

**ABRIDGED AUDITED CONSOLIDATED
FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2022**

**SHORT-FORM FINANCIAL ANNOUNCEMENT
Issued in terms of practice Note 13 of the Zimbabwe
Stock Exchange (ZSE)**

This Short-Form Financial Announcement is the responsibility of the Directors of ZHL and is only a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decisions by investors or shareholders should be based on consideration of the full announcement.

The full announcement is available on the Zimbabwe Stock Exchange Website: www.zse.co.zw and the Company website: www.zhl.co.zw.

A copy of the full announcement will also be available for inspection at the Company's registered office at 2nd Floor, Block D, Smatsatsa Office Complex, Borrowdale, Harare or via email request to: zhl@zimre.co.zw or the office of its transfer secretaries, ZB Transfer Secretaries, 21 Natal Road, Avondale or via email at PMberikwazvo@zb.co.zw.

	AUDITED INFLATION ADJUSTED		AUDITED HISTORICAL COST	
	31 December 2022 Audited ZWL (m)	% Change	31 December 2022 Audited ZWL (m)	% Change
Net premium written	15 410	12%	12 991	269%
Total income	39 530	9%	68 955	417%
Total comprehensive income	10 702	8%	36 135	502%
Total assets	122 189	51%	119 801	424%
Total equity	50 884	32%	48 489	352%
Cash generated from operations	8 915	291%	11 750	1 033%
Basic earnings per share (zwl cents)	255.21	-50%	1 255.11	339%
Headline earnings per share (zwl cents)	254.04	-49%	1 254.17	344%

Dividend

Notwithstanding the difficult operating environment, the Board of Directors have found it prudent to declare a final dividend payable of ZWL250,269,677 or ZWL13.76 cents per share for the year ended 31 December 2022. The dividend is in acknowledgement of the Group's philosophy to pass subsidiary dividends to the ultimate shareholder. This brings the total dividend for the year to ZWL405,652,702 or ZWL22.31 cents per share. A separate dividend notice will be published to this effect in accordance with the Company's Articles of Association and the Zimbabwe Stock Exchange (ZSE) Listing Requirements.

Auditor's Statement

This short form financial announcement derived from the audited inflation adjusted consolidated financial statements of Zimre Holdings Limited "the Group" for the financial year ended 31 December 2022, should be read together with the complete set of audited inflation adjusted consolidated financial statements, for the year ended 31 December 2022, which have been audited by Grant Thornton Chartered Accountants (Zimbabwe) and the auditor's report signed by Edmore Chimhwa, Registered Public Auditor 0470.

An adverse opinion has been issued on the audited inflation adjusted consolidated financial statements, for the year then ended. The adverse opinion was issued regarding non-compliance with IAS 21- The Effects of Changes in

Foreign Exchange Rates, and inclusion of the unaudited financial statements of Vanguard Life Assurance Limited in the consolidated financial statements of Fidelity Life Assurance of Zimbabwe Limited, a significant component of Zimre Holdings Limited.

The auditor's report includes a section on key audit matters outlining matters that in the auditor's professional judgement, were of most significance in the audit of the inflation adjusted consolidated financial statements. These include gross premiums recognition, adequacy of allowance for credit losses on trade and other receivables and valuation of insurance/reassurance contract liabilities.

The auditor's report on the inflation adjusted consolidated financial statements and the full set of the audited inflation adjusted consolidated financial statements, is available for inspection at the Company's registered office and the auditor's report has been lodged with the Zimbabwe Stock Exchange.



D. Matete
Chairman
31 March 2023

ABRIDGED AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022



Chairman's Statement for the Financial Year Ended 31 December 2022

Dear Members

It is my pleasure to present the Zimre Holdings Limited (ZHL) Group Financial Results for the year ended 31 December 2022.

BUSINESS ENVIRONMENT

The trading year 2022, was characterised by a slow global economy, a result of the Russia-Ukraine War and latent effects of the COVID-19 pandemic. Sub-Saharan Africa was not spared from economic shocks which included rising inflation, currency fluctuations, geopolitical tensions and weather shocks. Economic growth in the Southern African region has also been crippled by electricity shortages which either reduced production or escalated the cost of production in various industries.

In the first half of 2022, the **Zimbabwean** economy saw marked increases in various commodity prices largely driven by fuel price hikes as a result of the Russia -Ukraine War. The second half was characterised by increasing inflation and currency instability. Like most central banks across the world, the Reserve Bank of Zimbabwe (RBZ) employed tight monetary policies in order to curb the high levels of inflation. Consumers were on the receiving end as the cost of living increased and demand in various sectors of the economy reduced. The RBZ also introduced the Mosi oa Tunya Gold Coins (Gold Coins), which proved to be a valuable alternative and stable investment product for industry players. Additionally, the Gold Coins addressed the economy's excess liquidity thereby bringing exchange rate stability at the tail end of 2022.

Despite extreme weather shocks and terrorist attacks in the North, **Mozambique** saw some signs of positive change as the country received International Monetary Fund (IMF), World Bank and European Union (EU) funding for various national projects. The economy is set to rebound following opportunities in and resumption of the gas projects.

Malawi like Mozambique was hit by tropical storms and cyclones, the effects of which were further exacerbated by electricity shortages, subsequent fuel price increases and shortages. The economy was also dealt blows as exports and production declined, foreign currency became increasingly scarce, and this was worsened by the blight of high inflation and exchange rate instability.

The **Zambian** economy experienced relative economic stability managing to keep inflation in the single digits, down from 16.4% in December 2021 to close 2022 at 9.9%. However, Gross Domestic Product (GDP) growth slowed down in 2022 as government consumption stagnated and drought dampened farmers expectations.

Botswana's economic growth rate for 2022 was estimated to be 6.7% down from 11.8% in 2021. This was a result of declining diamond production attributed to the rise in demand for lab grown diamonds and the late institution of monetary policy measures to curb inflation.

OVERALL GROUP FINANCIAL PERFORMANCE

In spite of the significant challenges in the Group's operating jurisdictions, the Group delivered positive results, benefitting from the resilient performances of its underlying businesses.

Inflation adjusted Group total income was ZWL39.5 billion, a 9% increase from ZWL36.3 billion achieved in

2021. On a historical cost basis, total income increased by 417% from ZWL13.3 billion in 2021 to ZWL69.0 billion in 2022. The growth was driven by overall positive investment returns, strong top-line growth in premium income particularly in Botswana and Zambia and growth in the life and pensions business domiciled in Zimbabwe. Investment income growth was underpinned by fair value gains on investment properties largely driven by the exchange rate movements.

Gross Premium Written (GPW) was ZWL20.4 billion, a 13% increase in inflation adjusted terms. In historical terms, GPW was ZWL17.3 billion, a 272% increase from same period prior year on the back of real business growth in the region and from domestic operations. The regional operations contributed 43% to GPW in 2022 compared to 41% in 2021 and thus remain key strategic investments which provide diversification value to the Group.

Inflation adjusted Group total expenses grew by 36% from ZWL22.1 billion recorded in prior year to ZWL30.1 billion in the current year and in historical cost terms, expenses grew by 457% from ZWL7.6 billion in 2021 to ZWL42.3 billion in 2022. The spike in expenses was on account of unprecedented high claims experience in the non-life reinsurance entities as a result of climate change effects. Going forward, the Group will be improving its underwriting practices using innovative technologies to counteract climate change effects on its key reinsurance business lines. Local non-life reinsurance operations were hit the most by high agriculture claims resulting in a claims ratio of 71%. Operating and administration expenses spiked due to exchange rate driven inflationary pressures experienced primarily in Zimbabwe.

The Group sustained profitability in inflation adjusted terms, recording profit after tax of ZWL4.1 billion. In historical cost terms, profit after tax increased by 330% from ZWL5.4 billion in 2021 to ZWL23.2 billion in 2022. The growth is on account of fair value gains on financial assets and investment properties as well as strong top-line growth in some business units.

The Group's total assets increased by 51% in real terms from ZWL80.7 billion as at 31 December 2021 to ZWL122.2 billion as at 31 December 2022. The asset growth was driven by investment properties and equity investments which account for 67% (2021: 63%) of the Group's total assets. The Group's healthy balance sheet position is evidence of its resilience and commitment to provide its stakeholders with **"Security, Growth and Profitability"**.

COMMITMENT TO ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FACTORS

It is the Group's commitment to implement ESG practices that promote inclusive growth, diversity in communities we operate in, promoting equity, strengthening governance as anchor pillars for overall sustainability whilst outwardly championing wellness and healthy lifestyles in customer communities. This commitment informs every aspect of our business, especially our processes, investment appraisals, business practices, a participatory approach and strong collaboration with stakeholders.

DIRECTORATE

As was advised in the Interim Condensed Consolidated Financial Statements for the half year ended 30 June 2022, Mr. Benjamin N. Kumalo stepped down as a member and Chairman of the Board. His over 20 years of service to the ZHL Group has indelibly shaped the DNA of the Group. Desmond Matete, was subsequently appointed as Chairman.

DIVIDEND DECLARATION

Notwithstanding the difficult operating environment, the Board of Directors have found it prudent to declare a final dividend payable of ZWL250,269,677 or ZWL13.76 cents per share for the year ended 31 December 2022. The dividend is in acknowledgement of the Group's philosophy to pass subsidiary dividends to the ultimate shareholder. This brings the total dividend for the year to ZWL405,652,702 or ZWL22.31 cents per share. A separate dividend notice will be published to this effect in accordance with the Company's Articles of Association and the Zimbabwe Stock Exchange (ZSE) Listing Requirements.

OUTLOOK AND STRATEGY

As the Group celebrates a 40-year legacy in 2023, we are proud of its rich history that has showcased Zimbabwean excellence and left a footprint across Zimbabwe and the Southern Africa sub-region. Looking forward, and given its proven resilience over the years, the ZHL Group is focused on growing sustainable value for its stakeholders in a turbulent global economy. The strategy is set to harness the various strengths of its new structure and strategic partnerships to drive capacitation of its regional units and to expand its footprint further into the African continent.

The Group will be embarking on a new investment focus towards infrastructure and landmark development with an emphasis on sustainability. These activities will be undertaken through its Eagle Real Estate Investment Trust (REIT) to enable both local and international investor participation.

Since 2021, the Group has been going through a culture transformation to align the organisational purpose, strategic values and leadership behaviours. The renewed energy, including the various initiatives the Group is embarking on, are set to bring value realization to the shareholder and the community at large.

APPRECIATION

On behalf of the Board, I would like to thank our shareholders and the investing community for their continued support. I would like to extend my gratitude to my fellow Board members, Management and staff for their efforts in sustaining the business through a difficult operating environment.

D. Matete
Chairman
31 March 2023

ABRIDGED AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

ASSETS	Note	INFLATION ADJUSTED		HISTORICAL COST	
		Audited 31 December 2022 ZWL	Audited 31 December 2021 ZWL	Audited 31 December 2022 ZWL	Audited 31 December 2021 ZWL
Property and equipment	4	7 300 065 929	4 569 604 740	6 935 249 862	1 234 202 897
Right of use of assets		169 781 982	123 054 534	141 614 825	35 655 046
Investment properties	5	68 246 210 551	45 706 873 341	68 246 210 551	13 296 162 925
Intangible assets	6	419 157 080	379 774 197	280 131 846	94 635 809
Investment in associates		3 128 627 220	4 818 499 486	2 273 541 148	1 156 317 343
Deferred tax assets		1 533 604 611	181 650 509	1 125 983 431	32 384 017
Other non-current assets		111 365 906	-	111 365 906	-
Inventories		484 845 065	511 216 609	19 106 790	8 987 278
Trade and other receivables	7	17 160 094 820	7 781 833 285	17 173 762 109	2 228 652 160
Life reinsurance contract asset		87 876 000	89 728 203	87 876 000	26 102 000
Current income tax assets		462 500 152	255 293 812	459 635 744	74 265 157
Deferred acquisition costs		919 546 590	834 467 521	780 755 749	176 792 016
Financial assets:					
- at amortised cost	8.1	1 002 923 679	3 005 011 982	1 002 923 679	874 160 186
- at fair value through profit or loss	8.2	6 142 794 997	4 536 663 640	6 142 794 997	1 319 718 775
- at fair value through other comprehensive income	8.3	4 093 119 281	2 252 820 108	4 093 119 281	655 347 019
Cash and cash equivalents		10 926 482 280	5 607 692 921	10 926 482 280	1 631 281 977
Total assets		122 188 996 143	80 654 184 888	119 800 554 198	22 844 664 605
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to equity holders of the parent					
Share capital		2 825 677 150	2 825 677 150	18 175 447	18 175 447
Share premium		6 383 816 866	6 383 816 866	787 722 112	787 722 112
Treasury shares		(10 392 855)	(10 392 855)	(1 412 619)	(1 412 619)
Revaluation reserve		5 316 807 902	2 891 907 646	7 672 416 450	903 666 649
Financial assets at fair value through other comprehensive income reserve		1 033 510 585	793 731 343	594 340 639	147 739 785
Foreign currency translation reserve		7 186 606 196	4 594 326 207	4 057 343 133	583 552 452
Change in ownership reserve		2 476 382 924	2 476 382 924	334 501 014	334 501 014
Retained earnings		20 152 290 046	15 835 055 133	29 668 215 556	7 105 586 920
Total equity attributable to equity holders of the parent		45 364 698 814	35 790 504 414	43 131 301 732	9 879 531 760
Non-controlling interest		5 519 534 059	2 813 023 053	5 358 109 167	853 922 596
Total equity		50 884 232 873	38 603 527 467	48 489 410 899	10 733 454 356
LIABILITIES					
Deferred tax liabilities		3 551 778 899	2 238 825 825	4 190 804 531	702 008 883
Short term insurance contract liabilities	11	7 820 258 539	4 755 871 909	7 187 612 936	1 211 397 022
Insurance contract liabilities with discretionary participation features	12.1	24 458 354 615	20 603 880 912	24 458 354 615	5 993 684 045
Investment contract liabilities with discretionary participation features	12.2	12 461 018 797	2 977 660 658	12 461 018 797	866 203 666
Investment contracts without discretionary participation features	12.3	5 589 813 223	3 269 671 498	5 589 813 223	951 149 833
Life reinsurance contract liabilities		648 465 000	480 885 692	648 465 000	139 890 000
Borrowings	9	477 437 553	432 222 418	477 437 553	125 733 818
Lease liabilities		102 677 437	112 477 809	102 677 437	32 719 877
Other provisions		303 504 699	219 176 568	303 504 699	63 758 624
Trade and other payables	10	15 442 068 200	6 420 995 080	15 442 068 200	1 867 872 172
Current income tax payable		449 386 308	538 989 052	449 386 308	156 792 309
Total liabilities		71 304 763 270	42 050 657 421	71 311 143 299	12 111 210 249
TOTAL EQUITY AND LIABILITIES		122 188 996 143	80 654 184 888	119 800 554 198	22 844 664 605

ABRIDGED AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	INFLATION ADJUSTED		HISTORICAL COST	
		Audited 31 December 2022 ZWL	Audited 31 December 2021 ZWL	Audited 31 December 2022 ZWL	Audited 31 December 2021 ZWL
INCOME					
Gross written premium		20 390 246 091	18 001 781 109	17 265 859 934	4 636 790 891
Retrocession premium		(4 980 602 983)	(4 209 664 498)	(4 274 844 423)	(1 113 239 489)
Net premium written		15 409 643 108	13 792 116 611	12 991 015 511	3 523 551 402
Change in unearned premium reserve		(1 840 133 051)	(692 596 802)	(1 449 187 000)	(174 597 449)
Net premium earned		13 569 510 057	13 099 519 809	11 541 828 511	3 348 953 953
Brokerage, commission and fees		1 611 879 120	1 490 838 107	1 274 828 272	401 101 209
Total insurance income		15 181 389 177	14 590 357 916	12 816 656 783	3 750 055 162
Rental income from investment property		1 479 455 498	1 069 121 812	1 089 753 298	253 330 511
Fair value adjustments on investment property		17 929 819 393	13 055 776 107	49 352 586 685	7 352 760 127
Revenue from sale of inventory property		253 291 086	129 307 485	153 472 436	(295 216)
Property operating cost recoveries		-	1 608 467 632	-	409 565 344
Investment income		873 732 622	590 028 329	861 789 130	169 606 527
Other income	14	3 812 063 103	5 243 499 647	4 680 735 693	1 398 476 467
Total income		39 529 750 879	36 286 558 928	68 954 994 025	13 333 498 922
EXPENDITURE					
Insurance benefits and claims:					
Non-life insurance claims		(11 934 646 071)	(4 645 927 205)	(10 545 581 850)	(1 008 995 955)
Life reinsurance benefits and claims		(1 923 660 536)	(2 606 153 288)	(1 558 575 388)	(664 591 103)
Movement in life reinsurance contract liabilities		(651 604 466)	(386 927 091)	(446 801 000)	(90 842 000)
Claims ceded to reinsurers		7 217 756 523	1 394 020 833	6 344 071 281	362 228 893
		(7 292 154 550)	(6 244 986 751)	(6 206 886 957)	(1 402 200 165)
Gross change in insurance contract liabilities with DPF		1 133 233 209	(3 343 686 995)	(8 773 170 400)	(2 366 304 082)
Gross change in investment contract liabilities with DPF		(9 483 358 139)	(157 708 943)	(11 594 815 131)	(111 609 525)
Gross change in investment contract liabilities without DPF		(207 597 250)	(939 928 406)	(3 429 299 258)	(665 180 810)
Net property operating costs		(225 493 539)	(328 442 556)	(375 242 389)	(37 086 916)
Commission and acquisition expenses		(4 575 972 263)	(3 509 127 970)	(3 728 272 489)	(910 349 314)
Operating and administrative expenses	13	(8 567 788 770)	(6 684 387 147)	(7 411 584 575)	(1 836 031 749)
Allowance for expected credit losses on receivables		(608 533 615)	(739 261 549)	(548 225 567)	(182 353 895)
Finance costs		(234 479 249)	(194 848 392)	(198 308 629)	(48 042 338)
Total expenses		(30 062 144 166)	(22 142 378 709)	(42 265 805 395)	(7 559 158 794)
Loss on net monetary position		(3 643 575 157)	(2 973 743 006)	-	-
Profit before share of profit of associate accounted for using the equity method		5 824 031 556	11 170 437 213	26 689 188 630	5 774 340 128
Share of (losses)/profit of associates		(1 735 248 672)	(502 614 146)	(2 049 610 212)	92 517 053
Profit before income tax		4 088 782 884	10 667 823 067	24 639 578 418	5 866 857 181
Income tax credit/(expense)		25 465 370	(994 337 129)	(1 465 256 507)	(471 305 890)
Profit for the period		4 114 248 254	9 673 485 938	23 174 321 911	5 395 551 291
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to profit or loss:					
Property revaluation surplus		2 614 721 143	722 809 938	4 194 365 387	477 386 819
Share of other comprehensive income of associates		408 933 555	126 772 575	2 866 677 488	352 551 093
Gross change in insurance liabilities through other comprehensive income		-	(594 878 252)	-	(339 097 687)
Income tax relating to components of other comprehensive income		(598 754 442)	(1 302 558)	(292 293 075)	(10 108 415)
		2 424 900 256	253 401 703	6 768 749 800	480 731 810

**ABRIDGED AUDITED
CONSOLIDATED FINANCIAL
STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2022**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)**

	INFLATION ADJUSTED		HISTORICAL COST		
	Audited 31 December 2022 ZWL	Audited 31 December 2021 ZWL	Audited 31 December 2022 ZWL	Audited 31 December 2021 ZWL	
Items that may be reclassified to profit or loss:					
Exchange gains on translation of foreign operations	3 922 682 340	(142 594 498)	5 745 293 693	70 376 162	
Changes in fair value of financial assets at fair value through other comprehensive income	242 201 254	152 787 144	451 111 974	60 035 752	
Income tax relating to components of other comprehensive income	(2 422 013)	(1 527 872)	(4 511 120)	(600 358)	
	4 162 461 581	8 664 774	6 191 894 547	129 811 556	
Other comprehensive income for the period net of tax	6 587 361 837	262 066 477	12 960 644 347	610 543 366	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	10 701 610 091	9 935 552 415	36 134 966 258	6 006 094 658	
Profit for the period attributable to:					
Equity holders of Zimre Holdings Limited	4 640 302 587	9 231 759 628	22 820 581 019	5 193 182 571	
Non-controlling interests	(526 054 333)	441 726 310	353 740 892	202 368 720	
	4 114 248 254	9 673 485 938	23 174 321 911	5 395 551 291	
Total comprehensive income attributable to:					
Equity holders of Zimre Holdings Limited	9 897 262 075	9 474 558 322	33 509 722 354	5 745 892 660	
Non-controlling interests	804 348 016	460 994 096	2 625 243 904	260 201 998	
	10 701 610 091	9 935 552 415	36 134 966 258	6 006 094 658	
Earnings per share from profit on continuing operations attributable to owners of Zimre Holdings Limited					
Basic and diluted earnings per share (ZWL cents):	16	255.21	507.74	1 255.11	285.62



ABRIDGED AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	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	Total attributable to equity holders of parent ZWL	Non- controlling interest ZWL	Total equity ZWL
Year ended 31 December 2021											
Balance as at 1 January 2021	2 825 677 150	6 383 816 866	(8 609 425)	2 604 361 495	642 472 071	4 790 332 933	2 476 382 923	8 336 876 473	28 051 310 486	3 729 427 855	31 780 738 341
Total comprehensive (loss)/income for the period	-	-	-	287 546 151	151 259 272	(196 006 726)	-	9 231 759 628	9 474 558 322	460 994 093	9 935 552 415
Profit for the period	-	-	-	-	-	-	-	9 231 759 628	9 231 759 628	441 726 310	9 673 485 938
Other comprehensive income for the period net of tax	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period net of tax	-	-	-	287 546 151	151 259 272	(196 006 726)	-	-	242 798 694	19 267 783	262 066 477
Bargain purchase	-	-	-	-	-	-	-	1 599 661 294	1 599 661 294	-	(1 599 661 294)
Non controlling interest from subsidiary	-	-	-	-	-	-	-	-	-	1 377 398 895	(1 377 398 895)
Transactions with owners in their capacity as owners:	-	-	(1 783 430)	-	-	-	-	(133 919 674)	(135 703 100)	-	(135 703 099)
Dividend declared and paid	-	-	-	-	-	-	-	(133 919 674)	(133 919 674)	-	(133 919 674)
Share buy-back	-	-	(1 783 430)	-	-	-	-	-	(1 783 426)	-	(1 783 426)
Balance as at 31 December 2021	2 825 677 150	6 383 816 866	(10 392 855)	2 891 907 646	793 731 343	4 594 326 207	2 476 382 923	15 835 055 133	35 790 504 414	2 813 023 053	38 603 527 467
Balance as at 1 January 2022	2 825 677 150	6 383 816 866	(10 392 855)	2 891 907 646	793 731 343	4 594 326 207	2 476 382 923	15 835 055 133	35 790 504 414	2 813 023 053	38 603 527 467
Total comprehensive income for the period	-	-	-	2 424 900 256	239 779 242	2 592 279 990	-	4 640 302 587	9 897 262 074	804 348 017	10 701 610 091
Profit for the period	-	-	-	-	-	-	-	4 640 302 587	4 640 302 587	(526 054 333)	4 114 248 254
Other comprehensive income for the period net of tax	-	-	-	2 424 900 256	239 779 242	2 592 279 990	-	-	5 256 959 487	1 330 402 350	6 587 361 837
Non controlling interest from subsidiary	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners in their capacity as owners:	-	-	-	-	-	-	-	(323 067 674)	(323 067 674)	-	(323 067 674)
Dividend declared and paid	-	-	-	-	-	-	-	(323 067 674)	(323 067 674)	-	(323 067 674)
Share buy-back	-	-	-	-	-	-	-	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	1 902 162 989	1 902 162 989
Balance as at 31 December 2022	2 825 677 150	6 383 816 866	(10 392 855)	5 316 807 902	1 033 510 585	7 186 606 197	2 476 382 923	20 152 290 047	45 364 698 814	5 519 534 059	50 884 232 873



REBIRTH

The dawn of a new era



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ABRIDGED AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	HISTORICAL COST										
	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	Total attributable to equity holders of parent ZWL	Non- controlling interest ZWL	Total equity ZWL
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 period	-	-	-	438 436 189	59 435 394	54 838 504	-	5 193 182 571	5 745 892 660	260 201 998	6 006 094 658
Profit for the period	-	-	-	-	-	-	-	5 193 182 571	5 193 182 571	202 368 720	5 395 551 291
Reversal of impairment of investment in associate	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period net of tax	-	-	-	438 436 189	59 435 394	54 838 504	-	-	552 710 089	57 833 278	610 543 367
Bargain purchase	-	-	-	-	-	-	-	(409 565 343)	(409 565 343)	-	(409 565 343)
Non controlling interests on acquisition of subsidiary	-	-	-	-	-	-	-	-	-	(209 899 430)	(209 899 430)
Transactions with owners in their capacity as owners:	-	-	(389 538)	-	-	-	-	(30 000 000)	(30 389 540)	-	(30 389 540)
Dividend declared and paid	-	-	-	-	-	-	-	(30 000 000)	(30 000 000)	-	(30 000 000)
Share buy-back	-	-	(389 538)	-	-	-	-	-	(389 540)	-	(389 540)
Change in ownership percentage	-	-	-	-	-	-	-	-	-	-	-
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	9 879 531 760	853 922 596	10 733 454 356
Balance as at 1 January 2022	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	9 879 531 760	853 922 596	10 733 454 356
Total comprehensive income for the period	-	-	-	6 768 749 801	446 600 854	3 473 790 681	-	22 820 581 019	33 509 722 354	2 625 243 904	36 134 966 258
Profit for the period	-	-	-	-	-	-	-	22 820 581 019	22 820 581 019	353 740 892	23 174 321 911
Reversal of impairment of investment in associate	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period net of tax	-	-	-	6 768 749 801	446 600 854	3 473 790 681	-	-	10 689 141 335	2 271 503 012	12 960 644 347
Non controlling interest from subsidiary	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners in their capacity as owners:	-	-	-	-	-	-	-	(257 952 383)	(257 952 383)	1 878 942 667	1 620 990 284
Dividend declared and paid	-	-	-	-	-	-	-	(257 952 383)	(257 952 383)	-	(257 952 383)
Share buy-back	-	-	-	-	-	-	-	-	-	-	-
Non controlling interest from subsidiary	-	-	-	-	-	-	-	-	-	1 878 942 667	1 878 942 667
Balance as at 31 December 2022	18 175 447	787 722 112	(1 412 619)	7 672 416 450	594 340 639	4 057 343 133	334 501 014	29 668 215 556	43 131 301 732	5 358 109 167	48 489 410 899

ABRIDGED AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

GROUP STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Note	INFLATION ADJUSTED		HISTORICAL COST	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
Cash flows from operating activities					
Profit before income tax		4 088 782 884	10 667 823 067	24 639 578 418	5 866 857 181
Adjusted for:					
Net monetary gain		5 243 575 157	2 973 743 006	-	-
Depreciation charge	13	251 299 658	234 968 264	118 012 781	43 659 283
Unrealised gains on equities	14	673 656 567	(1 834 243 042)	(1 098 314 780)	(526 463 404)
Unrealised exchange differences		(1 825 538 264)	(844 047 480)	(1 005 618 851)	(204 574 200)
Fair value adjustment of investment properties		(17 929 819 393)	(13 055 776 107)	(49 352 586 685)	(7 352 760 127)
Share of (losses)/profit of associate		1 735 248 672	502 614 146	2 049 610 212	(92 517 053)
Change in unearned premium provision		1 840 133 051	692 596 802	1 449 187 000	174 597 449
Change in outstanding claims provision		699 947 166	(8 494 247)	950 358 769	19 395 861
Change in IBNR claims provision		389 114 178	161 393 093	665 415 618	90 841 941
Change in non insurance provisions		84 328 131	53 400 347	239 746 075	12 042 016
Change in DACs provision		(85 079 069)	(259 269 743)	(603 963 733)	(90 864 459)
Movement in life assurance contract liabilities		15 657 973 568	4 087 598 067	34 698 149 091	3 691 298 607
Change in Life fund		169 431 511	386 927 091	446 801 000	90 842 000
(Profit)loss on disposal of PPE	14	(20 381 138)	(60 878 730)	(14 559 406)	(16 828 997)
(Profit)loss on disposal of financial assets		(441 675)	-	(441 675)	-
Armortisation of intangible assets		41 957 587	356 032 119	30 780 727	145 458 942
Allowance for credit losses		608 533 615	739 261 549	548 225 567	182 353 895
Depreciation charge Lease		47 106 645	80 293 632	42 272 033	7 470 307
Inflation effect on cash		(1 864 702 081)	1 126 286 552	-	-
Loss from disposal on investment property		(8 003 023)	233 036 148	(8 003 023)	61 366 348
Bargain on purchase of subsidiary		-	(1 608 467 632)	-	(409 565 344)
Adjustments for separately disclosed items:					
Investment income		(873 732 622)	(590 028 331)	(861 789 130)	(169 606 527)
Finance costs/income		234 479 249	194 848 392	198 308 629	48 042 338
Working capital changes:					
(Increase)/ decrease in trade receivables		(9 378 261 535)	(876 663 259)	(14 945 109 949)	(983 437 913)
Decrease/(increase) in inventory		26 371 544	327 543 022	(10 119 513)	(2 279 743)
Increase / (decrease) in trade and other payables		8 129 565 092	(2 866 986 607)	11 223 661 079	59 239 507
increase/(decrease) in other payables and accruals		891 508 030	1 464 875 912	2 350 534 949	392 813 890
Cash flows from operations		8 914 629 721	2 278 386 032	11 750 135 202	1 037 381 798
Finance costs		(234 479 249)	(194 848 392)	(198 308 629)	(48 042 338)
Income taxes paid		(130 030 460)	(228 518 008)	(121 824 464)	(61 336 597)
Net cash generated from operating activities		8 550 120 012	1 855 019 632	11 430 002 109	928 002 864

ABRIDGED AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

GROUP STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2022 (continued)

	Note	INFLATION ADJUSTED		HISTORICAL COST	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
Cash flows from investing activities					
Acquisition of subsidiary net of cash acquired		(2 040 813 812)	(2 610 010 329)	(1 797 060 610)	(507 018 366)
Purchase of property plant and equipment		(223 043 031)	(216 140 638)	(238 699 608)	(63 699 910)
Acquisition and development of investment properties		(582 834 896)	(1 009 077 175)	(11 542 082)	(265 339 458)
Investment income		873 732 622	590 028 329	861 789 130	169 606 527
Proceeds from disposal of PPE		2 675 124	-	10 028 364	-
Net (purchase) disposal of investments		(113 946 456)	-	(109 187 958)	-
Proceeds from disposal of financial assets at FVTPL		68 283 706	546 483 055	(38 504 305)	174 150 394
Proceeds from disposal of financial assets at amortised cost		25 918 999	6 272 978	57 848 439	1 824 814
Purchase of financial assets at FVTPL		(36 652 442)	(155 217 667)	(51 544 498)	(34 309 018)
Purchase of financial assets at OCI		(87 576 326)	(106 169 221)	(89 918 939)	(25 488 295)
Purchase of intangible assets		(25 393 582)	(26 565 521)	(186 498 996)	(9 344 983)
Purchase of financial assets at amortised cost		(61 669 774)	(36 041 910)	(60 584 016)	(11 129 119)
Cash flows (used in)/generated from investing activities		(2 337 003 931)	(3 016 438 098)	(1 653 875 080)	(570 747 415)
Cash flows from financing activities					
Dividends paid		(323 067 674)	(133 919 674)	(257 952 383)	(30 000 000)
Loan drawdown		84 481 210	566 034 794	339 362 046	10 667 041
Proceeds from issue of shares		-	(1 783 430)	-	(389 538)
Loan repayment		(215 727 676)	(303 647 063)	(127 325 472)	(17 444 642)
Lease payments		(32 040 916)	(34 928 427)	(27 039 252)	(10 733 854)
Investment in subsidiary		-	-	-	-
Net cash (used in)/ generated from financing activities		(486 355 056)	91 756 200	(72 955 061)	(47 900 993)
Net increase in cash and cash equivalents					
Cash and cash equivalents at beginning of year		5 726 761 024	(1 069 662 266)	9 703 171 968	309 354 455
Cash and cash equivalents		5 607 692 921	6 538 816 988	1 631 281 977	1 183 389 323
Cash and cash equivalents		11 334 453 945	5 469 154 722	11 334 453 945	1 492 743 778
Effect of exchange rate movements		(407 971 665)	138 538 199	(407 971 665)	138 538 198
Cash and cash equivalents at end of period		10 926 482 280	5 607 692 921	10 926 482 280	1 631 281 977
Comprising:					
Cash on hand		23 944 691	68 782 497	23 944 691	20 008 879
Cash at bank		4 474 684 555	4 041 443 520	4 474 684 555	1 175 658 879
Investments maturing within 3 months		6 427 853 034	1 497 466 904	6 427 853 034	435 614 219
		10 926 482 280	5 607 692 921	10 926 482 280	1 631 281 977



**NOTES TO THE ABRIDGED CONSOLIDATED
FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2022**

Directors' Responsibility Statement

The Directors are required by the Companies and Other Business Entities Act (Chapter 24:31) to maintain adequate accounting records and are responsible for the content and integrity of the Group's abridged financial statements and related financial information included in this report. It is their responsibility to ensure that the Group's abridged financial statements fairly present the state of affairs of the Group as at the end of the financial reporting period and the results of its operations and cash flows for the year then ended in conformity with International Financial Reporting Standards ("IFRS").

Independent Auditor's statement

These abridged consolidated financial statements derived from the audited inflation adjusted consolidated financial statements of Zimre Holdings Limited "the Group" for the financial year ended 31 December 2022, should be read together with the complete set of audited inflation adjusted consolidated financial statements, for the year ended 31 December 2022, which have been audited by Grant Thornton Chartered Accountants (Zimbabwe) and the auditor's report signed by Edmore Chimhowa, Registered Public Auditor 0470.

An adverse opinion has been issued on the audited inflation adjusted consolidated financial statements, for the year then ended. The adverse opinion was issued regarding non-compliance with IAS 21- The Effects of Changes in Foreign Exchange Rates, non-compliance with International Accounting Standard (IAS) 8 - Accounting Policies, Changes in Accounting Estimates and Errors, and inclusion of the unaudited financial statements of Vanguard Life Assurance Limited in the consolidated financial statements of Fidelity Life Assurance of Zimbabwe Limited, a significant component of Zimre Holdings Limited.

The auditor's report includes a section on key audit matters outlining matters that in the auditor's professional judgement, were of most significance in the audit of the inflation adjusted consolidated financial statements. These include gross premiums recognition, adequacy of allowance for credit losses on trade and other receivables and valuation of insurance/reassurance contract liabilities.

The auditor's report on the inflation adjusted consolidated financial statements and the full set of the audited inflation adjusted consolidated financial statements, is available for inspection at the Company's registered office and the auditor's report has been lodged with the Zimbabwe Stock Exchange.

1 CORPORATE INFORMATION

The principal activity of Zimre Holdings Limited (the "Company") and its subsidiaries and associates (together "the Group") is the provision of insurance, reinsurance and reassurance and property management and development services. The Group also has associates that operate in the agro-industrial sector and property development.

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 2nd Floor, Block D, Smatsatsa Office Park, Borrowdale, Harare, Zimbabwe. The abridged consolidated financial statements for the year ended 31 December 2022 were authorised for issue by a resolution of the Board of Directors on 31 March 2023.

2 BASIS OF PREPARATION

2.1 The abridged consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the Zimbabwe Stock Exchange listing requirements, except for non-compliance with IAS 21. The financial statements are based on statutory records that are maintained under the historical cost convention basis, except for revaluation of investment properties, land and buildings and financial assets at fair value through profit or loss and insurance and investment contract liabilities that have been measured on a fair value basis.

The abridged consolidated Financial Statements have been prepared on a going concern basis. The inflation adjusted financial statements are the primary financial statements of the Group. Adjustments and reclassifications including the restatements to the changes in the general purchasing power of the Zimbabwe dollar for the purpose of fair presentation in accordance with IAS 29 have been made to the historical information.

Historical Financial Statements have been presented as supplementary information. The abridged consolidated Financial Statements do not include all the notes of the type normally included in an Annual Financial Report. Accordingly, these abridged consolidated Financial Statements are to be read in conjunction with the Annual Report for the year ended 31 December 2022 and any public announcements made by the Company during the reporting period.

2.2 Functional and reporting currency

The abridged consolidated Financial Statements are presented in ZWL which is both the functional and presentation currency of the Group.

2.3 Application of IAS 29 (Financial Reporting in Hyperinflationary Economies)

These financial results have been prepared in accordance with IAS 29 which requires that the financial statements of any entity whose functional currency is the currency of a hyper-inflationary economy be stated in terms of the measuring unit current at the reporting date and that corresponding figures for the previous period also be restated in terms of the same measuring unit.

The restatement has been calculated by means of conversion factors derived from the Consumer Price Index (CPI) reported on the Reserve Bank of Zimbabwe website. The indices and adjustment factors used to restate the financial statements at 31 December 2022 are as given below:

Dates	Index	factor
31 December 2022	13,673	1.000
31 December 2021	3,977	3.438
31 December 2020	2,475	5.525

The abridged consolidated financial results of the regional foreign subsidiaries which do not report in the currencies of hyper-inflationary economies were dealt with in accordance with IAS 21. The items included in statement of profit or loss and comprehensive income were translated using average exchange rates and statement of financial position items were translated at the closing rates.



**NOTES TO THE ABRIDGED CONSOLIDATED
FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2022**

2.4 Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding reporting period, unless otherwise stated.

3 INVESTMENT IN CFI

The reporting date of the associate is 30 September. The financial statements taken into account for the associate are for the year ended 30 September 2022. Management has determined that there were no significant transactions to take into account for the period 1 October to 31 December 2022.

4 PROPERTY AND EQUIPMENT

GROUP	INFLATION ADJUSTED				
	Freehold land and buildings ZWL	Motor vehicles ZWL	Equipment and computers ZWL	Furniture and fittings ZWL	Total ZWL
At 31 December 2021					
Cost or fair value	3 717 350 824	1 195 390 665	715 377 390	325 065 185	5 953 184 064
Accumulated depreciation	-	(709 001 351)	(519 410 291)	(155 167 681)	(1 383 579 324)
Net book amount	3 717 350 824	486 389 314	195 967 099	169 897 504	4 569 604 740
Year ended 31 December 2022					
Opening net book amount	3 717 350 824	486 389 314	195 967 099	169 897 504	4 569 604 741
Additions	22 131 602	89 568 938	89 595 713	21 746 778	223 043 031
Depreciation charge	(41 833 498)	(82 758 098)	(62 147 131)	(64 560 931)	(251 299 658)
Revaluation surplus	2 547 965 020	6 049 915	22 826 775	37 879 433	2 614 721 143
Disposals	(55 512 891)	-	(1 941 419)	293	(57 454 017)
Foreign exchange movements	308 173 508	(56 473 271)	(13 167 768)	(37 081 781)	201 450 689
Closing net book amount	6 498 274 565	442 776 798	231 133 269	127 881 297	7 300 065 929
At 31 December 2022					
Cost or fair value	6 594 364 417	1 009 337 607	695 273 209	256 559 930	8 555 535 164
Accumulated depreciation	(96 089 852)	(566 560 809)	(464 139 940)	(128 678 634)	(1 255 469 235)
Net book amount	6 498 274 565	442 776 798	231 133 269	127 881 296	7 300 065 929
	HISTORICAL COST				
	Freehold land and buildings ZWL	Motor vehicles ZWL	Equipment and computers ZWL	Furniture and fittings ZWL	Total ZWL
At 31 December 2021					
Cost or fair value	1 081 380 077	132 940 220	62 042 337	19 442 769	1 295 805 402
Accumulated depreciation	-	(35 436 991)	(21 193 140)	(4 972 374)	(61 602 505)
Net book amount	1 081 380 077	97 503 229	40 849 197	14 470 395	1 234 202 897
Year ended 31 December 2022					
Opening net book amount	1 081 380 077	97 503 229	40 849 197	14 470 395	1 234 202 897
Additions	22 131 602	86 925 301	108 270 747	21 371 959	238 699 609
Depreciation charge	(26 633 235)	(55 390 602)	(30 140 032)	(5 848 912)	(118 012 781)
Revaluation surplus	4 127 688 188	6 049 915	22 758 951	37 868 333	4 194 365 387
Disposals	52 640 833	1 248 064	954 545	1 523 805	56 367 247
Foreign exchange movements	1 025 470 807	261 912 703	28 774 648	13 469 345	1 329 627 503
Closing net book amount	6 282 678 272	398 248 610	171 468 056	82 854 925	6 935 249 862
At 31 December 2022					
Cost or fair value	6 289 119 158	706 397 051	322 097 704	119 933 012	7 437 546 924
Accumulated depreciation	(6 440 886)	(308 148 441)	(150 629 648)	(37 078 087)	(502 297 062)
Net book amount	6 282 678 272	398 248 610	171 468 056	82 854 925	6 935 249 862

**NOTES TO THE ABRIDGED CONSOLIDATED
FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2022**

5 INVESTMENT PROPERTIES

As at 1 January
Improvements, acquisition, development and capitalised borrowing costs
Improvements to existing properties
Acquisition and development
Additions through business combinations
Disposals
Fair value gain - properties held for investment contracts
Fair value (loss)/gain recognised in profit or loss
Reclassified from property and equipment
Exchange rate movement on foreign operations

Closing net book amount

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
As at 1 January	45 706 873 341	34 244 773 177	13 296 162 925	6 197 588 803
Improvements, acquisition, development and capitalised borrowing costs	21 049 950	1 009 077 175	11 542 083	265 339 458
Improvements to existing properties	20 775 749	46 379 007	11 389 749	9 542 411
Acquisition and development	274 201	19 675 650	152 334	5 723 661
Additions through business combinations	-	943 022 518	-	250 073 386
Disposals	-	(2 192 462 491)	-	(606 877 527)
Fair value gain - properties held for investment contracts	-	-	-	-
Fair value (loss)/gain recognised in profit or loss	17 929 819 393	13 055 776 107	49 352 586 685	7 352 760 127
Reclassified from property and equipment	-	-	-	-
Exchange rate movement on foreign operations	4 588 467 867	(410 290 627)	5 585 918 858	87 352 064
Closing net book amount	68 246 210 551	45 706 873 341	68 246 210 551	13 296 162 925

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. The Group's fair values of investment properties are based on property valuations performed by an independent professional property valuer. Gains and losses arising from a change in fair value of investment properties are recognised in the profit or loss statement. As at 31 December 2022, the fair values of the properties are based on valuations performed by accredited independent property valuers.

In Zimbabwe, properties were valued by Homelux Real Estate, industry specialists in valuing these types of investment properties and have recent experience in the location and category of the investment properties being valued. In Malawi and Mozambique the valuations were performed by SMN Property Professionals and Zambujo and Associados Consultores respectively.

Valuation models in accordance with recommendations by the International Valuation Standards Committee have been applied. There were no transfers between Levels 1 or 2 to Level 3 during the year. Investment properties are at Level 3. Significant judgements and assumptions were applied for the Group's Investment property portfolio. Land banks and residential properties were valued in Zimbabwean dollars using the comparison method and/or market evidence.

6 INTANGIBLE ASSETS

At 31 December 2021
Cost
Accumulated amortisation and impairment

Net book amount

Year ended 31 December 2022

Opening net book amount
Additions
Amortisation charge
Foreign exchange movements

Closing net book amount

At 31 December 2022

Cost
Accumulated amortisation and impairment

Net book amount

	INFLATION ADJUSTED		
	Goodwill ZWL	Software ZWL	Total ZWL
At 31 December 2021			
Cost	50 167 751	519 764 636	569 932 387
Accumulated amortisation and impairment	-	(190 158 190)	(190 158 190)
Net book amount	50 167 751	329 606 446	379 774 197
Year ended 31 December 2022			
Opening net book amount	50 167 751	329 606 446	379 774 197
Additions	-	205 148 896	205 148 896
Amortisation charge	-	(41 957 587)	(41 957 587)
Foreign exchange movements	-	(123 808 426)	(123 808 426)
Closing net book amount	50 167 751	368 989 329	419 157 080
At 31 December 2022			
Cost	50 167 751	601 105 106	651 272 857
Accumulated amortisation and impairment	-	(232 115 777)	(232 115 777)
Net book amount	50 167 751	368 989 329	419 157 080

**NOTES TO THE ABRIDGED CONSOLIDATED
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6 INTANGIBLE ASSETS (Continued)

At 31 December 2021
Cost
Accumulated amortisation and impairment

Net book amount

Year ended 31 December 2022

Opening net book amount
Additions
Amortisation charge
Foreign exchange movements

Closing net book amount

At 31 December 2022

Cost
Accumulated amortisation and impairment

Net book amount

	HISTORICAL COST		
	Goodwill ZWL	Software ZWL	Total ZWL
At 31 December 2021			
Cost	19 309 723	87 816 811	107 126 534
Accumulated amortisation and impairment	-	(12 490 725)	(12 490 725)
Net book amount	19 309 723	75 326 086	94 635 809
Year ended 31 December 2022			
Opening net book amount	19 309 723	75 326 086	94 635 809
Additions	-	186 498 996	186 498 996
Amortisation charge	-	(30 780 727)	(30 780 727)
Foreign exchange movements	-	29 777 768	29 777 768
Closing net book amount	19 309 723	260 822 123	280 131 846
At 31 December 2022			
Cost	19 309 723	304 093 575	323 403 298
Accumulated amortisation and impairment	-	(43 271 452)	(43 271 452)
Net book amount	19 309 723	260 822 123	280 131 846

7 TRADE AND OTHER RECEIVABLES

Reinsurance and insurance receivables
Rental and stand sales receivables
Other receivables and prepayments
Less: allowance for expected credit losses

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
Reinsurance and insurance receivables	8 666 559 710	4 872 535 271	8 666 559 710	1 417 424 079
Rental and stand sales receivables	640 234 563	207 207 179	640 234 563	60 276 720
Other receivables and prepayments	7 907 765 015	2 738 409 248	7 921 432 303	761 516 414
Less: allowance for expected credit losses	(54 464 467)	(36 318 413)	(54 464 467)	(10 565 053)
	17 160 094 820	7 781 833 285	17 173 762 109	2 228 652 160

8 FINANCIAL ASSETS

8.1 At amortised cost

Financial assets at amortised cost include the following debt investments:

Group	INFLATION ADJUSTED					
	2022			2021		
	Current ZWL	Non-current ZWL	Total ZWL	Current ZWL	Non-current ZWL	Total ZWL
Debentures	-	46 864	46 864	-	161 100	161 100
Mortgage loan	-	50 159 353	50 159 353	-	40 387 114	40 387 114
Bonds and treasury bills	289 744 232	147 634 568	437 378 800	192 537 855	158 876 475	351 414 330
Deposits with financial institutions	515 338 662	-	515 338 662	2 613 049 438	-	2 613 049 438
	805 082 894	197 840 785	1 002 923 679	2 805 587 293	199 424 689	3 005 011 982

**NOTES TO THE ABRIDGED CONSOLIDATED
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8 FINANCIAL ASSETS (continued)
8.1 At amortised cost (continued)

Group	HISTORICAL COST					
	2022			2021		
	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	-	50 159 353	50 159 353	-	11 748 641	11 748 641
Bonds and treasury bills	289 744 232	147 634 568	437 378 800	56 009 403	46 217 283	102 226 686
Deposits with financial institutions	515 338 662	-	515 338 662	760 137 995	-	760 137 995
	805 082 894	197 840 785	1 002 923 679	816 147 398	58 012 788	874 160 186

8.1.1 Analysis of movements	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
As at 1 January	3 005 011 982	2 447 990 661	874 160 186	443 035 188
Additions - business combinations	-	-	-	-
Purchases	61 669 774	36 041 910	26 026 737	11 129 119
Disposals	(25 918 999)	(6 272 978)	(46 998 150)	(1 824 814)
Foreign exchange movement	126 027 916	1 450 050 296	149 734 906	421 820 693
Effects of IAS 29	(2 163 866 994)	(922 797 907)	-	-
Closing balance	1 002 923 679	3 005 011 982	1 002 923 679	874 160 186

8.1.1 Analysis of movements

The debentures mature in 2023 and accrue interest at a rate of 5% (2022: 5%) per annum.
Bonds and treasury bills mature between 1-2 years and accrue interest of between 5%-15% (2022: 5%-15%) per annum depending on jurisdiction.
Mortgage loans mature in 2025 and accrue interest of 10% (2022:10%) per annum.

8.2 At fair value through profit or loss	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
As at 1 January	4 536 663 640	4 071 158 824	1 319 718 775	736 794 728
Purchases	36 652 442	155 217 667	51 544 498	34 309 018
Disposals	(67 842 031)	(546 483 055)	(38 945 980)	(174 150 394)
Fair value gain/(loss)	1 098 314 780	1 809 769 951	1 098 314 780	526 463 404
Effects of IAS 29	(3 173 156 758)	(1 627 807 326)	-	-
Foreign exchange movement	3 712 162 924	674 807 579	3 712 162 924	196 302 019
Closing balance	6 142 794 997	4 536 663 640	6 142 794 997	1 319 718 775

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 other stock exchanges in the region.

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8.3 At fair value through other comprehensive income

As at 1 January

Additions
Fair value gain/(loss)
Effects of IAS 29
Foreign exchange movement

Closing balance

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
As at 1 January	2 252 820 108	1 998 394 811	655 347 019	361 667 728
Additions	87 576 326	106 169 221	89 918 939	25 488 295
Fair value gain/(loss)	242 201 254	152 787 144	451 111 974	60 035 752
Effects of IAS 29	(1 386 219 756)	(720 085 279)	-	-
Foreign exchange movement	2 896 741 349	715 554 211	2 896 741 349	208 155 244
Closing balance	4 093 119 281	2 252 820 108	4 093 119 281	655 347 019

Equity investments at Fair Value through Other Comprehensive Income (FVOCI) comprise the following individual investments:

Unlisted securities

Cell Insurance Company (Private) Limited
Guardian Reinsurance Brokers Limited
ZEP-RE (PTA Reinsurance Company)
Lidwala Insurance Company
Vanguard Life Assurance Company

	Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
Cell Insurance Company (Private) Limited	420 894 775	241 804 785	420 894 775	70 341 189
Guardian Reinsurance Brokers Limited	115 920 688	52 809 424	115 920 688	15 362 300
ZEP-RE (PTA Reinsurance Company)	2 359 606 650	1 279 921 116	2 359 606 650	372 329 990
Lidwala Insurance Company	1 117 812 029	645 934 833	1 117 812 029	187 902 916
Vanguard Life Assurance Company	78 885 139	32 349 950	78 885 139	9 410 624
Total	4 093 119 281	2 252 820 108	4 093 119 281	655 347 019

8.4 Fair value hierarchy

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

	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL	Total ZWL
As at 31 December 2022				
Financial assets at fair value through profit or loss	6 142 794 997	-	-	6 142 794 997
Financial assets at fair value through other comprehensive income	-	-	4 093 119 281	4 093 119 281
Total	6 142 794 997	-	4 093 119 281	10 235 914 278
As at 31 December 2021				
Financial assets at fair value through profit or loss	4 536 663 640	-	-	4 536 663 640
Financial assets at fair value through other comprehensive income	-	-	2 252 820 108	2 252 820 108
Total	4 536 663 640	-	2 252 820 108	6 789 483 748

Level 1

On quoted market prices at the end of the reporting period. The quoted market price for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2

Determined using valuation techniques which maximise use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:
-the use of quoted market prices.

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9 BORROWINGS

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
As at 1 January	432 222 418	411 454 598	125 733 818	74 464 690
Drawn down during the period	441 170 660	566 034 794	339 362 046	10 667 041
Assumed borrowings through business combinations	-	-	-	-
Interest for the year	215 219 338	187 424 145	179 663 343	44 217 548
Capital repayments	(215 727 676)	(303 647 063)	(127 325 472)	17 444 642
Interest repayment	(215 219 338)	(187 424 145)	(96 207 538)	78 627 548
Effects of IAS 29	(236 439 205)	101 066 235	-	-
Foreign exchange movement	56 211 356	(342 686 147)	56 211 356	(99 687 651)
Closing balance	477 437 553	432 222 418	477 437 553	125 733 818
Non-current	235 447 125	395 219 398	235 447 125	114 969 612
Current	241 990 428	37 003 020	241 990 428	10 764 206
	477 437 553	432 222 418	477 437 553	125 733 818

Bank borrowings comprise loans from institutions listed below:

ZB Bank Limited

The overdraft facility with ZB was obtained as a line of credit for the micro-finance business to increase the unit's lending capacity. The facility is denominated in USD and ZWL. The USD facility accrues interest at 15% per annum on a one year tenure expiring on 30 September 2023 and the ZWL facility accrues interest at 205% (2021:49%) per annum expiring on 31 March 2023.

African Banking Corporation (Mozambique) SA

Emeritus Re Mozambique acquired a loan facility to purchase new office premises. The loan accrues interest at 20.75% per annum and is repayable over 7 years. Currently the outstanding amount is ZWL46 594 660. There were no changes to the terms and conditions of these borrowings during the reporting period.

10 TRADE AND OTHER PAYABLES

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
Due to retrocessionaires	9 816 119 374	4 643 870 187	10 511 146 312	1 350 905 238
Accruals and other	5 625 948 826	1 777 124 893	4 930 921 888	516 966 934
	15 442 068 200	6 420 995 080	15 442 068 200	1 867 872 172

11 SHORT TERM INSURANCE CONTRACT LIABILITIES

Outstanding claims	2 285 810 929	1 065 326 012	2 230 386 136	309 904 117
Provision for incurred but not reported claims	1 260 587 753	890 115 655	1 316 012 547	258 935 296
Unearned premium provision	4 273 859 857	2 800 430 242	3 641 214 253	642 557 609
	7 820 258 539	4 755 871 909	7 187 612 936	1 211 397 022

12 INSURANCE AND INVESTMENT CONTRACT LIABILITIES

12.1 Insurance contract liabilities with discretionary participation features

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
Balance at 1 January 2022	20 603 880 912	17 173 126 315	5 993 684 045	3 093 928 925
Change in life assurance policyholder liabilities for the period	3 854 473 703	3 430 754 597	18 464 670 570	2 899 755 120
Movement through profit or loss	(1 133 233 209)	3 343 686 995	8 773 170 400	2 366 304 082
Movement through other comprehensive income	-	594 878 252	-	339 097 687
Exchange rate movement on foreign operations	4 987 706 912	(507 810 650)	9 691 500 170	194 353 352
Balance at 31 December 2022	24 458 354 615	20 603 880 912	24 458 354 615	5 993 684 045

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12.2 Investment contract liabilities with discretionary participation features

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2022	Group 2021	Group 2022	Group 2021
Balance at 1 January 2022	2 977 660 658	2 524 523 848	866 203 666	456 886 102
Movement through profit or loss-Investment contract liabilities with DPF	9 483 358 139	453 136 810	11 594 815 131	409 317 564
Balance at 31 December 2022	12 461 018 797	2 977 660 658	12 461 018 797	866 203 666

12.3 Investment contracts without discretionary participation features

Balance at 1 January 2022	3 269 671 498	2 196 214 619	951 149 833	397 468 983
Other investment income	1 762 593	-	47 100 164	(111 643 714)
Gross premium income	2 118 441 390	148 141 626	1 166 481 538	3 391 219
Gross benefits and claims paid	(7 659 508)	(14 613 153)	(4 217 570)	(3 247 465)
Movement through profit or loss	207 597 250	939 928 406	3 429 299 258	665 180 810
Fair value gains from equities	(834 819)	252 481 159	(459 678)	118 305 592
Fair value gains from investment properties	2 147 332 171	722 760 344	4 497 379 302	557 147 824
Investment expenses	(1 938 900 102)	(35 313 097)	(1 067 620 366)	(10 272 606)
Balance at 31 December 2022	5 589 813 223	3 269 671 498	5 589 813 223	951 149 833

13 OPERATING AND ADMINISTRATION EXPENSES

Operating and administration expenses include the following disclosable expenses:

Audit fees	(313 402 923)	(237 032 336)	(238 007 416)	(62 588 763)
Directors' fees	(201 971 809)	(214 634 895)	(224 199 559)	(55 726 941)
Staff costs	(3 769 747 945)	(3 328 440 779)	(2 896 146 307)	(838 922 195)
Depreciation	(251 299 658)	(234 968 264)	(118 012 781)	(43 659 283)

14 OTHER INCOME

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
Profit/(loss) from disposal of property and equipment	20 381 138	60 878 730	14 559 406	16 828 997
Gains from disposal of investment property	8 003 023	233 036 148	8 003 023	61 366 348
Realised exchange differences	638 642 491	348 751 845	1 090 083 027	67 247 280
Recoveries from debtors previously written off	77 342 071	2 997 940	51 386 376	872 103
Gain from financial assets through profit or loss	(673 656 567)	1 834 243 042	1 098 314 780	526 463 404
Unrealised exchange gains	1 898 843 146	844 047 483	1 108 707 846	239 463 484
Other gains	1 842 507 801	1 919 544 459	1 309 681 235	486 234 851
	3 812 063 103	5 243 499 647	4 680 735 693	1 398 476 467

15 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 policyholders' assets and indemnification of other parties that have suffered damage as a result of the policyholders' accidents. Revenue in this segment is derived primarily from insurance premiums, investment income and fair value gains and losses on financial assets.

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15 SEGMENT INFORMATION (continued)

Life reinsurance

The life reinsurance 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 reinsurance 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 policyholders 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-financing services. Life insurance and pensions are among the products provided, along with consumer, corporate and agricultural loans.

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.

Insurance broking

This segment offers brokerage and professional risk consultancy services, specialising in Insurance Broking, Risk Management, Employee Benefits and Health Insurance consulting services.

Other and eliminations

This segment comprises the holding company and consolidation eliminations.

15.1 Information about products and services

For the year ended 31 December 2022	INFLATION ADJUSTED							Total ZWL
	Non-life reinsurance ZWL	Life reassurance ZWL	Life and pensions ZWL	General insurance ZWL	Property ZWL	Insurance Broking ZWL	Other and eliminations ZWL	
Total insurance revenue	9 309 462 921	1 512 769 902	3 141 314 406	863 470 226	-	548 508 287	(194 136 565)	15 181 389 177
Total income	11 770 611 863	2 574 731 611	4 876 538 612	1 184 856 437	1 768 780 771	727 282 844	(1 336 973 626)	21 565 828 512
Claims and expenses	(11 749 364 606)	(2 035 001 826)	(4 174 907 501)	(1 142 324 904)	(490 727 945)	(551 918 816)	508 405 835	(19 635 839 762)
Net benefits and claims	(4 582 420 943)	(1 148 734 330)	(1 258 216 155)	(302 783 123)	-	-	-	(7 292 154 550)
Commission and acquisition expenses	(3 735 149 413)	(376 780 319)	(363 824 248)	(185 220 637)	-	(109 134 209)	194 136 564	(4 575 972 263)
Net property operating costs	(16 871 869)	(16 126 054)	(43 792 820)	-	(114 599 822)	-	(34 102 974)	(225 493 539)
Operating and administrative expenses	(3 414 922 381)	(493 361 123)	(2 509 074 278)	(654 321 144)	(376 128 123)	(442 784 607)	348 372 245	(7 542 219 411)
Operating profit/(loss)	21 247 258	539 729 785	701 631 111	42 531 533	1 278 052 825	175 364 028	(828 567 791)	1 929 988 751
Gross change in insurance and investment contract liabilities	-	-	(8 557 722 180)	-	-	-	-	(8 557 722 180)
Finance costs	(26 347 248)	-	(191 428 499)	-	6 307 603	-	(23 011 105)	(234 479 249)
Fair value adjustment on investment properties	697 632 040	693 091 379	10 920 928 930	-	5 618 167 044	-	-	17 929 819 393
Gain/(loss) on monetary position	(857 905 019)	(1 396 365 780)	(2 037 077 412)	(140 571 004)	(1 417 533 876)	(24 603 653)	630 481 587	(5 243 575 157)
Share of profit of associates	-	-	-	-	-	-	(1 735 248 672)	(1 735 248 672)
Profit/(loss) before income tax	(165 372 969)	(163 544 616)	836 331 950	(98 039 471)	5 484 993 596	150 760 375	(1 956 345 980)	4 088 782 884
Income tax (expense)/credit	1 146 648 488	6 403	(626 817 511)	(72 632 177)	(404 152 012)	(30 021 737)	12 433 916	25 465 370
Total assets	33 857 361 819	3 959 301 504	56 407 690 383	2 034 615 457	28 886 291 795	1 138 131 016	(4 094 395 831)	122 188 996 143
Total liabilities	17 982 221 831	796 380 617	48 860 172 411	910 526 703	2 141 023 921	925 675 840	(311 238 054)	71 304 763 270

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For the year ended 31 December 2022	HISTORICAL COST							Total ZWL
	Non-life reinsurance ZWL	Life reassurance ZWL	Life and pensions ZWL	General insurance ZWL	Property ZWL	Insurance Broking ZWL	Other and eliminations ZWL	
Total insurance revenue	7 830 110 694	1 045 244 039	3 283 350 295	485 268 865	-	366 819 455	(194 136 565)	12 816 656 783
Total income	10 469 308 844	1 615 694 943	6 060 165 590	733 003 987	1 637 480 172	571 983 489	(1 485 479 548)	19 602 157 477
Claims and expenses	(10 340 170 194)	(1 458 149 521)	(5 036 812 489)	(764 410 531)	(546 534 943)	(388 650 989)	264 766 554	(18 269 962 114)
Net benefits and claims	(4 128 590 961)	(778 405 637)	(1 115 065 516)	(184 824 843)	-	-	-	(6 206 886 957)
Commission and acquisition expenses	(3 174 011 894)	(276 456 022)	(309 884 987)	(121 377 895)	-	(40 678 256)	194 136 565	(3 728 272 489)
Net property operating costs	(11 352 708)	(11 764 977)	(268 222 414)	-	(83 652 426)	-	-	(374 992 526)
Operating and administrative expenses	(3 026 214 631)	(391 522 885)	(3 343 639 571)	(458 207 793)	(462 882 517)	(347 972 734)	70 629 988	(7 959 810 142)
Operating profit/(loss)	129 138 649	157 545 422	1 023 353 101	(31 406 544)	1 090 945 229	183 332 500	(1 220 712 994)	1 332 195 363
Gross change in insurance and investment contract liabilities	-	-	(23 797 284 789)	-	-	-	-	(23 797 284 789)
Finance costs	(26 347 248)	-	(155 872 503)	-	1 920 563	-	(18 009 440)	(198 308 629)
Fair value adjustment on investment properties	1 995 161 442	2 037 739 999	24 956 413 046	-	20 363 272 197	-	-	49 352 586 685
Share of profit of associates	-	-	-	-	-	-	(2 049 610 212)	(2 049 610 212)
Profit/(loss) before income tax	2 097 952 843	2 195 285 421	2 026 608 855	(31 406 544)	21 456 137 989	183 332 500	(3 288 332 646)	24 639 578 418
Income tax credit/(expense)	814 740 926	10 665	(1 162 769 554)	33 870 105	(1 134 796 570)	(22 562 399)	6 250 320	(1 465 256 507)
Total assets	27 711 680 732	3 959 277 323	55 752 418 408	2 007 297 129	28 631 749 592	1 099 935 295	638 195 719	119 800 554 198
Total liabilities	17 349 576 227	796 380 617	48 373 447 512	919 838 892	2 116 519 638	918 189 522	837 190 890	71 311 143 299
For the year ended 31 December 2021	INFLATION ADJUSTED							Total ZWL
	Non-life reinsurance ZWL	Life reassurance ZWL	Life and pensions ZWL	General insurance ZWL	Property ZWL	Insurance Broking ZWL	Other and eliminations ZWL	
Total insurance revenue	8 594 825 937	1 415 560 847	4 078 001 292	563 832 592	-	113 612 681	(175 475 434)	14 590 357 916
Total income	10 430 568 872	3 370 526 658	6 892 303 437	725 326 077	958 204 205	116 517 672	737 335 902	23 230 782 824
Claims and expenses	(8 273 372 538)	(1 559 905 323)	(5 492 258 181)	(690 141 363)	(891 392 905)	(90 011 294)	(509 124 369)	(17 506 205 973)
Net benefits and claims	(2 609 136 302)	(948 872 046)	(2 594 096 956)	(92 881 447)	-	-	-	(6 244 986 751)
Commission and acquisition expenses	(2 975 067 392)	(354 472 810)	(202 351 787)	(147 229 812)	-	(5 481 602)	175 475 433	(3 509 127 970)
Net property operating costs	(21 468 781)	(22 248 411)	(150 542 144)	-	(134 183 221)	-	-	(328 442 556)
Operating and administrative expenses	(2 667 700 062)	(234 312 056)	(2 545 267 294)	(450 030 104)	(757 209 684)	(84 529 692)	(684 599 802)	(7 423 648 696)
Operating profit/(loss)	2 157 196 335	1 810 621 335	1 400 045 256	35 184 714	66 811 300	26 506 378	228 211 533	5 724 576 851
Gross change in insurance and investment contract liabilities	-	-	(4 441 324 347)	-	-	-	-	(4 441 324 347)
Finance costs	(35 326 783)	-	(155 153 528)	-	(3 793 813)	251 983	(826 251)	(194 848 392)
Fair value adjustment on investment properties	1 384 998 824	1 421 382 562	4 449 264 369	-	5 800 130 353	-	-	13 055 776 107
(Loss)/gain on monetary position	(409 543 857)	(1 842 422 186)	26 606 915	(142 381 206)	(372 532 166)	(46 231 310)	(187 239 195)	(2 973 743 006)
Share of profit of associates	-	-	-	-	-	-	(502 614 146)	(502 614 146)
Profit before income tax	3 097 324 518	1 389 581 711	1 279 438 665	(107 196 492)	5 490 615 674	(19 472 950)	(462 468 059)	10 667 823 067
Income tax (expense)/credit	(513 051 634)	(425 513)	(353 237 186)	89 460 497	(203 183 751)	(9 093 769)	(4 805 773)	(994 337 129)
Total assets	22 861 579 752	3 836 500 047	34 006 439 016	1 118 486 570	23 334 762 565	543 758 533	(5 047 341 595)	80 654 184 888
Total liabilities	10 855 140 761	510 040 946	29 840 343 942	522 403 933	1 607 113 187	441 984 709	(1 726 370 058)	42 050 657 421

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For the year ended 31 December 2021	HISTORICAL COST							Total ZWL
	Non-life reinsurance ZWL	Life reassurance ZWL	Life and pensions ZWL	General insurance ZWL	Property ZWL	Insurance Broking ZWL	Other and eliminations ZWL	
Total insurance revenue	2 238 582 770	332 406 007	1 088 665 994	115 483 394	-	25 962 930	(51 045 933)	3 750 055 162
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)
Net 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)
Operating profit/(loss)	480 819 506	558 632 084	805 980 016	(1 209 790)	55 510 007	5 741 962	(292 757 030)	1 612 716 755
Gross change in insurance and investment contract liabilities	-	-	(3 143 094 417)	-	-	-	-	(3 143 094 417)
Finance costs	(10 276 587)	-	(38 063 023)	-	463 203	9 670	(175 601)	(48 042 338)
Fair value adjustment on	529 617 116	311 049 910	3 005 523 574	-	3 506 569 527	-	-	7 352 760 127
Share of profit of associates	-	-	-	-	-	-	92 517 053	92 517 053
(Loss)/profit before income tax	1 000 160 035	869 681 994	630 346 150	(1 209 790)	3 562 542 738	5 751 632	(200 415 578)	5 866 857 181
Income tax credit/(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	(167 725 261)	22 844 664 605
Total liabilities	2 990 179 709	148 371 285	8 516 037 088	172 102 323	456 175 100	129 520 002	(301 175 256)	12 111 210 249

15.2 Geographical information

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

For the year ended 31 December 2022	INFLATION ADJUSTED						Total ZWL
	Botswana ZWL	Malawi ZWL	Mozambique ZWL	Zambia ZWL	Zimbabwe ZWL	Eliminations ZWL	
Total insurance revenue	469 859 167	1 409 931 535	1 340 565 507	797 738 115	11 357 431 419	(194 136 566)	15 181 389 177
Total income	478 344 651	1 648 052 165	1 340 118 260	850 136 989	18 586 150 073	(1 336 973 626)	21 565 828 512
Claims and expenses	(508 390 464)	(1 382 223 145)	(1 297 385 314)	(682 756 906)	(16 273 489 772)	508 405 837	(19 635 839 764)
Net benefits and claims	(172 914 879)	(370 919 756)	(328 312 831)	(142 112 687)	(6 277 894 397)	-	(7 292 154 550)
Commission and acquisition expenses	(211 133 809)	(554 921 428)	(479 447 891)	(343 960 401)	(3 180 645 299)	194 136 565	(4 575 972 263)
Net property operating costs	-	-	-	-	(191 390 565)	-	(191 390 565)
Operating and administrative expenses	(124 341 776)	(456 381 961)	(489 624 592)	(196 683 818)	(6 623 559 510)	314 269 272	(7 576 322 385)
Operating profit/(loss)	(30 045 813)	265 829 020	42 732 946	167 380 083	2 312 660 301	(828 567 789)	1 929 988 748
Gross change in insurance and investment contract liabilities	-	-	-	-	(23 797 284 789)	-	(8 557 722 179)
Finance costs	-	-	(21 398 123)	(4 949 125)	(208 132 001)	-	(234 479 249)
Fair value adjustment on investment properties	-	28 827 989	-	-	49 323 758 696	-	17 929 819 393
(Loss)/gain on monetary position	-	-	-	-	(5 874 056 745)	630 481 588	(5 243 575 157)
Share of profit of associates	-	-	-	-	(2 008 973 878)	273 725 206	(1 735 248 672)
(Loss)/profit before income tax	(30 045 813)	294 657 009	21 334 823	162 430 958	3 564 766 903	75 639 005	4 088 782 884
Income tax (expense)/credit	6 722 326	(129 139 321)	(1 992 377)	(53 962 893)	191 403 719	12 433 916	25 465 370
Total assets	578 227 055	8 412 369 582	6 229 840 764	2 838 921 734	108 224 032 837	(11 616 855 776)	122 188 996 143
Total liabilities	357 960 447	6 199 256 202	2 944 582 365	1 808 524 136	60 305 678 173	(534 261 009)	71 304 763 270

ABRIDGED AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

	HISTORICAL COST						Total ZWL
	Botswana ZWL	Malawi ZWL	Mozambique ZWL	Zambia ZWL	Zimbabwe ZWL	Eliminations ZWL	
For the year ended 31 December 2022							
Total insurance revenue	469 859 167	1 409 931 535	1 340 565 507	797 738 115	8 992 699 024	(194 136 565)	12 816 656 783
Total revenue	478 344 651	1 648 052 165	1 340 118 260	850 136 989	16 771 234 823	(1 485 479 548)	19 602 407 339
Claims and expenses	(508 390 464)	(1 382 223 145)	(1 297 385 314)	(682 756 906)	(14 664 222 703)	264 766 553	(18 270 211 979)
Net benefits and claims	(172 914 879)	(370 919 756)	(328 312 831)	(142 112 687)	(5 192 626 804)	-	(6 206 886 957)
Commission and acquisition expenses	(211 133 809)	(554 921 428)	(479 447 891)	(343 960 401)	(2 332 945 525)	194 136 565	(3 728 272 489)
Net property operating costs	-	-	-	-	(375 242 389)	-	(375 242 389)
Operating and administrative expenses	(124 341 776)	(456 381 961)	(489 624 592)	(196 683 818)	(6 763 407 985)	70 629 988	(7 959 810 144)
Operating (loss)/profit	(30 045 813)	265 829 020	42 732 946	167 380 083	2 107 012 120	(1 220 712 995)	1 332 195 361
Gross change in insurance and investment contract liabilities	-	-	-	-	(23 797 284 789)	-	(23 797 284 789)
Finance costs	-	-	(21 398 123)	(4 949 125)	(153 951 940)	(18 009 441)	(198 308 629)
Fair value adjustment on investment properties	-	28 827 989	-	-	49 323 758 696	-	49 352 586 685
Share of profit of associates	-	-	-	-	(2 008 973 878)	(40 636 334)	(2 049 610 212)
Profit/(loss) before income tax	(30 045 813)	294 657 009	21 334 823	162 430 958	25 470 560 209	(1 279 358 769)	24 639 578 418
Income tax credit/(expense)	6 722 326	(129 139 321)	(1 992 377)	(53 962 893)	(1 293 134 562)	6 250 320	(1 465 256 507)
Total assets	8 046 086 321	8 412 369 582	6 229 840 764	2 838 921 734	105 890 191 573	(11 616 855 776)	119 800 554 198
Total liabilities	357 960 447	6 199 256 202	2 944 582 365	1 808 524 136	60 535 081 158	(534 261 009)	71 311 143 299
	INFLATION ADJUSTED						
For the year ended 31 December 2021	Botswana ZWL	Malawi ZWL	Mozambique ZWL	Zambia ZWL	Zimbabwe ZWL	Eliminations ZWL	Total ZWL
Total insurance revenue	999 718 412	1 662 574 010	1 371 183 747	731 746 861	10 000 610 319	(175 475 433)	14 590 357 916
Total income	1 037 423 137	1 809 459 849	1 444 641 802	664 264 174	17 537 657 967	737 335 890	23 230 782 820
Claims and expenses	(850 477 866)	(1 617 884 239)	(1 292 397 668)	(578 192 340)	(12 658 478 299)	(508 775 557)	(17 506 205 969)
Net benefits and claims	(141 651 895)	(609 513 894)	(243 370 976)	(134 041 436)	(5 116 408 550)	-	(6 244 986 751)
Commission and acquisition expenses	(429 139 810)	(556 672 579)	(575 355 478)	(292 523 626)	(1 830 911 913)	175 475 436	(3 509 127 970)
Net property operating costs	-	-	-	-	(328 442 556)	-	(328 442 556)
Operating and administrative expenses	(279 686 161)	(451 697 766)	(473 671 214)	(151 627 277)	(5 382 715 280)	(684 250 993)	(7 423 648 692)
Operating (loss)/profit	186 945 271	191 575 610	152 244 134	86 071 834	4 879 179 668	228 560 333	5 724 576 850
Gross change in insurance and investment contract liabilities	-	-	-	-	(4 441 324 346)	-	(4 441 324 346)
Finance costs	(1 005 690)	-	(27 998 328)	(6 322 765)	(159 521 609)	-	(194 848 392)
Fair value adjustment on investment properties	-	23 299 333	-	-	13 032 476 774	-	13 055 776 107
(Loss)/gain on monetary position	-	-	-	-	-	(2 973 743 006)	(2 973 743 006)
Share of profit of associates	-	-	-	-	-	(502 614 146)	(502 614 146)
Profit/(loss) before income tax	185 939 581	214 874 943	124 245 806	79 749 069	13 310 810 487	(3 247 796 820)	10 667 823 067
Income tax (expense)/credit	(40 906 693)	(130 999 907)	(1 679 143)	(31 701 838)	(784 243 780)	(4 805 768)	(994 337 129)
Total assets	5 558 784 537	4 333 705 643	2 623 163 448	1 268 551 348	95 467 550 630	(28 597 570 718)	80 654 184 888
Total liabilities	1 287 362 813	3 061 171 928	1 592 794 063	803 424 917	40 382 681 958	(5 076 778 258)	42 050 657 421

ABRIDGED AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

15 SEGMENT RESULTS (continued)

15.2 Geographical information (continued)

	HISTORICAL COST						Total ZWL
	Botswana ZWL	Malawi ZWL	Mozambique ZWL	Zambia ZWL	Zimbabwe ZWL	Eliminations ZWL	
For the year ended 31 December 2021							
Total insurance revenue	290 818 818	483 643 997	398 878 356	212 865 698	2 414 894 225	(51 045 932)	3 750 055 162
Total income	301 787 150	526 373 195	420 247 358	193 234 935	4 576 882 943	(37 786 788)	5 980 738 793
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)
Operating profit/(loss)	54 382 516	55 729 485	44 287 930	25 038 360	1 725 955 506	(292 677 043)	1 612 716 754
Gross change in insurance and investment contract liabilities	-	-	-	-	(3 143 094 417)	-	(3 143 094 417)
Finance costs	(292 556)	-	(8 144 734)	(1 839 297)	(37 590 149)	(175 602)	(48 042 338)
Fair value adjustment on investment properties	-	6 777 793	-	-	7 345 982 334	-	7 352 760 127
Share of profit of associates	-	-	-	-	80 685 931	11 831 122	92 517 053
Profit/(loss) before income tax	54 089 960	62 507 278	36 143 196	23 199 063	5 971 939 206	(281 021 523)	5 866 857 181
Income tax credit/(expense)	(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	(3 936 604 767)	22 844 664 605
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



**NOTES TO THE ABRIDGED CONSOLIDATED
FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2022**

16 EARNINGS PER SHARE

Basic and diluted earnings per share

16.1 Basic earnings per share

Reconciliation of total earnings to headline earnings attributable to ordinary equity holders

The following reflects the income and ordinary share data used in the computations of basic and diluted earnings/(loss) per share:

	Group ZWL	Group ZWL	Group 2022 ZWL	Group 2021 ZWL
Earnings attributable to ordinary equity holders of the parent for basic earnings per share	4 640 302 588	9 231 759 628	22 820 581 019	5 193 182 572
Add/deduct non recurring items				
Profit on disposal of property	(20 381 138)	(60 878 730)	(14 559 406)	(16 828 997)
Profit on disposal of investment property	(8 003 023)	(233 036 148)	(8 003 023)	(61 366 348)
Taxation on headline earnings adjustable items	7 016 565	72 655 758	5 577 432	19 329 889
Headline earnings attributable to ordinary equity holders of the parent	4 618 934 992	9 010 500 508	22 803 596 022	5 134 317 116
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/(loss) per share (ZWL cents)	255.21	507.74	1,255.11	285.62
Headline earnings per share (ZWL cents)	254.04	495.57	1,254.17	282.38
	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2022 ZWL	Group 2021 ZWL	Group 2022 ZWL	Group 2021 ZWL
17 DIVIDENDS				
As at 1 January	-	-	-	-
Dividends declared	323 067 674	133 919 674	257 952 383	30 000 000
Dividends paid	(323 067 674)	(133 919 674)	(257 952 383)	(30 000 000)
	-	-	-	-

During the period ended 31 December 2022, the Board of directors declared a dividend of ZWL102 569 358 in respect of the 2021 financial year. In addition an interim dividend for the year 2022 of ZWL155 383 025 was declared and subsequently paid in September 2022.

18 CONTINGENCIES

18.1 Contingent assets

The Group 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, Government of Zimbabwe. A settlement agreement was concluded in January 2022 and an amount of ZWL374 417 525 was received for the disposal of the ZUPCO shares in June 2022.

18.2 Contingent liabilities

18.2.1 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 MKW1.48 billion), 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 (2021: MKW1.48 billion) is being contested as captured below:

**NOTES TO THE ABRIDGED CONSOLIDATED
FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2022**

18 CONTINGENCIES (continued)

	Additional taxes	Penalties	Total
Taxes being disputed	MWK	MWK	MWK
Withholding taxed (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 definition of commission. This resulted in different interpretation and application of the tax law and inappropriate definition 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. The tax appeal was submitted and the tax authorities have acknowledged receipt of the appeal. The Commissioner General's stay order on the enforcement of the taxes subsists until the matter is reviewed. The amounts under appeal have not been accrued for in the financial statements.

18.3 Litigations

18.3.1 In 2015, Fidelity Life Assurance of Zimbabwe (FLA), entered into a sale of shares agreement with CFI Holdings Limited (CFI) acquiring 80.77% shares in Langford Estates Private Limited, a company whose sole asset is land measuring 834 hectares. The purchase entailed the assumption of CFI Holdings' USD16million debt owed to a consortium of banks by FLA.

Subsequently a Debt Assumption and Compromise Agreement was signed between Fidelity Life, Langford Estates (1962) (Private) Limited, CFI Holdings, Crest Poultry (Private) Limited t/a Agrifoods, and FBC Bank Limited, Agricultural Bank of Zimbabwe Limited, Infrastructure Development Bank of Zimbabwe Limited, Standard Chartered Bank Zimbabwe Limited and CBZ Bank Limited. Fidelity assumed the CFI debt and ownership of 80.77% of Langford Estates and duly paid off the debt. In March 2018, FLA received a letter from CFI contesting the Sale of Shares Agreement and Debt Assumption and Compromise Agreement. The parties failed to reach an amicable resolution and CFI instituted legal proceedings against FLA in the High Court and Arbitration for cancellation of the debt assumption agreement and setting aside of the agreement of sale of shares respectively. Both matters are pending resolution before the two forums. The directors have engaged external legal counsel to defend the interests of Fidelity Life.

18.3.2 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.



RELEVANCE

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INDEPENDENT AUDITOR'S REPORT

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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 11 to 124, which comprise the consolidated statement of financial position as at 31 December 2022, 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 2022, 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 (IAS) 21 - The Effect of Changes in Foreign Exchange Rates in the prior financial years and International Accounting Standard (IAS) 8 - Accounting Policies, Changes in Accounting Estimates and Errors

During the prior financial years, the foreign currency denominated transactions and balances of the Group were translated into ZWL using the interbank exchange rates which were not considered appropriate spot rates for translations as required by IAS 21. The opinion on the prior year financial statements was modified in respect of this matter and the misstatements have not

been corrected in the inflation adjusted consolidated financial statements for the year ended 31 December 2022.

As the non-compliance with IAS 21 is from prior financial years and there have been no restatements to the prior year financial statements in accordance with IAS 8, some comparative numbers in the consolidated financial statements may be misstated. Our opinion on the current year consolidated financial statements is modified because of the possible effects of the above matters on the comparability of the current year's figures to corresponding figures of the comparative period.

The effects of the above non-compliance with the requirements of IAS 21 have been considered to be material but not pervasive to the inflation adjusted consolidated financial statements.

Inclusion of the unaudited financial statements of Vanguard Life Assurance Limited in the consolidated financial statements of Fidelity Life Assurance of Zimbabwe Limited

These consolidated financial statements include the financial position, financial results and cashflows of Fidelity Life Assurance of Zimbabwe, a significant component of Zimre Holdings Limited. The consolidated financial statements of Fidelity Life Assurance of Zimbabwe include unaudited financial statements of Vanguard Life Assurance Limited, a subsidiary of Fidelity Life Assurance of Zimbabwe. As a result, we were unable to satisfy ourselves that all necessary adjustments and disclosures have been made to the unaudited financial statements of Vanguard Life Assurance Limited, and consequently to the consolidated financial statements of Fidelity Life Assurance of Zimbabwe Limited for the year ended 31 December 2022. The opinion of Fidelity Life Assurance of Zimbabwe Limited for the year ended 31 December 2022 is modified in respect of this matter. Accordingly, we were unable to determine the effect this might have on the consolidated financial statements of Zimre Holdings Limited for the year ended 31 December 2022.

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.

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
<p>Gross premiums recognition</p> <ul style="list-style-type: none"> • There is a presumed fraud risk with regards revenue recognition as guided by International Standard on Auditing (ISA) 240 - <i>“The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements”</i> 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. 	<p>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:</p> <ul style="list-style-type: none"> • Reviewed that gross premium 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 correct period. • Analytical procedures and assessed the reasonableness of explanations provided by management.

Areas of focus	How our audit addressed the key audit matter
	We satisfied ourselves that the recognition of gross premiums is appropriate.
<p>Adequacy of allowance for credit losses on trade and other receivables</p> <p>As at 31 December 2022, the Group had trade and other receivables amounting to ZWL 17 160 094 820 (2021: ZWL 7 781 833 285).</p> <p>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.</p> <p>Key areas of judgement included:</p> <ul style="list-style-type: none"> • 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). 	<p>Assessed management's allowance for credit losses, which included the following:</p> <p>We performed an assessment of the modelling techniques and methodology used against the requirements of IFRS 9;</p> <ul style="list-style-type: none"> • We assessed and tested the modelling assumptions with a focus on the: <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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. <p>Based on our audit work performed, the assumptions used by management were appropriate.</p>
<p>Valuation of insurance/reassurance contract liabilities</p> <ul style="list-style-type: none"> • 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 these processes and systems could result in a misstatement of the value of insurance contracts. 	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • 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 actuarial valuation systems, together with the data extraction and conversion processes. • Assessed the design and operating effectiveness of the key controls of the

Areas of focus	How our audit addressed the key audit matter
<ul style="list-style-type: none"> • 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. 	<p>actuarial valuation process for the setting and updating of actuarial assumptions and the process for model and methodology changes.</p> <ul style="list-style-type: none"> • 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. <p>We satisfied ourselves that the valuation of insurance/reassurance contract liabilities is appropriate.</p>

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.

Responsibility of Management and Those Charged with Governance for the consolidated financial statements

Management is 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, management is 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.

Those charged with governance are 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.

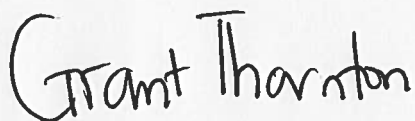
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding 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.



Edmore Chimhowa
Partner

Registered Public Auditor (PAAB No: 0470)

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors

HARARE

31 March2023