for any identified impairment losses. The deferred tax implications of IFRS 16 are that lease payments are tax-deductible on a cash basis. However, the tax bases of the right of use asset and lease liability are zero. The result is a taxable temporary difference in relation to the right of use asset and a deductible temporary difference in relation to the lease liability.

The Group as a lessor

As a lessor the Group classifies its leases as either operating or finance leases. The Group assessed whether it transfers substantially all the risks and rewards of ownership. Those assets that do not transfer substantially all the risks and rewards are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue due to its operating nature

2.30 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

3 GROUP FINANCIAL RISK MANAGEMENT

Risk Governance Framework

The Group has an Audit and Risk Committee that is part of the Board. Below the Audit and Risk Committee is a Financial Risk Management Committee that comprises senior management of the Group from the departments of Finance, Investments, Audit and Operations. The Financial Risk Management Committee reports to the Audit and Risk Committee on a quarterly basis on the risks identified, how they are being managed and the quantification and sensitivities around the risks. Both committees have clear terms of reference that feed into the overall group risk management strategy policy framework. The terms of reference are set, approved and regularly reviewed by the Board. The primary objective of the Group's risk management framework is to protect the shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities.

3.1 Financial risk factors

The Group is exposed to financial risk through its financial assets and liabilities, insurance and reinsurance assets and liabilities. The significant components of financial risk are investment risk, market risk, foreign currency risk, interest rate risk and equity price risk, credit risk and liquidity risk.

3.2 Market risk

Market risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in the market prices. The Group's market risk arise from open positions in (a) foreign currencies and (b) interest bearing assets and liabilities, to the extent that these are exposed to general and specific market movements. Market risk comprises three types of risks: foreign exchange risk, interest rate risk and equity price risk.

3.2.1 Foreign exchange risk

Foreign exchange risk is the risk arising from fluctuations in foreign exchange rates and their effect on future commercial transactions or recognised assets and liabilities. The Group is exposed to foreign exchange risk arising from the holding of monetary assets and liabilities denominated in currencies other than functional currencies of the individual entities. The Group's primary method of managing foreign exchange risk is to match principal cash outflows to the currency in which the principal cash inflows are denominated. Generally, Group companies are required to maintain bank accounts in United states dollars to reduce losses from fluctuations in foreign exchange rates. There are no hedging instruments. The table below shows the balances of monetary assets and liabilities denominated in foreign currency :

3 GROUP FINANCIAL RISK MANAGEMENT (continued)

3.2.1 Foreign exchange risk

	INFLATION ADJUSTED			
As at 31 December 2021	**Botswana Pula ZWL**	**Malawian Kwacha ZWL**	**Mozambican Metical ZWL**	**Zambian Kwacha ZWL**
Assets				
Trade and other receivables	149 246 457	560 639 548	237 250 711	119 992 221
Financial assets at amortised cost	-	1 945 156	49 743 306	100 928 327
Cash and cash equivalents	289 368 304	438 774 362	17 476 979	34 937 427
	438 614 761	1 001 359 066	304 470 996	255 857 975
Liabilities				
Borrowings	-	-	46 594 660	12 365 821
Trade and other payables	115 386 512	596 344 691	163 900 994	75 342 555
	115 386 512	596 344 691	210 495 654	87 708 376
Net foreign currency exposure	**323 228 249**	**405 014 375**	**93 975 342**	**168 149 599**
As at 31 December 2020				
Assets				
Trade and other receivables	119 817 812	719 229 047	299 580 431	103 691 570
Financial assets at amortised cost	-	2 884 547	14 916 192	49 268 434
Cash and cash equivalents	294 691 759	339 349 524	32 011 199	35 404 992
	414 509 571	1 061 463 118	346 507 822	188 364 996
Liabilities				
Borrowings	-	-	57 906 566	4 601 667
Trade and other payables	100 006 375	591 517 640	247 492 363	70 789 460
	100 006 375	591 517 640	305 398 929	75 391 127
Net foreign currency exposure	**314 503 196**	**469 945 478**	**41 108 893**	**112 973 869**

3 GROUP FINANCIAL RISK MANAGEMENT (continued)

3.2.1 Foreign exchange risk

	HISTORICAL COST			
As at 31 December 2021	**Botswana Pula ZWL**	**Malawian Kwacha ZWL**	**Mozambican Metical ZWL**	**Zambian Kwacha ZWL**
Assets				
Trade and other receivables	149 246 457	560 639 548	237 250 711	119 992 221
Financial assets at amortised cost	-	1 945 156	49 743 306	100 928 327
Cash and cash equivalents	289 368 304	438 774 362	17 476 979	34 937 427
	438 614 761	1 001 359 066	304 470 996	255 857 975
Liabilities				
Borrowings	-	-	46 594 660	12 365 821
Trade and other payables	115 386 512	596 344 691	163 900 994	75 342 555
	115 386 512	596 344 691	210 495 654	87 708 376
Net foreign currency exposure	**323 228 249**	**405 014 375**	**93 975 342**	**168 149 599**
As at 31 December 2020				
Assets				
Trade and other receivables	74 542 686	447 456 548	186 379 049	64 510 009
Financial assets at amortised cost	-	1 794 574	9 279 864	49 268 434
Cash and cash equivalents	183 337 642	211 120 738	19 915 242	22 026 635
	257 880 328	660 371 860	215 574 155	135 805 078
Liabilities				
Borrowings	-	-	36 025 620	2 862 851
Trade and other payables	62 217 325	368 002 993	153 973 312	44 040 501
	62 217 325	368 002 993	189 998 932	46 903 352
Net foreign currency exposure	**195 663 003**	**292 368 867**	**25 575 223**	**88 901 726**

Foreign exchange risk sensitivity analysis
The following analysis is performed for reasonably possible movements in the foreign exchange rates to ZWL (assumption:+/-10%) with all other variables held constant, showing the impact on profit/(loss) before income tax and equity due to changes in the fair value of currency sensitive monetary assets and liabilities including insurance contract claim liabilities. There are no changes from prior year on this assumption. The sensitivity of 10% represents the directors' assessment of a possible change:

Effect on profit before income tax	**Change**	**Botswana Pula ZWL**	**Malawian Kwacha ZWL**	**Mozambican Metical ZWL**	**Zambian Kwacha ZWL**
31 December 2021	10%	32 322 825	40 501 437	9 397 534	16 814 960
31 December 2021	-10%	(32 322 825)	(40 501 437)	(9 397 534)	(16 814 960)
31 December 2020	10%	31 450 320	46 994 548	4 110 889	11 297 387
31 December 2020	-10%	(31 450 320)	(46 994 548)	(4 110 889)	(11 297 387)

3 GROUP FINANCIAL RISK MANAGEMENT (continued)

3.2 Market risk (continued)

3.2.1 Foreign exchange risk (continued)

		Botswana Pula ZWL	Malawian Kwacha ZWL	Mozambican Metical ZWL	Zambian Kwacha ZWL
Effect on equity	**Change**				
31 December 2021	10%	24 332 623	30 489 482	7 074 464	12 658 302
31 December 2021	-10%	24 332 623	30 489 482	7 074 464	12 658 302
31 December 2020	10%	23 351 862	34 893 452	3 052 335	8 388 310
31 December 2020	-10%	(23 351 862)	(34 893 452)	(3 052 335)	(8 388 310)

As shown in the table above, the Group is exposed to changes in ZWL exchange rates against other functional currencies used by the group companies in their respective jurisdictions. The functional currencies in which monetary assets and liabilities are denominated are shown in the sensitivity table above.

Exchange rates

The exchange rates used by the Group to convert foreign denominated amounts to the functional and presentation currency are depicted below:

	31 December 2021		30 June 2020	31 December 2020	
	Average	**As at**	**Average**	**Average**	**As at**
Botswana Pula	0.090	0.085	0.418	0.139	0.132
Malawi Kwacha	9.000	7.499	30.679	9.273	9.447
Mozambican Metical	0.736	0.590	2.698	0.892	0.912
South African Rand	0.167	0.146	0.694	0.200	0.179
Zambian Kwacha	0.223	0.153	0.700	0.248	0.248

Due to fluctuations of the exchange rates during 2020 financial year the Group used two average rates to convert the statement of comprehensive income figures.

Amounts recognised in profit or loss and other comprehensive income
During the year, the following foreign-exchange related amounts were recognised in profit or loss and other comprehensive income:

	2021 ZWL	2020 ZWL
Amounts recognised in profit or loss		
Net foreign exchange gain included in other income	306 710 764	220 712 186
Net (losses)/gains recognised in other comprehensive income		
Translation of foreign operations	(41 480 843)	716 071 274

3.2.2 Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices,vother than those arising from interest rate and currency risk, whether those changes are caused by factors specific to the individualvfinancial instruments to its issuer or factors affecting all financial instruments traded in the market.

The Group is exposed to equity securities price risk Equity price risk is the potential loss arising from changes in the market price of equity instruments as a result of fluctuations in the market price. A substantial part of the equity portfolio comprises listed counters. Unquoted counters are subjected to periodic financial analysis and review. The Group's equity price risk policy is to manage such risks by setting and monitoring objectives on investments, diversification of portfolios and setting limits on investment in each sector.

3 GROUP FINANCIAL RISK MANAGEMENT (continued)

3.2 Market risk (continued)

3.2.2 Equity price risk (continued)

At the reporting date, the total exposure to listed equity securities at fair value through profit or loss was ZWL737 256 769 (2020: ZWL1 184 303 083). The following table demonstrates the sensitivity to a reasonably possible change in the market price of shares with all other variables held constant.

	INFLATION ADJUSTED			
	Change in market price %	Effect on profit before income tax ZWL	Effect on profit after income tax ZWL	Effect on equity ZWL
As at December 2021				
Increase in market price	10%	73 725 677	55 500 690	55 500 690
Decrease in market price	-10%	(73 725 677)	(55 500 690)	(55 500 690)
As at December 2020				
Increase in market price	10%	118 430 308	88 526 655	88 526 655
Decrease in market price	-10%	(118 430 308)	(88 526 655)	(88 526 655)

	HISTORICAL COST			
	Change in market price %	Effect on profit before income tax ZWL	Effect on profit after income tax ZWL	Effect on equity ZWL
As at December 2021				
Increase in market price	10%	73 725 677	55 500 690	55 500 690
Decrease in market price	-10%	(73 725 677)	(55 500 690)	(55 500 690)
As at December 2020				
Increase in market price	10%	73 725 677	55 500 690	55 500 690
Decrease in market price	-10%	(73 725 677)	(55 500 690)	(55 500 690)

Cash flow interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long- term debt obligations. The Group manages its cash flow interest rate risk by re-negotiating fixed interest rates whenever there are changes in the market.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Group calculates the impact on profit or loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run for all interest-bearing positions.

Currently, the Group does not undertake any hedging of its short-term loans due to the nature and terms of the loan facilities. On long-term loans, the Group assesses risks and considers hedging where necessary. As at 31 December 2021, there were no hedges in place (2020:ZWLnil).

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates. The key assumption to this sensitivity is that the interest rates will increase or decrease by 25%, holding all other variables constant.

3 GROUP FINANCIAL RISK MANAGEMENT (continued)

3.2 Market risk (continued)

3.2.2 Equity price risk (continued)

	INFLATION ADJUSTED			
	Change in assumption %	Change in reported value ZWL	profit after income tax ZWL	Change in equity ZWL
December 2021				
Increase in interest rate	25%	218 540 047	164 516 947	164 516 947
Decrease in interest rate	-25%	(218 540 047)	(164 516 947)	(164 516 947)
December 2020				
Increase in interest rate	1%	7 121 223	5 323 114	5 323 114
Decrease in interest rate	-1%	(7 121 223)	(5 323 114)	(5 323 114)

December 2021	HISTORICAL COST			
Increase in interest rate	25%	218 540 047	164 516 947	164 516 947
Decrease in interest rate	-25%	(218 540 047)	(164 516 947)	(164 516 947)
December 2020				
Increase in interest rate	25%	110 758 797	83 379 222	83 379 222
Decrease in interest rate	-25%	(110 758 797)	(83 379 222)	(83 379 222)

3.3 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Credit risk arises from cash and cash equivalents, trade and other receivables and financial assets at amortised cost.

Risk management

The key areas where the Group is exposed to credit risk are:-
- amounts due from debt securities;
- reinsurers' share of insurance liabilities;
- amounts due from cedants;
- amounts due from agents, brokers and intermediaries;
- amounts due from tenants; and
- amounts due from cash and balances with banks.

The Group manages and analyses credit risk for each of their new clients before standard payment, terms and conditions are offered. Exposure limits are set for each counterparty or group of counterparties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis. With respect to credit risk arising from other financial assets of the Group, which comprise cash and balances with banks, and financial assets at amortised cost, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Credit risk analysis

The maximum exposure to credit risk by class of financial asset is set out below:

3 GROUP FINANCIAL RISK MANAGEMENT (continued)

3.3 Credit risk (continued)

Credit risk analysis (continued)

	INFLATION ADJUSTED				
Group	**30 days ZWL**	**60 days ZWL**	**90 days ZWL**	**120 days ZWL**	**Total ZWL**
As at 31 December 2021					
Trade and other receivables:					
- reinsurance receivables	371 259 123	271 502 214	118 221 673	924 598 858	1 685 581 868
- rental receivables	13 774 377	6 167 208	3 055 849	12 161 797	35 159 231
- debtors for inventory sales	33 262 669	-	-	-	33 262 669
Financial assets at amortised cost	874 160 186	-	-	-	874 160 186
Cash and cash equivalents	1 631 281 977	-	-	-	1 631 281 977
Total	**2 923 738 332**	**277 669 422**	**121 277 522**	**936 760 655**	**4 259 445 931**
As at 31 December 2020					
Trade and other receivables:					
- reinsurance receivables	596 751 452	436 405 008	190 026 186	575 318 844	1 798 501 490
- rental receivables	13 348 387	5 976 478	2 961 343	11 785 676	34 071 884
- debtors for inventory sales	24 709 410	-	-	-	24 709 410
Financial assets at amortised cost	712 122 276	-	-	-	712 122 276
Cash and cash equivalents	1 902 615 895	-	-	-	1 902 615 895
Total	**3 249 547 420**	**442 381 486**	**192 987 529**	**587 104 520**	**4 472 020 955**

3 GROUP FINANCIAL RISK MANAGEMENT (continued)

3.3 Credit risk (continued)

	HISTORICAL COST				
Group	**30 days ZWL**	**60 days ZWL**	**90 days ZWL**	**120 days ZWL**	**Total ZWL**
As at 31 December 2021					
Trade and other receivables:					
- reinsurance receivables	371 259 123	271 502 214	118 221 673	924 598 858	1 685 581 868
- rental receivables	13 774 377	6 167 208	3 055 849	12 161 797	35 159 231
- debtors for inventory sales	33 262 669	-	-	-	33 262 669
Financial assets at amortised cost	874 160 186	-	-	-	874 160 186
Cash and cash equivalents	1 631 281 977	-	-	-	1 631 281 977
Total	**2 923 738 332**	**277 669 422**	**121 277 522**	**936 760 655**	**4 259 445 931**
As at 31 December 2020					
Trade and other receivables:					
- reinsurance receivables	371 259 123	271 502 214	118 221 673	357 925 178	1 118 908 188
- rental receivables	8 304 480	3 718 168	1 842 351	7 332 265	21 197 264
- debtors for inventory sales	15 372 554	-	-	-	15 372 554
Financial assets at amortised cost	443 035 188	-	-	-	443 035 188
Cash and cash equivalents	1 183 681 256	-	-	-	1 183 681 256
Total	**2 021 652 601**	**275 220 382**	**120 064 024**	**365 257 443**	**2 782 194 450**

	INFLATION ADJUSTED				
Company	**30 days ZWL**	**60 days ZWL**	**90 days ZWL**	**120 days ZWL**	**Total ZWL**
As at 31 December 2021					
Other receivables	76 692 491	-	-	-	76 692 491
Financial assets at amortised cost	-	-	-	46 864	46 864
Cash and cash equivalents	11 581 106	-	-	-	11 581 106
Total	**88 273 597**	**-**	**-**	**46 864**	**88 320 461**
As at 31 December 2020					
Other receivables	5 359 873	-	-	-	5 359 873
Financial assets at amortised cost	-	-	-	75 328	75 328
Cash and cash equivalents	18 615 143	-	-	-	18 615 143
Total	**23 975 016**	**-**	**-**	**75 328**	**24 050 344**

3 GROUP FINANCIAL RISK MANAGEMENT (continued)

3.3 Credit risk (continued)

	HISTORICAL COST				
Company	**30 days ZWL**	**60 days ZWL**	**90 days ZWL**	**120 days ZWL**	**Total ZWL**
As at 31 December 2021					
Other receivables	76 692 491	-	-	-	76 692 491
Financial assets at amortised cost	-	-	-	46 864	46 864
Cash and cash equivalents	11 581 106	-	-	-	11 581 106
Total	**88 273 597**	**-**	**-**	**46 864**	**88 320 461**
As at 31 December 2020					
Other receivables	3 334 559	-	-	-	3 334 559
Financial assets at amortised cost	-	-	-	46 864	46 864
Cash and cash equivalents	11 581 106	-	-	-	11 581 106
Total	**14 915 665**	**-**	**-**	**46 864**	**14 962 529**

The following policies and procedures are in place to mitigate the Group's exposure to credit risk:

Cash and cash equivalents

The Group has a credit policy that establishes counterparty trading limits for each banking institution that the Group trades with. These counter party limits are reviewed at least quarterly and submitted to the Group Finance and Investments Committee for approval.

In this process the financial results of the banking institutions which are published semi annually, are reviewed together with other qualitative factors that may be noted. The limits determined are proposed to the Group Finance and Investments Committee for approval.

The Group only trades with and receives service from banking institutions that meet regulatory requirements. Key considerations in the review of limits and security requirements include:

- compliance with minimum capital requirements set by the central banks in the various jurisdiction in which the Group operates,
- conformance with the minimum rating as set out in the periodic capital adequacy, asset quality, management, earnings liquidity and sensitivity ratings,
- total shareholders' equity,
- total assets,
- ratios such as loan to deposit ratios and non-performing loans ("NPLs"),
- overall profitability and cash generation,
- historical performance and outlook, and
- ability of the bank to provide collateral security.

3 GROUP FINANCIAL RISK MANAGEMENT (continued)

3.3 Credit risk (continued)

Cash and cash equivalents (continued)

The Group further considers the following information in determining the trading limits:

- other qualitative factors covered under the rating system;
- qualitative factors include additional opinion formed through market intelligence on the financial institution, shareholder profile,
- management and segment of market being served.
- Approved collateral security instruments are as follows:
- treasury bills; or
- bankers acceptances.

The financial institutions holding the cash and cash equivalents of the Group have the following external credit ratings as published by the Global Credit Rating Company:

	INFLATION ADJUSTED		HISTORICAL COST	
Group	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
Credit rating:				
AA+	287 830 020	218 381 636	287 830 020	135 862 551
AA-	9 236 582	9 307 152	9 236 582	5 790 292
AA	26 413 959	-	26 413 959	32 751 190
A+	19 920 177	7 470 105	19 920 177	4 647 403
A	28 062 537	18 031 135	28 062 537	11 217 775
BBB+	5 318 139	3 135 492	5 318 139	1 950 695
BBB-	379 259	50 875 847	379 259	31 651 573
BBB	11 015 015	-	11 015 015	1 174 194
BB+	16 762 490	2 203 776	16 762 490	1 371 043
BB	5 350 830	-	5 350 830	6 440 221
BB-	5 123 513	6 866 265	5 123 513	4 271 734
B+	9 944 863	-	9 944 863	5 157 209
	33 405 838	-	33 405 838	-
Unrated	1 172 518 756	1 511 369 309	1 172 518 756	940 273 613
	1 631 281 977	1 901 732 257	1 631 281 977	1 182 559 493
Company				
Credit rating:				
A	142 967	-	142 967	-
BBB-	360 506	421 593	360 506	255 962
Unrated	922 012	-	922 012	11 556 852
	1 425 485	19 456 829	1 425 485	11 812 814

3 GROUP FINANCIAL RISK MANAGEMENT (continued)

3.3 Credit risk (continued)

Cash and cash equivalents (continued)

Definition of ratings	Description
AA+ AA-	Has very strong financial security characteristics.
A+ A-	Has strong financial security characteristics, but is somewhat more likely to be affected by adverse business conditions than banks with higher ratings.
BBB+ BBB-	Has good financial security characteristics, but is much more likely to be affected by adverse business conditions than banks with higher ratings.
BB+ BB- B+	Has good financial security characteristics, but is much more likely to be affected by adverse business conditions than banks with higher ratings. Possessing substantial risk that obligations will not be paid when due.

Insurance receivables

The following policies and procedures are in place to mitigate credit risk:

- exposure limits are set for each counterparty or group's of counterparties;
- the creditworthiness of cedants is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract;
- the exposure to individual counterparties is also managed by other mechanisms, such as the right to offset where counterparties are both debtors and creditors of the Group; and
- management information reported to the board of directors includes details of allowance for credit losses on amounts due from cedants and subsequent write-offs.

Credit limits are monitored based on the financial position and history of the insured or cedant's ability to pay. In the view of management, the credit quality of insurance receivables is considered sound. Management does not expect material losses from non-performance by counter parties. The credit risk in respect of customer balances incurred on non-payment of premium will only persist during the period specified in the policy document.

Tenant receivables

Tenants are assessed according to a set criteria prior to entering into lease arrangements. Credit risk is managed by requiring tenants to pay rentals in advance in addition to an upfront good tenancy deposit. The credit quality of the tenant is assessed based on an extensive credit rating criteria at the time of entering into a lease agreement. At inception of the lease tenants are classified into good, acceptable and watch list categories.

Outstanding tenants' receivables are regularly monitored and all tenants that accrue arrears are classified in the watch list category as rental obligations are payable in advance. An impairment analysis is performed at each reporting date on an individual basis for major tenants. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset.

Impairment of financial assets

The Group has three types of financial assets that are subject to the expected credit loss model:

- trade receivables for insurance premiums, sales of inventory and from rentals;
- other receivables; and
- debt investments carried at amortised cost,

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables for insurance premiums and sales of inventory

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for trade receivables. To measure the expected credit losses, trade receivable and contract assets have been grouped based on shared credit risk characteristics.

3 GROUP FINANCIAL RISK MANAGEMENT (continued)

3.3 Credit risk (continued)

Trade receivables for insurance premiums and sales of inventory (continued)

The expected loss rates are based on the payment profiles of income over a period of 5 years and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macro-economic factors affecting the ability of the customers to settle the receivables. The Group identifies the inflation rate, interest rates, expected changes in legislation in countries in which it operates and expected changes in the Group policy and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 31 December 2021 and 31 December 2020 was determined as follows for trade receivables.

Group	INFLATION ADJUSTED					
Receivables for insurance premiums:	Current ZWL	31 - 60 days ZWL	61 - 120 days ZWL	121 - 180 days ZWL	More than 180 days ZWL	Total ZWL
As at 31 December 2021						
Default rate (%)	5%	7%	12%	11%	24%	
Gross carrying amount (ZWL)	371 259 123	271 502 214	118 221 673	73 982 535	850 616 323	1 685 581 868
Credit loss allowance (ZWL)	18 299 859	19 153 100	14 715 565	7 876 811	208 112 454	268 157 789

3 GROUP FINANCIAL RISK MANAGEMENT (continued)

3.3 Credit risk (continued)

Receivables for insurance premiums: (continued)

	INFLATION ADJUSTED					
Group	**Current ZWL**	**31 - 60 days ZWL**	**61 - 120 days ZWL**	**121 - 180 days ZWL**	**More than 180 days ZWL**	**Total ZWL**
As at 31 December 2020						
Default rate (%)	5%	7%	12%	11%	39%	
Gross carrying amount (ZWL)	596 751 452	436 405 008	190 026 186	118 917 442	456 401 403	1 798 501 491
Credit loss allowance (ZWL)	29 414 678	30 786 154	23 653 385	12 660 963	177 380 819	273 895 999

	HISTORICAL COST					
As at 31 December 2021	**Current ZWL**	**31 - 60 days ZWL**	**61 - 120 days ZWL**	**121 - 180 days ZWL**	**More than 180 days ZWL**	**Total ZWL**
Default rate (%)	5%	7%	12%	11%	24%	
Gross carrying amount (ZWL)	371 259 123	271 502 214	118 221 673	73 982 535	850 616 323	1 685 581 868
Credit loss allowance (ZWL)	18 299 859	19 153 100	14 715 565	7 876 811	208 112 454	268 157 789
As at 31 December 2020						
Default rate (%)	5%	7%	12%	11%	39%	
Gross carrying amount (ZWL)	371 259 123	271 502 214	118 221 673	73 982 535	283 942 643	1 118 908 188
Credit loss allowance (ZWL)	18 299 859	19 153 100	14 715 565	7 876 811	110 354 566	170 399 901

3 GROUP FINANCIAL RISK MANAGEMENT (continued)

3.3 Credit risk (continued)

Receivables for insurance premiums: (continued)

INFLATION ADJUSTED

Receivables from rentals: As at 31 December 2021	**Current ZWL**	**31 - 60 days ZWL**	**61 - 120 days ZWL**	**121 - 180 days ZWL**	**More than 180 days ZWL**	**Total ZWL**
Default rate (%)	7%	14%	14%	35%	50%	
Gross carrying amount (ZWL)	13 774 377	6 167 208	3 055 849	1 068 432	11 093 366	35 159 233
Credit loss allowance (ZWL)	920 681	842 479	414 630	370 030	5 597 363	8 145 182
As at 31 December 2020						
Default rate (%)	7%	14%	14%	35%	42%	
Gross carrying amount (ZWL)	13 348 385	5 976 478	2 961 343	1 035 390	10 750 288	34 071 883
Credit loss allowance (ZWL)	892 207	816 424	401 807	358 586	4 519 854	6 988 879

HISTORICAL COST

As at 31 December 2021	**Current ZWL**	**31 - 60 days ZWL**	**61 - 120 days ZWL**	**121 - 180 days ZWL**	**More than 180 days ZWL**	**Total ZWL**
Default rate (%)	7%	14%	14%	35%	50%	
Gross carrying amount (ZWL)	13 774 377	6 167 208	3 055 849	1 068 432	11 093 366	35 159 233
Credit loss allowance (ZWL)	920 681	842 479	414 630	370 030	5 597 363	8 145 182

As at 31 December 2020

	Current ZWL	**31 - 60 days ZWL**	**61 - 120 days ZWL**	**121 - 180 days ZWL**	**180 days ZWL**	**Total ZWL**
Default rate (%)	7%	14%	14%	35%	42%	
Gross carrying amount (ZWL)	8 304 479	3 718 168	1 842 351	644 150	6 688 115	21 197 263
Credit loss allowance (ZWL)	555 072	507 925	249 978	223 088	2 811 953	4 348 016

3 GROUP FINANCIAL RISK MANAGEMENT (continued)

3.3 Credit risk (continued)

Trade receivables for sales of inventory

No impairment allowance has been recognised on property sales receivables because the debtors pay a significant deposit upfront, therefore monthly repayments are affordable and title does not pass until the full amount has been settled. There has been no history of default.

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

All of the Group's trade receivables and contract assets at amortised cost have not shown signs of deterioration of credit quality, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. The credit risk of the investments is considered to have increased significantly if there have been missed contractual payments for a period of greater than 30 days.

Other receivables

Other receivables comprise receivables from disposal of investments in equity instruments, staff loans and sundry receivables. No impairment allowance has been recognised on equity instruments and sundry receivables as the identified credit loss allowance was immaterial. The Group uses the simplified approach to determine expected credit loss allowance for staff loans that are short term and the general approach for staff loans exceeding twelve months. For further details on allowance for credit loss on other receivables refer to **note 16.**

Debt investments at amortised cost

All of the Group's debt investments at amortised cost are considered to have low credit risk, and the loss allowance was therefore limited to 12 months' expected losses.

These are investments in prescribed assets with a long tenure, issued by both government and private entities. The assets pay fixed interest coupons at half yearly or quarterly intervals. The principal amount is settled on maturity of the investment. There has been no indication of a lack of capacity by the counterparties to settle the coupons and principal amounts as they fall due, particularly because of their prescribed asset status. As such, probability of default is estimated to approximate zero. No impairment allowance has been recognised on these instruments.

The financial assets as at 31 December 2021 were held as follows:

	INFLATION ADJUSTED		HISTORICAL COST	
Group	**2021 ZWL**	**2020 ZWL**	**2021 ZWL**	**2020 ZWL**
Issued by the Government:				
-Bonds	56 009 403	531 537 549	56 009 403	330 687 363
-Treasury bills	46 217 283	7 373 749	46 217 283	4 587 457
-Debentures	46 864	75 328	46 864	46 864
Issued by other financial institutions:				
Deposits with financial institutions	760 137 995	155 722 568	760 137 995	96 880 240
Mortgage loan	11 748 641	17 413 083	11 748 641	10 833 264
	874 160 186	712 122 276	874 160 186	443 035 188
Company				
Issued by other financial institutions, rated:				
Unrated	46 864	75 328	46 864	46 864

3 GROUP FINANCIAL RISK MANAGEMENT (continued)

3.4 Liquidity risk

Liquidity risk is the risk that the Group may fail to meet its payment obligations when they fall due, the consequences of which may be interest charges by the creditors.

It is the Group's policy to ensure that cash resources are available at all times to meet commitments as they arise. Cash outflows arise from the payment of intimated claims falling due, purchase of investments and other operating commitments. Such outflows are adequately matched by inflows from premium income, maturing investments and investment income. Management monitors daily the Group's cumulative liquidity gap and cash and cash equivalents on the basis of actual and expected cash flows. Where gaps appear, action is taken in advance to close or minimise the gaps.

The table below summarises the maturity profile of the Group's financial assets and financial liabilities based on contractual and undiscounted payments on a worst case scenario.

The assets and liabilities disclosed are on a contractual undiscounted basis. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

Liquidity gap analysis

Group — **INFLATION ADJUSTED**

As at 31 December 2021 Assets	On demand to 3 months ZWL	3 months to 1 year ZWL	Greater than 1 year ZWL	Total contractual cash flows ZWL
Financial assets:				
- at fair value through profit or loss		1 319 718 775	-	1 319 718 775
- at amortised cost	-	874 160 186	-	874 160 186
- at fair value through other comprehensive income	-	-	655 347 019	655 347 019
Trade and other receivables (excluding prepayments and statutory receivables)	936 799 945	1 291 852 215	-	2 228 652 160
Cash and cash equivalents	1 631 281 977	-	-	1 631 281 977
Total assets	2 568 081 922	3 485 731 176	655 347 019	6 709 160 117
Liabilities				
Outstanding claims	46 130 059	89 950 136	173 823 922	309 904 117
Lease liabilities	1 137 416	9 794 492	21 787 969	32 719 877
Borrowings	5 489 745	5 274 461	114 969 612	125 733 818
Trade and other payables (excluding statutory liabilities)	1 866 970 833	-	-	1 866 970 833
Total liabilities	1 919 728 053	105 019 089	310 581 503	2 335 328 645
Liquidity gap	648 353 869	3 380 712 087	344 765 516	4 373 831 472
Cumulative liquidity gap	648 353 869	4 029 065 956	4 373 831 472	-

3 GROUP FINANCIAL RISK MANAGEMENT (continued)

3.4 Liquidity risk (continued)

	INFLATION ADJUSTED			
As at 31 December 2020 Assets	**On demand to 3 months ZWL**	**3 months to 1 year ZWL**	**Greater than 1 year ZWL**	**Total contractual cash flows ZWL**
Financial assets:				
- at fair value through profit or loss	-	1 184 303 083	-	1 184 303 083
- at amortised cost	-	712 122 276	-	712 122 276
Trade and other receivables (excluding prepayments and statutory receivables)	841 327 330	1 167 391 687	-	2 008 719 017
Cash and cash equivalents	1 902 615 895	-	-	1 902 615 895
Total assets	**2 743 943 225**	**3 063 817 046**	**-**	**5 807 760 271**
Liabilities				
Outstanding claims	42 086 358	82 065 223	158 586 742	282 738 323
Lease liabilities	2 422 662	20 861 977	46 407 724	69 692 363
Borrowings	30 892 853	29 681 370	59 118 221	119 692 444
Trade and other payables (excluding statutory liabilities)	2 269 447 160	-	-	2 269 447 160
Total liabilities	**2 344 849 033**	**132 608 570**	**264 112 687**	**2 741 570 290**
Liquidity gap	**399 094 192**	**2 931 208 476**	**(264 112 687)**	**3 066 189 981**
Cumulative liquidity gap	**399 094 192**	**3 330 302 668**	**3 066 189 981**	**-**

3 GROUP FINANCIAL RISK MANAGEMENT (continued)

3.4 Liquidity risk (continued)

Company	INFLATION ADJUSTED			
As at 31 December 2021 **Assets**	**On demand to 3 months ZWL**	**3 months to 1 year ZWL**	**Greater than 1 year ZWL**	**Total contractual cash flows ZWL**
Financial assets:				
- at fair value through profit or loss	-	12 909 488	-	12 909 488
- at amortised cost	-	46 864	-	46 864
- at fair value through other comprehensive income	-	-	85 703 489	85 703 489
Trade and other receivables (excluding prepayments and statutory receivables)	76 692 491	-	-	76 692 491
Cash and cash equivalents	1 425 485	-	-	1 425 485
Total assets	**78 117 976**	**12 956 352**	**85 703 489**	**176 777 817**
Liabilities				
Lease liabilities	92 292	184 585	-	276 877
Trade and other payables (excluding statutory liabilities)	774 539 555	-	-	774 539 555
Total liabilities	**774 631 847**	**184 585**	**-**	**778 458 378**
Liquidity gap	**(696 513 871)**	**12 771 767**	**85 703 489**	**(598 038 615)**
Cumulative liquidity gap	**(696 513 871)**	**(683 742 104)**	**(598 038 615)**	**-**
As at 31 December 2020				
Assets				
Financial assets:				
- at fair value through profit or loss	-	10 271 461	-	10 271 461
- at amortised cost	-	75 328	-	75 328
- at fair value through other comprehensive income	-	-	41 257 597	41 257 597
Trade and other receivables (excluding prepayments and statutory receivables)	5 359 876	-	-	5 359 876
Cash and cash equivalents	19 456 829	-	-	19 456 829
Total assets	**24 816 705**	**10 346 789**	**41 257 597**	**76 421 091**
Liabilities				
Lease liabilities	83 255	749 292	1 250 607	2 083 153
Trade and other payables (excluding statutory liabilities)	4 235 258	-	-	4 235 258
Total liabilities	**4 318 513**	**749 292**	**1 250 607**	**6 318 411**
Liquidity gap	**20 498 192**	**9 597 497**	**40 006 990**	**70 102 680**
Cumulative liquidity gap	**20 498 192**	**30 095 690**	**70 102 680**	**-**

3 GROUP FINANCIAL RISK MANAGEMENT (continued)

3.4 Liquidity risk (continued)

Liquidity gap analysis (continued)

Group	HISTORICAL COST			
As at 31 December 2021 **Assets**	**On demand to 3 months ZWL**	**3 months to 1 year ZWL**	**Greater than 1 year ZWL**	**Total contractual cash flows ZWL**
Financial assets:				
- at fair value through profit or loss	-	1 319 718 775	-	1 319 718 775
- at amortised cost	-	874 160 186	-	874 160 186
- at fair value through other comprehensive income	-	-	655 347 019	655 347 019
Trade and other receivables (excluding prepayments and statutory receivables)	936 799 945	1 291 852 215	-	2 228 652 160
Cash and cash equivalents	1 631 281 977	-	-	1 631 281 977
Total assets	**2 568 081 922**	**3 485 731 176**	**655 347 019**	**6 709 160 117**
Liabilities				
Outstanding claims	46 130 059	89 950 136	173 823 922	309 904 117
Lease liabilities	981 596	9 815 963	21 922 318	32 719 877
Borrowings	5 489 745	5 274 461	114 969 612	125 733 818
Trade and other payables (excluding statutory liabilities)	1 867 872 170	-	-	1 867 872 170
Total liabilities	**1 920 473 570**	**105 040 560**	**310 715 852**	**2 336 229 982**
Liquidity gap	**647 608 352**	**3 380 690 616**	**344 631 167**	**4 372 930 135**
Cumulative liquidity gap	**647 608 352**	**4 028 298 968**	**4 372 930 135**	**-**
As at 31 December 2020				
Assets				
Financial assets:				
- at fair value through profit or loss	-	736 794 728	-	736 794 728
- at amortised cost	-	443 035 188	-	443 035 188
- at fair value through other comprehensive income	-	-	361 667 728	361 667 728
Trade and other receivables (excluding prepayments and				-
statutory receivables)	523 417 992	721 796 255	-	1 245 214 247
Cash and cash equivalents	1 183 681 256	-	-	1 183 681 256
Total assets	**1 707 099 248**	**1 901 626 171**	**361 667 728**	**3 970 393 147**

3 GROUP FINANCIAL RISK MANAGEMENT (continued)

3.4 Liquidity risk (continued)

Liquidity gap analysis (continued)

Liabilities	HISTORICAL COST On demand to 3 months ZWL	3 months to 1 year ZWL	Greater than 1 year ZWL	Total contractual cash flows ZWL
Outstanding claims	26 183 337	51 055 532	98 662 139	175 901 008
Lease liabilities	1 300 739	12 140 229	29 916 993	43 357 960
Borrowings	19 219 482	18 465 777	36 779 431	74 464 690
Trade and other payables (excluding statutory liabilities)	1 415 818 773	-	-	1 415 818 773
Total liabilities	**1 462 522 331**	**81 661 538**	**165 358 563**	**1 709 542 431**
Liquidity gap	**244 576 917**	**1 819 964 633**	**196 309 165**	**2 260 850 716**
Cumulative liquidity gap	**244 576 917**	**2 064 541 550**	**2 260 850 716**	**-**

Company As at 31 December 2021	HISTORICAL COST On demand to 3 months ZWL	3 months to 1 year ZWL	Greater than 1 year ZWL	Total contractual cash flows ZWL
Assets				
Financial assets:				
- at fair value through profit or loss	-	12 909 488	-	12 909 488
- at amortised cost	-	46 864	-	46 864
- at fair value through other comprehensive income	-	-	85 703 489	85 703 489
Other receivables (excluding prepayments and statutory receivables)	72 850 685	-	-	72 850 685
Cash and cash equivalents	1 425 485	-	-	1 425 485
Total assets	74 276 170	12 956 352	85 703 489	172 936 011
Liabilities				
Lease liability	92 292	184 585	-	276 877
Trade and other payables (excluding statutory liabilities)	774 539 555	-	-	774 539 555
Total liabilities	**774 631 847**	**184 585**	**-**	**774 816 432**
Liquidity gap	**(700 355 677)**	**12 771 767**	**85 703 489**	**(601 880 421)**
Cumulative liquidity gap	**(700 355 677)**	**(687 583 910)**	**(601 880 421)**	**-**

3 GROUP FINANCIAL RISK MANAGEMENT (continued)

3.4 Liquidity risk (continued)

Liquidity gap analysis (continued)

	HISTORICAL COST			
Company **As at 31 December 2020**	**On demand to 3 months ZWL**	**3 months to 1 year ZWL**	**Greater than 1 year ZWL**	**Total contractual cash flows ZWL**
Assets				
Financial assets:				
- at fair value through profit or loss	-	6 390 221	-	6 390 221
- at amortised cost	-	46 864	-	46 864
- at fair value through other comprehensive income	-	-	25 667 737	25 667 737
Other receivables (excluding prepayments and statutory receivables)	3 334 557	-	-	3 334 557
Cash and cash equivalents	11 812 814	-	-	11 812 814
Total assets	**15 147 371**	**6 437 085**	**25 667 737**	**47 252 193**
Liabilities				
Lease liability	701 753	1 403 507	-	2 105 260
Trade and other payables (excluding statutory liabilities)	59 520 762	-	-	59 520 762
Total liabilities	**60 222 515**	**1 403 507**	**-**	**61 626 022**
Liquidity gap	**(45 075 144)**	**5 033 578**	**25 667 737**	**(14 373 829)**
Cumulative liquidity gap	**(45 075 144)**	**(40 041 566)**	**(14 373 829)**	**-**

3.5 Investment risk

The Group's investment risk management system operates through a hierarchy of investment limit approvals. Investments in excess of the specified limits require the approval of the Group Finance and Investment Committee. In addition, the Group Finance and Investment Committee makes all decisions regarding property investments and unquoted company share transactions.

3.6 Fair value

The Group measures financial assets such as quoted and unquoted investments and non-financial assets such as investment property at fair value at reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

3 GROUP FINANCIAL RISK MANAGEMENT (continued)

3.6 Fair value (continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Determination of fair value and fair value hierarchy

Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:
- **Level 1**: quoted (unadjusted) prices in active markets for identical assets and liabilities. The level includes listed equity securities traded on active markets;
- **Level 2**: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, directly (that is, as prices) or indirectly (that is derived from prices), or
- **Level 3**: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value and their fair value hierarchy:

As at 31 December 2021	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL	Total ZWL
Financial assets at fair value through profit or loss	1 319 718 775	-	-	1 319 718 775
Financial assets at fair value through other comprehensive income	-	-	655 347 019	655 347 019
Total	**1 319 718 775**	**-**	**655 347 019**	**1 975 065 794**
As at 31 December 2020				
Financial assets at fair value through profit or loss	1 184 303 083	-		1 184 303 083
Financial assets at fair value through other comprehensive income	-	-	581 334 514	581 334 514
Total	**1 184 303 083**	**-**	**581 334 514**	**1 765 637 597**

Valuation technique for financial assets measured at fair value

Listed equity investments valuation

Level 1 is made up of the Group's investments in equity securities listed on the Zimbabwe Stock Exchange and other regional bourses.

Unlisted equity investments valuation

Valuation technique

Level 3 comprises the Group's investments in unlisted equities. The Group used the relative valuation technique to value unlisted equities. Under this model, various value indicators of publicly traded stocks are used as comparatives for companies in the same industry. The relative valuation approach considers discounted cash flow valuation too intricate to establish, arguing that medium and long-range earnings projections are too intricate to make accurately and that the discount rates used are subjective. Instead, various valuation parameters of publicly traded stocks such as price to book ratios ("PBV"), relative market capitalisation can be used as comparatives for companies in the same industry.The PBV so obtained is then applied to the book value of equity to arrive at an implied value.

Valuation process

The Group engaged an independent consultant to assist management to determine the fair values of the unlisted equities at each reporting date. Management provides the independent consultant with prior periods' audited financials statements, approved future projected cash flows and other non financial strategic information and they perform the following:
- determine return on equity using the earnings and equity;
- normalise return on equity for forecast periods;
- calculate the predicted price/book value based on a regression model, by considering other publicly tradable reinsurance businesses within the region's PBV ratios; and
- apply the regressed price to book ratio to the firm's equity to determine the price.

As part of the engagement, the independent consultant provides the determined valuations for discussions.

3 GROUP FINANCIAL RISK MANAGEMENT (continued)

3.6 Fair value (continued)

Comparison of carrying amounts and fair values for assets and liabilities not held at fair value

The fair value is an estimate of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following table summarises the fair value of assets and liabilities not measured at fair value on the entity's statement of financial position.

Group	2021 Carrying value ZWL	2021 Fair value ZWL	2020 Carrying value ZWL	2020 Fair value ZWL
Financial assets				
Financial assets at amortised cost	874 160 186	874 160 186	712 122 276	712 122 276
Trade and other receivables	2 263 741 001	2 263 741 001	2 008 719 017	2 008 719 017
Cash and cash equivalents	1 631 281 977	1 631 281 977	1 183 681 256	1 183 681 256
	4 769 183 164	4 769 183 164	3 904 522 549	3 904 522 549

Company	2021 Carrying value ZWL	2021 Fair value ZWL	2020 Carrying value ZWL	2020 Fair value ZWL
Financial assets				
Financial assets at amortised cost	46 864	46 864	75 328	75 328
Other receivables	76 692 491	76 692 491	5 359 876	5 359 876
Cash and cash equivalents	1 425 485	1 425 485	19 456 829	19 456 829
	78 164 840	78 164 840	24 892 033	24 892 033

The carrying amount of trade and other receivables and financial assets at amortised cost closely approximates its fair value as the instruments are short term in nature.

Group	2021 Carrying value ZWL	2021 Fair value ZWL	2020 Carrying value ZWL	2020 Fair value ZWL
Financial liabilities				
Short term insurance contract liabilities	1 383 486 621	1 383 486 621	1 143 379 350	1 143 379 350
Life reassurance contract liabilities	139 890 000	139 890 000	57 831 631	57 831 631
Borrowings	125 733 818	125 733 818	119 692 444	119 692 444
Lease liabilities	32 719 877	32 719 877	69 692 363	69 692 363
Trade and other payables	1 867 872 170	1 867 872 170	2 275 747 198	2 275 747 198
	3 549 702 486	3 549 702 486	3 666 342 986	3 666 342 986

Company	2021 Carrying value ZWL	2021 Fair value ZWL	2020 Carrying value ZWL	2020 Fair value ZWL
Financial liabilities				
Lease liabilities	276 877	276 877	3 383 936	3 383 936
Trade and other payables	821 295 491	821 295 491	95 671 997	95 671 997
	821 572 368	821 572 368	99 055 933	99 055 933

The carrying amounts of financial liabilities carried at amortised cost closely approximates their fair values. The impact of discounting is not significant due to the market terms (rates and tenure) available.

4 CAPITAL MANAGEMENT POLICIES

The Group's objective when managing capital is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits to other stakeholders.

The Group's capital comprises ordinary share capital, share premium, reserves and retained earnings. It is the Group's objective to retain a capital position that supports the development of the business. The Group manages its capital structure and makes adjustments to it, in light of changes in the economic conditions. Where necessary, capital is redeployed to subsidiaries from the holding company.

The subsidiaries with minimum capital requirements imposed by their regulators were capitalised as follows:

	INFLATION ADJUSTED			
	2021		2020	
	Shareholders' equity ZWL	Minimum regulatory capital ZWL	Shareholders' equity ZWL	Minimum regulatory capital ZWL
Emeritus Reinsurance Zimbabwe (Private) Limited	1 136 206 659	112 500 000	1 079 189 687	504 658 758
Emeritus Reinsurance Zambia Limited **	66 409 780	130 505 710	64 323 145	106 861 877
Emeritus Reinsurance Company Limited Malawi	272 220 142	200 037 340	248 768 552	153 189 820
Emeritus Resegguros SA Mozambique	165 100 516	164 378 919	123 358 575	118 565 948
Emeritus Reinsurance Company Limited Botswana	165 100 516	117 785 630	229 843 651	70 577 193
Credit Insurance Zimbabwe Limited	122 764 486	37 500 000	144 902 085	168 219 586
Fidelity Life Assurance of Zimbabwe Limited	257 766 272	75 000 000	157 050 590	75 000 000
	HISTORICAL COST			
Emeritus Reinsurance Zimbabwe (Private) Limited	1 911 899 539	112 500 000	104 103 984	112 500 000
Emeritus Reinsurance Zambia Limited **	153 760 179	130 505 710	14 339 103	23 821 961
Emeritus Reinsurance Company Limited Malawi	370 181 010	200 037 340	55 456 210	34 149 521
Emeritus Resegguros SA Mozambique	295 436 739	164 378 919	27 499 453	26 431 066
Emeritus Reinsurance Company Limited Botswana	246 227 541	117 785 630	20 942 856	15 733 273
Credit Insurance Zimbabwe Limited	179 754 779	37 500 000	31 656 867	37 500 000
Fidelity Life Assurance of Zimbabwe Limited	2 512 164 256	75 000 000	139 620 883	75 000 000

The minimum capital requirements based on historical cost figures have increased significantly.
** The Group will inject more capital to ensure the company is adequately capitalised through a capital raise at holding company level

5 INSURANCE RISK MANAGEMENT

5.1 Definition of insurance risk

Insurance risk is the risk that actual future underwriting policyholder behaviour and expense experience will differ from that assumed in measuring policyholder liabilities and assets and pricing products. Insurance risk arises due to uncertainty regarding the timing and amount of future cash flows from insurance contracts. This could be due to variations in mortality, morbidity, policyholder behaviour or expense experience in the case of life products, claims incidence, claim severity or expense experience in the case of short-term insurance products. These could have adverse impacts on the Group's earnings and capital if different from those assumed.

The insurance risks that the Group is exposed to that have the greatest impact on the financial position and comprehensive income are covered in more detail in section 5.8.

5.2 General Management of Insurance risk

The management and staff in all subsidiaries accepting insurance risk are responsible for the day-to-day identification, monitoring and treatment of the insurance risk. It is also management's responsibility to report any material insurance risks, risk events and issues identified to senior management through certain pre-defined escalation procedures. In addition to the management of risk by the subsidiary companies, the Group has the following insurance risk management controls:

The Group Internal Audit and Risk Department

This provides independent oversight on compliance with the Group's risk management policies and procedures and the effectiveness of the Group's insurance risk management processes.

The Risk Committee

The Risk Committee is responsible for managing all aspects of insurance risk in the Group. This Committee reports directly or indirectly to board committees (Audit, Risk and Compliance Committee)

The functions of the committee include:

- recommending insurance risk related policies to the Audit, Risk and Compliance Committee for approval and ensure compliance therewith;
- ensuring that insurance risk is appropriately controlled by monitoring insurance risk triggers against agreed limits and/or procedures.
- gaining assurance that material insurance risks are being monitored and that the level of risk taken is in line with the risk appetite statement at all times;
- considering any new insurance risks introduced through new product development or strategic development and how these risks should be managed;
- monitoring, ratifying and/or escalating to Audit, Risk and Compliance Committee and Reinsurance Board all material insurance risk-related breaches. Excesses highlighting the corrective action undertaken to resolve the issue;
- monitoring insurance risk capital requirements as they apply to the management of the Group and its subsidiaries' statements of financial position; and
- approving the reinsurance, underwriting and claim management strategies and oversee the implementation of those strategies.

Statutory Actuary

The statutory actuaries provide oversight on the long-term insurance risks undertaken by the Group in that they are required to:

- report at least annually on the financial soundness of the reassurance division within the Group;
- oversee the setting of assumptions used to provide best estimate liabilities plus compulsory and discretionary margins (as described in the accounting policies) in accordance with the assumption setting policy; and
- report on the actuarial soundness of premium rates in use for new business and on the profitability of the business taking into consideration the reasonable benefit expectations of policyholders and the associated insurance and market risks.

5 INSURANCE RISK MANAGEMENT (continued)

5.2 General Management of Insurance risk (continued)

Capital Adequacy Requirements

A minimum level of solvency is required to be held within each insurance subsidiary to meet the regulatory capital requirements (CAR). For the long term insurance subsidiaries the CAR is calculated to determine whether the excess of assets over liabilities is sufficient to provide for the possibility of actual future experience departing from assumptions made in calculating the policy holder liabilities and against fluctuations in the value of assets. The CAR is actuarially determined taking into account forward looking information.

Pricing

Pricing risk is managed by carefully establishing criteria by which each potential customer is allocated to the appropriate risk category, applying the underwriting rules, and by establishishing prices appropriate to each category. Underwriting performance is measured by monitoring the claims loss ratio which is the ratio of claims to premiums.

Reserving

For claims that have been reported by the financial position date, expert assessors estimate the expected cost of final settlement. For expected claims that have not been reported by the financial position date an incurred but not reported ("IBNR") provision is calculated using appropriate techniques .Consideration is also given to any stipulated minimum IBNR prescribed by regulations. These provisions for claims are not discounted for the time value of money due to the expected short duration of settlement. Using the experience of a range of specialist claims assessors, provisions are reviewed regularly to ensure they are sufficient.

Catastrophic

Catastrophic risk has the potential to cause significant loss or impact on current year earnings and capital through a single event or a number of correlated events. Reinsurance and the diversification of types of short-term insurance offered are used to reduce risks from single catasrophic events or accumulations of risk. Various reinsurance arrangements are in place, with retention levels and catastrophe cover levels varying by line of business.

5.3 Risk identification, assessment, measurement and management

Risk management takes place prior to the acceptance of risks through the product development , underwriting , pricing and claims assessment process and at the point of sale. Risks continue to be managed through the measurement, monitoring and treatment of risks once the risks are contracted.

5.3.1 Risk management through product development, pricing and at the point of sale

The product development and pricing process defines the terms and conditions on which the Group is willing to accept risks. Once a policy has been sold, the Group takes on risk for the duration of the contract and the Group cannot unilaterally change the terms and conditions of the policy except where the policy allows for rate reviews. It is for these reasons that risks need to be carefully assessed and appropriately mitigated before a product is launched and before new policies are accepted onto the Group's statement of financial position. In order to manage these risks, new products need to comply with the Group's minimum risk acceptance criteria.

The product development and approval process ensures that:

- risks inherent in new products are identified and quantified;
- sensitivity tests are performed to enhance understanding of the risks and appropriateness of mitigating actions;
- pricing is adequate for the risk undertaken;
- product design takes account of various factors including size and timing of fees and charges, appropriate levels of minimum premiums, commission structures and policy terms and conditions;
- the Group makes use of reinsurance or retrocession to reduce its exposures to some insurance risks;
- customer needs and expectations will be met by the product; and
- post implementation reviews are performed to ensure that intended outcomes are realised and to determine if any further action is required.

5.3.2 Risk management post-implementation of products and of in-force policies

The ongoing management of insurance risk, once the risk has been contracted, includes the management of costs, premium adjustments where permitted and appropriate, management strategies and training of cedants to encourage customers to retain their policies, and careful follow up on disability claims , default claim and early death claims.

Further, experience investigations are conducted at least annually on all significant insurance risks to ascertain the extent of deviations from assumptions and their financial impacts. If the investigations indicate that these deviations are likely to persist in future, the assumptions will be adjusted accordingly for the subsequent measurement of policyholder liabilities and assets. Furthermore, any deviations that are likely to persist are also used to inform the product development and pricing of new existing products. Insurance risks are assessed and reviewed against the Group's risk appetite and risk target. Mitigating action are developed for any risks that fall outside of management's assessment of risk appetite in order to reduce the level of risk to within the approved tolerance limits.

Embedded value sensitivities for insurance risks are also prepared for internal use and reporting to analysts.

5 INSURANCE RISK MANAGEMENT (continued)

5.4 Reporting

Each relevant customer facing unit prepares monthly and quarterly reports that include information on insurance risk. The reports are presented to the relevant customer facing unit executive committees and relevant risk committees for review and discussion. Major insurance risks are incorporated into a report of the internal audit on the Group's overall risk which is submitted to the Group audit committee. Where it is deemed necessary, material insurance risk exposures are escalated to the board.

In respect of insurance risks, the reports contain the results of experience investigations conducted along with other indicators of actual experience. These reports also raise any issues identified and track the effectiveness of any mitigation plans put in place.

5.5 Policyholder behaviour risk

This is the risk of adverse financial impact caused by actual policyholders' behaviour deviating from expected policyholders' behaviour, mainly due to:
• regulatory and legislative changes (including taxation);
• changes in economic conditions;
• sales practices;
• competitor behaviour;
• policy conditions and practices; and
• policyholders' perceptions.

The primary policyholder behaviour risk is persistency risk. This generally arises when policyholders discontinue or reduce contributions, or terminate their policies at a rate that is not in line with expectations. This behaviour results in a loss of future premiums that are designed to recoup expenses and commission incurred early in the life of the contract and to provide a profit margin or return on capital. A decrease in persistency generally gives rise to a loss, as the loss of these future charges generally exceeds the charges that the Group applies to the policyholder benefits in these events. However with certain products the general principle does not always apply.

In the measurement of policyholder liabilities and assets, margins as described in the accounting policies are added to the best estimate withdrawal rates. In addition, an allowance is made for the withdrawal risk in the Technical Capital Adequacy Requirement ("TCAR") and Ordinary Capital Adequacy Requirement ("OCAR") calculations, with the TCAR providing a capital requirement underpin of meeting the surrender benefits on all policies where this is onerous.

In the calculation of economic capital requirements, allowance is made for the following risks in respect of policyholder behaviour:
• The risk that the actual level of withdrawals is different from expected; and
• The risk of withdrawal catastrophe to capture a run-on-a-bank type of scenario.

5.6 Underwriting risks

The primary purpose of underwriting is to ensure that an appropriate premium is charged for each risk and that cover is not offered to uninsurable risks. Underwriting risks are the risks that future demographic or claims incidence experience will exceed the allowance for expected demographic or claims incidence experience, as determined through provisions, pricing, risk measures and value measures. Underwriting risks include, amongst others, mortality and morbidity risks, longevity risks and non-life (short-term insurance) risks.

The main risks that the Group is exposed to are as follows:

• mortality risk – risk of loss arising due to policyholder death experience being different than expected
• longevity risk – risk of loss arising due to the annuitant living longer than expected
• investment return risk – risk of loss arising from actual returns being different than expected
• expense risk – risk of loss arising from expense experience being different than expected
• policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

These risks do not vary significantly in relation to the location of the risk insured by the Group, type of risk insured or by industry.

5.6.1 Mortality and morbidity risk

Mortality risk is the risk of adverse financial impact due to actual mortality (death) claims being higher than anticipated.

Morbidity risk is the risk of adverse financial impact due to policyholder health related (disablement and dread disease claims beinghigher than expected. The Group has the following processes and procedures in place to manage mortality and morbidity risk.

(a) Underwriting strategy

The underwriting strategy seeks diversity to ensure a balanced portfolio and is based on a large portfolio of similar risks over a number of years and as such, it is believed that this reduces the variability of the outcome. The Group manages its assurance risk through underwriting limits, approval procedures for transactions that involve new products or that exceed set limits, pricing guidelines, centralized management of reassurance and monitoring of emerging issues. The Group uses several methods to assess and monitor assurance risk exposures both for individual types of risks insured and overall risks. These methods include internal risk measurement models, sensitivity and scenario analyses.

5 INSURANCE RISK MANAGEMENT (continued)

5.6.1 Mortality and morbidity risk (continued)

Underwriting guidelines concerning authority limits and procedures to be followed are in place.
All individual business applications for risk cover are underwritten except for some policies with smaller sums assured where specific allowance for no underwriting has been made in the product design and pricing. For other smaller sums assured, the underwriting process is largely automated. For individual and institutional business, larger sums assured in excess of specified limits are reviewed by experienced underwriters and evaluated against established processes. For institutional risk business, these specified limits are scheme specific based on the size of the scheme , membership, average age, gender distribution industry and distribution of sums assured. Since applications on institutional business below the specified limits are not medically underwritten, very few lives are medically tested . However, the annually reviewable terms on institutional business enable premiums to keep pace with emerging claims experience.

Specific testing for HIV and other medicals is carried out based on the assessment of the risk.
Part of the underwriting process involves assessing the current health conditions and family medical history of applicants. Terms and conditions are varied accordingly. Non-standard risk, such as hazardous pursuits and medical conditions, are assessed at underwriting stage. Financial underwriting is used where necessary to determine insurable interest.

The non-life insurance risks are sensitive to certain assumptions. The table below shows the qualitative sensitivity of certain triggers related to insurance business:

Risk triggers	General effect on insurance market	Effect on the Group
1. Many cedants and competition in the domiciled market	Undercutting premium rates Underwriting bad business	Lower premiums, increase in claims ration, lower profits Increase in claims, increase in bad debts, lower profits
2. Weakening local currency	Underinsurance of cedants	Increase in claim ratios on partial claims, lower profit
3. Lack of foreign currency and strict exchange controls in local markets.	Inability to discharge external claims and retrocessions Substandard construction and risk management practices	Lower premiums and risk spread, increase in claims ration, lower profits Increased fire and engineering risk, increase in claims, lower profits
4. Weak risk practices of cedants and underlying clients	Having insurance as the only effective risk management item	Increase in claims, lower profit

(b) Pricing strategy

The theory of probability is applied to the pricing and provisioning for a portfolio of assurance contracts. The principal risk is that the frequency and severity of claims is greater than expected. Assurance events are, by their nature, random, and the actual number and size of events during any one year may vary from those estimated using established statistical techniques.

5 INSURANCE RISK MANAGEMENT (continued)

5.6.1 Mortality and morbidity risk (continued)

Premium rates are differentiated by factors which historical experience has shown are significant determinants of mortality and morbidity claims experience.

Prior to taking on individual risk policies, appropriate underwriting processes are conducted, such as medical tests, which influence pricing on the policy prior to acceptance.

The actual claims experience is monitored on a monthly basis so that deteriorating experience can be timeously identified. Product pricing and the measurement of the liabilities are changed if the deteriorating experience is expected to continue and cannot be mitigated. Detailed mortality and morbidity investigations are conducted on a bi-annual basis for key products.

Allowance for HIV related deaths is made in product pricing and in the measurement of policyholder liabilities and assets.

Key assumptions

Material judgement is required in determining the liabilities and in the choice of assumptions. Assumptions in use are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations. published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals.

Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.
reasonable valuations.

The key assumptions to which the estimation is particularly sensitive are as follows:

Mortality rates

Assumptions are based on standard tables, according to the type of contract written. An investigation into the actual mortality experience of the Company is used to compare the experience to the standard table. Adjustment to the standard table may be made where justified by the experience. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type.

An increase in rates will lead to a larger number of claims (and claims could occur sooner than anticipated) which will increase the expenditure and reduce profits for the shareholders.

Longevity

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Company's own risk experience. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type.

An increase in longevity rates will lead to an increase in the number on annuity payments to be made, which will increase the expenditure and reduce profits for the shareholders.

Investment return and inflation

Economic assumptions are based on the existing investment portfolio, and take account of the expected future medium to long-term economic environment. These estimates are based on current market returns as well as expectations about future economic and financial developments.

An increase in investment return would lead to an increase in profits for the shareholders.

Expenses

Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.

An increase in the level of expenses would result in an increase in expenditure, thereby reducing profits for the shareholders.

Lapse and surrender rates

Lapse relates rates to the termination of policies on premiums not paid up. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Company's experience and vary by product type, policy duration and sales trends. For lapses, the Company's actual lapse experience is investigated. The lapse assumption is set based on this assumption but at a level that is expected to be consistent from year to year.by policyholders. Policy termination assumptions are determined using statistical measures based on the Company's experience and vary by product type, policy duration and sales trends. For lapses, the Company's actual lapse experience is investigated. The lapse assumption is set based on this assumption but at a level that is expected to be consistent from year to year.

An increase in lapse rates early in the life of the policy would tend to reduce profits for shareholders, but later increases are broadly neutral in effect.

5 INSURANCE RISK MANAGEMENT (continued)

5.6 Underwriting risks (continued)

5.6.1 Mortality and morbidity risk (continued)

(e) Reinsurance (continued)

Existing reinsurance arrangements include proportional reinsurance (quota share and surplus type arrangements) on both a treaty and facultative basis and catastrophe reinsurance which is renewed annually. Catastrophe reinsurance is consolidated across subsidiaries and is in place to reduce the risk of many claims arising from the same event. Various events are excluded from the catastrophe reinsurance (e.g. epidemics and radioactive contamination).

5.7 Non-life reinsurance risk

The principal risk the Group faces under insurance contracts is that the actual claims and payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims and actual payments made. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities. The risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting guidelines, as well as the use of reinsurance arrangements. The Group purchases reinsurance as part of its risks transfer programme. Reinsurance ceded is placed on both a proportional and non–proportional basis. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography. Risk management is very vital starting from pre-risk acceptance where some large risks or business perceived risky is surveyed and improvement recommendations passed before cover commences. Selected running risks are also surveyed for risk improvement and mitigating chances and severity of losses. Risk management is thus filtered into the whole underwriting process to manage the portfolio. Furthermore, firm claim management policies to assess all new and on-going claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the Group. The Group further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. The Group has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events. The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the Group's risk appetite as decided by management.

Underwriting strategy
Concentration of insurance risk and policies mitigating the concentrations within the insurance process, concentrations of risk may arise where a particular event or series of events could impact heavily upon the Group's resources. The Group monitors the concentration risk by class of business and geographical spread.

Types of contracts
Fire: provide indemnity for loss or damage to property caused by perils such as fire, lightning, explosion, earthquakes, floods and malicious damage.
Accident: provide indemnity for third party bodily injury, property damage, professional indemnity, group personal accident and legal expenses.
Motor: provide indemnity for loss or damage to the insured motor vehicle.
Engineering: provide indemnity for losses sustained through use of machinery and equipment or erection of buildings or structures.
Marine: provide indemnity for cargo, hull and third party bodily injury or property damage classes of business.
Agriculture: provide indemnity for cargo, hull and third party bodily injury or property damage classes of business.
Aviation: provide indemnity for cargo, hull and third party bodily injury or property damage classes of business.

The concentration of insurance risk before and after reinsurance by territory arising from non-life insurance contracts accepted is summarised below:

31 December 2021

		Fire ZWL	Engineering ZWL	Motor ZWL	Type of contract Accident ZWL	Marine ZWL	Agriculture ZWL	Aviation ZWL	Total ZWL
Zimbabwe	Gross	588 488 730	103 557 846	190 075 364	365 902 772	19 189 077	259 156 762	6 217 551	1 532 588 102
	Net	396 019 271	89 811 356	182 998 198	336 264 761	13 266 737	261 295 094	4 722 924	1 284 378 341
	Earned	276 536 874	104 930 867	168 781 168	313 708 910	13 716 516	218 913 353	2 780 242	1 099 367 930
Zambia	Gross	124 537 743	33 760 432	57 749 947	48 268 562	4 597 513	9 745 001	1 492 812	280 152 010
	Net	68 596 414	25 557 519	53 796 984	34 296 880	4 136 201	4 557 410	1 347 807	192 289 215
	Earned	61 815 004	32 110 686	49 272 649	36 307 151	3 743 538	5 107 253	1 173 674	189 529 955
Malawi	Gross	314 715 748	55 362 685	89 705 772	214 301 346	15 327 409	30 857 778	7 237 652	727 508 390
	Net	143 990 764	32 126 474	89 484 614	106 993 151	10 338 772	20 412 435	1 474 701	404 820 911
	Earned	158 440 947	27 302 152	95 883 372	98 118 602	7 490 027	16 989 585	1 281 366	405 506 051
Mozambique	Gross	296 525 071	146 859 425	34 342 978	104 880 055	33 198 980	14 879	5 800 196	621 621 584
	Net	156 915 011	41 986 907	27 569 843	76 073 503	15 062 986	14 877	2 299 315	319 922 442
	Earned	152 123 562	39 254 373	27 920 241	68 827 052	13 933 414	9 778	1 734 306	303 802 726
Botswana	Gross	347 945 861	40 106 757	17 168 429	29 957 977	2 871 035	-	-	438 050 059
	Net	204 248 183	10 506 453	7 320 367	10 257 286	(224 707)	-	-	232 107 582
	Earned	200 768 145	10 538 732	7 336 513	10 327 227	(208 566)	-	-	228 762 051
Total	Gross	1 672 213 153	379 647 145	389 042 490	763 310 712	75 184 014	299 774 420	20 748 211	3 599 920 145
	Net	969 769 643	199 988 709	361 170 006	563 885 581	42 579 989	286 279 816	9 844 747	2 433 518 491
	Earned	849 684 532	214 136 810	349 193 943	527 288 942	38 674 929	241 019 969	6 969 588	2 226 968 713

5 INSURANCE RISK MANAGEMENT (continued)

5.7 Non-life reinsurance risk (continued)

31 December 2020

					Type of contract				
		Fire ZWL	Engineering ZWL	Motor ZWL	Accident ZWL	Marine ZWL	Agriculture ZWL	Aviation ZWL	Total ZWL
Zimbabwe	Gross	566 747 655	160 987 318	235 888 443	316 375 001	24 782 456	217 789 318	3 690 382	1 526 260 573
	Net	326 629 695	167 179 525	240 019 193	305 259 210	23 047 301	226 102 262	863 555	1 289 100 741
	Earned	283 466 965	120 502 389	220 753 689	273 371 516	23 454 268	165 829 971	843 523	1 088 222 321
Zambia	Gross	79 672 665	25 618 467	50 993 919	38 724 935	3 747 470	16 627 633	1 052 811	216 437 900
	Net	46 549 240	21 326 153	50 526 454	31 872 145	3 455 906	34 952	993 356	154 758 206
	Earned	43 510 454	18 335 244	46 767 978	28 038 880	3 162 591	5 202 297	1 020 921	146 038 365
Malawi	Gross	200 343 132	32 067 077	96 550 998	316 813 818	10 798 137	37 478 316	12 603 214	706 654 692
	Net	134 490 882	22 205 811	96 072 266	60 396 035	4 020 061	14 012 576	937 699	332 135 330
	Earned	132 571 519	39 548 104	86 359 942	69 910 509	6 152 648	7 968 551	436 379	342 947 652
Mozambique	Gross	193 897 276	101 343 077	42 814 909	85 976 991	20 632 954	313 955	(648 308)	444 330 854
	Net	95 432 240	34 740 543	38 994 154	53 495 824	15 906 056	21 098	112 249	238 702 164
	Earned	104 359 609	31 731 883	36 699 198	44 503 369	18 333 894	151 877	150 897	235 930 727
Botswana	Gross	164 836 880	40 500 638	14 815 140	35 141 750	1 296 648	-	-	256 591 056
	Net	90 136 485	24 683 404	4 449 332	21 600 223	769 753	-	-	141 639 199
	Earned	106 292 269	25 975 868	5 095 568	24 400 554	1 415 987	-	-	163 180 246
Total	Gross	1 205 497 609	360 516 577	441 063 409	793 032 495	61 257 665	272 209 222	16 698 099	3 150 275 076
	Net	693 238 543	270 135 436	430 061 399	472 623 437	47 199 077	240 170 889	2 906 8579	2 156 335 639
	Earned	670 200 816	236 093 488	395 676 375	440 224 828	52 519 388	179 152 696	2 451 7120	1 976 319 311

Key assumptions

The principal assumption underlying the liability estimates is that the Group's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example: once–off occurrence; changes in market factors such as public attitude to claiming: economic conditions: as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

5.8 Sensitivities

The analysis below is performed for reasonably possible movements in the principal assumption (10% of net premium written) with all other variables held constant, showing the impact on the reported value, profit before income tax and equity of the movement in incurred but not reported ("IBNR") claims. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in the assumption, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. The IBNR development has been modelled from past experience. The impact on the profit and equity assumed a change in the actual development holding other variables constant.

		INFLATION ADJUSTED		
Assumption	**Change in assumption %**	**Effect on profit before income tax ZWL**	**Effect on profit after income tax ZWL**	**Change in equity ZWL**
December 2021				
Increase in IBNR	10%	25 893 530	(19 492 649)	(19 492 649)
Decrease in IBNR	-10%	(25 893 530)	19 492 649	19 492 649
December 2020				
Increase in IBNR	10%	22 745 360	(17 122 707)	(17 122 707)
Decrease in IBNR	-10%	(22 745 360)	17 122 707	17 122 707
		HISTORICAL COST		
December 2020				
Increase in IBNR	10%	25 893 530	(19 492 649)	(14 674 066)
Decrease in IBNR	-10%	(25 893 530)	19 492 649	14 674 066
December 2020				
Increase in IBNR	10%	14 150 653	(10 652 611)	(8 019 286)
Decrease in IBNR	-10%	(14 150 653)	10 652 611	8 019 286

Exposure relating to catastrophe events

The Group sets out the total aggregate exposure that it is prepared to accept in Zimbabwe and the region to a range of events such as natural catastrophes. The aggregate position is reviewed annually. The Group's policies for mitigating catastrophe risk exposure include the use of excess of loss treaty. In the event of major catastrophe the net retained loss is US$100 000 (2020: US$100 000); which is made up of a gross loss of US$14 900 000 (2020: US$14 900 000). This is based on the Group's risk appetite as determined by the level of capital. The Group has a retrocession programme in place with various reisurers to cushion it in the event of a catastrophe.

5.8.1 Life insurance contract liability sensitivity analysis

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions constant, showing the impact on gross and net liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis.

It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current economic assumptions , mainly due to the impact of changes to both the intrinsic cost and time value of options and guarantees. When options and guarantees exist , they are the main reason for the asymmetry of sensitivities. The method used for deriving sensitivity information and significant assumptions made did not change from the previous period.

Below is the impact on profit of changes in the life insurance contract liability as a result of changes in key inputs used to calculate the liability

	INFLATION ADJUSTED			
Base	**Change in assumptions (+, increase) (-, decrease)**	**Impact on liabilities ZWL**	**Impact on profit before tax ZWL**	**Impact on profit after tax ZWL**
2021				
Mortality	+10%	(13,271,410)	13,271,410	388,976
Mortality	-10%	(13,672,373)	13,672,373	400,727
Lapse	-10%	21,427,475	(21,427,475)	(628,024)
Expense	+10%	4,369,249	(4,369,249)	(128,060)
Discount rate	+1%	35,192,610	(35,192,610)	(1,031,470)
Investment return	+1%	(1,362,770)	1,362,770	39,942
2020				
Mortality	+10%	3,486,286	(3,486,286)	(226,128)
Mortality	-10%	1,348,953	(1,348,953)	(87,496)
Lapse	-10%	(1,771,225)	1,771,225	114,886
Expense	+10%	15,780,707	(15,780,707)	(1,023,572)
Discount rate	+1%	(9,704,875)	9,704,875	629,480
Investment return	+1%	670,184	(670,184)	(43,470)

	HISTORICAL COST			
Base	**Change in assumptions (+, increase) (-, decrease)**	**Impact on liabilities ZWL**	**Impact on profit before tax ZWL**	**Impact on profit after tax ZWL**
2021				
Mortality	+10%	(13,271,410)	13,271,410	279,214
Mortality	-10%	(13,672,373)	13,672,373	287,650
Lapse	-10%	21,427,475	(21,427,475)	(450,807)
Expense	+10%	4,369,249	(4,369,249)	(91,923)
Discount rate	+1%	35,192,610	(35,192,610)	(740,408)
Investment return	+1%	(1,309,706)	1,309,706	27,555

5.8.1 Life insurance contract liability sensitivity analysis (continued)

	HISTORICAL COST			
Base	Change in assumptions (+, increase) (-, decrease)	Impact on liabilities ZWL	Impact on profit before tax ZWL	Impact on profit after tax ZWL
2020				
Mortality	+10%	2,168,935	(2,168,935)	(311,689)
Mortality	-10%	839,229	(839,229)	(120,602)
Lapse	-10%	(1,101,938)	1,101,938	158,355
Expense	+10%	9,817,708	(9,817,708)	(1,410,863)
Discount rate	+1%	(6,037,729)	6,037,729	867,658
Investment return	+1%	98,045	(98,045)	(14,090)

5 INSURANCE RISK MANAGEMENT (continued)

Discount rate

Life insurance liabilities are determined as the sum of the discounted value of the expected benefits and future administration expenses directly linked to the contract, less the discounted value of the theoretical premiums that would be required to meet these future cash outflows. Discount rates are based on current industry risk rates, adjusted for the Group's own risk exposure.

(c) Terms and conditions

The terms and conditions contain exclusions for non-standard and unpredictable risks that may result in severe financial loss (e.g. on life policies, a suicide exclusion applies to the sum assured for death within two years from the date of issue).
Terms are built into the policy contracts that permit risk premiums to be reviewed on expiry of a guarantee period. In particular:
• for institutional risk business, the risk premiums are reviewable annually; and
• for non-Zimbabwean business, similar terms exist.

(d) Claims management

For mortality, claims are validated against policy terms and conditions. Early claims within a period of 1 year for non-accidental claims are assessed for non-disclosure of material facts and investigations carried out to deter fraud.
For morbidity, experienced claims assessors determine the merits of the claim in relation to the policy terms and conditions.

(e) Reinsurance

Reinsurance is used by the Group to reduce exposure to a particular line of business, a particular individual, a single event, and to benefit from the management support services and technical expertise offered to reinsurers.

The Group has a centralised reinsurance function that works closely with subsidiaries to optimise and monitor reinsurance at Group level to ensure consistent governance and execution of the Group's reinsurance strategy.

Regular reviews, which consider risk appetite, are conducted on reinsurance arrangements for new business. The levels of reinsurance purchased for new business written in 2020 were broadly similar to those in the previous years. Given that a large proportion of the Group's business is long term individual risk business, where the proportion of the risk that is reinsured is fixed for life at the inception of the policy, the Group's overall reinsurance result is heavily influenced by historic reinsurance arrangements. In some instances where underlying policyholder benefits are annually renewable, for example institutional business, reinsurance is annually renewable.

5 INSURANCE RISK MANAGEMENT (continued)

5.9 Claims development

The Group is liable for all insured events that occur during the term of the contract, even if the loss is discovered after the end of the contract term, subject to predetermined time scales depending on the nature of the insurance contract. The Group is therefore exposed to the risk that claims reserves will not be adequate to fund the historical claims ("run off risk"). To manage run off risk the Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures and adopts sound reserving practices. The reserves created over time proved to be sufficient to fund the actual claims paid. Further, the Group does not participate in any policies with unlimited liability. The Group is liable for all insured events in terms of the contract. All underlying policies have reporting conditions that restrict the timeline within which a claim should reasonably be made. Delays however sometimes occur between the time insurers process claims and recover from reinsurers.

Reserves are maintained for this contingency and this forms part of the annual actuarial reviews to assess the adequacy of claim reserves.

The majority of the Group's insurance contracts are classified as short term, meaning that any claim is settled within a year after the loss date.

In terms of IFRS 4, 'Insurance contracts', an insurer need only disclose claims run off information where uncertainty exists about the amount and timing of claim payments not resolved within one year.

The tables below indicate the claims development of the Group for the period of 5 years.

Claims development table

Paid claims

Accident year	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
At end of accident year	1 416 243	1 186 378	1 420 589	6 197 027	1 904 114	40 572 274	12 645 258
One year later	1 998 791	1 343 493	1 803 094	6 531 770	3 246 654	43 881 430	-
Two years later	2 037 554	1 366 027	1 817 158	8 657 471	3 670 129	-	-
Three years later	2 044 209	1 370 957	1 959 219	9 451 361	-	-	-
Four years later	2 048 418	1 373 908	3 244 535	-	-	-	-
Five years later	2 123 143	3 341 952	-	-	-	-	-
Six years later	2 123 143	-	-	-	-	-	-
Seven years later	-	-	-	-	-	-	-
Cumulative claims paid to date	**2 123 143**	**3 341 952**	**3 244 535**	**9 451 361**	**3 670 129**	**43 881 430**	**12 645 258**

Incurred claims

Accident year	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
At end of accident year	1,416,263	1,186,994	1,502,786	2,200,460	2,381,481	31,869,293	18 485 521
One year later	1,998,810	1,344,108	1,885,290	2,634,486	4,040,486	36,597,959	
Two years later	2,038,511	1,366,643	1,899,354	3,885,529	4,463,961	-	-
Three years later	2,045,166	1,371,573	2,041,415	4,679,419	-	-	-
Four years later	2,049,374	1,374,524	3,326,731	-	-	-	-
Five years later	2,124,098	3,342,568	-	-	-	-	-
Six years later	2,124,098	-	-	-	-	-	-
Seven years later	-	-	-	-	-	-	-
Estimate of cumulativelaims incurred to date	**2 124 098**	**3 342 568**	**3 326 731**	**4 679 419**	**4 463 961**	**36 597 959**	**18 485 521**

Case estimates

Accident year	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
One year later	20	616	82 197	(3 996 567)	477 367	(8 702 981)	-
Two years later	19	615	82 196	(3 897 284)	793 832	-	-
Three years later	957	616	82 196	(4 771 942)	-	-	-
Four years later	957	616	82 196	-	-	-	-
Five years later	956	616	-	-	-	-	-
Six years later	955	-	-	-	-	-	-
Seven years later	-	-	-	-	-	-	-

IBNR reserves

Accident year	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
One year later	650 111	351 365	443 920	687 554	455 647	5 457 400	-
Two years later	1 901 232	637 462	552 718	318 463	313 524	-	-
Three years later	1 321 469	688 248	49 750	45 504	-	-	-
Four years later	1 326 814	18 754	4 837	-	-	-	-

Claims development table

Paid claims

Accident year	2014	2015	2016	2017	2018	2019	2020
Five years later	45 855	-	-	-	-	-	-
Six years later	-	-	-	-	-	-	-
Seven years later	-	-	-	-	-	-	-
Cumulative payments to date	**45 855**	**18 754**	**4 837**	**45 504**	**313 524**	**5 457 400**	
Cumulative incurred claims lesspayments to date	**2 078 243**	**3 323 814**	**3 321 894**	**4 633 915**	**4 150 437**	**31 140 559**	**18 485 521**

Sensitivity analysis for life and health policyholder contract liabilities has not been disclosed as the unit is significantly small, the trends reflect unreliable wide fluctuations and there is no sufficient historical information.

The analysis is part of the periodic independent actuarial assessments. Therefore no additional work was done because of this and the insignificant contribution of individual life business to overall gross premium written.

6 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires the use of accounting estimates and judgements which, by definition will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. The uncertainty about the judgements and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

6.1 Judgements other than estimates

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

6.1.1 Inflation indices and adjustments

On 11 October 2019, the Public Accountants and Auditors Board ("PAAB") issued pronouncement 01/2019, which advised that Zimbabwe has met conditions for application of IAS 29 for financial periods ending on or after 1 July 2019.

IAS 29 requires that the financial statements of the Group whose functional currency is the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date and that the corresponding figures for the comparative periods be stated in the same terms. The financial statements and the corresponding figures for the previous years have been restated to take account of the changes in the general purchasing power of the Zimbabwe dollar. The restatement is based on conversion factors derived from the Zimbabwe Consumer Price Index ("CPI") compiled by the Reserve Bank of Zimbabwe from the figures provided by the Zimbabwe National Statistics Agency.

6.1.2 Taxes

The Group is subject to taxes in Botswana, Malawi, Mozambique, Zambia and Zimbabwe. Significant judgement is required in determining the liabilities for taxes. There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain. In particular, when calculating deferred tax, the effective tax rate applicable on the temporary differences on investment property depends on the method by which the carrying amount of investment property will be realised. Management has rebutted the presumption that the investment property measured at fair value will be recovered through sale. Management has rebutted the presumption as the objective of its business model is to consume substantially all of the economic benefits embodied in the investment property over time rather than through sale. As a result the Group continues to apply the income tax rate of 24.72% (2019: 25.75%) for the purpose of recognising deferred tax for its investment property with the exception of land. The Group will recover the carrying amount of land recognised as investment property through sale and in that respect, the capital gains tax rate is used to determine deferred tax.

The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax assets and liabilities in the period in which such determination is made.

6.1.3 Going concern

The Directors have assessed the ability of the Group and Company to continue operating as going concerns and believe that the preparation of these financial statements on a going concern basis is appropriate.

6 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Coronavirus disease (Covid-19)

Introduction

Following the outbreak of the Coronavirus (Covid-19) in China in December 2019 and its rapid spread across the world, the World Health Organisation ("WHO") declared it a global pandemic on 11 March 2020. The outbreak presented unprecedented health challenges and disruptions to economic activity which resulted in a global economic down turn in 2020. In response to the challenges, and in line with the WHO guidelines, the Government of Zimbabwe through Statutory Instrument ("SI") 76 of 2020, declared Covid-19 a national disaster. The Government has introduced a number of directives to mitigate the widespread transmission of the virus including a series of lockdowns spanning over 2020 into 2021. The impact of the Covid-19 pandemic on the Company's business to date has been insignificant mainly due to the exclusion of COVD-19 related covers in most insurance policies accepted by the company. While the lockdown restrictions have been relaxed, the Covid-19 situation is still evolving, thus making it difficult to estimate the full economic costs of the pandemic and attendant lockdowns.

Response measures

The Covid-19 pandemic continues to cause disruption and its impact on the business in the short to medium term is uncertain. Nonetheless, there is hope in the long term with the introduction of vaccines. Notwithstanding this, the Covid-19 situation is still an evolving issue whose full financial implications can not be determined with certainty as of the date of signing of these financial statements. The Group will continue to monitor developments in each jurisdiction and business operation and take appropriate measures to mitigate any emerging risks.The Group has put in place adequate mitigatory measures to minimise the impact of Covid-19 on business which in the opinion of the directors will safeguard its going concern status.

Impact assessment

Since Covid-19 is still evolving as evidenced by the increasing number of its variants, its impact on the Zimbabwean economy can not be fully assessed. Consequently, its implications on Group operations cannot be estimated with any degree of accuracy.

6.2 Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based their assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

6.2.1 Insurance contract liabilities

The estimation of the ultimate liability arising from claims made under insurance contracts is the Group's most critical accounting estimate.

There are several sources of uncertainty that are considered in the estimate of the liability that the Group will ultimately pay for such claims.

(i) Unearned premiums

Unearned premiums represent the proportion of premiums written in the current year, which relate to risks that have not expired by the end of the financial year. The Group raises provisions for unearned premiums on a basis that reflects the underlying risk profile of its insurance contracts.

An unearned premium provision is created at the commencement of each insurance contract and is released as the risk covered by the contract expires. Most of the Group's insurance contracts have an even risk profile. Therefore, the unearned premiums are released evenly over the period of insurance using a time proportion basis. The unearned premiums are first determined on a gross level and thereafter the reinsurance impact is separately recognised based on the relevant reinsurance contract. Deferred acquisition costs and commission revenue is recognised on a basis that is consistent with the related provision for unearned premiums. At each reporting date an assessment is made of whether the unearned premiums are adequate. A separate provision can be made, based on information available at the reporting date, for any estimated future underwriting losses relating to unexpired risks.

(ii) Outstanding claims

Outstanding claims represent the Group's estimate of the cost of settlement of claims that have occurred and were reported by the reporting date (net of salvage recoveries), but that have not yet been fully settled.

Claims provisions are determined based on previous claims experience, knowledge of events, the terms and conditions of the relevant policies and on the interpretation of circumstances. Each notified claim is assessed on a separate case-by-case basis with due regard for the specific circumstances, information available from the insured and/or loss adjuster, past experience with similar cases and historical claims payment trends. The approach also includes the consideration of the development of loss payment trends, the levels of unpaid claims, legislative changes, judicial decisions and economic conditions. The Group employs personnel experienced in claims handling and rigorously applies standardised policies and procedures to claims assessment.

The ultimate cost of reported claims may vary as a result of future developments or better information becoming available about the current circumstances. Therefore, case estimates are reviewed regularly and updated when new information becomes available. The provision for outstanding claims is initially estimated at a gross level. A separate calculation is performed to estimate reinsurance recoveries. The calculation of reinsurance recoveries considers the type of risk underwritten, the year in which the loss claim occurred, under which reinsurance programme the recovery will be made, the size of the claim and whether the claim was an isolated incident or formed part of a catastrophe reinsurance claim.

6 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

6.2.1 Insurance contract liabilities (continued)

(iii) Claims incurred but not reported ("IBNR")

There is also considerable uncertainty concerning the eventual outcome of claims that have occurred but had not yet been reported to the insurer by the reporting date. The 'IBNR' liability relates to these events. In calculating the estimated cost of unpaid claims (both reported and not reported), the Group's estimation techniques are based on statistical merthods including the basic chain-ladder. The basic chain-ladder method assumes that payments for an accident year will develop in the same way as claims have for prior years and an estimate based upon actual accident years claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim event is available. IBNR claims may not be apparent to the insured until many years after the event that gave rise to the claims.

In estimating the liability for the cost of reported claims not yet paid, the Group considers any information available on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

Where possible, the Group adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each accident year.

Note 5 presents the development of the estimate of ultimate claim cost for claims notified in a given year. This gives an indication of the accuracy of the Group estimation technique for claims payments.

iv) Insurance contract liabilities (policyholders' funds) and actuarial assumptions

The life policyholder funds, under un-matured policies, are computed at the reporting date by the Group's independent actuary, in accordance with prevailing legislation, guidelines issued by the Actuarial Society of South Africa ("SAP") 104. Under this method, the insurance contract liabilities are valued using realistic expectations of future experience with prescribed margins for prudence. The insurance contract liabilities reflected in the statement of financial position represent the increase or decrease in actuarial liabilities.

The main assumptions used relate to mortality, longevity, investment returns, expenses, lapses, surrender rates and discount rates. Estimates are also made as to future investment income arising from the assets backing the life insurance contracts. These estimates are based on current market returns as well as expectations about future economic and financial developments. Assumptions on future expenses are based on current expense levels adjusted for expected expense inflation if necessary. Lapse and surrender rates depend on product features, policy duration and external circumstances such as sales trends. Discount rates are based on current expense levels adjusted for expected inflation adjustments if appropriate.

6.2.2 Fair value of investment property

The Group carries its investment property at fair value, with changes in fair value being recognised in the profit or loss. The approach mostly used on commercial and industrial properties is the comparative approach. This method seeks to ascribe the subject property a value similar to that achieved for comparable properties. Another method is the yield method which converts anticipated future cash flow benefits in the form of rental income into present value. This approach requires careful estimation of future benefits and the application of investor yield or return requirements.

The determined fair value of the investment properties is most sensitive to the estimated yield as well as the long-term void rate.

Valuation approach

The valuations have been undertaken in an environment of poor liquidity conditions and limited transaction evidence. Limited transaction evidence affects all properties whose fair values are arrived at based on comparable transactions obtained from the market. With regards to commercial and industrial properties, yields obtained from US$ transaction evidence were utilised.

In undertaking the valuations for commercial, industrial and retail properties, reliance has been placed on rental market evidence, void rates and arrears currently applying to the individual properties in the portfolio. The achieved rentals for the property portfolio are generally in line, and in some instances, higher than the rental rates being achieved in the market.

With regards to the residential properties, various properties were identified that were sold or which are on sale and situated in comparable low density residential suburbs. In analysing the comparable properties, the Main Space Equivalent ("MSE") principle was applied. The total MSE of the comparable was then used to determine the value per square meter of MSE. The objective is to arrive at a common basis of comparison.

After adjustments for quality, location and size, the rates per MSE reflected by the comparable were then applied to the subject residential properties.

The yields have been obtained from the limited concluded transactions and have also been assessed taking into account asking prices and offers that may have been received for properties currently on the market, formally or otherwise, although the transactions may not have been concluded. Refer to note 10 for the carrying amount of investment property and the estimates and assumptions used to value investment property.

6 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

6.2 Estimates (continued)

6.2.3 Useful lives and residual values of property and equipment

The Group assesses the useful lives and residual values of property and equipment each year taking into consideration past experience, technology changes and the local operating environment. No changes to the useful lives and residual values have been considered necessary during the year. Refer to note 8 for the carrying amount of property, vehicles and computer equipment and accounting policy note 2.5 for the useful lives of property, vehicles and equipment.

6.2.4 Allowances for credit losses on financial assets measured at amortised cost

The Group assesses its financial assets at amortised cost for impairment on a monthly basis and recognises credit loss allowances using the expected credit loss model. Key assumptions applied in this calculation are the estimated debt recovery rates within the Group's debtors' book, as well as an estimation or view on current and future market conditions that could affect the debt recovery rates. Refer to note 16 for further details on the allowance and the carrying amount of trade and other receivables.

7 SEGMENT INFORMATION

Description of segments and principal activities

The Group's Executive Committee, consisting of the Group Chief Executive Officer, Group Chief Finance Officer, Group Chief Operating Officer and Managing Directors of subsidiaries, examines the Group's performance both from a product and geographical perspective and has identified reportable segments of its business as detailed below. Management evaluates segment performance based on operating profit/(loss) consistent with the consolidated financial statements.

Reinsurance

The segment offers short-term reinsurance products and services to general insurance companies locally, regionally and internationally. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of the policyholder's accident. Revenue in this segment is derived primarily from insurance premiums, investment income and fair value gains and losses on financial assets.

Life reassurance

The life reassurance segment offers its services to life assurance companies and medical aid societies locally and regionally. The products are savings, protection products and other long-term contracts (both with and without insurance risk and with and without discretionary participating features. It comprises a wide range of whole life, term assurance, unitised pensions, guaranteed pensions, pure endowment pensions and mortgage endowment products. Revenue from this segment is derived primarily from reassurance premium, fees and commission income, investment income and fair value gains and losses on investments.

General insurance

The segment offers short-term insurance products and services directly to policy holders locally. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of the policyholder's accident e.g. motor accident, domestic credit insurance, export credit. Revenue in this segment is derived primarily from insurance premiums, investment income and fair value gains and losses on financial assets.

Life and pensions

The segment offers life assurance, funeral assurance, asset management, actuarial consultancy and micro-financng services. The products offered are life assurance and pensions and also is involved in consumer loans, business loans and loans to farmers.

Property

This segment is engaged in leasing, developing, managing, selling and buying properties. It also offers consultancy services related to property development. It derives its revenue primarily from rentals, sales of properties, investment income and estate agency.

Other and eliminations

This segment comprises the holding company and consolidation eliminations.

7.1 Information about products and services

					INFLATION ADJUSTED			
2021	**Non-life reinsurance ZWL**	**Life reassurance ZWL**	**Life & Pensions ZWL**	**General insurance ZWL**	**Property ZWL**	**Insurance broking ZWL**	**Other and eliminations ZWL**	**Total ZWL**
Gross written premium	3 599 920 146	463 597 855	1 172 978 256	254 061 574	-	-	(253 826 524)	5 236 731 307
Retrocession premium	(1 166 401 654)	(72 997 223)	(102 860 700)	(136 161 432)	-	-	253 826 524	(1 224 594 485)
Net premium written	2 433 518 492	390 600 632	1 070 117 556	117 900 142	-		-	4 012 136 822
Change in unearned premium reserve	(206 549 779)	-	-	5 072 862	-	-	-	(201 476 917)
Net premium earned	**2 226 968 713**	**390 600 632**	**1 070 117 556**	**122 973 004**	**-**		**-**	**3 810 659 905**
Brokerage commission and fees	273 272 446	21 187 055	116 176 006	41 046 310	-	33 050 012	(51 045 932)	433 685 897
Total insurance income	**2 500 241 159**	**411 787 687**	**1 186 293 562**	**164 019 314**	**-**	**33 050 012**	**(51 045 932)**	**4 244 345 802**
Rental income from investment property and income from sale of inventory property	30 533 114	26 902 583	51 185 901	1 093 993	238 908 369	-	-	348 623 960
Investment income	54 297 348	2 984 598	109 105 394	667 901	1 838 673	-	470 650 172	639 544 086
Other gains/losses	449 188 502	538 813 805	658 391 260	45 216 679	37 995 263	845 064	(205 112 686)	1 525 337 887
Total income	**3 034 260 123**	**980 488 673**	**2 004 976 117**	**210 997 887**	**278 742 305**	**33 895 076**	**214 491 554**	**6 757 851 735**
Claims and expenses	**(2 406 730 130)**	**(453 777 600)**	**(1 597 701 927)**	**(200 762 628)**	**(259 306 849)**	**(26 184 351)**	**(148 104 652)**	**(5 092 568 137)**
Insurance benefits and claims	(758 999 661)	(276 027 573)	(754 624 704)	(27 019 281)	-	-	-	(1 816 671 219)
Commission and acquisition expenses	(865 449 283)	(103 116 400)	(58 864 283)	(42 829 260)	-	(1 594 602)	51 045 932	(1 020 807 896)
Net property operating costs	(6 245 284)	(6 472 079)	(43 792 820)	-	(39 033 997)	-	-	(95 544 180)
Operating and administrative expenses	(776 035 902)	(68 161 548)	(740 420 120)	(130 914 087)	(220 272 852)	(24 589 749)	(199 150 584)	(2 159 544 842)
Gross change in insurance and investment contract liabilities	-	-	(1 291 984 504)	-	-	-	-	(1 291 984 504)
Operating profit/(loss)	**627 529 993**	**526 711 073**	**(884 710 314)**	**10 235 259**	**19 435 456**	**7 710 725**	**66 386 902**	**373 299 094**

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

7 SEGMENT INFORMATION (continued)

7.1 Information about products and services (continued)

	INFLATION ADJUSTED							
2021	Non-life reinsurance ZWL	Life reassurance ZWL	Life & Pensions ZWL	General insurance ZWL	Property ZWL	Insurance broking ZWL	Other and eliminations ZWL	Total ZWL
Finance costs	(10 276 587)	-	(45 134 275)	-	(1 103 623)	73,302.00	(240 357)	(56 681 540)
Fair value adjustment on investment property	402 897 172	413 481 228	1 294 294 263	-	1 687 262 167	-	-	3 797 934 830
Monetary gain/(loss)	(119 136 608)	(535 961 963)	7 739 971	(41 418 797)	(108 369 880)	(13 448 722)	(54 468 018)	(865 064 017)
Share of profit of associates	-	-	-	-	-	-	(146 210 823)	(146 210 823)
Profit/(loss) before income tax	**901 013 970**	**404 230 338**	**372 189 645**	**(31 183 538)**	**1 597 224 120**	**(5 664 695)**	**(134 532 296)**	**3 103 277 544**
Income tax (expense)/ credit	(149 247 096)	(123 782)	(102 756 956)	26 024 124	(59 106 302)	(2 645 384)	(1 398 002)	(289 253 398)
Total assets	**6 650 450 291**	**1 116 040 673**	**9 892 498 012**	**325 368 562**	**6 788 099 518**	**158 179 755**	**(1 468 275 370)**	**23 462 361 441**
Total liabilities	**3 157 768 396**	**148 371 285**	**8 680 577 904**	**151 967 687**	**467 510 403**	**128 573 674**	**(502 202 315)**	**12 232 567 034**

	HISTORICAL COST							
	Non-life reinsurance ZWL	Life reassurance ZWL	Life & Pensions ZWL	General insurance ZWL	Property ZWL	Insurance broking ZWL	Other and eliminations ZWL	Total ZWL
Gross written premium	3 253 769 633	375 205 489	1 066 937 145	194 705 148	-	-	(253 826 524)	4 636 790 891
Retrocession premium	(1 118 757 188)	(59 962 326)	(84 843 213)	(103 503 286)	-	-	253 826 524	(1 113 239 489)
Net premium written	2 135 012 445	315 243 163	982 093 932	91 201 862	-		-	3 523 551 402
Change in unearned premium reserve	(167 373 648)	-	-	(7 223 801)	-	-	-	(174 597 449)
Net premium earned	**1 967 638 797**	**315 243 163**	**982 093 932**	**83 978 061**	**-**		**-**	**3 348 953 953**
Brokerage commission and fees	270 943 973	17 162 844	106 572 062	31 505 333	-	25 962 930	(51 045 933)	401 101 209
Total insurance income	**2 238 582 770**	**332 406 007**	**1 088 665 994**	**115 483 394**	**-**	**25 962 930**	**(51 045 933)**	**3 750 055 162**

	HISTORICAL COST							
2021	**Non-life reinsurance ZWL**	**Life reassurance ZWL**	**Life & Pensions ZWL**	**General insurance ZWL**	**Property ZWL**	**Insurance broking ZWL**	**Other and eliminations ZWL**	**Total ZWL**
Rental income from investment property and income from sale of inventory property	25 036 088	21 205 935	14 414 749	961 121	191 417 402	-	-	253 035 295
Investment and other income	52 487 804	2 412 632	109 486 493	1 674 603	976 007	-	412 134 332	579 171 870
Other gains	423 245 746	565 468 734	730 209 152	42 914 774	34 162 084	1 351 164	(398 875 188)	1 398 476 467
Total income	**2 739 352 408**	**921 493 308**	**1 942 776 388**	**161 033 892**	**226 555 493**	**27 314 094**	**(37 786 789)**	**5 980 738 794**
Claims and expenses	**(2 258 532 902)**	**(362 861 224)**	**(1 136 796 372)**	**(162 243 682)**	**(171 045 486)**	**(21 572 132)**	**(254 970 241)**	**(4 368 022 039)**
Insurance benefits and claims	(745 646 648)	(216 396 538)	(416 669 470)	(23 487 509)	-	-	-	(1 402 200 165)
Commission and acquisition expenses	(789 900 992)	(83 959 308)	(54 084 459)	(32 221 158)	-	(1 229 329)	51 045 932	(910 349 314)
Net property operating costs	(4 922 839)	(5 101 610)	-	-	(27 062 467)	-	-	(37 086 916)
Operating and administrative expenses	(718 062 423)	(57 403 768)	(666 042 443)	(106 535 015)	(143 983 019)	(20 342 803)	(306 016 173)	(2 018 385 644)
Gross change in insurance and investment contract liabilities	-	-	(3 143 094 417)	-	-	-	-	(3 143 094 417)
Operating profit/(loss)	**480 819 506**	**558 632 084**	**(2 337 114 401)**	**(1 209 790)**	**55 510 007**	**5 741 162**	**(292 757 030)**	**(1 530 377 662)**
Finance costs	(10 276 587)	-	(38 063 023)	-	463 203	9 670	(175 601)	(48 042 338)
Fair value adjustment on investment property	529 617 116	311 049 910	3 005 523 574	-	3 506 569 527	-	-	7 352 760 127
Share of profit from associates	-	-	-	-	-	-	92 517 053	92 517 053
Profit before income tax	**1 000 160 035**	**869 681 994**	**630 346 150**	**(1 209 790)**	**3 562 542 737**	**5 751 632**	**(200 415 578)**	**5 866 857 180**
Income tax credi/ (expense)	(126 533 844)	(10 226)	(166 069 670)	(23 893 315)	(153 375 304)	(2 645 384)	1 221 853	(471 305 890)
Total assets	**4 991 388 835**	**1 115 971 904**	**9 754 067 006**	**306 649 445**	**6 688 152 740**	**156 159 936**	**(167 725 259)**	**22 844 664 607**
Total liabilities	**2 990 179 709**	**148 371 285**	**8 516 037 088**	**172 102 323**	**456 175 100**	**129 520 002**	**(301 175 255)**	**12 111 210 250**

NOTES TO THE GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

	INFLATION ADJUSTED						
2020	**Non-life reinsurance ZWL**	**Life reassurance ZWL**	**Life & Pensions ZWL**	**General insurance ZWL**	**Property ZWL**	**Other and eliminations ZWL**	**Total ZWL**
Gross written premium	3 150 275 078	217 939 630	54 420 171	281 734 059	-	(281 256 513)	3 423 112 425
Retrocession premium	(993 939 439)	(53 351 127)	(3 438 845)	(200 372 378)	-	281 256 513	(969 845 276)
Net premium written	2 156 335 639	164 588 503	50 981 326	81 361 681	-	-	2 453 267 149
Change in unearned premium reserve	(180 016 328)	-	-	(13 474 723)	-	-	(193 491 051)
Net premium earned	**1 976 319 311**	**164 588 503**	**50 981 326**	**67 886 958**	**-**	**-**	**2 259 776 098**
Brokerage commission and fees	220 018 781	22 860 828	5 876 670	42 199 300	-	(85 632 213)	205 323 366
Total insurance income	**2 196 338 092**	**187 449 331**	**56 857 996**	**110 086 258**	**-**	**(85 632 213)**	**2 465 099 464**
Rental income from investment property and income from sale of inventory property	4 824 388	-	568 696	1 542 146	184 253 969	-	191 189 199
Investment income	32 755 377	4 544 649	5 584 865	2 757 565	1 018 817	(312 401)	46 348 872
Other gains/(losses)	211 937 989	114 870 398	38 729 380	51 454 136	43 634 283	(11 968 470)	448 657 716
Total income	**2 445 855 846**	**306 864 378**	**101 740 937**	**165 840 105**	**228 907 069**	**(97 913 084)**	**3 151 295 251**
Claims and expenses	**(2 163 478 847)**	**(197 637 306)**	**(60 544 051)**	**(148 640 313)**	**(131 565 600)**	**549 443 362**	**(2 152 422 755)**
Insurance benefits and claims	(758 746 596)	(86 030 375)	(13 570 529)	(18 363 096)	-	-	(876 710 596)
Commission and acquisition expenses	(708 530 832)	(54 869 740)	(2 294 891)	(53 544 885)	-	85 632 213	(733 608 135)
Net property operating costs	13 531 515	-	(10 681 976)	-	(19 194 030)	-	(16 344 491)
Operating and administrative expenses	(709 732 934)	(56 737 191)	(33 996 655)	(76 732 332)	(112 371 570)	463 811 149	(525 759 533)
Gross change in insurance and investment contract liabilities	-	-	(78 581 354)	-	-	-	(78 581 354)
Operating profit/(losses)	**282 376 999**	**109 227 072**	**(37 384 468)**	**17 199 792**	**97 341 469**	**451 530 278**	**920 291 142**

7 SEGMENT INFORMATION (continued)

7.1 Information about products and services (continued)

	INFLATION ADJUSTED						
2020	**Non-life reinsurance ZWL**	**Life reassurance ZWL**	**Life & Pensions ZWL**	**General insurance ZWL**	**Property ZWL**	**Other and eliminations ZWL**	**Total ZWL**
Finance costs	(8 883 140)	-	(2 448 178)	-	(5 108 075)	(2 832 124)	(19 271 517)
Fair value adjustment on investment property	10 362 342	-	53 695 008	-	1 242 957 228	-	1 307 014 578
Monetary gain/(loss)	33 728 571	(12 369 612)	(4 588 943)	(21 194 415)	32 562 069	(708 717 135)	(680 579 464)
Share of profit of associates	-	-	-	-	-	157 605 755	157 605 755
Profit/(loss) before income tax	**317 584 772**	**96 857 460**	**9 273 418**	**(3 994 622)**	**1 367 752 691**	**(102 413 226)**	**1 685 060 493**
Income tax (expense)/credit	(14 227 726)	131 416	(2 015 464)	(8 793 192)	(67 265 801)	(12 594 165)	(104 764 932)
Total assets	5 718 796 606	637 727 263	8 798 116 449	332 872 300	5 107 766 404	(542 723 281)	20 052 555 741
Total liabilities	2 895 757 137	74 164 432	7 629 431 509	135 544 125	297 768 822	(225 150 340)	10 807 515 685

	HISTORICAL COST						
	Non-life reinsurance ZWL	**Life reassurance ZWL**	**Life & Pensions ZWL**	**General insurance ZWL**	**Property ZWL**	**Other and eliminations ZWL**	**Total ZWL**
Gross written premium	1 654 843 389	94 544 597	29 924 490	99 422 121	-	(111 662 774)	1 767 071 823
Retrocession premium	(590 976 316)	(26 827 125)	(1 720 536)	(70 370 592)	-	111 662 774	(578 231 795)
Net premium written	1 063 867 073	67 717 472	28 203 954	29 051 529	-	-	1 188 840 028
Change in unearned premium reserve	(68 726 636)	-	-	(5 992 281)	-	-	(74 718 917)
Net premium earned	**995 140 437**	**67 717 472**	**28 203 954**	**23 059 248**	**-**	**-**	**1 114 121 111**
Brokerage commission and fees	132 890 913	12 667 968	2 380 968	15 562 579	-	(33 997 187)	129 505 241
Total insurance income	**1 128 031 350**	**80 385 440**	**30 584 922**	**38 621 827**	**-**	**(33 997 187)**	**1 243 626 352**

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

7 SEGMENT INFORMATION (continued)

7.1 Information about products and services (continued)

	HISTORICAL COST						
2020	**Non-life reinsurance ZWL**	**Life reassurance ZWL**	**Life & Pensions ZWL**	**General insurance ZWL**	**Property ZWL**	**Other and eliminations ZWL**	**Total ZWL**
Rental income from investment property and income from sale of inventory property	3 001 413	-	360 448	653 818	106 050 729	-	110 066 408
Investment and other income	18 869 913	1 862 266	3 409 707	600 478	465 944	1 452 467	26 660 775
Other gains	141 756 474	86 309 121	30 081 442	29 411 994	18 642 320	7 664 205	313 865 556
Total income	**1 291 659 150**	**168 556 827**	**64 436 519**	**69 288 117**	**125 158 993**	**(24 880 515)**	**1 694 219 091**
Claims and expenses	**(1 116 457 745)**	**(85 096 660)**	**(53 087 373)**	**(59 629 313)**	**(62 798 856)**	**31 508 750**	**(1 345 561 197)**
Insurance benefits and claims	(334 691 750)	(34 396 446)	(7 851 666)	(8 389 463)	-	-	(385 329 325)
Commission and acquisition expenses	(381 488 239)	(24 336 782)	(1 270 863)	(18 504 987)	-	33 997 187	(391 603 684)
Net property operating costs	8 418 410	-	(25 057 525)	-	(1 587 657)		(18 226 772)
Operating and administrative expenses	(408 696 166)	(26 363 432)	(18 907 319)	(32 734 863)	(61 211 199)	(2 488 437)	(550 401 416)
Gross change in insurance and investment contract liabilities	-	-	(163 125 389)	-	-		(163 125 389)
Operating profit/(loss)	**175 201 405**	**83 460 167**	**(151 776 243)**	**9 658 804**	**62 360 137**	**6 628 235**	**185 532 505**
Finance costs	(5 526 500)	-	(978 347)	-	(1 513 395)	(1 491 329)	(9 509 571)
Fair value adjustment on investment property	6 446 760	-	183 775 580	-	2 481 386 047	-	2 671 608 387
Share of profit from associates	-	-	-	-	-	121 600 187	121 600 187
Profit before income tax	**176 121 665**	**83 460 167**	**31 020 990**	**9 658 804**	**2 542 232 789**	**126 737 093**	**2 969 231 508**
Income tax credi/(expense)	33 556 124	17 726	(1 807 997)	534 056	(130 587 343)	694 855	(97 592 579)
Total assets	**2 586 366 920**	**144 069 035**	**5 384 398 996**	**198 339 945**	**3 051 974 067**	**635 356 363**	**12 000 505 326**
Total liabilities	**1 753 291 438**	**46 140 184**	**4 745 229 261**	**72 674 263**	**176 153 027**	**(170 196 858)**	**6 623 291 315**

7 SEGMENT INFORMATION (continued)

7.2 Geographical information

Information below shows operating results in the countries in which the Group operates:

	INFLATION ADJUSTED						
2021	**Botswana ZWL**	**Malawi ZWL**	**Mozambique ZWL**	**Zambia ZWL**	**Zimbabwe ZWL**	**Eliminations ZWL**	**Total ZWL**
Gross premium	438 050 060	727 508 390	621 621 584	280 152 010	3 423 225 787	(253 826 524)	5 236 731 307
Retrocession premium	(205 942 477)	(322 687 479)	(301 699 142)	(87 862 795)	(560 229 116)	253 826 524	(1 224 594 485)
Net premium written	232 107 583	404 820 911	319 922 442	192 289 215	2 862 996 671	-	4 012 136 822
Change in unearned premium reserve	(3 345 531)	685 140	(16 119 716)	(2 759 260)	(179 937 550)	-	(201 476 917)
Net premium earned	**228 762 052**	**405 506 051**	**303 802 726**	**189 529 955**	**2 683 059 121**	**-**	**3 810 659 905**
Brokerage fees and commission	62 056 766	78 137 946	95 075 630	23 335 743	226 125 744	(51 045 932)	433 685 897
Total insurance revenue	**290 818 818**	**483 643 997**	**398 878 356**	**212 865 698**	**2 909 184 865**	**(51 045 932)**	**4 244 345 802**
Rental revenue and income from sale of inventory property	-	3 921 120	652 132	-	344 050 708	-	348 623 960
Investment and other revenue	6 833 072	24 660 098	6 278 745	8 368 596	119 463 740	473 939 835	639 544 086
Other (loss)/income	4 135 260	14 147 980	14 438 125	(27 999 359)	1 729 018 232	(208 402 352)	1 525 337 886
Total income	**301 787 150**	**526 373 195**	**420 247 358**	**193 234 935**	**5 101 717 545**	**214 491 551**	**6 757 851 734**
Total claims and expenses	**(247 404 634)**	**(470 643 710)**	**(375 959 428)**	**(168 196 575)**	**(3 682 360 607)**	**(148 003 182)**	**(5 092 568 136)**
Net benefits and claims	(41 206 640)	(177 308 038)	(70 796 795)	(38 992 752)	(1 488 366 994)	-	(1 816 671 219)
Commission and acquisition expenses	(124 837 085)	(161 936 461)	(167 371 330)	(85 095 337)	(532 613 616)	51 045 933	(1 020 807 896)
Net property operating costs	-	-	-	-	(95 544 180)	-	(95 544 180)
Operating and administrative expenses	(81 360 909)	(131 399 211)	(137 791 303)	(44 108 486)	(1 565 835 817)	(199 049 115)	(2 159 544 841)
Gross change in insurance and investment contract liabilities	-	-	-	-	(1 291 984 504)	-	(1 291 984 504)
Operating profit/ (loss)	**54 382 516**	**55 729 485**	**44 287 930**	**25 038 360**	**127 372 434**	**66 488 369**	**373 299 094**

NOTES TO THE GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

7 SEGMENT INFORMATION (continued)

7.2 Geographical information (continued)

	INFLATION ADJUSTED						
2021	**Botswana ZWL**	**Malawi ZWL**	**Mozambique ZWL**	**Zambia ZWL**	**Zimbabwe ZWL**	**Eliminations ZWL**	**Total ZWL**
Finance costs	(292 556)	-	(8 144 734)	(1 839 297)	(46 404 953)	-	(56 681 540)
Fair value adjustment on investment property	-	6 777 793	-	-	3 791 157 037	-	3 797 934 830
Monetary gain/loss	-	-	-	-	-	(865 064 018)	(865 064 018)
Share of profit from associates	-	-	-	-	80 685 931	(226 896 754)	(146 210 823)
Profit before income tax	**54 089 960**	**62 507 278**	**36 143 196**	**23 199 063**	**3 952 810 449**	**(1 025 472 403)**	**3 103 277 543**
Income tax (expense)/credit	(11 899 787)	(38 107 969)	(488 464)	(9 222 088)	(228 137 090)	(1 398 000)	(289 253 398)
Total assets	**1 617 054 492**	**1 260 678 145**	**763 080 168**	**369 022 516**	**27 771 580 387**	**(8 319 054 263)**	**23 462 361 445**
Total liabilities	**374 494 785**	**890 497 156**	**463 344 959**	**233 716 897**	**11 747 351 753**	**(1 476 838 519)**	**12 232 567 031**

	HISTORICAL COST						
	Botswana ZWL	**Malawi ZWL**	**Mozambique ZWL**	**Zambia ZWL**	**Zimbabwe ZWL**	**Eliminations ZWL**	**Total ZWL**
Gross written premium	438 050 060	727 508 390	621 621 584	280 152 010	2 823 285 371	(253 826 524)	4 636 790 891
Retrocession premium	(205 942 477)	(322 687 479)	(301 699 142)	(87 862 795)	(448 874 120)	253 826 524	(1 113 239 489)
Net premium written	232 107 583	404 820 911	319 922 442	192 289 215	2 374 411 251	-	3 523 551 402
Change in unearned premium reserve	(3 345 531)	685 140	(16 119 716)	(2 759 260)	(153 058 082)	-	(174 597 449)
Net premium earned	**228 762 052**	**405 506 051**	**303 802 726**	**189 529 955**	**2 221 353 169**	**-**	**3 348 953 953**
Brokerage fees and commission	62 056 766	78 137 946	95 075 630	23 335 743	193 541 056	(51 045 932)	401 101 209
Total insurance income	**290 818 818**	**483 643 997**	**398 878 356**	**212 865 698**	**2 414 894 225**	**(51 045 932)**	**3 750 055 162**

7 SEGMENT INFORMATION (continued)

7.2 Geographical information (continued)

	HISTORICAL COST						
2021	**Botswana ZWL**	**Malawi ZWL**	**Mozambique ZWL**	**Zambia ZWL**	**Zimbabwe ZWL**	**Eliminations ZWL**	**Total ZWL**
Rental revenue and income from sale of inventory property	-	3 921 120	652 132	-	248 462 043	-	253 035 295
Investment and other revenue	6 833 072	24 660 098	6 278 745	8 368 596	118 424 542	414 606 817	579 171 870
Other income	4 135 260	14 147 980	14 438 125	(27 999 359)	1 795 102 134	(401 347 673)	1 398 476 467
Total income	**301 787 150**	**526 373 195**	**420 247 358**	**193 234 935**	**4 576 882 944**	**(37 786 788)**	**5 980 738 794**
Total claims and expenses	**(247 404 634)**	**(470 643 710)**	**(375 959 428)**	**(168 196 575)**	**(2 850 927 437)**	**(254 890 255)**	**(4 368 022 039)**
Net benefits and claims	(41 206 640)	(177 308 038)	(70 796 795)	(38 992 752)	(1 073 895 940)	-	(1 402 200 165)
Commission and acquisition expenses	(124 837 085)	(161 936 461)	(167 371 330)	(85 095 337)	(422 155 033)	51 045 932	(910 349 314)
Net property operating costs	-	-	-	-	(37 086 916)	-	(37 086 916)
Operating and administrative expenses	(81 360 909)	(131 399 211)	(137 791 303)	(44 108 486)	(1 317 789 548)	(305 936 187)	(2 018 385 644)
Gross change in insurance and investment contract liabilities	-	-	-	-	(3 143 094 417)	-	(3 143 094 417)
Operating profit/ (loss)	**54 382 516**	**55 729 485**	**44 287 930**	**25 038 360**	**(1 417 138 910)**	**(292 677 042)**	**(1 530 377 662)**
Finance costs	(292 556)	-	(8 144 734)	(1 839 297)	(37 590 149)	(175 602)	(48 042 338)
Fair value adjustment on investment property	-	6 777 793	-	-	7 345 982 334	-	7 352 760 127
Share of profit from associates	-	-	-	-	80 685 931	11 831 122	92 517 053

NOTES TO THE GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

7 SEGMENT INFORMATION (continued)

7.2 Geographical information (continued)

	HISTORICAL COST						
2021	**Botswana ZWL**	**Malawi ZWL**	**Mozambique ZWL**	**Zambia ZWL**	**Zimbabwe ZWL**	**Eliminations ZWL**	**Total ZWL**
Profit before income tax	**54 089 960**	**62 507 278**	**36 143 196**	**23 199 063**	**5 971 939 206**	**(281 021 522)**	**5 866 857 181**
Income tax (expense)/credit	(11 899 787)	(38 107 969)	(488 464)	(9 222 088)	(412 809 436)	1 221 854	(471 305 890)
Total assets	**1 617 054 492**	**1 260 678 145**	**763 080 168**	**369 022 516**	**22 771 434 051**	**(3 936 604 764)**	**22 844 664 608**
Total liabilities	**374 494 785**	**890 497 144**	**463 344 959**	**216 027 849**	**11 382 129 769**	**(1 215 284 257)**	**12 111 210 249**

	INFLATION ADJUSTED						
2020	**Botswana ZWL**	**Malawi ZWL**	**Mozambique ZWL**	**Zambia ZWL**	**Zimbabwe ZWL**	**Eliminations ZWL**	**Total ZWL**
Gross premium	256 591 057	706 654 692	444 330 854	216 437 902	2 080 354 433	(281 256 513)	3 423 112 425
Retrocession premium	(114 951 858)	(374 519 362)	(205 628 690)	(61 679 697)	(494 322 182)	281 256 513	(969 845 276)
Net premium written	141 639 199	332 135 330	238 702 164	154 758 205	1 586 032 251	0	2 453 267 149
Change in unearned premium reserve	21 541 047	10 812 322	(2 771 437)	(8 719 841)	(214 353 142)	-	(193 491 051)
Net premium earned	**163 180 246**	**342 947 652**	**235 930 727**	**146 038 364**	**1 371 679 109**	**-**	**2 259 776 098**
Brokerage fees and commission	37 966 756	49 100 133	81 186 123	14 271 242	108 431 325	(85 632 213)	205 323 366
Total insurance income	**201 147 002**	**392 047 785**	**317 116 850**	**160 309 606**	**1 480 110 434**	**(85 632 213)**	**2 465 099 464**
Rental revenue and income from sale of inventory property	-	3 474 734	1 349 654	-	186 364 812	-	191 189 200
Investment and other revenue	3 412 881	11 776 783	4 797 846	6 969 146	19 704 614	(312 398)	46 348 872
Other income/(loss)	(721 568)	(11 678 225)	105 468 973	17 378 613	350 178 392	(11 968 469)	448 657 716
Total income	**203 838 315**	**395 621 077**	**428 733 323**	**184 657 365**	**2 036 358 252**	**(97 913 080)**	**3 151 295 252**

7 SEGMENT INFORMATION (continued)

7.2 Geographical information (continued)

	INFLATION ADJUSTED						
2020	**Botswana ZWL**	**Malawi ZWL**	**Mozambique ZWL**	**Zambia ZWL**	**Zimbabwe ZWL**	**Eliminations ZWL**	**Total ZWL**
Total claims and expenses	**(178 916 578)**	**(367 413 883)**	**(323 985 622)**	**(157 363 328)**	**(1 098 481 157)**	**(26 262 186)**	**(2 152 422 754)**
Net benefits and claims	(48 897 927)	(93 859 089)	(74 078 468)	(21 877 649)	(637 997 463)	-	(876 710 596)
Commission and acquisition expenses	(73 460 213)	(128 428 767)	(131 783 032)	(58 053 609)	(427 514 727)	85 632 213	(733 608 135)
Net property operating costs	-	13 531 515	-	-	(29 876 006)	-	(16 344 491)
Operating and administrative expenses	(56 558 438)	(158 657 542)	(118 124 122)	(77 432 071)	(3 092 961)	(111 894 399)	(525 759 533)
Gross change in insurance and investment							
contract liabilities	-	-	-	-	(78 581 354)	-	(78 581 354)
Operating profit/ (loss)	**24 921 737**	**28 207 194**	**104 747 701**	**27 294 037**	**859 295 740**	**(124 175 266)**	**920 291 144**
Finance costs	-	-	(6 737 784)	(2 145 356)	(7 556 253)	(2 832 124)	(19 271 517)
Fair value adjustment on investment property	-	10 400 186	(37 846)	-	1 296 652 238	-	1 307 014 578
Monetary gain/loss	-	-	-	-	30 022 896	(710 602 360)	(680 579 464)
Share of profit from associates	-	-	-	-	-	157 605 755	157 605 755
Profit before income tax	**24 921 737**	**38 607 380**	**97 972 071**	**25 148 681**	**2 178 414 621**	**(680 003 995)**	**1 685 060 496**
Income tax (expense)/credit	(6 688 724)	(17 343 757)	(3 407 199)	3 568 308	(68 299 394)	(12 594 166)	(104 764 932)
Total assets	2 012 227 885	1 348 849 375	829 736 011	305 785 049	22 727 867 522	(7 171 910 101)	20 052 555 741
Total liabilities	434 501 796	911 290 211	564 358 107	199 039 840	9 221 853 996	(523 528 265)	10 807 515 685

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

7 SEGMENT INFORMATION (continued)

7.2 Geographical information (continued)

	HISTORICAL COST						
	Botswana	**Malawi**	**Mozambique**	**Zambia**	**Zimbabwe**	**Eliminations**	**Total**
	ZWL	**ZWL**	**ZWL**	**ZWL**	**ZWL**	**ZWL**	**ZWL**
Gross written premium	159 633 916	439 633 620	276 433 149	134 653 289	868 380 623	(111 662 774)	1 767 071 823
Retrocession premium	(71 515 413)	(233 001 075)	(127 928 515)	(38 373 011)	(219 076 555)	111 662 774	(578 231 795)
Net premium written	88 118 503	206 632 545	148 504 634	96 280 278	649 304 068	-	1 188 840 028
Change in unearned premium reserve	13 401 409	6 726 709	(1 724 204)	(5 424 906)	(87 697 925)	-	(74 718 917)
Net premium earned	**101 519 912**	**213 359 254**	**146 780 430**	**90 855 372**	**561 606 143**	**-**	**1 114 121 111**
Brokerage fees and commission	23 620 394	30 546 842	50 508 614	8 878 619	49 947 960	(33 997 188)	129 505 241
Total insurance income	**125 140 306**	**243 906 096**	**197 289 044**	**99 733 991**	**611 554 103**	**(33 997 188)**	**1 243 626 352**
Rental revenue and income from sale of inventory property	-	2 161 749	839 665	-	107 064 994	-	110 066 408
Investment and other revenue	2 123 268	7 326 732	2 984 901	4 335 740	8 437 666	1 452 468	26 660 775
Other income	(448 912)	(7 265 416)	65 615 796	10 811 819	237 488 064	7 664 205	313 865 556
Total income	**126 814 662**	**246 129 161**	**266 729 406**	**114 881 550**	**964 544 827**	**(24 880 515)**	**1 694 219 091**
Total claims and expenses	**(111 310 013)**	**(228 580 518)**	**(201 562 338)**	**(97 901 012)**	**(727 731 485)**	**21 524 169**	**(1 345 561 197)**
Net benefits and claims	(30 421 043)	(58 392 892)	(46 086 703)	(13 610 820)	(236 817 867)	-	(385 329 325)
Commission and acquisition expenses	(45 702 066)	(79 899 850)	(81 986 651)	(36 117 100)	(181 895 205)	33 997 188	(391 603 684)
Net property operating costs	-	8 418 410	-	-	(26 645 182)		(18 226 772)
Operating and administrative expenses	(35 186 904)	(98 706 186)	(73 488 984)	(48 173 092)	(282 373 231)	(12 473 019)	(550 401 416)
Operating profit/ (loss)	**15 504 649**	**17 548 643**	**65 167 068**	**16 980 538**	**73 687 953**	**(3 356 346)**	**185 532 505**

7 SEGMENT INFORMATION (continued)

7.2 Geographical information (continued)

	HISTORICAL COST						
	Botswana	Malawi	Mozambique	Zambia	Zimbabwe	Eliminations	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Gross change in insurance and investment contract liabilities	-	-	-	-	(163 125 389)	-	(163 125 389)
Finance costs	-	-	(4 191 807)	(1 334 698)	(2 491 742)	(1 491 324)	(9 509 571)
Fair value adjustment on investment property	-	6 470 305	(23 545)	-	2 665 161 627	-	2 671 608 387
Share of profit from associates	-	-	-	-	113 183 323	8 416 864	121 600 187
Profit before income tax	**15 504 649**	**24 018 948**	**60 951 716**	**15 645 840**	**2 849 541 161**	**3 569 194**	**2 969 231 507**
Income tax (expense)/credit	(4 161 280)	(10 790 134)	(2 119 733)	2 219 964	(83 436 251)	694 855	(97 592 579)
Total assets	1 251 874 557	839 164 503	516 206 643	190 239 150	11 087 873 117	(1 884 852 644)	12 000 505 326
Total liabilities	270 318 162	566 944 250	351 106 135	123 829 370	5 664 286 216	(353 192 818)	6 623 291 315

8 PROPERTY AND EQUIPMENT

GROUP	INFLATION ADJUSTED				
Year ended 31 December 2020	**Freehold land and buildings ZWL**	**Motor vehicles ZWL**	**Equipment and computers ZWL**	**Furniture and fittings ZWL**	**Total ZWL**
Cost or valuation					
As at 1 January 2020	492 698 770	132 040 975	87 746 545	52 091 217	764 577 507
Additions	1 696 163	51 833 703	34 137 676	4 896 760	92 564 302
Acquisitions through business combinations	565 408 138	119 763 365	58 845 376	24 721 777	768 738 656
Revaluation surplus	(11 966 352)	1 842 274	-	-	(10 124 078)
Disposals	-	(11 917 225)	(3 557 852)	(275 385)	(15 750 462)
Reclassification to investment property	(32 326 423)	-	-	-	(32 326 423)
Foreign exchange movements	(37 417 337)	54 962 561	19 549 909	7 893 973	44 989 106
As at 31 December 2020	**978 092 959**	**348 525 653**	**196 721 654**	**89 328 342**	**1 612 668 608**
Accumulated depreciation and impairment					
As at 1 January 2020	(30 468 358)	(71 678 851)	(53 734 670)	(18 552 657)	(174 434 536)
Depreciation	(9 518 690)	(12 528 273)	(16 544 524)	(7 621 687)	(46 213 174)
Disposals	(287 109)	11 679 015	2 243 320	254 722	13 889 948
Revaluation surplus	5 303 941	-	-	-	5 303 941
Acquisitions through business combinations	(6 011 079)	(101 341 306)	(47 033 926)	(12 577 723)	(166 964 034)
Accumulated depreciation on disposals	1 942 776	622 717	-	-	2 565 493
Foreign exchange movements	(3 264 677)	(37 273 705)	(14 273 418)	(262 583)	(55 074 383)
As at 31 December 2020	**(42 303 196)**	**(210 520 403)**	**(129 343 218)**	**(38 759 928)**	**(420 926 745)**
Net book amount	**935 789 763**	**138 005 250**	**67 378 436**	**50 568 414**	**1 191 741 863**
Carrying amount					
As at 31 December 2020					
Cost	978 092 959	348 525 653	196 721 654	89 328 342	1 612 668 608
Accumulated depreciation	(42 303 196)	(210 520 403)	(129 343 218)	(38 759 928)	(420 926 745)
	935 789 763	**138 005 250**	**67 378 436**	**50 568 414**	**1 191 741 863**

8 PROPERTY AND EQUIPMENT (continued)

GROUP	INFLATION ADJUSTED				
Year ended 31 December 2020	**Freehold land and buildings ZWL**	**Motor vehicles ZWL**	**Equipment and computers ZWL**	**Furniture and fittings ZWL**	**Total ZWL**
Year ended 31 December 2021					
Cost or valuation					
As at 1 January 2021	978 092 959	348 525 653	196 721 654	89 328 342	1 612 668 608
Additions	2 673 187	44 044 514	12 299 320	3 858 449	62 875 470
Revaluation surplus	210 265 940	-	-	-	210 265 940
Disposals	(19 115 043)	(65 591 096)	(11 307 782)	(1 997 216)	(98 011 137)
Foreign exchange movements	(90 536 966)	20 760 949	10 390 615	3 372 125	(56 013 277)
As at 31 December 2021	**1 081 380 077**	**347 740 020**	**208 103 807**	**94 561 700**	**1 731 785 604**
Accumulated depreciation and impairment					
As at 1 January 2021	(42 303 196)	(210 520 403)	(129 343 218)	(38 759 928)	(420 926 745)
Depreciation	(18 993 755)	(22 685 097)	(20 103 824)	(6 569 764)	(68 352 440)
Disposals	8 277 461	42 744 992	7 306 124	348 265	58 676 842
Accumulated depreciation on disposals	7 304 319	-	-	-	7 304 319
Foreign exchange movements	45 715 171	(15 788 505)	(8 955 916)	(156 965)	20 813 785
As at 31 December 2021	**-**	**(206 249 013)**	**(151 096 834)**	**(45 138 392)**	**(402 484 239)**
Net book amount	**1 081 380 077**	**141 491 007**	**57 006 973**	**49 423 308**	**1 329 301 365**
Carrying amount					
As at 31 December 2021					
Cost	1 081 380 077	347 740 020	208 103 807	94 561 700	1 731 785 604
Accumulated depreciation	-	(206 249 013)	(151 096 834)	(45 138 392)	(402 484 239)
	1 081 380 077	**141 491 007**	**57 006 973**	**49 423 308**	**1 329 301 365**

8 PROPERTY AND EQUIPMENT (continued)

GROUP	HISTORICAL COST				
Year ended 31 December 2020	**Freehold land and buildings ZWL**	**Motor vehicles ZWL**	**Equipment and computers ZWL**	**Furniture and fittings ZWL**	**Total ZWL**
Cost or valuation					
As at 1 January 2020	63 535 180	12 347 581	5 024 700	2 953 758	83 861 219
Additions	515 716	26 011 023	16 110 592	2 469 406	45 106 737
Acquisitions through business combinations	311 722 662	2 906 314	3 482 420	1 105 130	319 216 526
Revaluation surplus	113 580 293	2 335 148	-	-	115 915 441
Disposals	(927 381)	(7 154 906)	(803 655)	(98 420)	(8 984 362)
Reclassification to investment property	(20 111 353)	-	-	-	(20 111 353)
Foreign exchange movements	122 216 078	36 641 595	18 982 906	6 658 839	184 499 418
As at 31 December 2020	**590 531 195**	**73 086 755**	**42 796 963**	**13 088 713**	**719 503 625**
Accumulated depreciation and impairment					
As at 1 January 2020	(743 261)	(7 280 136)	(3 007 500)	(1 241 958)	(12 272 855)
Depreciation	(3 659 879)	(6 141 146)	(3 023 441)	(763 521)	(13 587 987)
Acquisitions through business combinations	601 957	(2 571 659)	(3 360 444)	(843 031)	(6 173 177)
Revaluation surplus	(595 402)	-	-	-	(595 402)
Disposals	(178 620)	7 107 830	745 367	83 439	7 758 016
Accumulated depreciation on disposals	592 626	55 310	-	-	647 936
Foreign exchange movements	1 689 132	(23 189 224)	(8 879 972)	(163 364)	(30 543 428)
As at 31 December 2020	**(2 293 447)**	**(32 019 025)**	**(17 525 990)**	**(2 928 435)**	**(54 766 897)**
Net book amount	**588 237 748**	**41 067 729**	**25 270 973**	**10 160 278**	**664 736 728**
Carrying amount					
As at 31 December 2020					
Cost	590 531 195	73 086 755	42 796 963	13 088 713	719 503 625
Accumulated depreciation	(2 293 447)	(32 019 025)	(17 525 990)	(2 928 435)	(54 766 897)
	588 237 748	**41 067 729**	**25 270 973**	**10 160 278**	**664 736 728**

8 PROPERTY AND EQUIPMENT (continued)

	HISTORICAL COST				
GROUP	Freehold land and buildings ZWL	Motor vehicles ZWL	Equipment and computers ZWL	Furniture and fittings ZWL	Total ZWL
Year ended 31 December 2021					
Cost or valuation					
As at 1 January 2021	590 531 195	73 086 755	42 796 963	13 088 713	719 503 626
Additions	2 293 526	44 044 514	14 539 518	2 822 352	63 699 910
Acquisitions through business combinations	-	1 991 747	1 678 149	91 072	3 760 968
Revaluation surplus	469 793 769	7 593 051	-	-	477 386 820
Disposals	(19 115 043)	(15 842 088)	(8 387 697)	(817 523)	(44 162 351)
Foreign exchange movements	37 876 630	22 066 241	11 415 404	4 258 155	75 616 430
As at 31 December 2021	**1 081 380 077**	**132 940 220**	**62 042 337**	**19 442 769**	**1 295 805 403**
Accumulated depreciation and impairment					
As at 1 January 2021	(2 293 447)	(32 019 025)	(17 525 990)	(2 928 435)	(54 766 897)
Depreciation	(14 587 201)	(15 005 627)	(11 590 105)	(2 476 350)	(43 659 283)
Acquisitions through business combinations	-	(744 732)	(514 678)	(30 187)	(1 289 597)
Revaluation surplus	8 282 011	-	-	-	8 282 011
Disposals	-	11 612 621	8 437 633	462 598	20 512 852
Accumulated depreciation on disposals	7 304 319	-	-	-	7 304 319
Foreign exchange movements	1 294 318	719 771	-	-	2 014 090
As at 31 December 2021	**-**	**(35 436 992)**	**(21 193 140)**	**(4 972 374)**	**(61 602 505)**
Net book amount	**1 081 380 077**	**97 503 228**	**40 849 197**	**14 470 395**	**1 234 202 897**
Carrying amount					
As at 31 December 2021					
Cost	1 081 380 077	132 940 220	62 042 337	19 442 769	1 295 805 403
Accumulated depreciation	-	(35 436 992)	(21 193 140)	(4 972 374)	(61 602 506)
	1 081 380 077	**97 503 228**	**40 849 197**	**14 470 395**	**1 234 202 897**

Land and buildings are carried at fair value determined on an open market value basis by independent professional valuers. The latest fair was estimated as at 31 December 2021. The borrowing facility with NMB Zimbabwe disclosed in **Note 23** was settled during the year.

There were no buildings pledged as collateral as at 31 December 2021.

8 PROPERTY AND EQUIPMENT (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
COMPANY	**2021 ZWL Freehold land and buildings**	**2020 ZWL Freehold land and buildings**	**2021 ZWL Freehold land and buildings**	**2020 ZWL Freehold land and buildings**
Opening net book amount	3 712 097	8 661 661	69 623	162 454
Depreciation	(2 474 730)	(4 949 564)	(69 623)	(92 831)
Closing net book amount	1 237 367	3 712 097	-	69 623
Cost	14 848 584	14 848 584	278 493	278 493
Accumulated depreciation	(14 848 584)	(11 136 488)	(278 493)	(208 870)
Net book amount	-	3 712 097	-	69 623

All property and equipment are classified as non-current assets.

Fair value hierarchy

The following table shows an analysis of the fair values of land and buildings recognised in the statement of financial position by level of the fair value hierarchy:

	Level 1 ZWL	**Level 2 ZWL**	**Level 3 ZWL**	**Total ZWL**	**Total gain in the year in other comprehensive income ZWL**
31 December 2021					
Freehold land and buildings	-	-	1 081 380 077	1 081 380 077	210 265 940
31 December 2020					
Freehold land and buildings	-	-	978 092 959	978 092 959	565 408 138

Carrying amounts that would have been recognised if land and buildings were stated at cost are as follows:

	INFLATION ADJUSTED		HISTORICAL	
Group	**2021 ZWL**	**2020 ZWL**	**2021 ZWL**	**2020 ZWL**
Cost	4 201 283	6 753 024	2 681 045	2 681 045
Accumulated depreciation	(623 746)	(1 002 592)	(398 043)	(398 043)
Carrying amount	3 577 537	5 750 432	2 283 002	2 283 002

8 PROPERTY AND EQUIPMENT (continued)

Valuation techniques used to derive level 3 fair values

The table below presents the following for land and buildings:
- The fair value measurements at the end of the reporting period;
- The level of the fair value hierarchy (in this case level 3) within which the fair value measurements are categorised in their entirety;
- A description of the valuation techniques applied;
- The inputs used in the fair value measurement, including the ranges of rent charged to different units within the same building; and
- Level 3 fair value measurements, quantitative information about the significant observable inputs used in the fair value
- measurement.

Class of property	Valuation technique	Key unobservable inputs	Range (weighted average)
31 December 2021 CBD offices and land - owner occupied	Market comparable	Rate per square metre (ZWL)	760 - 1 290
31 December 2020 CBD offices and land - owner occupied	Market comparable	Rate per square metre (ZWL)	108 - 149

The market value was determined by reference to observable prices in an open market. Under the market comparable method, a property's fairpervalue is estimated based on comparable transactions. The unit of comparison applied by the Group is the price per square metre (sqm).

9 LEASES

	INFLATION ADJUSTED		HISTORICAL COST	
Group	**Group 2021 ZWL**	**Group 2020 ZWL**	**Group 2021 ZWL**	**Group 2020 ZWL**
This note provides information for leases where the Group is a lessee.				
(i) Amounts recognised in the statement of financial position				
The statement of financial position shows the following amounts relating to leases.				
Right of use assets				
Buildings - office space	8 106 338	74 378 837	7 964 729	40 192 019
Motor vehicles	27 690 316	-	27 690 317	-
	35 796 654	74 378 837	35 655 046	40 192 019
Lease liabilities				
Non-current	-	-	-	-
Current	32 719 877	69 692 363	32 719 877	43 357 960
	32 719 877	69 692 363	32 719 877	43 357 960

(ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases.

9 LEASES	INFLATION ADJUSTED		HISTORICAL COST	
Group	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
Depreciation charge of right of use assets				
Buildings - office space	(23 357 476)	(41 903 941)	(7 470 307)	(6 123 309)
	(23 357 476)	(41 903 941)	(7 470 307)	(6 123 309)
Interest expense (included in finance cost)	(2 372 210)	(2 950 053)	(2 307 455)	(1 684 213)
Lease commitments - Group as lessee				
Future minimum rentals payable under the non-cancellable				
operating lease as at 31 December 2021 are as follows:				
Maturity analysis - contractual undiscounted cash flows				
Less than one year	48 112 694	33 886 286	48 112 694	21 081 797
One to five years	-	43 448 702	-	27 030 897

The Group has tested its right of use assets for impairment and has concluded that there is no indication that the right of use assets are impaired.

No amounts were included in administrative expenses for low value or short term leases and variable lease payments are not included in lease liabilities.

The total cash out flow for leases in 2021 was ZWL12 532 915 (2020: ZWL13 768 095) being principal payments of ZWL10 160 705 (2020: ZWL10 818 042) and interest payments of ZWL2 372 210 (2020: ZWL2 950 053.)

	INFLATION ADJUSTED		HISTORICAL COST	
Company This note provides information for leases where company is lessee.	Company 2021 ZWL	Company 2020 ZWL	Company 2021 ZWL	Company 2020 ZWL
(i) **Amounts recognised in the statement of financial position**				
The statement of financial position shows the following amounts relating to leases.				
Right of use assets				
Buildings - office space	643 610	13 209 848	502 001	2 136 735
	643 610	13 209 848	502 001	2 136 735

9 LEASES (continued)

(i) Amounts recognised in the statement of financial position (continued)

	Company 2021 ZWL	Company 2020 ZWL	Company 2021 ZWL	Company 2020 ZWL
Lease liabilities				
Non-current	-	-	-	-
Current	276 877	3 383 936	276 877	2 105 260
	276 877	3 383 936	276 877	2 105 260

(ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases.

Depreciation charge of right of use assets				
Buildings - office space	(11 277 052)	34 636 301	(3 349 709)	(1 601 867)
	(11 277 052)	(1 633 057)	(3 349 709)	(1 601 867)
Interest expense (Included in finance cost)	(240 357)	(580 734)	(175 602)	(210 180)

Lease commitments - Group as lessee

Future minimum rentals payable under the non-cancellable operating lease as at 31 December 2021 are as follows:

Maturity analysis - contractual undiscounted cash flows				
Less than one year	2 244 200	999 056	2 244 200	621 546
One to five years	-	781 178	-	485 997

The Company has tested its right of use assets for impairment and has concluded that there is no indication that the right of use assets are impaired. No amounts were included in administrative expenses for low value or short term leases and variable lease payments are not included in lease liabilities.

The total cash outflow for leases in 2021 was ZWL3 347 416 (2020: ZWL5 190 279 being principal payments of ZWL3 107 059 (2020: ZWL4 609 545) and interest payments of ZWL240 357 (2020: ZWL580 734).

The group's leasing activities and how these are accounted for

The Group leases office space. Rental contracts are typically made for varying fixed periods ranging 5 to 10 years. For leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the group exercising that option. IFRS16(18) IFRS16(26).

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

9 LEASES (continued)

(ii) Amounts recognised in the statement of profit or loss

The group's leasing activities and how these are accounted for (continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received and
- makes adjustments specific to the lease, e.g. term, country, currency and security. IFRS16(38).

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs.

The Group carries right of use assets at cost. Refer to note 2.28.

The Group had no low value or short term leases as at reporting date.

Right of use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right of use asset is depreciated over the underlying asset's useful life. While the group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right of use buildings held by the group.

10 INVESTMENT PROPERTIES	INFLATION ADJUSTED 2021 ZWL	INFLATION ADJUSTED 2020 ZWL	HISTORICAL COST 2021 ZWL	HISTORICAL COST 2020 ZWL
As at 1 January	9 961 829 594	3 659 802 982	6 197 588 803	507 570 140
Improvements, acquisition, development and capitalised borrowing costs	293 541 289	5 111 641 080	265 339 458	2 829 204 655
Improvements to existing properties	13 491 687	9 296 137	9 542 411	5 008 206
Acquisition and development	5 723 661	24 414 623	5 723 661	13 153 147
Additions through business combinations	274 325 941	5 077 930 320	250 073 386	2 811 043 302
Disposals	(637 788 944)	(143 805 624)	(606 877 527)	(79 268 773)
Fair value gains recognised in profit or loss	3 797 934 830	1 307 014 578	7 352 760 127	2 671 608 387
Reclassified from property and equipment	-	32 326 423	-	20 111 353
Exchange rate movement on foreign operations	(119 353 844)	(5 149 845)	87 352 064	248 363 041
As at 31 December	**13 296 162 925**	**9 961 829 594**	**13 296 162 925**	**6 197 588 803**

Investment properties, principally freehold office buildings, are held for long term rental yields and are not occupied by the Group. They are carried at fair value. Investment property with a total carrying amount of ZWL1.22 billion (2020: ZWL484.18 million) was encumbered as at 31 December 2021. The loan was advanced by ZB Bank [see note 23] and the interest rate ranged from 11.1% to 31.1% per annum.

10.1 Leasing arrangements

The investment properties are leased to tenants under operating leases with rentals payable monthly. Lease payments are based on agreed rentals from periodic rent reviews that are carried out. Where considered necessary to reduce credit risk, the Company may obtain bank guarantees and sureties for the term of the lease.

Although the Group is exposed to changes in the residual value at the end of the current leases, the Group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.
Minimum lease payments receivable on leases of investment properties are as follows:

	INFLATION ADJUSTED 2021 ZWL	INFLATION ADJUSTED 2020 ZWL	HISTORICAL COST 2021 ZWL	HISTORICAL COST 2020 ZWL
Within 3 months	14 059 234	22 598 417	14 059 234	8 971 888
3 to 6 months	34 698 827	55 773 917	34 698 827	22 143 026
6 to 12 months	147 725 260	237 449 419	147 725 260	94 270 745
1 to 5 years	1 933 090 495	3 107 195 187	1 933 090 495	1 233 600 000
	2 129 573 816	3 423 016 940	2 129 573 816	1 358 985 659

10.2 Valuation of investment properties

Investment properties are stated at fair value, which is determined based on valuations performed by accredited independent property valuers, as at 31 December 2021. In Zimbabwe, properties were valued by Knight Frank Zimbabwe and Bard Real Estate, an industry specialist in valuing these types of investment properties. In Malawi and Mozambique the valuations were performed by SMN Property Professionals and Zambujo and Associados Consultores respectively. The fair values of the property have been determined using the income approach for developed commercial and industrial properties, and the market approach for residential properties and undeveloped land. Valuation models in accordance with those recommended by the International Valuation Standards Committee have been applied.

Significant judgements and assumptions were applied for the Group's Investment property portfolio. Land banks and residential properties were valued in Zimbabwe dollar using the comparison method and/or market evidence.

The table below shows the geographical distribution of investment properties held by the Group:

Country in which property is situated	Class of property	Valuation technique	Carrying amount ZWL	
			2021	2020
Zimbabwe	CBD offices, retail, residential and land	Income capitalisation and market comparable	13 188 009 403	9 816 432 247
Malawi	Residential property	Market comparable	108 153 522	12 604 300
Mozambique	Residential property	Market comparable	-	18 793 047
			13 296 162 925	9 961 829 594

Valuation process

The market value was determined by reference to observable prices in an open market. Where there were no comparable prices, the market value was determined by capitalising achieved rentals using appropriate yield levels. The fair value of investment property is categorised as level 3 because of the significant unobservable inputs which were used.

i) Income approach

Under the income capitalisation method, a property's fair value is estimated based on the annualised net operating income generated by the property, which is divided by the capitalisation rate (discounted by the investor's rate of return). Under the income capitalisation method, over (above market rent) and under-rent situations are separately capitalised (discounted).

ii)Market approach

Under the market comparable method, a property's fair value is estimated based on comparable transactions. The unit of comparison applied by the Group is the price per square metre (sqm).

iii) Rent per square metre

The rent at which space could be let in the market conditions prevailing at the date of valuation. The unit of comparison is the rental rate per square metre.

iv) Vacancy rate
The Group determines the vacancy rate which can be based on the percentage of estimated vacant space divided by the total lettable area.

v)Prime yield

The prime yield is defined as the internal rate of return of the cash flows from the property, assuming a rise to Estimated Rental Value ("ERV") at the next review, but with no further rental growth.

The rental rate yield represents the net income expected in year zero divided by the current property values (historical or trailing income yield). The risk arises when void levels in the portfolio increase. This increase will consequently result in a reduction in net incomes. Where net incomes remain constant, a reduction in the yield rates will result in increased property values.

10.3 Fair value hierarchy

Changes recorded in the statement of profit or loss for recurring fair value measurements categorised within level 3 of the fair value hierarchy amount to ZWL3 797 934 830 (2020:ZWL1 307 014 578) and are presented in the statement of profit or loss line item "fair value adjustments on investment property".

All gains and losses recorded in statement of profit or loss for recurring fair value measurements categorised within level 3 of the fair value hierarchy are attributable to changes in unrealised gains or losses relating to investment properties held at the end of the reporting period.

Valuation techniques used to derive level 3 fair values

The table below presents the following for each class of the investment properties:
- The fair value measurements at the end of the reporting period;
- A description of the valuation techniques applied;
- The inputs used in the fair value measurement, including the ranges of rent charged to different units within the same building; and
- Level 3 fair value measurements, quantitative information about the significant observable inputs used in the fair value measurement.

Class of property	Fair value 31 December 2021 ZWL	Valuation technique	Key unobservable inputs	Range (weighted average)
CBD retail	2 015 300 000	Income capitalisation	Rental per square metre (ZWL) Capitalisation rate Vacancy rate	1,290.00 4.5%-7% 5.00%
CBD offices	4 817 116 343	Income capitalisation	Rental per square metre (ZWL) Capitalisation rate Vacancy rate	760.00 2%-5.5% 20.00%
Industrial	175 000 000	Income capitalisation	Rental per square metre (ZWL) Capitalisation rate Vacancy rate	300.00 9.00% 30.00%
Land - Residential	4 762 781 246	Market comparable	Rate per square metre (ZWL)	4,900.00
Land - Commercial	667 569 952	Market comparable	Rate per square metre (ZWL)	5000-10000
Student accommodation	205 000 000	Income capitalisation	Rental per room (ZWL) Capitalisation rate Vacancy rate	7500-11000 9.00% n/a
Residential	653 395 384	Market comparable	Comparable transacted properties prices (ZWL)	5000-8000

Total	13 296 162 925	

Class of property	Fair value 31 December 2020 ZWL	Valuation technique	Key unobservable inputs	Range (weighted average)
CBD retail	1 354 048 488	Income capitalisation	Rental per square metre (ZWL) Capitalisation rate Vacancy rate	149.00 8.00% 3.00%
CBD offices	3 615 674 722	Income capitalisation	Rental per square metre (ZWL) Capitalisation rate Vacancy rate	108.00 12.00% 24.00%
Industrial	110 426 319	Income capitalisation	Rental per square metre (ZWL) Capitalisation rate Vacancy rate	40.81 15.00%
Land - Residential	3 146 493 222	Market comparable	Rate per square metre (ZWL)	142.00
Land - Commercial	334 686 260	Market comparable	Rate per square metre (ZWL)	500 - 1 000
Student accommodation	120 874 224	Income capitalisation	Rental per room (ZWL) Capitalisation rate Vacancy rate	800-1200 9.80% n/a
Residential	1 279 626 359	Market comparable	Comparable transacted properties prices (ZWL)	5000-8000

Total	9 961 829 594	

10 INVESTMENT PROPERTY (continued)

10.3 Fair value hierarchy (continued)

Lettable space per square metre (continued)

The valuation technique and key unobservable inputs used in determining the fair value measurement of investment property as well as the inter-relationship between key unobservable inputs and fair value, is detailed in the table below:

Property class	Valuation technique	Key unobservable inputs	Range	Relationship between key unobservable inputs and fair value
CBD offices	Income capitalisation Comparison approach	Market rental rates per square metre Capitalisation rate Occupancy rate Void period	ZWL 700-900 4% -6% 70% to 90% Average 6 months	The estimated fair value would increase (decrease) if market rental rates were higher/(lower), capitalisation rates were lower/(higher), occupancy rates were higher/(lower), voids periods were shorter/(longer)
Retail	Income capitalisation and Comparison approach	Market rental rates per square metre Capitalisation rate Occupancy rate Void period	ZWL 1100 to 1400 3.5% -5.5% 80% - 95% Average 2 months	The estimated fair value would increase/(decrease) if market rental rates were higher/(lower), capitalisation rates were lower/(higher), occupancy rates were higher/(lower), voids periods were shorter/(longer)
Industrial	Income capitalisation and Comparison approach	Market rental rates per square metre Capitalisation rate Occupancy rate Void period	ZWL 15 to 35 8% - 10% 60% to 80% Average 6 months	The estimated fair value would increase/(decrease) if market rental rates higher/(lower), capitalisation rates were lower/(higher),occupancy rates were higher/(lower), voids periods were shorter/(longer)
Residential	Comparison approach	Comparable transacted sales evidence	ZWL 100,000 - ZWL 250,000	The estimated fair value would increase/(decrease) if achieved transacted sale evidence were higher/(lower)
Land -commercial	Comparison approach	Comparable	ZWL40 to ZWL100	The estimated fair value would increase/(decrease) if achieved transacted sale evidence were higher/(lower)
Land - residential	Comparison approach	Comparable	ZWL15 to ZWL40	The estimated fair value would increase/(decrease) achieved transacted sale evidence were higher/(lower)

Sensitivity analysis to significant changes in unobservable inputs within level 3 of the hierarchy.

10 INVESTMENT PROPERTY (continued)

10.3 Fair value hierarchy (continued)

Significant increases/(decreases) in the comparable transacted properties and rental per square metre in isolation would result in a significant higher/(lower) fair value measurement. Significant increases/(decreases) in the long-term vacancy rate and prime yield in isolation would result in a significant lower/(higher) fair value measurement.

The annual rental income used in the valuation of the Zimbabwe properties, comprising 43% (2020:48%) of the entire portfolio was ZWL160 737 487 and the overall capitalisation rate was 7.6%. Increasing the capitalisation rate by 10% would decrease the fair value to ZWL1 922 697 213. Reducing the capitalisation rate by 10% would increase the fair value to ZWL2 349 963 260.

Market prime yields

Sector	Prime yield
Retail	7% - 8%
Office	8% - 10%
Industrial	10% - 12%

The impact of the factors listed below on fair value was as follows:

Void periods	2 - 5 years
Total occupancy rate	87%
Total vacancy rate	12.83%

		INFLATION ADJUSTED		HISTORICAL COST	
		Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
11	**INTANGIBLE ASSETS**				
	Software (note 11.1)	95 882 756	103 723 453	75 326 086	55 626 081
	Goodwill (note 11.2)	14 593 836	113 314 039	19 309 723	145 280 960
		110 476 592	**217 037 492**	**94 635 809**	**200 907 041**
11.1	**Software**				
	Cost				
	As at 1 January	157 963 731	25 933 617	67 756 148	674 525
	Additions	7 727 929	41 778 141	9 344 983	25 308 651
	Acquisitions through business combinations	-	72 451 317	-	6 157 589
	Revaluation	-	-	-	24 598 826
	Foreign exchange movements	(14 491 747)	17 800 656	10 715 680	11 016 557
	As at 31 December	**151 199 913**	**157 963 731**	**87 816 811**	**67 756 148**

11 INTANGIBLE ASSETS (continued)

11.1 Software (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
Amortisation				
As at 1 January	(54 240 278)	(19 532 373)	(12 130 067)	(334 633)
Charge for the year	(4 849 801)	(3 180 039)	(503 785)	(819 336)
Acquisitions through business combinations	-	(24 999 041)	-	(704 589)
Foreign exchange movements	3 772 922	(6 528 825)	143 127	(10 271 509)
Balance as at 31 December	**(55 317 157)**	**(54 240 278)**	**(12 490 725)**	**(12 130 067)**
Carrying amount as at 31 December	**95 882 756**	**103 723 453**	**75 326 086**	**55 626 081**

All intangible assets are classified as non-current assets.

The intangible assets relate to computer software purchased from various vendors.

No impairment loss was recognised in respect of these assets (2020:ZWLnil)

11.2 Goodwill

As at 1 January	113 314 039	14 593 836	145 280 960	325 803
Additions	-	98 720 203	18 983 920	144 955 157
Amortisation	(98 720 203)	-	(144 955 157)	-
As at 31 December	**14 593 836**	**113 314 039**	**19 309 723**	**145 280 960**

Goodwill is classified as a non-current asset.

An anlysis of goodwill by principal cash generating unit ("CGU") is as shown below:-				
Credit Insurance Company of Zimbabwe Limited	14 593 836	14 593 836	325 803	325 803
Fidelity Life Assurance Company of Zimbabwe Limited	-	98 720 203	-	144 955 157
WFDR Risk Services	-	-	18 983 920	-
	14 593 836	113 314 039	19 309 723	145 280 960

11 INTANGIBLE ASSETS (continued)

11.2 Goodwill (continued)

The goodwill arose from the acquisition of control in Credit Insurance Zimbabwe Limited in 2017 and Fidelity Life Assurance Company of Zimbabwe Limited ("FLA") on 1 Decemember 2020. The Group tests whether goodwill has suffered any impairment on an annual basis. No impairment charge was required for the year (2019:nil). The recoverable amount of a cash generating unit ("CGU") is determined based on value in use calculations. There was no value in use calculations for FLA due to the proximity of its acquisition date to the balance sheet date.

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit ("CGU") is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

The goodwill arose from the acquisition of control in Credit Insurance Zimbabwe Limited in 2017 and Fidelity Life Assurance of Zimbabwe Limited. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

	INFLATION ADJUSTED		HISTORICAL COST	
12 INVESTMENT IN SUBSIDIARIES	**Company 2021 ZWL**	**Company 2020 ZWL**	**Company 2021 ZWL**	**Company 2020 ZWL**
As at 1 January	3 551 742 454	2 236 571 070	856 475 991	43 963 360
Additions	759 253 917	1 315 171 384	507 018 367	812 512 631
	4 310 996 371	3 551 742 454	1 363 494 358	856 475 991

Investments are all classified as non-current assets.

The reporting date of all subsidiaries is 31 December.

Financial information of subsidiaries that have material non-controlling interests is provided below.

12.1 Summary of non-controlling interest portion

Name of company	Country of incorporation	Nature of business	2021	2020	2021	2020
Emeritus Resegguros, S.A.	Mozambique	Reinsurance	30%	30%	30%	30%
Credit Insurance Zimbabwe Limited	Zimbabwe	General Insurance	9%	9%	9%	9%
Fidelity Life Assurance of Zimbabwe	Zimbabwe	Assurance	33%	33%	33%	33%
WFDR Risk Services	Zimbabwe	Insurance broking	40%	0%	40%	0%

12 INVESTMENT IN SUBSIDIARIES (continued)

12.1 Summary of non-controlling interest portion (continued)

Accumulated non-controlling interest balances

	INFLATION ADJUSTED		HISTORICAL COST	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
Emeritus Resegguros, S.A.	91 714 053	79 613 371	89 920 562	49 530 152
Credit Insurance Zimbabwe Limited	16 212 982	22 673 041	12 580 156	11 749 741
Fidelity Life Assurance Zimbabwe	400 539 595	2 519 248 322	409 168 887	1 571 331 452
WFDR Risk Services				
	508 466 630	2 621 534 734	511 669 605	1 632 611 345

Profit/ (loss) allocated to material non-controlling interests

	INFLATION ADJUSTED		HISTORICAL COST	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
Emeritus Resegguros, S.A.	10 696 420	28 369 462	10 696 420	17 649 597
Credit Insurance Zimbabwe Limited	(482 405)	(1 195 661)	(2 347 140)	953 032
Fidelity Life Assurance Zimbabwe	89 162 904	2 398 755	163 648 602	9 654 894
WFDR Risk Services				
	99 376 919	29 572 556	171 997 882	28 257 523

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Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

12.2 Summarised statements of profit or loss

12.2.1 Summarised statement of profit or loss for 2021

	INFLATION ADJUSTED					HISTORICAL COST				
	Fidelity Life Assurance Zimbabwe ZWL	Emeritus Resegguros, S.A. ZWL	Credit Insurance Zimbabwe Limited ZWL	WFDR Risk Services ZWL	Total ZWL	Fidelity Life Assurance Zimbabwe ZWL	Emeritus Resegguros, S.A. ZWL	Credit Insurance Zimbabwe Limited ZWL	WFDR Risk Services ZWL	Total ZWL
Gross written premium	1 172 978 256	621 621 584	254 061 574	-	2 048 661 414	1 066 937 145	621 621 584	194 705 148	-	1 883 263 877
Total income	1 595 095 540	405 809 234	183 020 142	35 977 333	2 219 902 249	1 424 420 701	405 809 234	133 196 449	26 269 032	1 989 695 415
					-					-
Net benefits and claims	(754 624 704)	(70 796 795)	(27 019 281)	-	(852 440 780)	(416 669 470)	(70 796 795)	(23 487 508)	-	(510 953 773)
Commission and acquisition expenses	(58 864 283)	(167 371 330)	(42 829 260)	(1 594 602)	(270 659 475)	(54 084 459)	(167 371 330)	(32 221 158)	(1 229 329)	(254 906 276)
Operating and administration expenses	(783 863 770)	(137 791 303)	(130 914 087)	(24 589 749)	(1 077 158 908)	(666 042 443)	(137 791 303)	(106 535 015)	(20 342 803)	(930 711 564)
Total claims and expenses	(1 597 352 757)	(375 959 427)	(200 762 628)	(26 184 351)	(2 200 259 163)	(1 136 796 372)	(375 959 428)	(162 243 681)	(21 572 132)	(1 696 571 614)
Operating (loss)/profit	(2 257 218)	29 849 806	(17 742 486)	9 792 982	19 643 085	287 624 328	29 849 806	(29 047 232)	4 696 899	293 123 801
										-
Gross change in insurance and investment contract liabilities	(1 291 984 504)				(1 291 984 504)	(3 143 094 417)	-	-		(3 143 094 417)
Other gains	1 704 174 840	14 438 125	27 977 745	479 512	1 747 070 222	3 554 757 400	14 438 125	27 837 442	1 045 062	3 598 078 029
Finance (costs)/ income	(45 134 275)	(8 144 734)	-	73 302	(53 205 707)	(38 063 023)	(8 144 734)	-	9 670	(46 198 086)
Net monetary gains/ (losses)	7 739 971		(41 418 797)	(13 448 722)	(47 127 548)	-	-	-	-	-

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

12.2 Summarised statements of profit or loss

12.2.1 Summarised statement of profit or loss for 2021

	INFLATION ADJUSTED					HISTORICAL COST				
	Fidelity Life Assurance Zimbabwe ZWL	Emeritus Reseggeuros, S.A. ZWL	Credit Insurance Zimbabwe Limited ZWL	WFDR Risk Services ZWL	Total ZWL	Fidelity Life Assurance Zimbabwe ZWL	Emeritus Reseggeuros, S.A. ZWL	Credit Insurance Zimbabwe Limited ZWL	WFDR Risk Services ZWL	Total ZWL
Profit/(loss) before income										
tax	372 538 813	36 143 198	(31 183 538)	(3 102 925)	374 395 548	661 224 289	36 143 197	(1 209 790)	5 751 631	701 909 327
Income tax (expense)/ credit	(102 756 956)	(488 464)	26 024 124	(2 645 384)	(77 221 297)	(166 069 670)	(488 464)	(23 893 315)	(2 645 384)	(190 451 449)
Profit/(Loss) for the year	269 781 857	35 654 733	(5 159 414)	(5 748 309)	297 174 251	495 154 619	35 654 733	(25 103 105)	3 106 247	511 457 878

12.2.2 Summarised statement of profit or loss for 2020

	INFLATION ADJUSTED					HISTORICAL COST				
	Fidelity Life Assurance Zimbabwe ZWL	Emeritus Reseggeuros, S.A. ZWL	Credit Insurance Zimbabwe Limited ZWL	WFDR Risk Services ZWL	Total ZWL	Fidelity Life Assurance Zimbabwe ZWL	Emeritus Reseggeuros, S.A. ZWL	Credit Insurance Zimbabwe Limited ZWL	WFDR Risk Services ZWL	Total ZWL
Gross written premium	54 420 171	444 330 854	281 734 061	-	780 485 086	29 924 490	276 433 149	99 422 121	-	405 779 761
Total income	73 779 171	323 264 351	127 848 595	-	524 892 116	38 684 072	201 113 611	45 693 374	-	285 491 057
					-					-
Net benefits and claims	(13 570 529)	(74 078 468)	(18 363 096)	-	(106 012 093)	(7 851 666)	(46 086 703)	(8 389 462)	-	(62 327 831)
Commission and acquisition expenses	(2 294 891)	(131 783 032)	(53 544 887)	-	(187 622 811)	(1 270 863)	(81 986 651)	(18 504 987)	-	(101 762 502)
Operating and administration expenses	(44 707 681)	(118 124 122)	(76 732 332)	-	(239 564 135)	(43 976 275)	(73 488 984)	(32 734 863)	-	(150 200 122)

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Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

12.2.2 Summarised statement of profit or loss for 2020 (continued)

	INFLATION ADJUSTED					HISTORICAL COST				
	Fidelity Life Assurance Zimbabwe ZWL	Emeritus Reseggruos SA ZWL	Credit Insurance Zimbabwe Limited ZWL	WFDR Risk Services ZWL	Total ZWL	Fidelity Life Assurance Zimbabwe ZWL	Emeritus Reseggruos SA ZWL	Credit Insurance Zimbabwe Limited ZWL	WFDR Risk Services ZWL	Total ZWL
Total claims and expenses	(60 573 101)	(323 985 622)	(148 640 315)		(533 199 039)	(53 098 805)	(201 562 338)	(59 629 313)	-	(314 290 455)
Gross change in insurance and investment contract liabilities	(78 581 354)	-	-	-	(78 581 354)	(163 125 389)	-	-	-	(163 125 389)
Operating loss	(65 375 285)	(721 271)	(20 791 720)	-	(86 888 276)	(177 540 121)	(448 727)	(13 935 939)	-	(191 924 787)
Other gains	74 648 705	98 693 343	16 797 098	-	190 139 146	208 561 110	61 400 448	23 594 742	-	293 556 301
Profit/(loss) before income tax	9 273 420	97 972 072	(3 994 623)	-	103 250 870	31 020 989	60 951 722	9 658 804	-	101 631 514
Income tax (expense)/ credit	74 648 705	98 693 343	16 797 098	-	-	(1 807 997)	(2 119 733)	534 056	-	(3 393 674)
Profit/(Loss) for the year	83 922 126	196 665 416	12 802 475	-	103 250 870	29 212 992	58 831 988	10 192 859	-	98 237 840

12.3 Summarised statements of financial position

	INFLATION ADJUSTED					HISTORICAL COST				
31 December 2021	Fidelity Life Assurance Zimbabwe ZWL	Emeritus Reseggruos SA ZWL	Credit Insurance Zimbabwe Limited ZWL	WFDR Risk Services ZWL	Total ZWL	Fidelity Life Assurance Zimbabwe ZWL	Emeritus Reseggruos SA ZWL	Credit Insurance Zimbabwe Limited ZWL	WFDR Risk Services ZWL	Total ZWL
Assets										
Property and equipment	794 653 311	134 224 733	183 331 453	12 893 209	1 112 209 497	774 216 148	134 224 733	166 722 999	10 873 388	1 075 163 880
Right of use of assets	27 690 317	-	-	-		27 690 317	-	-	-	
Investment properties	6 066 289 056	-	-	-	6 066 289 056	6 066 289 056	-	-	-	6 066 289 056
Intangible assets	90 273 714	132 484	1 659 172	-	92 065 370	70 405 507	132 484	970 108	-	71 508 099
Deferred tax assets	-	-	-		-	-	-	-		-
Financial assets:										
- at amortised cost	624 801 606	49 743 306	8 553 340	-	683 098 252	624 801 606	49 743 306	8 553 340	-	683 098 251

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group.
The amounts disclosed for each subsidiary are before inter-company eliminations.

	INFLATION ADJUSTED					HISTORICAL COST				
31 December 2021	Fidelity Life Assurance Zimbabwe ZWL	Emeritus Reseggüros SA ZWL	Credit Insurance Zimbabwe Limited ZWL	WFDR Risk Services ZWL	Total ZWL	Fidelity Life Assurance Zimbabwe ZWL	Emeritus Reseggüros SA ZWL	Credit Insurance Zimbabwe Limited ZWL	WFDR Risk Services ZWL	Total ZWL
12.3 Summarised statements of financial position (continued)										
- at fair value through other										
comprehensive income	-	187 902 916	-	-	187 902 916	-	187 902 916	-	-	187 902 916
Trade and other receivables	561 278 583	237 250 711	83 393 701	103 923 273	881 922 995	557 842 421	237 250 711	83 393 701	103 923 272	878 486 833
Inventories	97 448 863	-	-	-	97 448 863	2 759 387	-	-	-	2 759 387
Current tax receivable	-	74 265 157	-	-	74 265 157	-	74 265 157	-	-	74 265 157
Deferred acquisition costs	-	29 446 125	4 065 638	-	33 511 763	-	29 446 125	2 644 039	-	32 090 164
Cash and cash equivalents	449 924 896	17 476 979	11 767 997	34 015 100	479 169 872	449 924 896	17 476 979	11 767 997	34 015 100	479 169 872
Total assets	**9 892 498 012**	**763 080 168**	**325 368 562**	**158 179 755**	**10 953 256 425**	**9 754 067 006**	**763 080 168**	**306 649 445**	**156 159 936**	**10 796 106 302**
Total equity	**1 211 920 108**	**305 713 509**	**173 400 876**	**28 632 777**	**1 682 038 774**	**1 238 029 918**	**299 735 209**	**134 547 123**	**26 639 934**	**1 663 316 531**
Liabilities										
Deferred tax liabilities	271 865 804	38 862 525	19 509 710	5 187 435	330 238 039	270 868 738	6 070 618	39 644 342	5 160 457	316 583 698
Lease liabilities	18 694 598	-	-	-		18 694 598	-	-	-	
Trade and other payables	512 445 105	163 900 994	75 245 600	124 359 543	751 591 699	348 901 356	163 900 994	75 245 604	124 359 545	588 047 954
Borrowings	66 534 852	7 824 453	-	-	74 359 305	66 534 852	46 594 660	-	-	113 129 511
Insurance and other provisions	7 811 037 544	246 778 688	57 212 376	-	8 115 028 608	7 811 037 544	246 778 688	57 212 376	-	8 115 028 608
Total liabilities	**8 680 577 904**	**457 366 659**	**151 967 687**	**129 546 978**	**9 271 217 651**	**8 516 037 088**	**463 344 959**	**172 102 323**	**129 520 002**	**9 132 789 771**
Total equity and liabilities	**9 892 498 012**	**763 080 168**	**325 368 562**	**158 179 755**	**10 953 256 425**	**9 754 067 006**	**763 080 168**	**306 649 445**	**156 159 936**	**10 796 106 302**

**NOTES TO THE GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)**

12.3 Summarised statements of financial position (continued)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group.
The amounts disclosed for each subsidiary are before inter-company eliminations.

	INFLATION ADJUSTED					HISTORICAL COST				
31 December 2021	**Fidelity Life Assurance Zimbabwe ZWL**	**Emeritus Reseggurος SA ZWL**	**Credit Insurance Zimbabwe Limited ZWL**	**WFDR Risk Services ZWL**	**Total ZWL**	**Fidelity Life Assurance Zimbabwe ZWL**	**Emeritus Reseggurος SA ZWL**	**Credit Insurance Zimbabwe Limited ZWL**	**WFDR Risk Services ZWL**	**Total ZWL**
31 December 2020										
Assets										
Property and equipment	614 116 835	155 880 521	206 534 979	-	976 532 335	358 855 767	96 978 508	120 739 272	-	576 573 547
Investment properties	5 011 386 539	18 793 046	-	-	5 030 179 585	3 117 751 896	11 691 785	-	-	3 129 443 681
Intangible assets	95 700 392	373 851	2 929 369	-	99 003 611	52 865 344	232 585	948 740	-	54 046 669
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Financial assets:										
- at amortised cost	509 413 934	14 916 192	1 783 225	-	526 113 351	316 923 519	9 279 864	1 109 404	-	327 312 787
- at fair value through profit	-	-	-	-	-					
or loss	1 065 279 081	58 689 050	9 120 980	-	1 133 089 111	662 745 899	36 512 429	5 674 467	-	704 932 795
- at fair value through other	-	-	-	-	-					
comprehensive income	-	149 577 982	-	-	149 577 982	-	93 057 487	-	-	93 057 487
Trade and other receivables	472 759 023	299 580 431	77 261 040	-	849 600 493	293 017 745	186 379 049	48 017 490	-	527 414 284
Inventories	96 997 622	-	-	-	96 997 622	2 122 257	-	-	-	2 122 257
Current tax receivable	-	75 822 053	259 579	-	76 081 633	-	47 171 446	161 493	-	47 332 939
Deferred acquisition costs	-	24 091 687	2 823 807	-	26 915 495	-	14 988 248	1 681 685	-	16 669 933
Cash and cash equivalents	884 950 193	32 011 199	42 367 488	-	959 328 880	550 557 240	19 915 242	20 168 887	-	590 641 369
Total assets	**8 750 603 618**	**829 736 012**	**343 080 466**	**-**	**9 923 420 096**	**5 354 839 666**	**516 206 643**	**198 501 438**	**-**	**6 069 547 748**
Total equity	**7 622 536 530**	**265 377 904**	**242 492 413**	**-**	**8 130 406 846**	**4 754 406 815**	**165 100 508**	**125 665 682**	**-**	**5 045 173 005**

12.3 Summarised statements of financial position (continued)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

	INFLATION ADJUSTED					HISTORICAL COST				
Liabilities	Fidelity Life Assurance Zimbabwe ZWL	Emeritus Resegguros SA ZWL	Credit Insurance Zimbabwe Limited ZWL	WFDR Risk Services ZWL	Total ZWL	Fidelity Life Assurance Zimbabwe ZWL	Emeritus Resegguros SA ZWL	Credit Insurance Zimbabwe Limited ZWL	WFDR Risk Services ZWL	Total ZWL
Deferred tax liabilities	250 608 399	9 595 184	17 712 845	-	277 916 429	45 105 405	5 969 486	4 591 367	-	55 666 258
Trade and other payables	825 276 502	247 492 363	75 723 372	-	1 148 492 237	522 863 155	153 973 312	47 110 053	-	723 946 520
Borrowings	52 182 187	57 906 566	-	-	110 088 753	32 464 291	36 025 620	-	-	68 489 911
Insurance and other provisions	-	249 363 994	7 151 837	-	256 515 831	-	155 137 717	21 134 336	-	176 272 053
Total liabilities	**1 128 067 089**	**564 358 108**	**100 588 054**		**1 793 013 250**	**600 432 851**	**351 106 135**	**72 835 756**	**-**	**1 024 374 742**
Total equity and liabilities	**8 750 603 618**	**829 736 012**	**343 080 466**		**9 923 420 096**	**5 354 839 666**	**516 206 643**	**198 501 438**	**-**	**6 069 547 748**

12.4 Summarised statements of cash flows

		INFLATION ADJUSTED					HISTORICAL COST				
12.4.1	For the year ended	Fidelity Life Assurance Zimbabwe ZWL	Emeritus Resegguros, S.A. ZWL	Credit Insurance Zimbabwe Limited ZWL	WFDR Risk Services ZWL	Total ZWL	Fidelity Life Assurance Zimbabwe ZWL	Emeritus Resegguros, S.A. ZWL	Credit Insurance Zimbabwe Limited ZWL	WFDR Risk Services ZWL	Total ZWL
	31 December 2021										
	Cash flows from operating activities	-	(30 920 917)	(10 009 501)	(24 639 395)	(50 939 919)	-	(30 920 917)	11 160 342	32 930 245	(19 760 575)
	Cash flows from investing activities	-	35 690 279	(24 040 295)	218 002	(12 390 311)	(284 355 222)	35 690 279	(19 561 231)	331 245	(268 226 174)
	Cash flows from financing activities	-	(15 443 808)	-	(23 400 000)	(15 443 808)	(14 193 565)	(15 443 808)	-	(19 500 000)	(29 637 372)

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

12.4 Summarised statements of cash flows

	INFLATION ADJUSTED					HISTORICAL COST				
For the year ended	Fidelity Life Assurance Zimbabwe ZWL	Emeritus Resegguros, S.A. ZWL	Credit Insurance Zimbabwe Limited ZWL	WFDR Risk Services ZWL	Total ZWL	Fidelity Life Assurance Zimbabwe ZWL	Emeritus Resegguros, S.A. ZWL	Credit Insurance Zimbabwe Limited ZWL	WFDR Risk Services ZWL	Total ZWL
Net increase/(decrease) in cash and cash equivalents	-	(10 674 445)	(34 049 796)	(47 821 393)	(78 774 037)	(298 548 786)	(10 674 445)	613 859	13 761 490	(317 624 121)

12.4.2 For the year ended

31 December 2020

	INFLATION ADJUSTED					HISTORICAL COST				
	Fidelity Life Assurance Zimbabwe ZWL	Emeritus Resegguros, S.A. ZWL	Credit Insurance Zimbabwe Limited ZWL	WFDR Risk Services ZWL	Total ZWL	Fidelity Life Assurance Zimbabwe ZWL	Emeritus Resegguros, S.A. ZWL	Credit Insurance Zimbabwe Limited ZWL	WFDR Risk Services ZWL	Total ZWL
Cash flows from operating activities	197 560 367	1 251 802	13 565 895	-	212 378 064	38 489 570	778 788	2 731 101	-	41 999 459
Cash flows from investing activities	191 349 263	(2 652 886)	(13 978 288)	-	174 718 089	154 045 081	(1 650 450)	(2 414 913)	-	149 979 719
Cash flows from financing activities	(38 463 634)	(981 531)	655 030	-	(38 790 135)	(16 294 860)	(610 643)	297 671	-	(16 607 833)
Net increase/(decrease) in cash and cash equivalents	350 445 996	(2 382 615)	242 637	-	348 306 018	176 239 791	(1 482 305)	613 859	-	175 371 345

13 INVESTMENTS IN ASSOCIATES

Following an assessment carried out on 30 June 2020, the investment in CFI Holdings Limited, which was fully impaired in 2016, was re-recognised as an associate. Furthermore, following the purchase of a contolling stake in FLA by ZHL, the investment in FLA was reclassified to investment in subsidiary. As a result, the carrying amount of the investment in associates changed as follows :-

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
As at 1 January	1 571 721 593	250 008 459	693 976 146	26 042 624
Write back of investment in CFI	-	1 232 129 551	-	59 853 361
Share of profit for the year	(146 210 823)	157 605 755	92 517 053	121 600 187
Share of other comprehensive income of associates	36 878 235	5 936 696	352 551 093	482 915 734
Additions	-	12 178 297	-	7 576 528
Fair value on remeasurement of associate	-	82 158 676	-	19 177 952
Other equity changes	(60 683 976)	67 810 150	17 273 052	42 988 306
Reclassification to investment subsidiaries	-	(236 105 991)	-	(66 178 546)
As at 31 December	1 401 705 029	1 571 721 593	1 156 317 343	693 976 146

	Company 2021 ZWL	Company 2020 ZWL	Company 2021 ZWL	Company 2020 ZWL
Investments in associates at cost:				
CFI Holdings Limited	31 438 090	31 438 090	589 639	589 639
United General Insurance Limited	4 905 220	4 905 220	92 398	92 398
Special Automobile Underwriters Association of Zimbabwe ("SAUZ")	1 683 823	1 683 823	31 181	31 181
	38 027 133	38 027 133	713 218	713 218

Investments in associates are all classified as non-current assets.

13.1 Details of the Group's associates are as follows:

Set out below are the associates of the Group as at 31 December. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of owership interest is the same as the proportion of voting rights held.

Name of entity	Published activity	Country of incorporation principal place of business	Proportion of ownership interest held as at 31 December 2021	Proportion of ownership interest held as at 31 December 2020
CFI Holdings Limited	Agro-retail	Zimbabwe	41.08%	41.08%
United General Insurance Limited	General insurance	Malawi	20.00%	20.00%
Special Automobile Underwriters Association of Zimbabwe ("SAUZ")	General insurance	Zimbabwe	20.00%	20.00%

14 TAXES

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
14.1 Deferred tax				
The analysis of deferred tax assets and deferred tax liabilities is as follows:				
Deferred tax asset:				
Deferred tax assets to be recovered after more than 12 months	52 842 266	138 659 401	32 384 017	79 871 904
Deferred tax assets to be recovered within more than 12 months				
	52 842 266	138 659 401	32 384 017	79 871 904
Deferred tax liabilities:				
Deferred tax liabilities to be settled after more than 12 months	(651 276 072)	(385 117 603)	(702 008 883)	(192 647 632)
Deferred tax liabilities to be recovered within more than 12 months	-	-	-	-
	(651 276 072)	(385 117 603)	(702 008 883)	(192 647 632)
Deferred tax (liabilities)/ assets	**(598 433 806)**	**(246 458 202)**	**(669 624 866)**	**(112 775 728)**
The movement on the deferred tax account is as shown below:				
As at 1 January	(246 458 202)	(270 343 021)	(112 775 728)	8 988 824
(Charged)/credited in profit or loss	(2 227 818 314)	(47 611 598)	(349 114 029)	(67 429 319)
Credited/(charged) in other comprehensive income	(823 374)	1 842 543	(10 708 773)	(7 173 418)
Foreign exchange movements	1 876 666 084	69 653 875	(197 026 336)	(47 161 815)
As at 31 December	**(598 433 806)**	**(246 458 202)**	**(669 624 866)**	**(112 775 728)**

14 TAXES (continued)

14.1.2 Sources of deferred tax (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
Property, plant and equipment	(333 808 530)	(120 598 289)	(354 417 650)	(80 974 292)
Investment properties	(446 302 767)	(253 670 903)	(434 600 869)	(148 718 231)
Intangible assets	-	(556 090)	-	(69 468)
Financial assets at fair value through other comprehensive income	(5 767 684)	220 727	(2 308 610)	1 081 241
Trade and other receivables	(89 677 880)	(71 723 863)	(87 445 603)	(44 621 825)
Trade and other payables	118 479 795	107 576 424	118 479 795	66 926 907
Short term investments in equity	(1 823 716)	(159 312)	(1 823 716)	(99 113)
Other receivables and prepayments	(24 335 516)	(595 960)	(24 217 150)	(370 767)
Provisions	161 405 060	98 899 958	121 228 749	49 600 018
Assessed tax losses	23 397 432	(5 850 896)	(4 519 812)	44 469 802
Deferred tax (liabilities)/ assets	**(598 433 806)**	**(246 458 202)**	**(669 624 866)**	**(112 775 728)**
14.2 Income tax expense				
Current income tax	(118 191 662)	(57 153 334)	(122 191 861)	(30 163 260)
Deferred tax	(2 227 818 314)	(47 611 598)	(349 114 029)	(67 429 319)
Income tax (expense)/credit	**(289 253 399)**	**(104 764 932)**	**(471 305 890)**	**(97 592 579)**
14.2.1 Tax rate reconciliation				
Profit before income tax	3 103 277 542	1 685 060 495	5 866 857 181	2 969 231 508
Tax at Zimre Holdings Limited statutory income tax rate of 24.72% (2021: 24.72%)	767 130 208	416 546 954	1 450 287 095	733 994 029
Tax effect on amounts which are not deductible/(taxable) in calculating taxable income:				
Effects of lower tax rate on fair vale adjustment				
(Profit)/losses taxed at different rate	(938 849 490)	(323 094 004)	(1 817 602 304)	(660 421 593)
Effect of gains on fair value of financial assets through profit or loss taxed at different rate	(130 141 753)	11 424 152	(130 141 753)	(14 132 711)
Share of profits from associates	36 143 315	(38 960 143)	(22 870 216)	(30 059 566)
Effect of life reassurance entity taxed differently	(99 925 739)	(23 943 164)	(214 985 389)	(20 631 353)
Income exempt from tax - dividends	(5 620 555)	(2 301 867)	-	950 263
Income exempt from tax - interest	36 808 772	9 155 574	-	5 640 281
Non-taxable income	(30 864 081)	(1 125 534)	(25 292 168)	(390 172)
Movements in insurance provisions	60 800 151	124 982 135	70 411 274	53 222 759

14 TAXES (continued)

14.2.1 Tax rate reconciliation (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2021 ZWL	**Group 2020 ZWL**	**Group 2021 ZWL**	**Group 2020 ZWL**
Monetary adjustment	213 843 825	168 239 244	-	-
Effect of different tax rate on foreign operations	(198 578 053)	(445 688 280)	176 960 837	(165 764 516)
	(289 253 399)	(104 764 932)	(471 305 890)	(97 592 579)

14.3 Deferred tax

	Company 2021 ZWL	Company 2020 ZWL	Company 2021 ZWL	Company 2020 ZWL
The analysis of deferred tax assets and deferred tax liabilities is as follows:				
Deferred tax assets:				
Deferred tax assets to be utilised within 12 months	-	-	-	-
Deferred tax assets to be utilised within more than 12 months	1 539 730	2 085 777	1 070 347	448 851
	1 539 730	2 085 777	1 070 347	448 851
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	-	-	-	-
Deferred tax liabilities to be settled within more than 12 months	(3 932 528)	(6 321 035)	-	-
	(3 932 528)	(6 321 035)	-	-
Deferred tax assets/ (liabilities)	**(2 392 798)**	**(4 235 258)**	**1 070 347**	**448 851**
Deferred tax				
Reflected in the statement of financial position as follows:				
Deferred tax asset	-	-	1 070 347	448 851
Deferred tax liabilities	(2 392 798)	(4 235 258)	-	-
Deferred tax liabilities, net	(2 392 798)	(4 235 258)	1 070 347	448 851
The movement on the deferred tax account is as shown below:				
As at 1 January	(4 235 258)	(15 768 053)	448 851	(102 341)
Charged/(credited) in profit or loss	1 398 001	10 976 559	1 221 854	694 856
Charged/(credited) in other comprehensive income	444 459	556 236	(600 358)	(143 664)
As at 31 December	**(2 392 798)**	**(4 235 258)**	**1 070 347**	**448 851**

14 TAXES (continued)

14.3.1 Sources of deferred tax

	INFLATION ADJUSTED		HISTORICAL COST	
	Company 2021 ZWL	Company 2020 ZWL	Company 2021 ZWL	Company 2020 ZWL
Property, plant and equipment	(553 678)	(889 966)	-	-
Right of use of assets	(2 031 561)	(3 265 474)	(124 095)	(528 201)
Financial assets at fair value through other comprehensive income	(1 283 387)	(2 062 880)	(857 035)	(256 677)
Investments in listed equity	(63 902)	(102 715)	(129 095)	(63 902)
Lease liabilities	520 420	836 508	68 444	520 420
Provisions	22 268 351	(1 742 719)	2 112 128	777 211
Deferred tax assets/ (liabilities)	**18 856 243**	**(7 227 245)**	**1 070 347**	**448 851**

14.4 Income tax

Current tax	-	-	-	-
Deferred tax	1 398 001	10 976 559	1 221 854	694 856
Income tax credit	1 398 001	10 976 559	1 221 854	694 856

14.4.1 Tax rate reconciliation

Profit/(loss) before income tax	108 776 117	16 845 150	(122 994 542)	3 547 685
Tax at Zimre Holdings Limited statutory income tax rate of 24.72% (2020: 24.72%)	26 889 456	4 164 121	(30 404 251)	876 988
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:				
Effect of gains on fair value of financial assets through profit or loss taxed at different rate	(1 939 146)	(5 011 433)	(1 939 146)	(5 292 888)
Unrealised exchange losses/(gains)	(325 739)	(597 452)	(325 739)	(371 695)
Non-taxable income	(7 556 416)	(529 190)	(5 684 361)	(256 371)
Non-deductible expenses	3 399 441	9 785 626	845 259	418 929
Unused tax losses not recognised	37 307 308	8 551 044	37 307 308	5 319 892
Monetary adjustment	(56 376 903)	(5 386 157)	-	-
Income tax (expense)/credit for the year	**1 398 001**	**10 976 559**	**1 221 854**	**694 856**

		INFLATION ADJUSTED		HISTORICAL COST	
		Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
15	**INVENTORIES**				
	Property and stands developed for sale	144 300 971	238 595 053	2 436 040	4 345 381
	Consumables	4 412 315	5 400 738	6 551 238	2 362 154
		148 713 286	243 995 791	8 987 278	6 707 535

All inventory items are classified as current assets.

There was no write off of inventories during the year ended 31 December 2021 (2020 : ZWLnil).

16 TRADE AND OTHER RECEIVABLES

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
Insurance receivables	1 434 811 104	1 511 108 487	1 434 811 104	940 111 347
Due from policy-holders under life assurance	250 770 764	287 393 004	250 770 764	178 796 841
Less: allowance for credit losses	(268 157 789)	(273 895 999)	(268 157 789)	(170 399 901)
Insurance receivables - net	1 417 424 079	1 524 605 492	1 417 424 079	948 508 287
Non insurance receivables				
Rental receivables	35 159 233	34 071 885	35 159 233	21 197 264
Inventory sales receivables	33 262 669	24 709 410	33 262 669	15 372 554
Less: allowance for credit losses	(8 145 182)	(6 988 878)	(8 145 182)	(4 348 016)
Non reinsurance trade receivables - net	60 276 720	51 792 417	60 276 720	32 221 802
Total trade receivables-net	1 477 700 799	1 576 397 908	1 477 700 799	980 730 089
Other receivables and prepayments*	796 605 255	438 756 053	761 516 414	268 487 553
Less: allowance for credit losses	(10 565 053)	(6 434 944)	(10 565 053)	(4 003 395)
Total trade and other receivables	**2 263 741 001**	**2 008 719 017**	**2 228 652 160**	**1 245 214 247**

The reconciliation of the allowance for credit losses for trade and other receivables is as follows:

As at 1 January	287 319 822	287 319 822	178 751 312	32 347 505
Charge for the year	215 051 726	202 615 356	182 353 895	146 541 931
Amounts written off	(30 592 793)	(257 272)	(74 237 183)	(138 124)
Effects of IAS 29	(184 910 731)	(202 358 084)	-	-
As at 31 December	286 868 024	287 319 822	286 868 024	178 751 312
Analysed as follows:				
Insurance receivables	268 157 789	273 895 999	268 157 789	170 399 901
Rental receivables	8 145 182	6 988 878	8 145 182	4 348 016
Other receivables	10 565 053	6 434 945	10 565 053	4 003 395
Total	286 868 024	287 319 822	286 868 024	178 751 312

16 TRADE AND OTHER RECEIVABLES (continued)

	Company 2021 ZWL	Company 2020 ZWL	Company 2021 ZWL	Company 2020 ZWL
Other receivables and prepayments*	76 692 491	5 359 876	72 850 685	3 334 559

All receivables are classified as current assets.

*Other receivables and prepayments comprise receivables from disposal of investment in equity instruments, staff loans, prepaid licence fees and sundry receivables.

Due to the short-term nature of the trade and other receivables, their carrying amount is considered to be the same as their fair value.

Based on credit history of these other receivables, it is expected that these amounts will be received when due.

17 DEFERRED ACQUISITION COSTS

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
As at 1 January	167 325 455	90 019 952	85 927 557	11 479 221
Movement for the year	75 421 758	77 305 503	90 864 459	74 448 336
As at 31 December	**242 747 213**	**167 325 455**	**176 792 016**	**85 927 557**

All deferred acquisition costs are classified as current assets.

18 FINANCIAL ASSETS

18.1 At amortised cost

Financial assets at amortised cost include the following debt investments:

INFLATION ADJUSTED

	2021			2020		
Group	**Current ZWL**	**Non-current ZWL**	**Total ZWL**	**Current ZWL**	**Non-current ZWL**	**Total ZWL**
Debentures	-	46 864	46 864	-	75 328	75 328
Mortgage loan	-	11 748 641	11 748 641	-	17 413 085	17 413 085
Bonds and treasury bills	56 009 403	46 217 283	102 226 686	531 537 549	7 373 747	538 911 296
Deposits with financial institutions	760 137 995	-	760 137 995	155 722 567	-	155 722 567
	816 147 398	**58 012 788**	**874 160 186**	**687 260 116**	**24 862 160**	**712 122 276**
Company						
Debentures	-	46 864	46 864	-	75 328	75 328
	-	**46 864**	**46 864**	**-**	**75 328**	**75 328**

HISTORICAL COST

	2021			2020		
Group	**Current ZWL**	**Non current ZWL**	**Total ZWL**	**Current ZWL**	**Non-current ZWL**	**Total ZWL**
Debentures	-	46 864	46 864	-	46 864	46 864
Mortgage loan	-	11 748 641	11 748 641	-	10 833 265	10 833 265
Government bonds	56 009 403	46 217 283	102 226 686	330 687 363	4 587 457	335 274 820
Deposits with financial institutions	760 137 995	-	760 137 995	96 880 239	-	96 880 239
	816 147 398	**58 012 788**	**874 160 186**	**427 567 602**	**15 467 586**	**443 035 188**
Company						
Debentures	-	46 864	46 864	-	46 864	46 864
	-	**46 864**	**46 864**	**-**	**46 864**	**46 864**

18 FINANCIAL ASSETS (continued)

18.1.1 Analysis of movements (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
As at 1 January	712 122 276	222 597 763	443 035 188	30 871 601
Additions - business combinations	-	509 413 934	-	316 923 519
Purchases	10 484 618	248 439 306	11 129 119	31 164 429
Disposals	(1 824 814)	(164 084 376)	(1 824 814)	(10 134 513)
Foreign exchange movement	421 820 693	(543 216 828)	421 820 693	74 210 152
Effects of IAS 29	(268 442 587)	438 972 477	-	-
As at 31 December	**874 160 186**	**712 122 276**	**874 160 186**	**443 035 188**

	Company 2021 ZWL	Company 2020 ZWL	Company 2021 ZWL	Company 2020 ZWL
As at 1 January	75 328	337 910	46 864	46 864
Effects of IAS 29	(28 464)	(262 582)	-	-
As at 31 December	**46 864**	**75 328**	**46 864**	**46 864**

The debentures mature in 2023 and accrue interest at a rate of 5% per annum.

Bonds and treasury bills mature between 1-2 years and accrue interest of between 5%-15% per annum depending on jurisdiction.

Mortgage loans mature in 2025 and accrue interest of 10% per annum.

18.2 At fair value through profit or loss

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
As at 1 January	1 184 303 083	175 044 988	736 794 728	24 276 611
Additions - business combinations	-	1 332 641 256	-	795 485 574
Purchases	45 152 933	834 299 390	34 309 018	592 487 627
Disposals	(158 972 321)	(589 962 126)	(174 150 394)	(176 700 496)
Fair value gain	526 463 404	(46 214 208)	526 463 404	57 171 162
Effects of IAS 29	(473 530 343)	372 073 167	-	-
Foreign exchange movement	196 302 019	(893 579 384)	196 302 019	(555 925 750)
As at 31 December	**1 319 718 775**	**1 184 303 083**	**1 319 718 775**	**736 794 728**

18 FINANCIAL ASSETS (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
	Company 2021 ZWL	Company 2020 ZWL	Company 2021 ZWL	Company 2020 ZWL
As at 1 January	10 271 461	10 271 461	6 390 221	4 670 364
Purchases	5 969 617	12 556 829	4 145 448	3 061 429
Disposals	(9 760 000)	(15 687 949)	(5 470 622)	(22 752 931)
Fair value (loss)/gain	7 844 441	20 272 789	7 844 441	21 411 359
Effects of IAS 29	(1 416 031)	(17 141 669)	-	-
As at 31 December	**12 909 488**	**10 271 461**	**12 909 488**	**6 390 221**

All financial assets at fair value through profit or loss are classified as current assets.

At fair value through profit or loss financial assets are equity securities listed either on the Zimbabwe Stock Exchange or on Stock Exchanges for regional countries.

18.3 At fair value through other comprehensive income

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2021	Group 2020	Group 2021	Group 2020
	ZWL	ZWL	ZWL	ZWL
As at 1 January	581 334 514	562 746 487	361 667 728	78 046 090
Additions - business combinations	-	1 132 704 368	-	676 138 443
Additions	30 884 704	-	25 488 295	-
Disposals	-	(540 641)	-	(336 351)
Fair value gains	44 445 892	(101 751 906)	60 035 752	36 659 604
Effects of IAS 29	(209 473 335)	(322 518 369)	-	-
Foreign exchange movement	208 155 244	(689 305 425)	208 155 244	(428 840 058)
As at 31 December	**655 347 019**	**581 334 514**	**655 347 019**	**361 667 728**

Equity investments at FVOCI comprise the following individual investments:

Unlisted securities				
Cell Insurance Company (Private) Limited	70 341 189	33 056 831	70 341 189	20 565 765
Guardian Reinsurance Brokers Limited	15 362 300	8 200 766	15 362 300	5 101 972
PTA Reinsurance Company	372 329 990	384 665 903	372 329 990	239 313 579
Lidwala Insurance Company	187 902 916	149 577 982	187 902 916	93 057 487
Vanguard Life Assurance Company Limited	9 410 624	5 833 032	9 410 624	3 628 925
	655 347 019	**581 334 514**	**655 347 019**	**361 667 728**

18 FINANCIAL ASSETS (continued)

18.3 At fair value through other comprehensive income

	INFLATION ADJUSTED		HISTORICAL COST	
	Company 2021 ZWL	Company 2020 ZWL	Company 2021 ZWL	Company 2020 ZWL
As at 1 January	41 257 597	91 503 097	25 667 737	12 690 366
Fair value gain	44 445 892	(50 245 500)	60 035 752	12 977 371
As at 31 December	**85 703 489**	**41 257 597**	**85 703 489**	**25 667 737**

18 FINANCIAL ASSETS (continued)

18.3 At fair value through other comprehensive income (continued)

All financial assets at fair value through other comprehensive income (FVOCI) are classified as non-current assets.

FVOCI comprises equity securities which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

	INFLATION ADJUSTED		HISTORICAL COST	
19 CASH AND CASH EQUIVALENTS	**Group 2021 ZWL**	**Group 2020 ZWL**	**Group 2021 ZWL**	**Group 2020 ZWL**
Cash on hand	20 008 879	883 638	20 008 879	549 741
Cash at bank	1 175 658 879	1 538 979 999	1 175 658 879	957 451 151
Term deposits maturing under 3 months	435 614 219	362 752 258	435 614 219	225 680 364
	1 631 281 977	**1 902 615 895**	**1 631 281 977**	**1 183 681 256**

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

Balances as above	1 631 281 977	1 902 615 895	1 631 281 977	1 183 681 256
Bank overdrafts	-	(469 245)		(291 933)
Balances per statement of cash flows	**1 631 281 977**	**1 902 146 650**	**1 631 281 977**	**1 183 389 323**

	Company 2021 ZWL	**Company 2020 ZWL**	**Company 2021 ZWL**	**Company 2020 ZWL**
Bank overdraft	-	(469 245)	-	(291 933)
Term deposits maturing under 3 months	1 425 485	19 456 829	1 425 485	12 104 747
	1 425 485	**18 987 584**	**1 425 485**	**11 812 814**

Term deposits are presented as cash equivalents if they have a maturity of 3 months or less from the date of placement with a financial institution and are repayable within 24 hours notice. Term deposits accrue interest at a rate of between 5% to 10% per annum.

20 SHARE CAPITAL

20.1 Authorised share capital

Authorised share capital as at 31 December 2021 was 2 000 000 000 (2020 : 2 000 000 000) ordinary shares with a nominal value of ZWL0.01 each, ZWL20 000 000 (2019 : ZWL20 000 000).

20.2 Issued share capital and treasury shares

	INFLATION ADJUSTED				HISTORICAL COST		
	Number of shares	Share capital ZWL	Share premium ZWL	Treasury Shares ZWL	Share capital ZWL	Share premium ZWL	Treasury Shares ZWL
As at 1 January 2020	1 533 338 937	817 412 474	609 262 169	(834 429)	15 326 649	11 427 034	(25 932)
Share issue	284 879 849	4 579 078	1 247 794 832	-	2 848 798	776 295 078	-
Share buy-back	-	-	-	(1 670 059)	-	-	(997 149)
As at 31 December 2020	1 818 218 786	821 991 552	1 857 057 001	(2 504 488)	18 175 447	787 722 112	(1 023 081)
As at 1 January 2021	1 818 218 786	821 991 552	1 857 057 001	(2 504 488)	18 175 447	787 722 112	(1 023 081)
Share buy-back	-	-	-	(518 801)	-	-	(389 538)
As at 31 December 2021	1 818 218 786	821 991 552	1 857 057 001	(3 023 289)	18 175 447	787 722 112	(1 412 619)

During the year ended 31 December 2021, the Company purchased 123 800 (2020:526 100) ordinary shares amounting to ZWL518 801 (2020:ZWL1 670 059).

20.3 Unissued shares

181 781 214 unissued shares (2020: 181 781 214) and 1 464 900 treasury shares (2020: 1 341 100) are under the control of the directors subject to the limitations imposed by the Articles and Memorandum of Association of the Company, the Zimbabwe Companies and Other Business Entities Act [Chapter 24:31] and the Zimbabwe Stock Exchange Listing Requirements.

20.4 Reserves

Revaluation reserve - relates to revaluation of property and equipment.

Financial assets at FVOCI reserve - relates to the fair valuation of financial assets classified as financial assets at FVOCI.

Foreign currency translation reserve - relates to translation of financial statements of foreign operations whose functional and reporting currency is not Zimbabwe dollar.

21 SHORT-TERM INSURANCE CONTRACT LIABILITIES

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2021 ZWL	**Group 2020 ZWL**	**Group 2021 ZWL**	**Group 2020 ZWL**
Gross liabilities				
Outstanding claims	460 636 267	420 257 486	460 636 267	261 456 298
Incurred but not reported claims reserve	384 877 069	338 083 212	384 877 069	210 332 922
Unearned premium reserve	1 210 877 909	941 159 138	955 086 823	506 034 573
	2 056 391 245	1 699 499 836	1 800 600 159	977 823 793
Recoveries from reinsurance				
Outstanding claims	150 732 150	137 519 164	150 732 150	85 555 291
Incurred but not reported claims reserve	125 941 773	110 629 608	125 941 773	68 826 395
Unearned premium reserve	396 230 701	307 971 714	312 529 214	165 587 655
	672 904 624	556 120 486	589 203 137	319 969 341
Net liabilities				
Outstanding claims	309 904 117	282 738 322	309 904 117	175 901 007
Incurred but not reported claims reserve	258 935 296	227 453 604	258 935 296	141 506 527
Unearned premium reserve	814 647 208	633 187 424	642 557 609	340 446 918
	1 383 486 621	**1 143 379 350**	**1 211 397 022**	**657 854 452**

All short-term insurance contract liabilities are classified as current liabilities.

21.1 Reconciliation of short-term insurance contract liabilities

	INFLATION ADJUSTED			
	Outstanding claims ZWL	**Incurred but not reported claims ZWL**	**Unearned premium ZWL**	**Total ZWL**
Group				
As at 1 January 2020	258 604 886	132 623 021	499 740 387	890 968 294
Additions during the year	(283 752 046)	(161 623 765)	(669 302 840)	(1 114 678 651)
Utilised during the year	(129 370 014)	(182 730 098)	(193 491 051)	(505 591 163)
Effects of IAS 29	437 255 496	439 184 446	996 240 928	1 872 680 870
As at 31 December 2020	**282 738 322**	**227 453 604**	**633 187 424**	**1 143 379 350**
As at 1 January 2021	282 738 322	227 453 604	633 187 424	1 143 379 349
Additions during the year	240 376 188	326 360 201	747 001 655	1 313 738 044
Utilised during the year	2 470 983	(46 949 369)	(201 476 917)	(245 955 303)
Effects of IAS 29	(215 681 376)	(247 929 140)	(364 064 954)	(827 675 470)
As at 31 December 2021	**309 904 117**	**258 935 296**	**814 647 208**	**1 383 486 621**

21 SHORT-TERM INSURANCE CONTRACT LIABILITIES

	HISTORICAL COST			
Group	**Outstanding claims ZWL**	**Incurred but not reported claims ZWL**	**Unearned premium ZWL**	**Total ZWL**
As at 1 January 2020	35 865 351	18 394 916	59 287 968	113 548 235
Additions during the year	203 280 837	200 449 937	355 877 867	759 608 641
Utilised during the year	(63 245 181)	(77 338 325)	(74 718 918)	(215 302 423)
As at 31 December 2020	**175 901 007**	**141 506 528**	**340 446 917**	**657 854 452**
As at 1 January 2021	175 901 007	141 506 528	340 446 917	657 854 452
Additions during the year	153 398 971	208 270 709	476 708 140	838 377 820
Utilised during the year	(19 395 861)	(90 841 941)	(174 597 448)	(284 835 250)
As at 31 December 2021	**309 904 117**	**258 935 296**	**642 557 609**	**1 211 397 022**

21.2 Insurance contract liabilities and investment contract liabilities with discretionary participation features

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2021 ZWL	**Group 2020 ZWL**	**Group 2021 ZWL**	**Group 2020 ZWL**
Balance at the beginning of the year	5 983 071 832	5 043 810 129	3 722 269 955	3 498 316 437
Reclassification to insurance contract liabilities	-	(359 449 950)	-	(359 449 950)
Change in life assurance policyholder liabilities for the year	876 815 879	1 298 711 653	3 137 617 756	583 403 468
Movement through profit or loss	1 291 984 523	1 033 434 498	2 589 586 669	638 350 356
Movement through other comprehensive income	173 050 519	64 408 628	339 097 687	59 062 130
Exchange rate movement on foreign operations	(588 219 163)	200 868 527	208 933 400	(114 009 018)
Balance at the end of the year	**6 859 887 711**	**5 983 071 832**	**6 859 887 711**	**3 722 269 955**

21 SHORT-TERM INSURANCE CONTRACT LIABILITIES

21.2 Insurance contract liabilities and investment contract liabilities with discretionary participation features (continued)

Investment contracts without discretionary participation features

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
Balance at the beginning of the year	638 880 441	63 349 267	397 468 982	39 411 707
Reclassification from insurance contract liabilities	-	80 130 340	-	49 851 776
Other investment income	-	65 764	-	40 914
Gross premium income	4 374 560	1 793 186	4 374 560	1 115 601
Gross benefits and claims paid	(4 250 977)	(1 049 316)	(4 250 977)	(652 815)
Movement through profit or loss	312 145 809	(10 163 378)	231 138 853	(6 322 979)
Fair value gains from equities	73 446 954	281 161 525	73 446 954	174 920 029
Fair value gains from investment properties	248 971 461	223 593 054	248 971 461	139 104 749
Balance at the end of the year	**951 149 833**	**638 880 441**	**951 149 833**	**397 468 982**

22 LIFE REASSURANCE CONTRACT ASSETS AND LIABILITIES

22.1 Life reassurance contract assets

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
As at 1 January	20 948 877	10 338 326	13 033 000	1 433 800
Movement for the year	16 193 086	29 216 401	13 069 000	11 599 200
Effects of IAS 29	(11 039 963)	(18 605 850)	-	-
As at 31 December	**26 102 000**	**20 948 877**	**26 102 000**	**13 033 000**

22.2 Life reassurance contract liabilities

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
As at 1 January	57 831 631	46 770 505	35 979 000	6 486 500
Movement for the year	128 750 460	74 286 515	103 911 000	29 492 500
Effects of IAS 29	(46 692 091)	(63 225 389)	-	-
As at 31 December	139 890 000	57 831 631	139 890 000	35 979 000
Net movement for the year	112 557 374	45 070 114	90 842 000	17 893 300
Analysed as follows :				
Non-current	139 890 000	57 831 631	139 890 000	35 979 000
	139 890 000	57 831 631	139 890 000	35 979 000

The life reassurance contract liabilities relates to policyholder funds. The movement is accounted for through statement of profit or loss

23 BORROWINGS

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
As at 1 January	119 692 444	104 226 036	74 464 690	14 454 883
Drawn downs during the year	164 659 936	14 707 915	10 667 041	9 150 288
Assumed borrowings through business combinations	-	54 630 365	-	33 442 638
Interest for the year	54 521 821	13 867 541	44 217 548	7 507 700
Capital repayments	(88 331 153)	(16 109 305)	17 444 642	(7 112 332)
Interest repayment	(54 521 821)	(14 552 037)	78 627 548	(7 388 801)
Effects of IAS 29	29 400 242	(76 314 522)	-	-
Foreign exchange movement	(99 687 651)	39 236 451	(99 687 651)	24 410 314
Balance as at 31 December	**125 733 818**	**119 692 444**	**125 733 818**	**74 464 690**
Non-current	114 969 612	59 118 222	114 969 612	36 779 432
Current	10 764 206	60 574 222	10 764 206	37 685 258
	125 733 818	**119 692 444**	**125 733 818**	**74 464 690**
Maturity analysis:				
1 month to 6 months	5 489 745	30 892 854	5 489 745	19 219 482
6 month to 1 year	5 274 461	29 681 369	5 274 461	18 465 776
1 year to 5 years	114 969 612	59 118 221	114 969 612	36 779 432
	125 733 818	119 692 444	125 733 818	74 464 690

Bank borrowings comprise loans from institutions listed below :-

ZB Bank Limited

- ZPI acquired a loan facility of ZWL2 853 959 bearing interest at 31.11% (2020: 31.11%) per annum and is secured by first mortgage bonds over stands 353 Bulawayo Township, 771 Salisbury Township and 326 Fort Victoria Township. The loan is repayable over 3 years.

Fidelity Life Assurance of Zimbabwe micro- finance business acquired an overdraft facility with ZB as a line-of-credit to increase the unit's lending capacity.The loan accrues interest at 49% per annum. The loan is facility is available for one year, expiring on 28 February 2022.

Ecobank Zimbabwe Limited

Fidelity Life Assurance of Zimbabwe micro-finance business acquired a loan facility with Ecobank Zimbabwe Limited to increase its lending capacity. The facility amount is drawn down in tranches in line with the business' needs. Drawdowns on the facility accrue interest at varying interest rates depending on the prevailing interest rate on each drawdown date. Currently, ZWL7,969,604 of the outstanding amount accrues interest at 45% per annum. The facility is available for one year, expiring on 31 July 2022. The loan facililtiies are secured by the loan book and guarantee by Fidelity Life Assurance Company of Zimbabwe.

African Banking Corporation (Mozambique) SA

Emeritus Re Mozambique acquired a loan facility to purchase the new office premises. The loan accrues interest at 20.75% per annum and is repayable over 7 years. There were no changes to the terms and conditions of these borrowings during the reporting period. For the long-term borrowings, their fair values are not materially different to carrying amounts as the interest rates on these borrowings approximate market rates. This section sets out an analysis of net debt and the movements in net debt for each of the years presented.

23 BORROWINGS

Net debt reconciliation	INFLATION ADJUSTED Group 2021 ZWL	INFLATION ADJUSTED Group 2020 ZWL	HISTORICAL COST Group 2020 ZWL	HISTORICAL COST Group 2020 ZWL
Cash and cash equivalents	(1 631 281 977)	(1 902 204 470)	(1 631 281 977)	(1 183 425 295)
Short-term portion of long term loans	10 764 206	60 574 222	10 764 206	37 685 258
Long term portion	114 969 612	59 118 222	114 969 612	36 779 432
Net cash and cash equivalents	**(1 505 548 159)**	**(1 782 512 026)**	**(1 505 548 159)**	**(1 108 960 605)**

INFLATION ADJUSTED

	Cash and cash equivalents ZWL	Borrowings due within one year ZWL	Borrowings due after one year ZWL	Total ZWL
Year ended 31 December 2020				
Net debt as at 1 January 2020	(180 542 429)	9 200 392	4 104 266	(167 237 770)
Cashflows	2 036 092 398	(16 109 305)	14 707 915	2 034 691 008
Foreign exchange movement	244 739 986	-	(590 215)	244 149 771
Reclassification to current liabilities	-	10 883 201	(10 883 201)	-
Effects of IAS 29	(4 002 494 426)	56 599 934	51 779 457	(3 894 115 035)
Net debt as at 31 December 2020	**(1 902 204 470)**	**60 574 222**	**59 118 222**	**(1 782 512 026)**
Year ended 31 December 2021				
Net debt as at 1 January 2020	(1 902 204 470)	60 574 222	59 118 222	(1 782 512 026)
Cashflows	(638 803 119)	(88 331 153)	164 659 936	(562 474 336)
Foreign exchange movement	138 538 199	-	(70 287 409)	68 250 790
Reclassification to current to liabilities	-	38 521 137	(38 521 137)	-
Effects of IAS 29	771 187 413	-	-	771 187 413
Net debt as at 31 December 2021	**(1 631 281 977)**	**10 764 206**	**114 969 612**	**(1 505 548 159)**

HISTORICAL COST

	Cash and cash equivalents ZWL	Borrowings due within one year ZWL	Borrowings due after one year ZWL	Total ZWL
Year ended 31 December 2020				
Net debt as at 1 January 2020	(91 440 449)	3 038 232	11 416 651	(76 985 566)
Cashflows	1 228 924 054	(7 112 332)	9 150 288	1 230 962 010
Foreign exchange movement	(136 975 180)	-	16 212 493	(120 762 687)
Reclassification to current liabilities	-			-
Net debt as at 31 December 2020	1 000 508 425	(4 074 100)	36 779 432	1 033 213 757

23 BORROWINGS (continued)

	INFLATION ADJUSTED			
Year ended 31 December 2021	Cash and cash equivalents ZWL	Borrowings due within one year ZWL	Borrowings due after one year ZWL	Total ZWL
Net debt as at 1 January 2021	1 000 508 425	(4 074 100)	36 779 432	1 033 213 757
Cashflows	309 354 455	17 444 642	10 667 041	337 466 138
Foreign exchange movement	138 538 200	-	67 523 139	206 061 339
Net debt as at 31 December 2021	1 448 401 080	13 370 542	114 969 612	1 576 741 234

24 OTHER PROVISIONS

	INFLATION ADJUSTED			HISTORICAL COST		
Group	**Leave pay ZWL**	**Termination benefits ZWL**	**Total ZWL**	**Leave pay ZWL**	**Termination benefits ZWL**	**Total ZWL**
As at 1 January 2020	15 480 908	72 478 763	87 959 671	2 146 925	10 052 011	12 198 936
Movement	43 624 729	55 916 825	99 541 552	17 318 875	22 198 797	39 517 672
Effects of IAS 29	(27 816 858)	(76 556 548)	(104 373 404)	-	-	-
As at 31 December 2020	31 288 779	51 839 040	83 127 819	19 465 800	32 250 808	51 716 608
As at 1 January 2021	31 288 779	51 839 040	83 127 819	19 465 800	32 250 808	51 716 608
Movement	34 654 738	(19 120 538)	15 534 200	26 864 138	(14 822 122)	12 042 016
Effects of IAS 29	(21 268 914)	(13 634 481)	(34 903 395)	-	-	-
As at 31 December 2021	44 674 603	19 084 021	63 758 624	46 329 938	17 428 686	63 758 624
Analysed as follows						
Non-current	-	19 084 021	19 084 021	-	17 428 686	17 428 686
Current	44 674 603	-	44 674 603	46 329 938	-	46 329 938
	44 674 603	19 084 021	63 758 624	46 329 938	17 428 686	63 758 624

Company	**INFLATION ADJUSTED Leave pay ZWL**	**HISTORICAL COST Leave pay ZWL**
As at 1 January 2020	1 550 440	215 027
Movement	7 377 652	2 929 031
Effects of IAS 29	(3 874 422)	-
As at 31 December 2020	5 053 670	3 144 058
As at 1 January 2021	5 053 670	3 144 058
Movement	8 462 202	5 400 147
Effects of IAS 29	(4 971 667)	
As at 31 December 2021	8 544 205	8 544 205
Analysed as follows		
Current	8 544 205	8 544 205

- Leave pay provision relates to amounts for contractual days employees are entitled to be absent from work on paid leave that were not utilised as at year-end.
- Termination benefits provision relates to contractual amounts payable to management on termination of employment.

25 TRADE AND OTHER PAYABLES

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
Due to retrocessionaires	1 350 905 238	1 849 676 871	1 350 905 238	1 150 746 111
Other payables*	371 305 067	342 244 565	371 305 067	212 921 840
Accruals**	145 661 865	83 825 761	145 661 865	52 150 822
Total trade and other payables	**1 867 872 170**	**2 275 747 198**	**1 867 872 170**	**1 415 818 773**

	Company 2021 ZWL	Company 2020 ZWL	Company 2021 ZWL	Company 2020 ZWL
Other payables*	815 370 369	94 223 209	768 614 434	58 619 424
Accruals**	59 251 123	1 448 788	59 251 121	901 339
Total trade and other payables	**821 295 492**	**95 671 997**	**774 539 555**	**59 520 763**

All trade and other payables are classified as current liabilities

* Other payables are constituted of non-insurance payables from the holding company, Fidelity non-insurance entities and property business.

**Included in the accruals are actuarial fees and any other accrued expenses not included in other payables.

26 GROSS PREMIUM WRITTEN

	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
Life assurance contracts	1 172 978 257	54 420 171	1 066 937 145	29 924 490
Life reassurance contracts	463 597 854	217 939 629	375 205 489	94 544 597
Non-life reinsurance contracts	3 600 155 196	3 150 752 625	3 194 648 257	1 642 602 736
	5 236 731 307	**3 423 112 425**	**4 636 790 891**	**1 767 071 823**

27 RETROCESSION PREMIUM

Life assurance contracts	(102 860 700)	(3 438 844)	(84 843 213)	(1 720 536)
Life reassurance contracts	(72 997 223)	(53 351 127)	(59 962 326)	(26 827 125)
Non-life reinsurance contracts	(1 048 736 562)	(913 055 305)	(968 433 950)	(549 684 134)
	(1 224 594 485)	**(969 845 276)**	**(1 113 239 489)**	**(578 231 795)**

28 UNEARNED PREMIUM PROVISION

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
Unearned gross premium	(263 560 350)	(479 031 729)	(208 653 220)	(208 452 852)
Less related retrocession premiums	62 083 433	285 540 678	34 055 771	133 733 935
	(201 476 917)	**(193 491 051)**	**(174 597 449)**	**(74 718 917)**

29 BROKERAGE, COMMISSION AND FEES

Retrocession commission income	491 576 616	239 211 808	448 481 554	147 443 714
Less charges on retrocession contracts	(57 890 719)	(33 888 442)	(47 380 345)	(17 938 473)
	433 685 897	**205 323 366**	**401 101 209**	**129 505 241**

30 NET PROPERTY INCOME

Revenue from contracts with customers:				
Sale of property and stands	41 435 003	56 676 212	30 727 410	36 283 649
Cost of sales of property and stands	(3 819 361)	(9 566 579)	(31 022 626)	(194 651)
	37 615 642	**47 109 633**	**(295 216)**	**36 088 998**

31 NET PROPERTY OPERATING COSTS

Property operating costs	(95 544 180)	(16 344 491)	(37 086 916)	(18 226 772)
	(95 544 180)	(16 344 491)	(37 086 916)	(18 226 772)

32 INVESTMENTS INCOME

Dividend income	22 736 872	9 311 761	26 791 460	3 844 106
Interest income	148 902 801	37 037 111	142 815 067	22 816 669
	171 639 673	**46 348 872**	**169 606 527**	**26 660 775**

	Company 2021 ZWL	Company 2020 ZWL	Company 2021 ZWL	Company 2020 ZWL
Dividend income	29 723 538	1 103 742	22 327 272	415 579
Interest income	844 486	1 036 994	667 716	621 521
	30 568 024	**2 140 736**	**22 994 988**	**1 037 100**

		INFLATION ADJUSTED		HISTORICAL COST	
		Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
33	**OTHER GAINS**				
	Profit from disposal of property and equipment	17 709 667	1 528 062	16 828 997	1 099 159
	Gains from disposal of investment property	67 790 386	1 684 138	61 366 348	160 379
	Amounts received in share split	-	27 370 740	-	17 028 257
	Realised exchange differences *	101 452 167	62 489 484	67 247 280	24 698 238
	Recoveries from debtors previously written off	872 103	17 937 467	872 103	10 808 197
	Fair value adjustments on financial assets through profit or loss	533 582 644	(46 214 208)	526 463 404	57 171 162
	Unrealised exchange gains/(losses)	245 534 031	158 222 701	239 463 484	98 435 657
	Fair value on remeasurement of associate	-	82 158 676	-	19 177 952
	Interest income from micro-lending	124 854 695	4 553 130	102 314 597	1 578 365
	Fair value adjustments on unquoted equity	(2 403 682)	77 045 977	(6 438 804)	47 932 890
	Actuaria fees	30 600 921	-	23 675 220	-
	Other gains	405 344 955	61 881 549	366 683 838	35 775 300
		1 525 337 887	**448 657 716**	**1 398 476 467**	**313 865 556**

* The greater value of the realised gains arose from sales of stands.

	Company 2021 ZWL	Company 2020 ZWL	Company 2021 ZWL	Company 2020 ZWL
Unrealised exchange gains/(losses)	1 317 716	2 416 879	1 317 716	1 503 622
Fair value (losses)/gains on financial assets through profit or loss	4 275 431	20 272 789	7 844 441	21 411 359
Other (losses)/ gains	3 809 693	3 698 529	11 349 466	2 683 647
	9 402 840	**26 388 197**	**20 511 623**	**25 598 628**

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
34 OPERATING AND ADMINISTRATION EXPENSES				
Independent auditors' remuneration	(68 952 880)	(38 215 984)	(62 588 763)	(21 943 779)
Directors' fees (non-executive)	(62 437 448)	(37 683 791)	(55 726 941)	(18 577 200)
Employee benefit expenses (note 34.1)	(968 245 860)	(412 914 137)	(838 922 195)	(228 407 422)
Depreciation of property and equipment (note 8)	(68 352 440)	(46 213 174)	(43 659 283)	(13 587 986)
Depreciation of right of use-assets (note 9)	(23 357 476)	(41 903 941)	(7 470 307)	(6 123 309)
Write-off of receivables	(30 592 793)	(257 273)	(5 472 148)	(138 124)
Amortisation of intangible assets (note 11)	(103 570 004)	(3 180 039)	(145 458 909)	(819 337)
Consultation fees	(91 968 274)	(54 363 323)	(95 343 309)	(25 244 254)
Legal fees	(6 375 471)	(5 513 896)	(6 408 013)	(3 504 230)
Fines	-	(309 753)	-	(112 549)
Rent, premises costs and utilities	(74 392 478)	(26 587 174)	(65 758 983)	(13 364 628)
Travel and representation	(29 161 941)	(9 947 466)	(23 394 634)	(4 814 135)
Travel and representation	(70 577 520)	(33 043 959)	(62 920 248)	(15 931 262)
Computer maintenance and licence fees	(48 442 860)	(7 905 418)	(30 399 267)	(4 539 324)
Subscriptions & levies	(17 978 772)	(4 613 728)	(17 741 496)	(2 649 222)
Retrenchment costs	(38 982 744)	(9 290 904)	(31 276 244)	(4 670 277)
Other operating expenses	(241 104 155)	408 799 783	(343 491 009)	(39 432 447))
	(1 944 493 116)	**(323 144 177)**	**(1 836 031 749)**	**(403 859 485)**

	Company 2021 ZWL	Company 2020 ZWL	Company 2021 ZW	Company 2020 ZWL
Independent auditors' remuneration	(12 898 172)	(5 219 942)	(12 329 242)	(2 234 595)
Directors' fees (non-executive)	(15 264 211)	(11 339 986)	(13 318 265)	(4 787 086)
Employee benefit expenses (note 34.1)	(96 538 127)	(74 352 554)	(80 777 062)	(32 611 412)
Depreciation of property and equipment (note 8)	(2 474 730)	(4 949 564)	(69 623)	(92 831)
Depreciation of right of use-assets (note 9)	(11 277 052)	(34 636 301)	(3 349 709)	(1 601 867)
Consultation fees	(29 376 189)	(9 811 433)	(22 141 077)	(3 098 178)
Legal fees	(80 733)	(289 253)	(62 989)	(146 086)
Rent, premises costs and utilities	(3 215 188)	(1 147 221)	(3 014 010)	(345 550)
Travel and representation	(5 505 390)	(476 562)	(5 160 037)	(168 934)
Marketing, advertising and promotion	(4 306 536)	(1 340 882)	(3 943 527)	(742 160)
Other operating expenses	(1 5305 776)	44 839 087	(16 404 412)	22 950 836
	(196 242 104)	**(98 724 610)**	**(160 569 953)**	**(22 877 863)**

		INFLATION ADJUSTED		HISTORICAL COST	
		Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
34.1	**Employee benefit expenses**				
	Directors' remuneration (executive directors)	(111 584 617)	(88 363 742)	(111 584 617)	(57 294 574)
	Wages and salaries (excluding executive directors)	(666 455 073)	(229 010 372)	(558 837 727)	(114 693 020)
	Other staff costs	(155 475 293)	(74 126 363)	(136 931 826)	(44 194 302)
	Pension costs (note 34.2)	(29 492 189)	(16 914 904)	(26 089 010)	(9 980 590)
	Social security costs (note 34.2.1)	(5 238 688)	(4 498 756)	(5 479 015)	(2 244 936)
		(968 245 860)	**(412 914 138)**	**(838 922 195)**	**(228 407 422)**

		Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
34.1	**Employee benefit expenses**				
	Directors' remuneration (executive directors)	-	(26 353 126)	-	(11 229 302)
	Wages and salaries (excluding executive directors)	(63 407 317)	(33 241 458)	(51 711 357)	(15 527 694)
	Other staff costs	(31 132 019)	(11 545 169)	(28 912 395)	(5 701 106)
	Social security costs (note 34.2.1)	(1 998 791)	(3 212 799)	(153 310)	(153 310)
		(96 538 127)	**(74 352 552)**	**(80 777 062)**	**(32 611 412)**

		Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
34.2	**Staff pension and life assurance scheme**				

Employees are members of the Life Assurance Scheme managed by Fidelity Life Assurance Company of Zimbabwe Limited. The Group's contributions (employer contributions) to the scheme are charged directly to the statement of profit or loss during the year in which they are incurred.

The Staff Pension Fund, a defined contribution plan, was paid-up in 2016. However, Credit Insurance Zimbabwe Limited and subsidiaries domiciled outside Zimbabwe have separate schemes to which they contribute. These schemes all have defined contribution plans and contributions are directly expensed through the statement of profit or loss during the year in which they are incurred.

Pension fund contributions	(294 921 189)	(1 6914 904)	(26 089 010)	(9 980 590)

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2021 ZWL	**Group 2020 ZWL**	**Group 2021 ZWL**	**Group 2020 ZWL**

34.2.1 National Social Security Authority Scheme

The entities domiciled in Zimbabwe and their employees contribute to the National Social Security Authority Pension Scheme. This is a social security scheme, which was promulgated under the National Social Security Act [Chapter 17:04]. The Group's obligations under the scheme are limited to specific contributions legislated from time to time. Similarly, regional subsidiaries and their staff also contribute to national social security schemes in their respective countries where such schemes are legislated. Company contributions are charged to the statement of profit or loss in the year in which they are incurred.

National Social Security Authority Scheme contributions	**(5 238 688)**	**(4 498 757)**	**(5 479 015)**	**(2 244 936)**

	Group 2021 ZWL	Group 2020 ZWL	Group 2021 ZWL	Group 2020 ZWL
National Social Security Authority Scheme contributions	(1 998 791)	(379 660)	(153 310)	(153 310)
Pension fund contributions	(29 492 189)	(16 914 904)	(26 089 010)	(9 980 590)

35 EARNINGS PER SHARE	**Group 2021 ZWL**	**Group 2020 ZWL**	**Group 2021 ZWL**	**Group 2020 ZWL**

Basic and diluted earnings per share

35.1 Basic earnings per share

The following reflects the income and ordinary share data used in the computations of basic and diluted earnings per share:

Earnings attributable to ordinary equity holders of the parent for basic earnings per share	2 685 525 636	897 316 129	5 193 182 572	2 015 543 197
Weighted average number of ordinary shares in issue	1 818 218 786	1 818 218 786	1 818 218 786	1 818 218 786
Basic earnings per share (ZWL cents)	147.70	57.63	285.62	129.44

35.2 Diluted earnings per share

The Company has no arrangements or contracts that could result in dilution therefore, the diluted earnings per share are the same as the basic earnings per share.

35 EARNINGS PER SHARE (continued)

35.2 Diluted earnings per share (continued)

The Group and Company have no arrangements or contractsthat could result in dilution therefore, the diluted earnings per share are the same as the basic earnings per share.

36 RELATED PARTY DISCLOSURES

36.1 Principal subsidiaries

The holding company's direct subsidiaries are Emeritus Reinsurance (Private) Limited,Zimre Property Investments Limited, Credit Insurance Zimbabwe Limited,Fidelity Life Assurance and WFDR which are owned 100% (2020: 100%),100% (2020:100%), 90.65% (2020: 90.65%),66.95% (2020: 66.95%) and 60% respectively of the issued share capital. 'Emeritus Reinsurance (Private) 'Limited is domiciled in Zimbabwe. In turn Emeritus Reinsurance Zimbabwe (Private) Limited has interests in the subsidiaries listed below:

	Country of incorporation	Activity	2020	2021
Subsidiaries of Emeritus Reinsurance Zimbabwe (Private) Limited				
Emeritus Reinsurance Zambia Limited				
(through Emeritus International)	Zambia	Reinsurance	100%	100%
Emeritus Reinsurance Company Limited				
(through Emeritus International)	Malawi	Reinsurance	100%	100%
Emeritus Resegguros, SA				
(owned through Emeritus International)	Mozambique	Reinsurance	70%	70%
Emeritus Reinsurance Company (Proprietary) Limited				
(through Emeritus International)	Botswana	Reinsurance	91.5%	91.5%
Emeritus Reinsurance Company of South Africa				
Limited (through Emeritus International)	South Africa	Reinsurance	100%	100%
Emeritus International Reinsurance Company Limited	Botswana	Reinsurance	100%	100%

36.2 Entity with significant influence over the Group

Day River Corporation Limited owns 33.81% of the issued share capital of Zimre Holdings Limited (2020: 33.81%), and the Government of Zimbabwe owning 18.24% (2020: 18.24%)

36.3 Associates

The Group's information on associates is disclosed in note 12.

36 RELATED PARTY DISCLOSURES (continued)

36.4 Transactions and balances with related parties

The total amount of transactions and balances that have been entered into with related parties are analysed as follows.

Related party transactions

36.4 Transactions and balances with related parties

The total amount of transactions and balances that have been entered into with related parties are analysed as follows.

Related party transactionst

Description	Company owed	Relationship	2021 Transaction amount for the year ZWL	2021 Balance ZWL	2020 Transaction amount for the year ZWL	2020 Balance ZWL
Rentals	Zimre Property Investments Limited	Subsidiary	197 023	-	197 023	-

36.4.2 Compensation of key management personnel of the Group

	INFLATION ADJUSTED		HISTORICAL COST	
	2021	2020	2021	2020
	ZWL	ZWL	ZWL	ZWL
Short-term employee benefits	(54 974 052)	(88 363 742)	(57 294 57)	(57 294 57)
Total compensation paid to key management personnel	(54 974 052)	(88 363 742	(57 294 57)	(57 294 57)

36.4.3 Other interests of directors in the holding company

	Number of shares	
	2021	2020
B.N. Kumalo	1 042 538	1 031 315
R.C. Von Seidel (indirectly)	166 033 426	166 033 426
H.B.W. Rudland (indirectly)	614 769 314	614 769 314
S. Kudenga	100 000	100 000

36.5 Transactions involving changes in subsidiaries shareholding

36.5.1 Change in ownership percentage in Zimre Property Investments Limited

	2021	2020
Zimre Holdings Limited purchased a further interest in Zimre Property Investments Limited as analysed below:		
Additional interest purchased	0.00%	35.65%
Interest after purchase	100%	100%
Purchase price	-	ZWL620 752 384

As a result of the above transaction, a change in ownership reserve of ZWL683 923 001 in 2020 was recognised in equity.

36.5.2 Business combinations

On 4 December 2020, the Group acquired an additional 35.09% of the share capital of Fidelity life Assurance Company of Zimbabwe Limited, a long term insurer operating in Zimbabwe. As a result of the purchase, the Group expects to increase presence in the long term and pensions assurance business.

Determination of fair values on acquisition date.

In the 2020 Annual Report it was indicated that during 2021 the Group would determine the fair values of the identifiable assets acquired and liabilities assumed and make the necessary adjustments to the goodwill that was recognised in prior year financial statements. IFRS 3 requires fair values of assets and liabilities acquired in a business combination to be finalised within 12 months of the acquisition date.

36 RELATED PARTY DISCLOSURES (continued)

The calculation of the goodwill/(bargain purchase) were as follows: **Fair values**

	Number of shares	Share price	INFLATION ADJUSTED ZWL	HISTORICAL COST ZWL
Fair value of previously interest in FLA at 30 November 2020	34 700 650	1.2008	43 428 306	41 668 541
Fair value of consideration transferred (share price of Zimre Holdings at 4 December 2020)	65 144 492	2.8975	196 727 803	188 756 166
Fair value of NCI in FLA	35 997 713	1.2008	45 051 596	43 226 054
Total identifiable net assets				
Property and equipment			388 415 097	388 415 097
Investment property			3 117 751 896	3 117 751 896
Intangible assets			35 738 159	34 290 008
Inventories			60 345 478	2 225 029
Trade and other receivables			380 498 771	365 080 522
Deferred tax assets			6 477	6 228
Deferred acquisition costs			-	
Equities at fair value through profit or loss			829 080 888	795 485 574
Debt securities at amortised cost			2 372 786	2 276 638
Cash and deposits with banks			704 693 434	676 138 443
Insurance contract liabilities, and investment contract liabilities with discretionary participation features			(3 722 269 955)	(3 722 269 955)
Investment contracts without discretionary participation features			(397 468 982)	(397 468 982)
Borrowings			(19 651 669)	(18 855 361)
Deferred tax liabilities			(43 333 091)	(41 577 184)
Lease obligation			-	
Trade and other payables			(530 944 661)	(509 430 171)
Corporate tax liability			(9 231 982)	(8 851 677)
Total identifiable net assets			796 002 646	683 216 105
Bargain purchase			(467 904 412)	(409 565 344)

The computation resulted in a bargain purchase of ZWL467 904 412 (historical cost terms ZWL409 565 344), which in accordance with paragraph 34 of IFRS 3 was recognised in profit or loss. The previously recorded goodwill was reversed through profit or loss.

36.5.2.1 Business combinations

On 6 September 2021, the Group acquired 60% of the share capital of WFDR Risk Services (Private) Limited, a risk management and short term insurance broking company operating in Zimbabwe. As a result of the purchase, the Group expects to increase presence in the short term business.

37 DIVIDENDS

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2021 ZWL	Group 2021 ZWL	Group 2021 ZWL	Group 2021 ZWL
As at 1 January	-	-	-	-
Dividends declared	31 223 706	5 307 862	30 000 000	3 100 000
Dividends paid	(31 223 706)	(5 307 862)	(30 000 000)	(3 100 000)
	-	-	-	-

During the year ended 31 December 2021, the board of directors declared and paid a dividend of ZWL30 000 000 (2020: ZWL3 100 000)

Company				
As at 1 January	-	-	-	-
Dividends declared	31 223 706	5 307 862	30 000 000	3 100 000
Dividends paid	(31 223 706)	(5 307 862	(30 000 000)	(3 100 000)
	-	-	-	-

During the year ended 31 December 2021, the board of directors declared and paid a dividend of ZWL30 000 000 (2020: ZWL3 100 000).

38 CONTINGENCIES

38.1 Contingent asset

The Group has had a 49% shareholding in the Zimbabwe United Passenger Company (Private) Limited ("ZUPCO") since 1993. In 2004, the Group expressed intention to exit ZUPCO through disposal of its shareholding to the majority shareholder, The Government of Zimbabwe. A settlement agreement was concluded in January 2022.

38.2.1 Contingent liability

Fidelity Life Assurance Company of Zimbabwe agreed to unconditionally guarantee ZWL37.5 million of the full debt owing to ZB Bank Limited on behalf of Fidelity Life Financial Services (Private) Limited in terms of the overdraft facility that was signed between Fidelity Life Financial Services (Private) Limited and ZB Bank Limited.

The guarantee covers part of the overdraft with the amount borrowed plus interest and any other charges and shall remain in place until the overdraft is fully paid. Fidelity Life Assurance of Zimbabwe as the Guarantor will duly pay to the Lender ZB Bank Limited the debt and liabilities in terms of the ZB Bank Limited overdraft facility agreement in the event of default by Fidelity Life Financial Services (Private) Limited up to the guaranteed amount.

38.2.2 Malawi Revenue Authority (MRA) tax audit

The tax authorities conducted an audit exercise for the four year period ended 31 December 2020 whose scope was on Pay-As-You-Earn (PAYE), Fringe Benefit Tax (FBT), Withholding Tax (WHT), Non-resident Tax (NRT), Corporate tax and Value Added Tax (VAT). The assessment exercise resulted in additional taxes and penalties amounting to K2.416 billion of which MKW1.48 billion is being contested as captured below.

	Additional taxes MKW	Penalties MKW	Total MKW
Taxes being disputed			
Withholding Taxes (WHT)	737 149	510 270	1 247 419
Non-resident Taxes (NRT)	135 029	100 317	235 346
Total	872 178	610 587	1 482 765

Reinsurance is a highly specialised business field by its nature and it was the first time that the tax authorities had undertaken such a tax audit on a reinsurance company. The assessment of Value Added tax, Withholding tax and Non-resident on reinsurance commissions had been done without proper understanding of the nature, operations of the reinsurance industry and the industry's defination of commission. This resulted in different interpretation and application of the tax law and inappropriate defination of reinsurance terminology such as commissions. A tax consultant has been engaged to review and respond to the tax audit findings and apply for the discharge and waiver of tax penalties.

38 CONTINGENCIES (continued)

38.3 Litigations

CFI Holdings Limited ("CFI") filed Summons in the High Court challenging the disposal of its 80.77% shareholding in Langford Estates to Fidelity Life Assurance Company of Zimbabwe Limited which was concluded through a Debt Assumption and Compromise Agreement in 2015.

38.3.2 On 17 January 2022 the company received a writ of summons from Madison General Insurance Zambia claiming USD67 250.86 and USD268 127.15 against Emeritus Re- Zimbabwe and South Africa (together Emeritus Re) respectively for breach of insurance contract the total amount is USD375 378.01.

The matter is pending in the High Court of Zambia.

39 Impact of Covid 19 pandemic

The Covid-19 pandemic had a major impact on the economy and the business with the resultant lockdowns and movement restrictions affecting trading activity. As for most businesses, the ZHL Group was not immune to the effects of the Covid-19 pandemic and the emergence of Covid-19 in early March 2020 diverted the Group's focus to navigating through the impact on its business and prepare for growth in a new normal. The Group implemented the appropriate regulatory measures and guidelines to ensure that the business operates in a safe environment for its customers, staff, and all stakeholders.

40 EVENTS AFTER THE REPORTING DATE

40.1 Approval of the Group financial statements

The Group financial statements were approved by the Board of Directors for issue on 13 May 2022 and the directors have power to amend and/or reissue the financial statements should circumstances requiring that arise.

40.3 Declaration of dividend

In line with the Group's dividend policy and after careful consideration of the Group's level of profitability and reserves, economic down turn as a result of the Covid-19 pandemic and associated risks to business growth, the Directors have found it prudent to declare a total dividend payable of ZWL102.6 million or 5.64 Zimbabwe cents per share (2020: ZWL30 million). Although the dividend is below the Group's expected dividend policy of two and half times cover, the Directors' recognize the need for frequent dividend distributions as a culture of mutual support and confidence between the Company and its shareholders.

SHAREHOLDERS ANALYSIS

2021				2020			
	SHAREHOLDER NAME	NUMBER OF SHARES	% HOLDING	HOLDER NUMBER	SHAREHOLDER NAME	NUMBER OF SHARES	% HOLDING
1	DAY RIVER CORPORATION (PRIVATE) LIMITED	614,769,314	33.81	1	DAY RIVER CORPORATION (PRIVATE) LIMITED	614,769,314	33.81
2	GOVERNMENT OF ZIMBABWE	331,728,844	18.24	2	GOVERNMENT OF ZIMBABWE	331,728,844	18.24
3	NSSA-NATIONAL PENSION SCHEME	277,119,216	15.24	3	NSSA-NATIONAL PENSION SCHEME	257,088,408	14.14
4	LALIBELA LIMITED-NNR	157,498,202	8.66	4	LALIBELA LIMITED-NNR	157,498,202	8.66
5	NSSA-WORKERS COMPENSATION IF	107,226,270	5.90	5	NSSA-WORKERS COMPENSATION IF	88,655,034	4.88
6	NICKDALE ENTERPRISES (PVT) LTD	68,123,292	3.75	6	NICKDALE ENTERPRISES (PVT) LTD	68,123,292	3.75
7	STANBIC NOMINEES 110008040010	44,204,469	2.43	7	STANBIC NOMINEES 110008040010	44,204,469	2.43
8	LOCAL AUTHORITIES PENSION FUND	34,798,935	1.91	8	NATIONAL SOCIAL SECURITY AUTHORITY	38,602,044	2.12
9	MEGA MARKET (PVT) LTD	10,752,501	0.59	9	LOCAL AUTHORITIES PENSION FUND	34,798,935	1.91
10	ZESA PENSION FUND	10,495,087	0.58	10	MEGA MARKET (PVT) LTD	10,756,601	0.59
11	MARIOT COMPUTING AND MANAGEMENT SERVICES (PVT) LTD	10,061,305	0.55	11	ZESA PENSION FUND	10,495,087	0.58
12	VON SEIDEL-NNR RICHARD JOHN	8,535,224	0.47	12	LHG MALTA HOLDINGS LIMITED	9,749,649	0.54
13	SCB NOMINEES 033667800001	5,388,662	0.30	13	VON SEIDEL-NNR RICHARD JOHN	8,535,224	0.47
14	STANBIC NOMINEES (PVT)LTD-A/C 140043470003	4,498,475	0.25	14	GURAMATUNHU FAMILY TRUST	7,271,463	0.40
15	TRIANGLE MONEY PLAN PENSION FUND-IMARA A/C 110008090006	3,955,894	0.22	15	SCB NOMINEES 033667800001	6,232,183	0.34
16	HIPPO VALLEY ESTATES PF-IMARA	3,883,988	0.21	16	MARIOT COMPUTING AND MANAGEMENT SERVICES (PVT) LTD	5,657,228	0.31
17	MORGAN AND CO MULTI-SECTOR	3,600,000	0.20	17	STANBIC NOMINEES (PVT)LTD-A/C 140043470003	4,494,136	0.25
18	OLD MUTUAL LIFE ASSURANCE OF ZIMBABWE LIMITED	3,440,710	0.19	18	TRIANGLE MONEY PLAN PENSION FUND-IMARA A/C 110008090006	3,955,894	0.22
19	LHG MALTA HOLDINGS LIMITED	3,013,449	0.17	19	HIPPO VALLEY ESTATES PF-IMARA	3,883,988	0.21
20	MEALCRAFT INVESTMENTS (PVT)LTD	3,010,430	0.17	20	OLD MUTUAL LIFE ASSURANCE OF ZIMBABWE LIMITED	3,657,984	0.20
TOTAL HOLDING OF TOP SHAREHOLDERS		**1,706,104,267**	**93.83**	**TOTAL HOLDING OF TOP SHAREHOLDERS**		**1,710,157,979**	**94.06**
REMAINING HOLDING		**112,114,519**	**6.17**	**REMAINING HOLDING**		**108,060,807**	**5.94**
TOTAL ISSUED SHARES		**1,818,218,786**	**100**	**TOTAL ISSUED SHARES**		**1,818,218,786**	**100**

SHARE MOVEMENTS

NSSA-NPS added 20,030,808 shares during the period under assessment.

NSSA-Workers Compensation IF accumulated 18,571,236 in the phase consideration.

NSSA transferred its total holding to the above shareholders.

Mega Market reduced its total holding by 4100 shares.

LHG Malta offloaded 6,736,200 shares reducing its percentage holding to 0.17 from 0.54.

Mariot Computing and Management Services purchased 4,404,077 during the time under review .

Guramatunhu Family Trust disposed its holding during the period.

SCB Nominees 033667800001 disposed 843,521 shares.

STANBIC NOMINEES (PVT)LTD-A/C 140043470003 augmented its holding by adding 4,339 shares .

Morgan and Company Multi-Sector purchased 3,600,000 shares during the period.

Old Mutual Life Assurance of Zimbabwe Limited sold 217,274 shares.

Mealcraft Investments added its holding by 55,200 shares.

(Registration number 2873/98 and Certificate of Change of Name dated 14/01/03)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 24th Annual General Meeting (AGM) of members will be held at 206 Samora Machel Avenue, Harare, Zimbabwe and virtually [insert link] on the 22 July 2022 at 10.00 hours, to consider the following business:

ORDINARY BUSINESS

1. Financial Statements

To receive, consider and adopt the Financial Statements for the year ended 31 December 2021 together with the Report of the Directors and Auditors thereon.

2. Corporate Governance Statement

To receive, consider and approve the Corporate Governance Statement for the period 1 January 2021 to 31 December 2021.

3. Dividend

To confirm payment of the final dividend for the year ended 31 December 2021 of ZWL102 569 358 amounting to ZWL5.64 cents per share.

(Per the Interim Dividend Notice of 1 June 2022 and subsequent publication of the Audited Abridged Financial Statements on 7 June 2022, the final dividend for the Company remains ZWL102 569 358 and was paid on 20 June 2022.)

4. Directorate

a) To re-elect Mr. Edwin Zvandasara who retires by rotation in terms of Article 75 of the Company's Articles of Association, and being eligible, offers himself for re-election.

Mr Zvandasara is the Acting Accountant General in the Ministry of Finance and Economic Development. He holds a Bachelor of Accountancy degree and is a Public Sector Financial Management practitioner with 34 years' experience in Public Sector Accounting.

b) To re-elect Ms. Jean Maguranyanga who retires by rotation in terms of Article 75 of the Company's Articles of Association, and being eligible, offers himself for re-election.

Ms Maguranyanga is a successful commercial lawyer with over 21 years' experience in the field of banking and working with a diversified portfolio of clients. She is a partner with a local law firm.

c) To note the retirement of Mr. Benjamin Kumalo in terms of Article 75 of the Company's Articles of Association,.

5. Directors Remuneration

To approve the remuneration of the Directors amounting to ZWL15 264 211 for the year ended 31 December 2021.

*(**NOTE** In terms of Practice Note 4 issued by the Zimbabwe Stock Exchange on the 17th of January 2020, the ZHL Directors Remuneration Report shall be available for inspection at the Company's registered office during the Annual General Meeting.)*

6. External Auditor's Fees

To approve the remuneration of the Independent Auditors, Grant Thornton Zimbabwe amounting to ZWL12 898 172 for the year ended 31 December 2021.

7. External Auditor's Appointment

To re-appoint Grant Thornton Zimbabwe as the Independent Auditors for the Company for the ensuing year until the conclusion of the next Annual General Meeting.

*(**NOTE** In terms of section 69 of the ZSE Listing Requirements, issuers are required to change their audit partners every five years and their audit firm every ten years. Grant Thornton Zimbabwe have served as the Company's Independent Auditors since 2021.)*

SPECIAL BUSINESS

8. General Authority to buy back shares

A Special Resolution

Subject to the requirements of the Companies and Other Business Entities Act [Chapter 24:31] and Zimbabwe Stock Exchange, the Directors be hereby authorised to renew the authority granted on 11 August 2021, to buyback the Company's issued ordinary shares subject to the following terms and conditions:

(i) That the purchase price shall not be lower than the nominal value of the Company's shares and not greater than 5% or lower than 5% of the weighted average trading price of the ordinary shares five (5) business days immediately preceding the date of the repurchase of such shares.
(ii) The maximum number of shares that may be acquired shall not exceed 10% (ten percent) of the company's issued ordinary share capital.
(iii) That this authority shall expire on the date of the next Annual General Meeting of the Company and shall not extend beyond 15 (fifteen) months from the date of the resolution.
(iv) That the shares repurchased may be held for treasury purposes or cancelled as may be decided by the Board of Directors from time to time.

9. Authority to place authorised unissued shares under the control of the Directors

As an Ordinary Resolution

To authorise the placement of the Company's authorised unissued ordinary shares, under the control of Directors, until the next Annual General Meeting, to be issued, subject to the requirements of the Company's Memorandum and Articles of Association and the Zimbabwe Stock Exchange Listing Requirements.

(The proposal will enable the Directors to undertake key transactions which transactions will be in accordance with section 309 (2) of the ZSE Listing Requirements, which requires that the Directors consult the ZSE prior to issuing the shares under their control, and complying with any instruction given by the ZSE regarding such issue.)

10. Any other business

To transact all such other business as may be transacted at an Annual General Meeting.

EXPLANATORY NOTE:-

TO THE GENERAL AUTHORITY TO BUY BACK SHARES

The Directors, in considering the effect of the purchase above, have reviewed the Company's budget and cash flow forecast for the period of twelve months after date of notice convening the Annual General Meeting. On the basis of this review, the Directors are satisfied that:

- The Company is in a strong financial position and will, in the ordinary course of business, be able to pay its debts for the period of twelve (12) months after the Annual General Meeting;
- The assets of the Company will be in excess of its liabilities for a period of twelve (12) months after the Annual General Meeting;
- The ordinary capital and reserves of the Company will be adequate for a period of twelve (12) months after the Annual General Meeting, and
- The working capital will be adequate for a period of twelve (12) months after the Annual General Meeting.

By order of the Board

R Chidora
Group Company Secretary/Legal Executive
30 June 2022

PROXY FORM

I/We...
(insert name in block letters)
Of...
(insert address)
Being a member/members of the above Zimre Holdings Limited ("ZHL" or the "Company"), hereby appoint Mr/Mrs/Ms..................................
....
(insert name in block letters)
Of...
(insert address)
Or failing him/her.. *(insert name in block letters)*
Of.. *(insert name in block letters)*
Or failing him/her...
(insert name in block letters)
Of.. *(insert address)*
Or failing him/her, the **CHIARPERSON** of the meeting as my/ our proxy to to attend, speak and vote for me/us on my/our behalf at the general meeting of the Company as specified above and any adjournments thereof and in accordance with the following instructions:-

	ORDINARY BUSINESS	Number of Votes		
		FOR	**AGAINST**	**ABSTAIN**
1.	To receive, consider and adopt the Financial Statements for the year ended 31 December 2021 together with the Report of the Directors and Auditors thereon.			
2.	To receive, consider and approve the Corporate Governance Statement for the period 1 January 2021 to 31 December 2021.			
3.	To confirm payment of the final dividend for the year ended 31 December 2021 of ZWL102 569 358 amounting to ZWL5.64 cents per share.			
4(a).	To re-elect Mr. Edwin Zvandasara who retires by rotation in terms of Article 75 of the Company's Articles of Association, and being eligible, offers himself for re-election.			
4(b).	To re-elect Ms. Jean Maguranyanga who retires by rotation in terms of Article 75 of the Company's Articles of Association, and being eligible, offers himself for re-election.			
5.	To approve the remuneration of the Directors amounting to ZWL15 264 211 for the year ended 31 December 2021.			
6.	To approve the remuneration of the Independent Auditors, Grant Thornton Zimbabwe amounting to ZWL12 898 172			
7.	To re-appoint Grant Thornton Zimbabwe as the Independent Auditors for the Company for the ensuing year until the conclusion of the next Annual General Meeting.			
	SPECIAL BUSINESS			
8.	Subject to the requirements of the Companies and Other Business Entities Act [Chapter 24:031] and Zimbabwe Stock Exchange, the Directors be and are hereby authorised to renew the authority granted on 11 August 2021, to buyback the Company's issued ordinary shares shall expire on the date of the next Annual General Meeting of the Company and shall not extend beyond 15 (fifteen) months from the date of the resolution.			
9.	To authorise the placement of the Company's authorised unissued ordinary shares, under the control of Directors, until the next Annual General Meeting, to be issued, subject to the requirements of the Company's Memorandum and Articles of Association and the Zimbabwe Stock Exchange Listing Requirements.			

SIGNED this...Day of...2022
Signature of Member/Director...
Name of Member ....
(If for a body Corporate, kindly sign on behalf thereof)

NOTES

(i) *Members are encouraged to lodge their questions with the Company Secretary or Transfer Secretaries by the 14th of July 2022.*

(ii) *In terms of the Companies and Other Business Entities Act [Chapter 24:31] a member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend, vote a poll and speak in his stead. A proxy need not be a member of the Company.*

(iii) *Proxy forms must be deposited at the registered office of the Company or at the office of the Transfer Secretaries (ZB Transfer Secretaries (Private) Limited, 21 Natal Road, Avondale, Harare, Zimbabwe) not less than 48 (forty-eight) hours before the time appointed for the holding of the meeting.*

ZIMRE HOLDINGS LIMITED

Security Growth and Profitability