FIDELITY LIFE
ASSURANCE OF ZIMBABWE

Annual Report 2022

VAKA YAKO

Zadzisa zvishuwo zvako

get in touch with us so we may assist you in starting
a SAVINGS PLAN towards getting a Residential Stand:

www.fidelitylife.co.zw

A Member of the ZHL Group

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FIDELITY LIFE
ASSURANCE OF ZIMBABWE

Vision.

A life partner to a great financial legacy.

Mission.

WE DELIVER VALUE TO OUR STAKEHOLDERS THROUGH:

- Responsive financial solutions
- Superior customer experience
- Consistent and superior stakeholder returns

Values.

- Teamwork - We win together
- Integrity - Right things all the time
- Commitment - Exceeding expectations
- Empathy - Understanding and fulfilling needs
- Recognition - Rewarding excellence

About This Report

Fidelity Life Assurance of Zimbabwe Limited, a Group listed on the Zimbabwe Stock Exchange ("ZSE") since 2007, is pleased to present the Annual Report for the year ended 31 December 2022. This is our first Report integrating both financial and sustainability information.

Reporting Scope

This Report contains information for Fidelity Life Assurance of Zimbabwe Limited incorporated and domiciled in Zimbabwe. Its principal activities are life assurance, funeral assurance and services, asset management, actuarial consultancy, property development, healthcare and micro-financing services. In this Report all references to 'our', 'we', 'us', 'the business', 'FLA', and 'the Group' refer to Fidelity Life Assurance of Zimbabwe Limited.

Reporting Frameworks

In developing this Report, we were guided by the following Reporting requirements:

- The Companies and Other Business Entities Act [Chapter 24:31];
- Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules [SI.134 of 2019];
- International Financial Reporting Standards ("IFRS"); and
- Global Reporting Initiative ("GRI") Standards.

Sustainability Data

The Report was compiled using qualitative and quantitative data extracted from Group policy documents, records and from personnel accountable for material issues herein presented. In some cases, estimations were made and confirmed for consistency with business activities.

Data and Assurance

The Financial statements were audited by Grant Thornton Zimbabwe in accordance with the International Standards of Auditing (ISAs). The Independent Auditors' Report is found on page 49.
Sustainability information was validated for compliance with the GRI Standards by the Institute for Sustainability Africa (INSAF), an independent subject matter expert. A GRI Content Index is contained on page 184 to 188. The sustainability data provided in this Report was not externally assured.

Report Declaration

The Directors take responsibility to confirm that this Report has been prepared in accordance with the GRI Standards 'Core' option.

Restatements

Fidelity Life Assurance of Zimbabwe Limited did not make any restatements of data previously published.

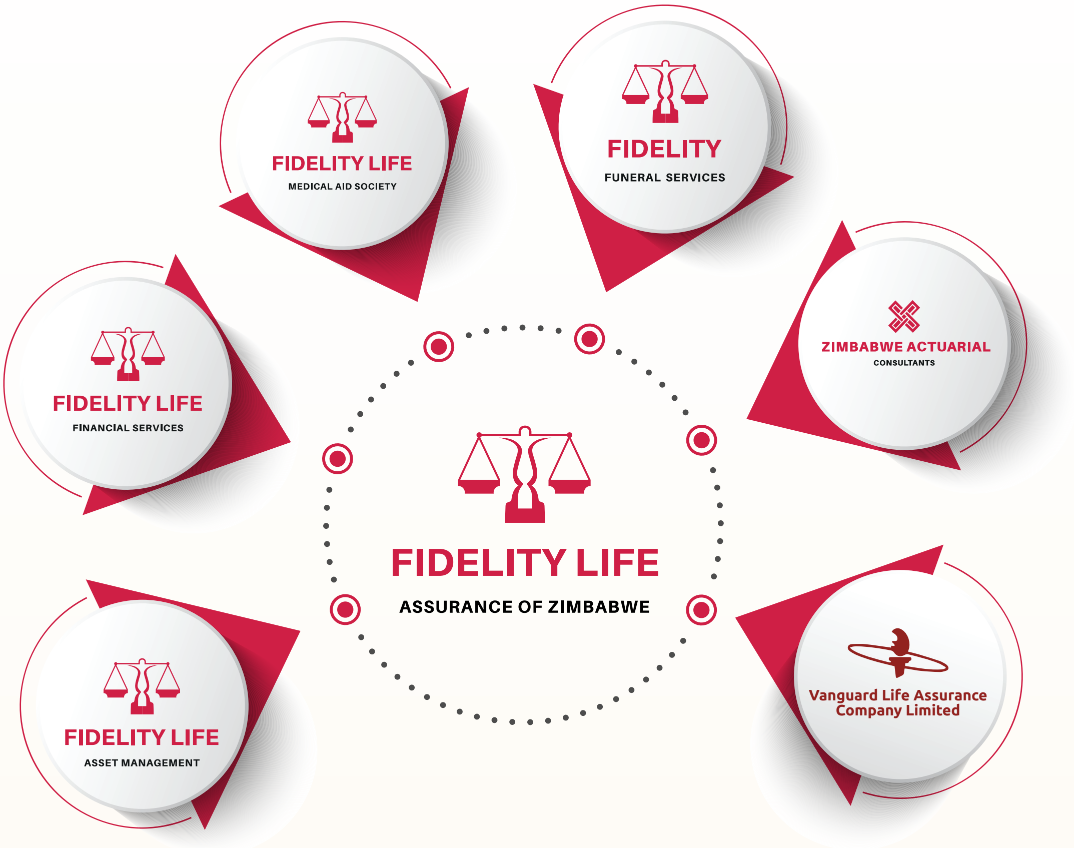
Forward Looking Statements

This Report may contain forward looking statements which are based on current estimates and projections by Fidelity Life Assurance of Zimbabwe Limited. These statements are however not guaranteeing future developments and results as these may be affected by several anticipated and unanticipated risks and uncertainties. Stakeholders are cautioned against placing undue reliance on forward looking statements contained herein. We commit to publicly share any revisions of the forward-looking statements to reflect changes in circumstances and or events after the publication of this Report through trading and website updates.

Feedback on the Report

The Group values opinions and feedback from all stakeholders on how we can improve our operations and Reporting. We welcome any suggestions and or inquiries you may have. Kindly share your feedback with Group Secretary, Email: marketing@fidelitylife.co.zw or at the Registered Office of the Company, 66 Julius Nyerere, Harare.

Group Structure



GROUP PRODUCTS AND SERVICES

Fidelity Life Assurance of Zimbabwe Limited is a holding company providing different products and services along the life assurance value chain including but not limited to employee benefits, medical insurance, funeral services and pension fund administration. To augment its value proposition as a life partner, it also provides the following financial services, asset management, micro finance, actuarial services and residential property development.

Our Operations

Our operations are based in Zimbabwe with service offices located throughout the country and Malawi.

Business Memberships

Zimbabwe Association of Pension Funds (ZAPF)
Life Offices Association (LOA)
Insurance Institute of Zimbabwe (IIZ)
Zimbabwe Association of Funeral Assurers (ZAFA)
Actuarial Society of Zimbabwe (ASZ)
Association of Health Care Funders Zimbabwe (AFHoZ)

Recognitions and Awards

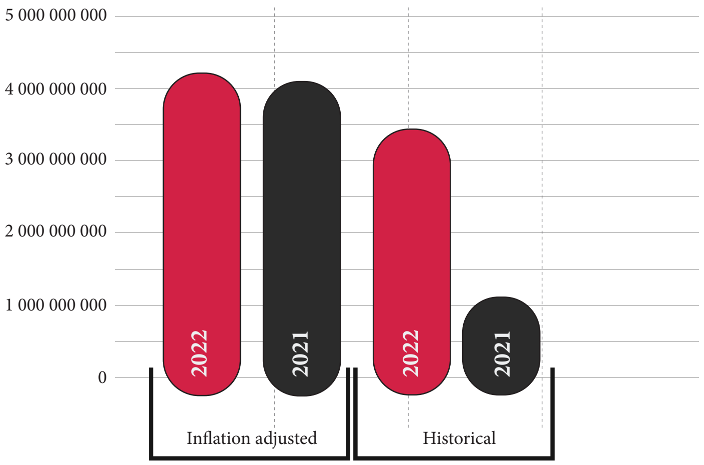
- Second Overall Prize: Best Governance Practices (Insurance Companies) from the Chartered Governance and Accountancy Institute in Zimbabwe
- Second Overall Prize: Internal Audit and Compliance (Insurance Companies) from the Chartered Governance and Accountancy Institute in Zimbabwe
- Second Overall Prize: Best Risk Management (Insurance Companies) from the Chartered Governance and Accountancy Institute in Zimbabwe
- Second Prize: Overall Best (Insurance Companies) from the Chartered Governance and Accountancy Institute in Zimbabwe

Performance Highlights

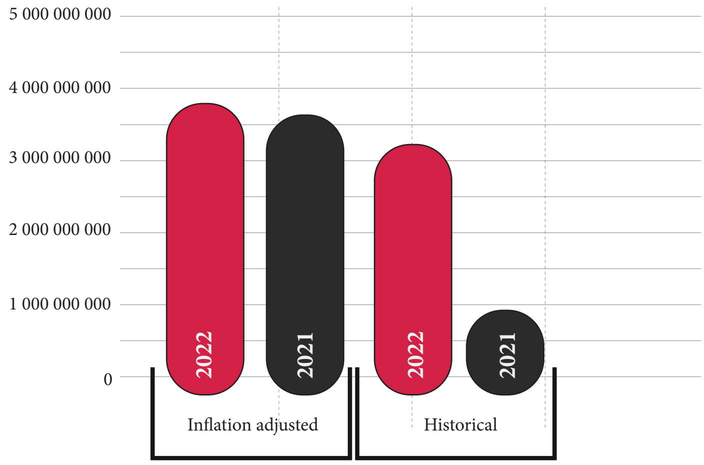
Financial Highlights

	Inflation adjusted ZWL'000		Historical ZWL'000	
	2022	2021	2022	2021
Total Gross Premium Written	4,082,780,792	4,032,228,615	3,403,406,422	1,066,935,975
Net Premium Earned	3,803,609,400	3,678,634,799	3,245,107,852	982,092,762
Investment Income	634,703,194	375,060,572	629,050,823	109,486,493
Profit before Income Tax	836,331,949	1,298,251,636	2,026,608,859	661,223,666
Total Assets	56,407,690,388	34,006,438,952	55,752,418,412	9,756,956,052
Share Performance				
Basic earnings per share	1,299.08	359.45	2,448.54	97.41
Headline earnings per share (ZWL cents)	1,300.28	154.79	2,449.69	41.11

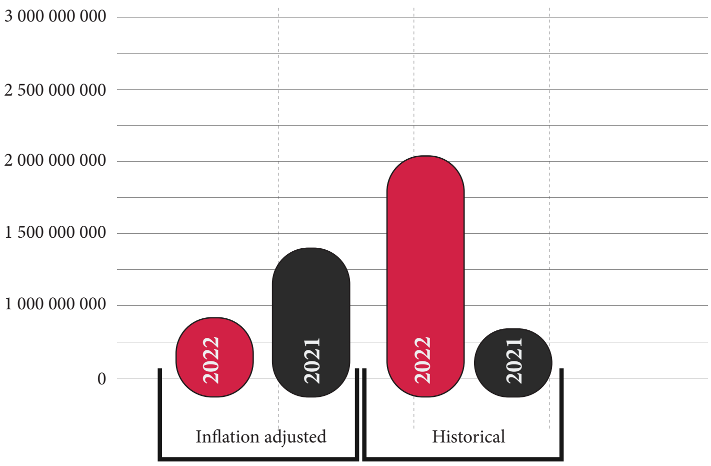
Total Gross Premium Written



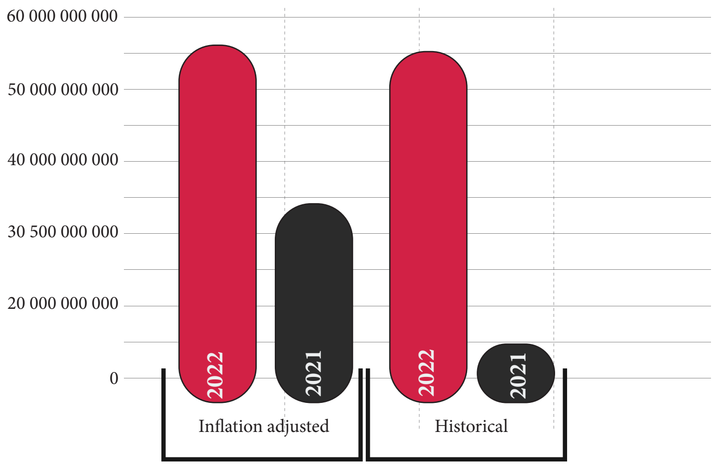
Net Premium Earned



Profit before Income Tax



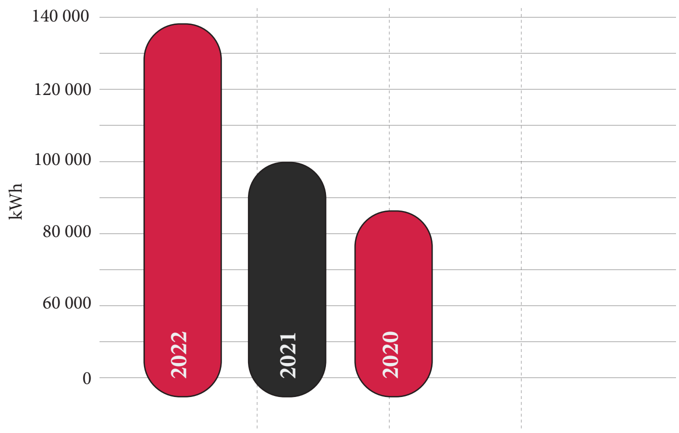
Total Assets



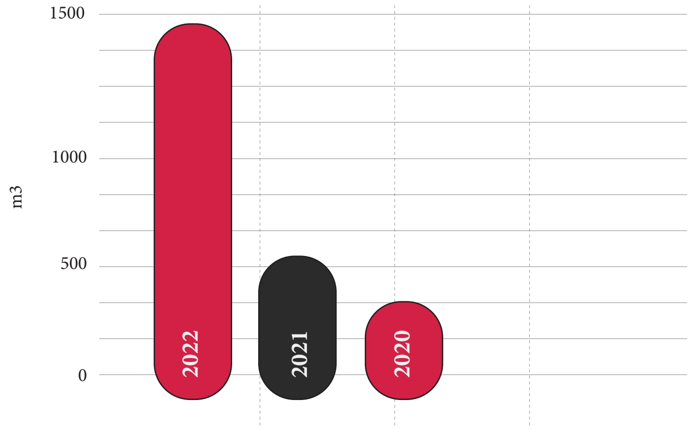
Operation Highlights

	2022	2021	2020
Electricity usage (kWh)	138,000	100,000	84,000
Water Consumption (m3)	1,440	570	300
Total Number of employees (headcount)	128	124	128
Average hours of training per employee (hrs)	1	0.29	0.38

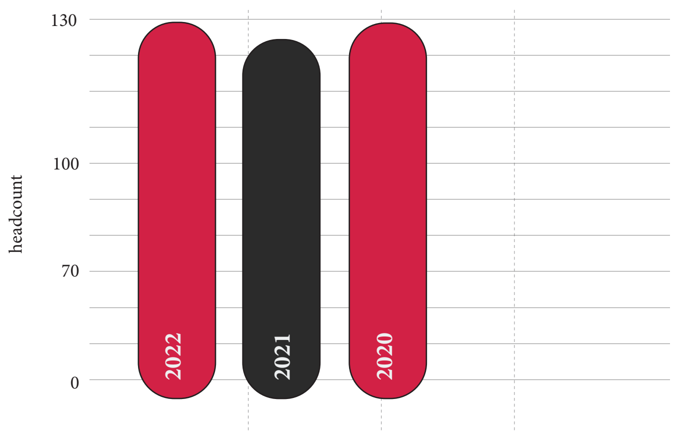
Electricity (kWh)



Water Consumption (m3)



Total Employees



Average Training Hours

Chairman's Statement

FOR THE YEAR ENDED 31 DECEMBER 2022

Livingstone T. Gwata
Chairman

I am pleased to present to you the audited financial statements for Fidelity Life Assurance of Zimbabwe Limited (FLA) or the Company together with its subsidiaries (the Group) for the year ended 31 December 2022.

2022 was a year of recovery and growth for the Group as economic fundamentals improved from the tumultuous period during the Covid-19 pandemic. The easing of operational restrictions and full opening of trade the world over gave the business an opportunity to progress its strategic transformation centered on growth and value preservation.

Operating Environment

Economic activity was however constrained by poor agricultural output and price instability in 2022. Gross Domestic Product (GDP) is estimated to have registered 4% growth in 2022 down from 8.5% in 2021. Growth was largely driven by Mining and Tourism which registered growth of 10.0% and 56.3% respectively as they took advantage of high commodity prices and the relaxation of Covid-19 restrictions. Agriculture production contracted by 14.1% due to erratic rainfall after growing 17.5% in 2021.

Inflation spiked in Q2 and Q3 2022 due to external factors particularly food and energy prices, foreign currency market distortions, money supply growth and lack of confidence in the Zimbabwean Dollar (ZWL). The depreciation of the ZWL spiralled in Q2 resulting in month-on- month inflation returning to double digit figures and averaged 21.0% between April 2022 and August 2022. Inflation slowed down in the later part of 2022 due to diverse policy measures introduced by the Government and Reserve Bank of Zimbabwe (RBZ) which included interventions largely aimed at stabilising the exchange rate and taming the resurgent inflation through the introduction of the Mosi oa Tunya Gold Coins, value for money policy, and hiking of interest rates.

On the upside, Zimbabwe recorded its highest foreign currency receipts in 10 years. Foreign currency receipts for the year amounted to USD 11.6 billion which represents an increase of 17.3% in comparison to the USD 9.9 billion received in 2021. The use of the United States Dollar (USD) gained more prominence in 2022 as evidenced by the increased Foreign Currency Account (FCA) deposits, foreign currency denominated loans and proportion of foreign currency revenue to local businesses.

Group Financial Performance Review

The Group's strategic choice to focus on core business resulted in positive results, with the Group posting comprehensive income for the year of ZWL 2 616.9 million on an inflation adjusted basis and ZWL 5 376.4 million on a historical cost basis for the year ended 31 December 2022.

Total income grew by 45% in inflation adjusted terms to ZWL16 514.9 million from ZWL11 359.2 million recorded in the prior year and under historical cost a growth of 523% was recorded from ZWL4 979.2 million to ZWL 31 016.6 million recorded in the current year. The strong income growth was underpinned by core business net premium written and investment income which increased by 230% and 475% respectively.

Growth in net premium written from ZWL982.1 million recorded in prior year to ZWL3 245.1 million was above the inflation rate which stood at 243.76% as at 31 December 2022. The growth is premised on regular reviews of recurring premiums, product modifications, new market segments and leaning towards generating USD revenue to keep up with the volatile economic environment. The gains on investment property show the reflective nature of this asset class in response to the macroeconomic sphere.

On an inflation adjusted basis, total benefits, claims and other expenses increased to ZWL15.678.6 million from ZWL10 060.9 million and under the historical cost terms, an increase of 571% was recorded from ZWL4 318.0 million to ZWL28 990.0 million on the back of significant movements in actuarial liabilities reflecting the growth in assets backing the policyholders' liabilities. The net claims ratio closed the year at 41%, whilst operating and administration expenses were on the increase driven by the obtaining inflationary pressures.

Business Operations Overview

The FLA Group continued to prioritize product innovation and access to new market segments. Deliberate focus was put towards understanding both broad and individual needs of selected market segments and this resulted in development and introduction of a wide array of tailor-made products during the year. In support of the product offering and roll out, the Group pursued an aggressive digital strategy to ensure maximum leveraging of best suited technological systems and platforms.

Value creation, growth and preservation of policyholders and shareholders investments remained at the center of all our operations. This broad objective influenced all investment decisions in capital, money, and real estate markets. The Group has since registered a Real Estate Investment Trust (REIT) to spearhead value creation and infrastructure development through public and private partnerships projects.

A combination of these investments coupled with a robust product offering such as 'Vaka Yako" saw the business growing in real terms fueled by organic growth and significant on-boarding of new clients. Diligent updating of products and services enabled the Group to remain relevant and served well in buttressing the continued business growth.

The Brand

The Fidelity Life Assurance of Zimbabwe brand remains grounded in the fundamental trust and service history entrenched in its heritage and rich history. The business' desire to push the brand is a direct result of decades of the trust our customers have in us to protect what they value most and deliver on our promises. The Group received several accolades across various business disciplines in recognition of its contribution to the industry namely second runner up Best Risk Management Insurance Company, Transformation Management of the Year and Internal Audit and Compliance Insurance Company of the Year. The various awards give confidence in our value proposition which we will continue to build on throughout 2023.

Business Culture

Following the integration of the business into the ZHL Group, FLA has adopted the Eagle Culture as part of its transformational journey and service commitment. The new Culture aims at inculcating the characteristics of an Eagle in daily operations with the ultimate objective of amplifying the business' value proposition to all our stakeholders. At the core of the new Culture is the desire to ensure long-term quality service delivery as part of the overall strategic intent. The Board is confident that the inward effort towards cultural transformation is in sync with the Group wide renewed focus on provision of a 360 degrees product portfolio driven by diverse individual needs. The Board strongly believes that the right culture has immeasurable benefit for all stakeholders.

Update on the Regulatory Asset Separation Exercise

The asset separation proposal and requirements were submitted to the Insurance and Pensioners Commision of Zimbabwe. A final position on the matter is expected soon.

Dividend

Due to the need to strengthen the capital position of the Company, the Board resolved not to recommend the declaration of a dividend for the period ended 31 December 2022.

Outlook

As the Zimbabwean economy continues to progress on a stable path with continued Government intervention and regulatory policies that stimulate growth, the Group is optimistic about the future. The FLA team remains focused on executing the business model of resilience and growth centered on providing adaptive insurance, health and financial services solutions driven by customer's needs in the obtaining operating environment. The focus on innovative products is intended to maximize long-term value creation for our stakeholders. The diverse and disruptive products introduced to carefully selected market segments during the year have certainly begun to bear fruit and this is a testament to the Group's drive towards innovation.

The Group remains committed to play its part in Government national programs such as the NDS1 which focuses on creating an upper middle-income society by 2030 through achieving sustainable development and products and services that are aligned to the growth trajectory. The Group will continue to seek both private and public partnerships for housing and infrastructure development projects.

We remain optimistic about future business prospects given the Group's strong fundamentals, opportunities embedded in being part of the ZHL ecosystem, demonstrated capabilities and the team spirit of our Employees, Management, and the Board of Directors.

Appreciation

In closing and on behalf of the Board of Directors, I would like to express our gratitude to our valued shareholders and stakeholders whose support and continued trust give us the confidence to keep on advancing our shared vision.

Livingstone T. Gwata
Chairman
30 March 2023

Managing Director's Statement
for the year ended 31 December 2022

Trading environment

The operating environment was characterized by a wave of shocks in the regional and international arenas which included among other things, cyclones and the ongoing Russia/Ukraine conflict. This triggered inflation on a global scale particularly affecting food and oil prices. This upsurge in inflation did not spare Zimbabwe. Inflation was in the triple digits impacting on disposable incomes. According to the World Bank, during the period under review, the Zimbabwean economy registered a Real Domestic Product growth of 3.4%. In light of these developments, the government came up with a cocktail of measures as detailed in the Monetary Policy which included increased lending rates up to 200% and a tightening of the fiscal policy. Increased exports of minerals and the recovery of the tourism sector were the major drivers in the economy as there was improved performance on the back of the easing of Covid-19 restrictions.

In the context of this volatile operating environment, the Fidelity Life brand continued to show strong resilience underpinned by the exploitation of niche markets in the economy. The identification of these niche markets and rolling out of innovative products contributed to the creation and preservation of policyholder and shareholder value which was cemented by investment in real assets.

Financial performance overview

Summary of performance (Inflation Adjusted)

	Fidelity Life Assurance		Vanguard Life Assurance		Fidelity Life Financial Services		Other Operating Subsidiaries		Adjustments	Consolidation	
	2022	2021	2022	2021	2022	2021	2022	2021		2022	2021
(Billions)	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL		ZWL	ZWL
Core revenue	2.22	2.37	1.88	2.90	0.75	0.49	0.64	0.46	0.00	5.79	5.44
Non core revenue	8.69	4.72	1.14	0.71	0.07	0.07	7.75	0.21	(0.01)	10.73	5.92
Total revenue	10.91	7.10	3.02	3.61	0.92	0.56	8.39	0.67	(0.01)	16.51	11.36
Comprehensive Profit	0.51	(1.45)	0.03	(0.34)	0.03	0.06	7.42	3.32	(0.01)	2.62	0.86

Fidelity Life Assurance (FLA, the Company)

The Company) contributed 38% (ZWL2.22 billion) to the core revenue of the Group. Inflation-adjusted core revenue was bolstered by new products, premium reviews, and new markets. Inflation-adjusted total revenue for the Company increased by 54% from ZWL7.10 billion in 2021 to ZWL10.91 billion recorded in the current period. Gains on investments contributed significantly to the growth in total revenue reflecting the great resilience of the investments in the macro-economic sphere. Total expenses decreased by 15% from ZWL3.41 billion in 2021 to ZWL2.91 billion in the current year reflecting management`s efforts in managing costs despite the inflationary pressures obtaining in the operating environment. Changes in insurance liabilities increased by 81% from ZWL4.24 billion in 2021 to ZWL7.69 reflecting the growth in business written during the period under review.

The Company recorded an inflation-adjusted comprehensive profit of ZWL0.51 billion compared to a loss of ZWL1.45 billion in 2021.

Vanguard Life Assurance Company (VLA) – Malawi

VLA continues to complement the Group's total core revenue, with a 33% contribution (ZWL1.88 billion) to core revenue in the year under revew. VLA recorded total revenue of ZWL3.02 billion in 2022 compared to ZWL3.61 billion in 2021. The largest driver to VLA's total revenue was investment income which grew by 61% in 2022. VLA posted a comprehensive profit tax of ZWL0.03 billion coming from a loss position of ZWL0.34 billion in prior year. The economic challenges in Malawi did not significantly impact the unit which continued to complement the growth of the life and pension segment of the Group. The unit remains a good hedge against Zimbabwe's country risk.

Fidelity Life Financial Services (FLFS)

The micro-lending division registered a significant recovery from the effects of Covid19 through a 53% growth in core revenue, contributing 13% to the Group's core revenue. Total revenue at ZWL0.92 billion was largely driven by interest income which grew by 53% compared to same period year. Despite the sharp increases in interest rates and suspension of lending during the year FLFS posted a modest profit of ZWL62.4 million.

Other non-insurance subsidiaries

The non-insurance subsidiaries consisting of Zimbabwe Actuarial Consultant (ZAC), Fidelity Life Asset Management (FLAM) and Fidelity Funeral Services (FFS) continued increasing contributions to the Group`s core revenue and total revenue. The entities remain important to the Group's strategic thrust as they provide services to internal and external customers and fulfill the cradle to grave mantra. Growth in these entities is being realized locally and in the regional market, in line with the Group's expansion strategy.

Operations

Customer Experience

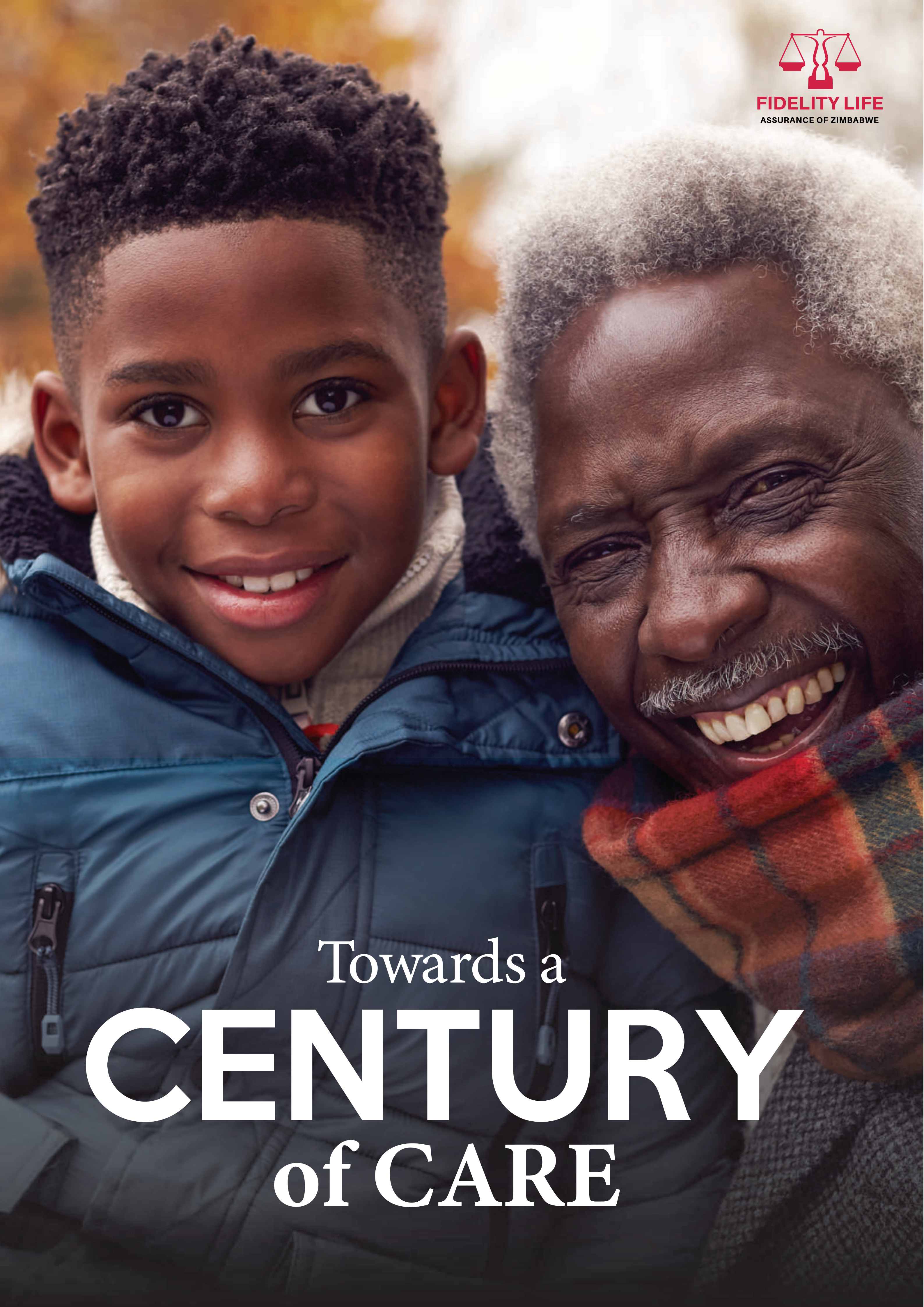
The Fidelity Life Group continues to service its clients through its tried and tested cradle to the grave model. During the year under review, Fidelity Life enhanced its e customer experience through the increased use of technology to ensure constant client engagement quality delivery of its product and services.

Outlook

The Fidelity Life Group looks forward to yet another year of great strides and milestones to deliver value to its various stakeholders despite the shocks and bumps that may be obtaining in the operating environment. The Group will continue to identify opportunities in such an environment by providing solutions to its various stakeholders as we service our valued clients in our chosen markets.

I would like to thank the Board for their support and guidance throughout my first year at the helm of the Fidelity Life Group. My sincere gratitude also goes to the executive team and our valuable staff for their support and enthusiasm to meeting the Group goals. Finally, and most importantly to our customers, thank you for believing and showing confidence in us through your unwavering support. We look forward to another exciting episode in our journey together.

Reginald S. Chihota
Managing Director
30 March 2023


FIDELITY LIFE
ASSURANCE OF ZIMBABWE
Towards a
CENTURY
of CARE

Board of Directors

Livingstone T. Gwata

Independent Non-Executive Chairman

Tenure: 1 year

Key Skills: Leadership and Investment
Qualifications: Investment Banking

Takudzwa Chitsike

Independent Non -Executive Director

Tenure: 1 year

Key Skills: : Legal, Compliance and Governance
Qualifications: Lawyer

Garikai Dhombo

Non-Independent Non -Executive Director

Tenure: 6 years

Key Skills: Insurance and Risk Management
Qualifications: Insurer

Francis Dzanya

Non-Executive Director

Tenure: 6 years

Key Skills: Corporate Finance and Risk Management
Qualifications: Investment Banker

Stanley Kudenga

Non -Executive Director

Tenure: 7 years

Key Skills: Financial Structuring and Human Resources
Qualifications: Chartered Accountant and Investment Banker

Langton Mabhanga

Independent Non -Executive Director

Tenure: 1 year

Key Skills: Governance and Property Development
Qualifications: Electrical Engineer

Ignatius Mvere

Non-Executive Director

Tenure: 7 years

Key Skills: Auditing
Qualifications: Public Accountant

Henry Nemaire

Independent Non-Executive Director

Tenure: 5 years

Key Skills: Audit and Tax
Qualifications: Chartered Accountant

Reginald Chihota

Managing Director (Executive)

Tenure: 1 year

Key Skills: Life Assurance and Marketing
Qualifications: Marketing and Insurance

Senior Management

Reginald Chihota
Managing Director

Zvenyika Zvenyika
Chief Finance Officer

Blessing Mushori
Finance Manager

Ruvimbo Chidora - Paradzai
Company Secretary

Valarie Ndudzo
Head Group Marketing

Claudius Chikundura
Group Head –Risk and Compliance

Chipo Matongo
Head Internal Audit

Kupang Dube
Head of IT

Nickson Vamwe
Head Human Capital Management

Subsidiary Senior Management

Bevin Ngara
Managing Director
Fidelity Life Asset Management (FLAM)

Brighton Wesley
Managing Director
Fidelity Life Financial Services (FLFS)

Lovemore Madzinga
Managing Director
Fidelity Life Medical Aid Society (FLIMAS)

Takaedza Matambo

General Manager
Life and Pensions and Fidelity Funeral Services (FFS)

Sonwell Mudzengi

Managing Director
Zimbabwe Actuarial Consultants (ZAC)

Noah Mapfurutsa

Managing Director
Vanguard Life Assurance of Malawi (VLA)

Corporate Governance

Corporate Governance remains the cornerstone to the Group's leadership practices, decisions making process, success and strategic direction. Due to the Group's affiliation with the Zimre Holdings Limited Group and regional presence, the Board adopted the King Code (as amended) as its primary code on governance as supported by the Zimbabwe National Code on Corporate Governance in Zimbabwe ("ZIMCODE"). The Board believes that the internal governance systems and practices in place are appropriate, and aligned with both the King Code and ZIMCODE. The Group will continue to align with internationally recognized codes of corporate governance, the Companies and Other Business Entities Act [24:31], and SI.134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules as a public listed Group. The Board of Directors is mandated with upholding good governance practices throughout the Group's operations. This is underpinned by an effective governance framework which supports the principles of integrity, strong ethical values, and professionalism.

Board Responsibilities

The Board is ultimately responsible for strategy, performance, management oversight, and policies that ensure the business achieves its set objectives in a responsible manner. As such, the Board ensures that the business conduct its affairs with integrity to safeguard stakeholder interests. In a regulatory environment that is prone increasing changes and complexity, the Board strives to achieve a balance between the governance expectations of shareholders and other stakeholders, and the need to produce competitive financial return.

Board Stakeholder Engagement

The Board has scheduled interfaces with its internal and external stakeholders through various platforms that includes annual general meetings, notices to stakeholders, press releases of interim and annual reports, investor briefings, yearly reporting to shareholders, as well as online statement releases. Shareholders exercise their rights through proxy forms.

Board Ethics

In line with the Zimbabwe Stock Exchange (ZSE) Listing Requirements, the Group operates a "closed period" before the publication of its interim and year-end financial results during which period staff, executives and non-executive directors of the Group are not permitted to trade in shares of the Group.

Board delegation of Authority

The Board is supported by various Committees in executing its fiduciary duties. The main Committees of the board meet at least quarterly to review performance and provide guidance to management on both operational and policy issues. Each committee acts within written terms of reference under which certain functions of the Board are delegated with a clearly defined purpose. The Board monitors the effectiveness of controls through reviews by the Committee and an independent assessment by the independent auditors.

Summarised below are the committees and their responsibilities:

Committee	Members	Responsibilities
Audit Committee	H Nemaire (Chairperson) I Mvere F Dzanya	The Audit Committee comprises of at least three (3) non-executive directors and chaired by an independent director. Management and internal and external audit attend by invitation. It is tasked with ensuring financial discipline within the Group, sound corporate values and financial procedures. This Committee is further tasked with reviewing and recommending for adoption by the Board the interim and annual financial statements of the Group. The Committee also recommends the appointment and reviews the fees of the independent auditors.
Human Resources and Corporate Governance Committee	I Mvere (Chairperson) T Chitsike S Kudenga LT Gwata	This Committee comprises of at least three (3) non-executive directors, one of whom is the chairperson. The Committee is mandated to deal with staff development and formulate remuneration policies as well as approve remuneration packages for executive directors and senior executives. The Committee acts as a Nominations Committee in the event of casual vacancy on the Board and the boards of the subsidiaries.
Investments Committee	S Kudenga (Chairperson) G Dhombo L Mabhanga LT Gwata	This Committee has at least three (3) non-executive directors and the chairman must have qualifications in the field of finance. The Committee formulates investments strategy and policy, reviews the performance of investments within the Group and recommends new investment opportunities for approval by the Board.
Risk and Compliance Committee	F Dzanya (Chairperson) T Chitsike G Dhombo	This Committee is comprised of at least three (3) non-executive directors, and reviews the Group's overall risk and compliance strategy, current risk exposures as well as risk governance. In addition, the Committee advises the Board on the risks aspects of proposed strategic transactions.

Board Meetings

Quarterly, the Board meets as required by the Memorandum and Articles of Association of the Group and is in line with good corporate governance practices. It provides guidance on corporate strategy, risk management practices, annual budgets, and business plans. Special Board meetings are convened on an ad-hoc basis to consider issues requiring urgent review and decision. Fidelity Life Board members have unfettered access to information regarding the Group's operations through the Group's Management and can seek expert advise through the office of the Company Secretary.

The Group Company Secretary maintains an attendance register of directors for meetings held during the year through which directors can assess their commitment to the Group. The attendance register is detailed below.

The table below sets out the number of meetings held and individual directors' attendance.

Board Member	Board Attendance	Audit Committee	Human Resource and Corporate Governance Committee	Investments Committee	Risk and Compliance Committee
Langton Mabhanga	4 out of 4			4 out of 5	
Livingstone T. Gwata	4 out of 4*		4 out of 4	5 out of 5	
Takudzwa Chitsike	4 out of 4		4 out of 4		4 out of 4
Garikai Dhombo	4 out of 4			5 out of 5	4 out of 4
Francis Dzanya	4 out of 4	5 out of 6			3 out of 4*
Stanley Kudenga	4 out of 4		4 out of 4	5 out of 5*	
Ignatius Mvere	4 out of 4	5 out of 6	4 out of 4*		
Henry Nemaire	4 out of 4	6 out of 6*			
Reginald Chihota	4 out of 4	6 out of 6	4 out of 4		

* Board or Committee Chairman

Directors' Remuneration

The remuneration structures at Fidelity Life are designed to attract and retain talent at all levels. Remuneration packages for the Group's executives and non-executive directors are determined by the Group Human Resources and Corporate Governance Committee. A schedule of the non-executive directors' fees is available for inspection at the Company's Registered Office.

Business Conduct and Compliance

BUSINESS CONDUCT

Fidelity Life and its subsidiaries are committed to promoting the highest standards of ethical behaviour and all employees, visitors and contractors are required to observe the Group's Code of Ethics, as well as the Group's Code of Conduct.

The Group has policies and procedures that reinforce and reward ethical behaviour while simultaneously correcting unethical conduct. These policies address fraud, bribery, human rights, and corporate governance to h improve productivity, prevent economic waste and abuse of human rights.

Fidelity takes pride in exercising its stewardship position of preserving insurance and pension clients' interest. Preliminary due diligence tests are conducted before investments and or delegation of tasks are made to connected stakeholders. These high ethical standards apply to our membership boards, employees and agents.

Fraudand bribery are hindrances to progress on projects and result in biased decision making. As such the Group has a comprehensive gift policy. Through its Internal Auditors and the Risk and Compliance Department, the Group has developed vibrant and transparent controls and procedures to mitigate this risk and protect the Group'scorporate image. As means to protect consumer rights, we have designed a code of conduct for our agents, deterring them from making secret profits and misrepresenting the Group.

ETHICS

The Group's Ethical Code of Conduct works in tandem with its profit motive. We make use of control reports to assess the functionality and effectiveness of our control environment. Where exceptional reports are produced by the system, they are assigned to responsible persons, and timeously tracked for progress by Internal Auditors. Our goal is to prevent misappropriation of assets, fraudulent reporting and abuse of human rights.

For the year under review, Management, Internal Auditors, and External Auditors did not report any cases of fraud and there were no ethical issues raised which is a quantitative measure of the harmony between our Ethical Code and business operations.

CYBERSECURITY AND DATA PRIVACY PROTECTION

The Group's key interest are in the life assurance value chain. As such the Group in entrusted by its clients with strictly confidential information and their life savings. Accordingly, protecting our operations and systems against cybersecurity threats is critical for the success of our business. As such, we have stringent protocols and practices addressing both cybersecurity and data privacy while also investing in world class data protection systems and software

Our internal data privacy policies are designed to prevent unauthorised access to, and disclosure of personal information using a range of operational and technological safeguards. Employees are required to study the Cybersecurity policy and understand their obligations towards upholding its requirements. Quarterly training are conducted to promote ongoing awareness on cybersecurity and data privacy issues. These engagement processes assist our Information and Communication Technology (ICT) department with feedback on how to improve our systems.

The Group remains focused on the evolving data privacy regulatory landscape, taking proactive measures and building forward looking tools and processes in anticipation of more individual centred business requirements. It is our goal to remain a compliant business, as such, we engage Independent Cybersecurity Specialists to conduct vulnerability and penetration tests annually. We are pleased to report that there has been significant progress towards full compliance with Cybersecurity requirements.

RISK MANAGEMENT

Our Risk Management is guided by ISO 31000 Risk Management Systems, with reference to other local and internationally recognised standards such as Committee of Sponsoring Organizations of the Treadway Commission (COSO), and Institute of Risk Management (IRM). Our governance structures support the risk management framework with board oversight through the Risk and Compliance Committee.

Risk Management Framework

Our Risk Management Framework is a hybrid of the COSO framework and ISO31000. It further complies with the IPEC Directive on Governance and Risk Management for Insurance Companies and best practice. Risks are identified through various activities like, root cause analysis, use of risk register, brainstorming, documentation reviews, use of internal and external audit reports, regulatory directives, compliance checklists, employee feedback, and SWOT analysis. Once risks have been identified and assessed they are evaluated against their potential impact on the business. The risk is then rated as either high, medium or low depending on severity and probability of occurring. Mitigation actions will depend on the three (3) Es' (Economy, Effectiveness, Efficiency) and comprise of control, avoidance, retention, spreading, loss prevention/reduction or transfer. Risks management is a continuous progress, accordingly the risk register is a standing agenda item in the Risk and Compliance Committee.

Financial risks

There are specific qualitative and quantitative measures to address financial risks arising from the Group's activities. Some policies and internal procedure manuals have been put in place to govern all financial transactions by Management. This includes segregation of duties and setting authority limits at various levels. Some transactions require Board approval. Policies give a guideline on what can be done and what should not be done.

Credit Risk- low tolerance for credit risk exposure and hence measures are in place to ensure counterparty stability and diversification.

Market Risk-low tolerance for market exposure and hence measures are in place to ensure minimum exposure to foreign exchange rates, interest rates and equity prices.

Liquidity Risk- the Group always matches its long term liabilities and long term investments. We maintain liquidity levels that enables us to meet our financial obligations as they fall due.

Capital and solvency- the Group engages in activities that preserve capital and exercise due diligence for any projects. We endeavour to always meet the regulatory minimum capital requirements and solvency.

Sustainability Risks

Policies and internal procedures help in managing the risks associated with Anti-Fraud Policy, Whistle Blowing and Ethics Policy, Code of Conduct for full time employees and agents. We require our business partners to be compliant with statutes (tax clearance, AML, etc.) and best practice.

Land development- during construction projects, we ensure clean water provision and manage sewer reticulation, preserve natural habitats and ensure land rehabilitation.

Equality- the Group has a zero tolerance policy towards any and all forms of discrimination.

Top Risk Managed

Risk Category	Risk Description	Risk Mitigation Measures
Environmental risk	Risks arising from the operating environment where Management has no control. These are social, economic, technological, geopolitical or economic risks.	Adopt strategies to counter environmental risks. Improve controls in the wake of global warming and natural disasters to reduce claims exposure resulting from floods, diseases etc.
Compliance	IFRS 17, Prescribed Asset status, and Anti Money Laundering (AML).	Ensure compliance through Risk and Compliance function, maintain a compliance dashboard, use of teams for projects e.g. IFRS 17.
Operational risk	Arise from systems and controls failure. There are new systems to be implemented and IFRS17 reporting systems.	Regular review of controls. Monitor new systems project implementation risks.
Legal risk	Disputed land affecting valuations and returns	Litigation through Courts.
Credit risk	Failure by business partners to pay their dues affecting cash flows.	Tighten credit control and suspending services where possible. Proper selection of financial stable (rated) business partners.
Human Capital Risk	Loss of key staff.	Succession planning and constant review of remuneration in line with market practice.
Liquidity risk	Due to tight monetary policies, liquidity risk has increased. High interest rates discouraged borrowing.	Improve premium and pension contribution collections from clients.
Country risks	Economic instability, high inflation, exchange rate volatility, poor performance of investments.	Adopt strategies to counter economic risks. Revenue diversification by source i.e. through regional expansion.
Cyber risk	Loss of software, hardware and data due to intrusion.	Fire walls, regular change of password, user education on secure internet practices. Application of data protection policy.
Anti-Money Laundering (AML)/CTF	The risk of Group products and services being used in the conversion of illegally obtained money into legal money	Carry out customer due diligence, use of Know Your Customer (KYC) forms, apply UN security council screening list and attend AML training,
Reputation risk	Damage to Group image resulting in loss of trusts and business.	Ensure customer satisfaction and wholistic complaints procedures.

COMPLIANCE MATTERS AND DECLARATIONS

The Group is committed to complying with applicable legal, regulatory, and industry standards and strives to ensure transparency and accountability in all aspects of its operations. Fidelity Life and its subsidiaries are subject to regulation by the following regulatory authorities:

- The Reserve Bank of Zimbabwe,
- The Insurance and Pensions Commission,
- Securities Exchange Commission,
- Zimbabwe Stock Exchange.

For the year under review, the Group has been in compliance with the requirement of the above key regulators.

FIDELITY LIFE
ASSURANCE OF ZIMBABWE

INDIVIDUAL LIFE

ASSET MANAGEMENT

MEDICAL AID SERVICES

FINANCIAL SERVICES

FUNERAL SERVICES

ACTUARIAL CONSULTANTS

EMPLOYEE BENEFITS

Your one Stop Shop

Prepared by: INDEPENDENT ACTUARIES & CONSULTANTS and ZIMBABWE ACTUARIAL CONSULTANTS Appreciation of Financial Risk

INSURANCE ACT 1987 (Sections 24 and 30)

INSURANCE REGULATIONS, 1989 (Sections 3 and 8)

CERTIFICATE AS TO SOLVENCY OF A LIFE INSURANCE COMPANY

I hereby certify that, to the best of my knowledge and belief, the value of the assets, including shareholders' funds, in respect of all classes of insurance business carried on at **31 December 2022,** of **FIDELITY LIFE ASSURANCE Limited** exceed the amount of **ZWL$75,000,000** in respect of those classes of insurance business, based on audited financial information and data and estimates supplied by management.

The laws and regulations of Zimbabwe have been applied in the calculation of the solvency of **FIDELITY LIFE ASSURANCE Limited**.

My primary regulator is the Actuarial Society of South Africa.

Robert Oketch FASSA For and on behalf of Independent Actuaries & Consultants 28 April 2023	assisted by	Sonwell Mudzengi Managing Director For and on behalf of Zimbabwe Actuarial Consultants

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TEL | +27 21 422 4373 | +27 11 656 4170
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Independent Actuaries & Consultants (Pty) Ltd | Keymix Investments Group Company
Authorised Financial Services Provider | **REG No.** 2002/000342/07 | **FSP No.** 6832
Directors: W.M. Tshaka (Non-Executive Director) |A. Gani (MD)
Prof C.J.B. Greeff | V. Faria | K.S. Lewis

Sustainability

Our Sustainability Strategy

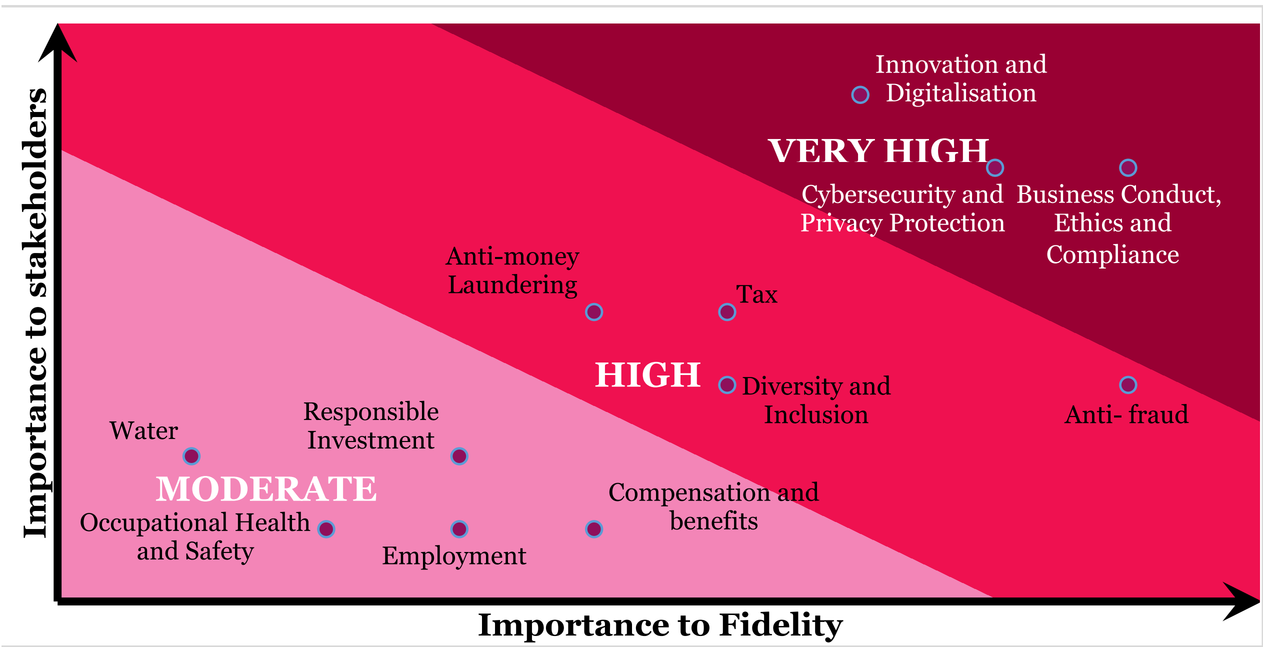
Our operations are guided by internal policies and procedures inspired by international best practices. We adopted the Global Reporting Initiatives (GRI) Standards for identifying, quantifying, and disclosing our impacts across the Group. The Group will integrate the standards as a strategy through a line-up of activities that includes training, strategy and policy reviews in the coming year.

Sustainability Materiality Assessment

As part of its first time sustainability reporting, the Group conducted an internal sustainability materiality assessment by identifying topics material to our sector. The topics were benchmarked with companies in our industry. The identified topics were ranked for their importance and interest to our business and stakeholders.
The identified topics were categorised into economic, environmental, social and governance as presented below:

Economic	Environmental	Social	Governance
• Responsible Investment • Financial Literacy • Economic Performance • Anti-money Laundering • Anti-Fraud • Tax	• Climate Change • Energy • Water • Waste	• Corporate Social Responsibility • Employment • Diversity and Inclusion • Occupational Health and Safety. • Compensation and Benefits • Human Rights	• Cybersecurity and Privacy Protection • Innovation and Digitalisation

Material Matrix



The matrix above illustrates that topics considered 'Very High' are those with significant impacts and opportunities to warrant the Board's attention. Those considered 'High' reflects those under management and monitoring while 'Moderate' reflect those least material to both the business and stakeholders.

STAKEHOLDER ENGAGEMENT

Our operations and products affect different groups or individuals at different levels, these are our stakeholders who may be internal or external. It is therefore paramount that we have engagement with these groups and or individuals as part of our strategy as we seek to address their needs and expectations.

Key stakeholder groups

Stakeholders are viewed as strategic business partners by the Group, who provide insight into potential business risks and opportunities. The stakeholders are categorised as follows:
- Internal (Employees, Management, Directors and Shareholders).
- External (Customers, Investors, Government, Regulators, Suppliers, and Tenants).

For the year under review, our stakeholders highlighted the following issues:

Stakeholder	Key Issues Raised	Mitigation Measure	Engagement Method	Frequency of Engagement
Employees	• Salaries and benefits	• Salary and benefits adjustments.	• Workers' committee.	Biannual
Government & Regulators	• Regulation and protection of the insuring public and pension fund members.	• Adherence to laws. • Engagements on grey areas, influencing legislation through industry association.	• Meetings • Regulatory seminars, circulars and directives. • Industry association engagements.	• Annual • Continuous • Quarterly
Shareholders and Potential Investors	• Dividend declaration. • Capital appreciation, recapitalisation/ capital raising.	• Preserving and growing capital through retained earnings, sustainable profitably, expansion initiatives and strategies.	• Annual General Meetings • Road shows	• Annually • Quarterly
Communities	• Participation in community matters.	• Engagement with community leadership to enable meaningful participation	• Town hall attendance	• Continuous
Industry	• Competition and coopetition	• Advocating and implementing fair business practices.	• Meetings	• Quarterly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Responsible Assurance Services

RESPONSIBLE INVESTMENT

The cycle of insurance funds requires responsible investment to enable adequate claim cover and profitability. Accordingly, Fidelity Life Assurance integrates Environment, Economic, Social, and Governance (EESG) criteria into its investment decisions.

ANTI-FRAUD

Financial losses and subsequent high operational costs are all outcomes of fraudulent activities which eventually lead to financial misstatements and reputational damage to our Group and brand. Fidelity Life Assurance embraces its fiduciary duty of safeguarding policyholder funds, Group assets and takes a zero-tolerance to fraud and any other activities that pose fraud related risks.

Integrity is embedded within our values to which employees are alerted and trained to abide by from the induction stage. The Company subscribes to an anonymous tip-off facility, managed by Deloitte, to promote transparency and protect the identity of whistle-blowers, whom we also reward for reporting suspicious and actual fraudulent activities.

Before any engagements and or partnerships, we conduct due diligence of our partners to eliminate risk by association. Our risk management department is responsible for setting up internal controls which are regularly evaluated for effectiveness by independent external auditors. Investigations of fraud are initiated by internal auditors and where complex and material escalated to forensic auditors, before being reported to the police. Fraud can occur at any level, from shop floor workers to management, hence the Group has put in place governance structures, policies and internal procedures such as controls and segregation of duties to deter fraud. Where there is a lean structure, Management and Board oversight is increased. Regular engagements with stakeholders also assists in identifying high risk areas to which more efforts are then directed.
Our goal is to have zero cases of fraud and to have financial systems and reports that conform to IFRS standards. As of 2022, no cases of fraud were reported.

ANTI-MONEY-LAUNDERING

Anti-Money Laundering (AML) is a series of complex measures carried out by financial institutions and other regulated entities to prevent financial crimes. AML legislation is becoming increasingly strict for financial service providers as it aims to identify and eliminate illicit dealings.

Management Approach

Advanced customer due diligence is required where initial assessment indicates high risk. We make use of Know Your Customer (KYC) forms for customer due diligence, screening customers or business partners guided by the UN sanctions list. Screening encourages exclusion of some customers and clients as they may be politically exposed or having records of suspicious dealings. This ensures that all information about a client is obtained to assess the money laundering risks of clients or business partners.

The Group complies with AML laws, the UN-Security Council Directives as well as regulations of the Financial Intelligence Unit (FIU) of the Reserve Bank of Zimbabwe (RBZ). We commit to reporting suspicious transactions or huge cash transaction above set limits. Our employees identify suspicious transactions, assess client's AML risk and take appropriate actions as recommended under the AML laws. We ensure that treatment of AML reports is kept confidential and records retained for appropriate periods.

Our Group Risk and Compliance department conducts random checks as well as internal and external audits to ensure that KYCs and AML returns are being done. We aim to provide at minimum 5 hours of AML training per annum to all employees and at least 4 hours to Management and the Board.

For the year under review no regulatory sanctions were imposed on the Group for non-compliance and none of our employees have received any threat from clients concerning AML reports to FIU.

INNOVATION AND DIGITALISATION

The world is constantly changing, therefore, the way we deliver value to our stakeholders and the wider community is centred on adaptation. Technological advancement and digitalisation are some of the fast-evolving aspects of the business world and we have integrated adaptation mechanisms into our strategic planning. We have benefited from an upsurge in market share that has been largely attributed to brand marketing via digital platforms.

Management Approach

The Group acknowledges the sensitivity of the information and data it collects. It has therefore committed to complying with the Data Protection Act of Zimbabwe [Chapter 05:21] especially as it carried out its digitisation exercise that focuses of converting and recording data in digital format. Phase two of the project is digitalisation which aims to use data analytics to improve processes and bring intuition into the Group's customer service delivery.

FINANCIAL LITERACY

Fidelity Life Assurance is committed to ensuring that staff and management, through internal and external workshop trainings, are educated on financial management. Advantages of imparting this skill to employees include rational financial and investment decisions being made which all cascade towards a better living standard for all employees and capital growth for the Group. As a life partner, the Group will be introducing the same training to its clients nearing pensionable age to ensure financial stability in retirement.

Management Approach

All employees are obliged to attend at least one financial literacy workshop each year. The motive behind this initiative is to materialise the above listed benefits, and to deter arbitrary decisions that erode finances such as speculative investment as well as skewed investments into illiquid assets. This is a tone set from the Board who additionally offer assistance on debt control processes. In addition to running awareness campaigns on financial literacy, the Group offers circulars to staff on budgeting and tax. During training workshops, to promote loyalty and willingness to stay, we also encourage employees to partake in applicable Group's investments and products at favourable terms.

Our goal is to inspire our employees to be financially intelligent and to broaden our capital base. Achievement of this goal is evaluated through workshop attendance registers and debt-burden ratios. As of the year ended December 2022, there had been significant progress made towards this goal noted by a reduction in borrowings and a sharp increase in investments by employees, a culture that is being cultivated.

Employees

HUMAN CAPITAL MANAGEMENT

Human Capital Management is critical for the success of Fidelity Life Assurance and delivery of quality services to clients. The Group strives to provide a conducive work environment that allows employees to fulfil their careers goals while contributing to the success of the business. We conduct consultations and collective bargaining which allows us to create a well cultured work environment. These consultations are based on works council engagements, town hall meetings, and National Employment Council (NEC) level meetings. We allow employees and Management to engage and negotiate on conditions of employment and contributions to the growth of the business.

Management Approach

Fidelity Life Assurance is guided by Collective Bargaining Agreements, the Labour Act [28:01], and Group Policy on employment matters. We conduct Quarterly Works Council meetings and NEC engagements, Monthly circulars and foster an open-door policy to ensure that all issues regarding employment are reported and timeously resolved. We value freedom of expression in respectful manner, and all employees have the right to representation and participation in works council matters.

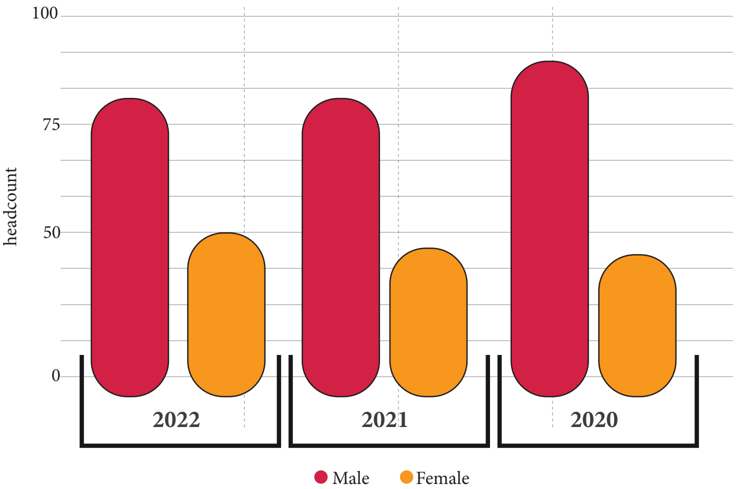
Our goal is to create an engaged workforce with a target attaining 100% compliance on all matters relating to consultation processes and collective bargaining. We conduct compliance audits to ensure adherence to our internal policies and procedures as well as labour related best practices.

Fidelity Employees

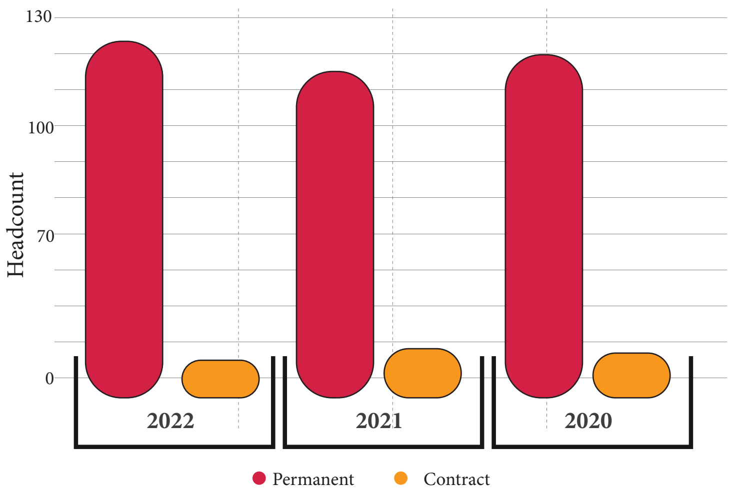
Total Employees	2022	2021	2020
Male	78	78	84
Female	50	46	44
Total	**128**	**124**	**128**

Employees by contract type	2022	2021	2020
Permanent	123	115	120
Contract	5	9	8
Total	**128**	**124**	**128**

Total Employees



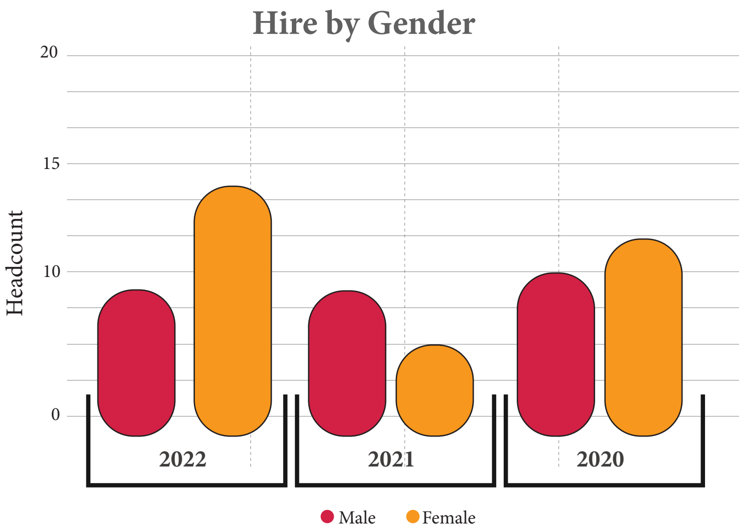
Total Employees by contract type



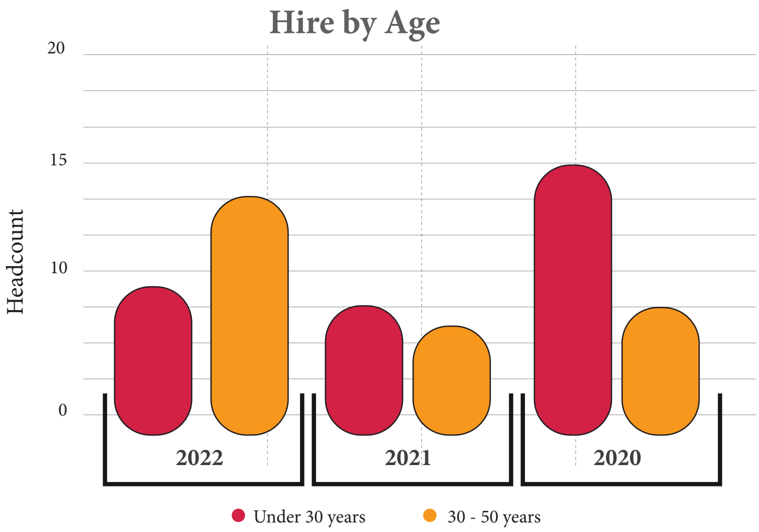
Third party employees

Total Employees	Unit	2022	2021	2020
Agency Workers	Head Count	110	90	75
Interns	Head Count	5	9	8
Graduate Trainees	Head Count	4	3	5
Total	**Head Count**	**119**	**102**	**88**

Employee Hire

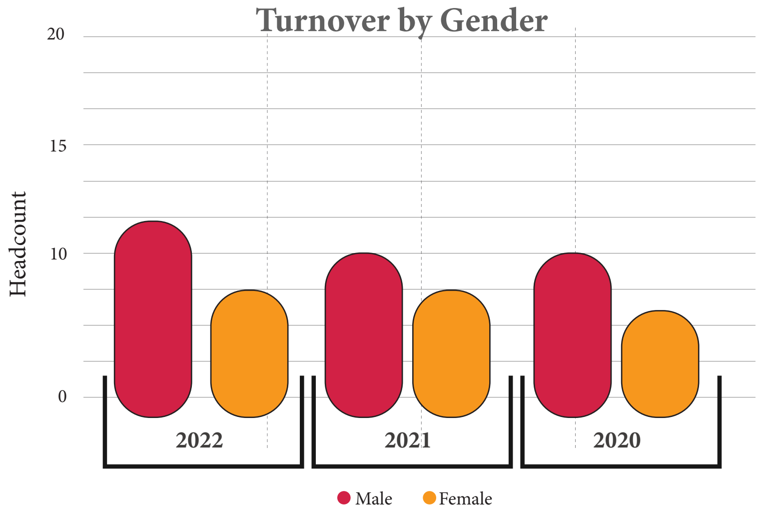


Employee Hire	2022	2021	2020
Male	8	8	10
Female	14	5	12
Total New Employees	**22**	**13**	**22**

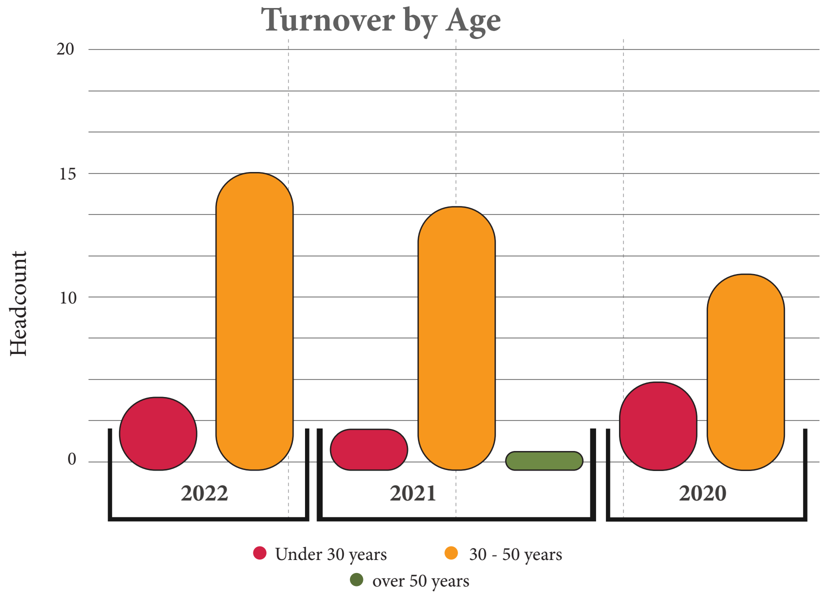


Employee Hire by Age	2022	2021	2020
Under 30 years old	9	7	15
30-50 years old	13	6	7
Total New Employees	**22**	**13**	**22**

Employee Turnover



Employee Turnover	2022	2021	2020
Male	11	10	10
Female	7	7	6
Total Turnover	**18**	**17**	**16**



Employee Turnover by age	2022	2021	2020
Under 30 years old	3	2	5
30-50 years old	15	14	11
Over 50 years old	-	1	-
Total Turnover	**18**	**17**	**16**

COMPENSATION AND BENEFITS

A fair and equitable compensation and benefits structure is at the core of employee motivation and retention. As such, Fidelity Life has over the years improved its compensation structures to ensure conformity with industry and economic standards. Our compensation and benefits structures are driven by market and economic forces, Group policies as approved by the Board, as well as other interventions from respective employment councils such as the National Employment Council (NEC). We take into account sustainability and economic matters when coming up with initiatives on compensation and benefits.

Fidelity Life Assurance has policies and approved collective bargaining agreements (CBA) aligned with the Labour Act [28:01]. We strive to be an employer of choice that creates value for its employees through a competitive, sustainable and affordable reward regime that fosters healthy competition and delivery of results. Wepromote transparency, any change in policies is communicated to employees in real time. We conduct quarterly works council meetings, NEC engagements and market surveys to asses the impact of our compensation and benefits framework.

At Fidelity Life Assurance, we employ the mechanism of engagement and agreement. We learnt that employee engagements are fundamental in creating an equitable and conducive workplace as well as remuneration packages that are agreeable.

For FY2022, our CBA coverage was as follows:

Collective Bargaining Agreement	Unit	2022	2021	2020
NECII	Head Count	92	88	88

For employees not covered by NEC, their working conditions are covered by the dictates of the Labour Act as well as Group policies.

Pension

We contribute towards internal and statutory social security funds managed by National Social Security Authority (NSSA). During the year, our contribution was as follows:

	2022 (ZWL)	2021 (ZWL)	2020
National Social Security Authority (NSSA)	9,998,213	1,075,107	342,216
Fidelity Life Pension Fund	47,146,929	19,375,265	3,866,565
Total	57,145,142	20,450,372	4,208,781

OCCUPATIONAL HEALTH AND SAFETY

It is the mandate of the Group to create a healthy and safe work environment for its employees, clients and service providers alike. This has a significant positive impact on the delivery of results, productivity, efficiency and effectiveness within the workplace, and reduces downtime.

Occupational Health and Management

The Group's health and safety policy was drawn from the Statutory Instrument (SI) 68 of 1990 is subject to a fixed annual review. Ad hoc reviews are conducted where there are significant changes in legislation and or technology at any periods during the year. This policy is first approved by the Managing Director and Chairperson of the Workers Committee before being distributed to all operating segments including the Head Office for implementation. In addition to attending Occupational Health and Safety, (OHS) meetings, Management is also responsible for enforcing safety rules, monitoring and creating a safe working environment for its employees.

Our goals are to:

- Have zero downtime attributed to work injuries,
- 100% compliance with OHS policies and procedures,
- Get defensive drivers licenses for all users of Group vehicles, and
- Reduce water, energy (Petrol, diesel, and electricity) usage by 5% annually.

Compliance with Group OHS and Governance and Risk Compliance (GRC) objectives and targets are measured against a set of lagging and leading key performance indicators (KPIs). The leading indicators provide insight on how to achieve Group objectives, while the lagging indicators show where our systems have failed, highlighting areas for improvement. These are quarterly reviewed and updated by managers including the Managing Director to reflect key lessons learnt thus ensuring continuous improvement. The Group prepares quarterly OHS and GRC reports to assess our performance regarding set goals and targets.

Hazard Identification, Risk Assessment and Incident Investigation (HIRA)

We have a HIRA system for hazards identification analysis and development of control measures to prevent injury to employees, visitors, and contractors on our sites. Risk assessments for all routine work are completed and reviewed annually for all high risks such as fire , vehicles and driving. Non-routine work risk assessments are completed before doing work, and the responsible line manager is required to approve and sign off the work method statement, risk assessments and the permit to work system is used in order to manage the job's inherent risks.

A hazard spotting form is in place which is used by employees to report unsafe conditions, unsafe acts and work related hazards. Employees are not required to put their names on the form after completing it as anonymous reporting is encouraged by Management. We have incorporated the legal right of employees to refuse dangerous work as stated in the Labour Relations Act Chapter [28:01] into our OHS Policy and covers employees and contractors on all our sites. Line managers and workers representatives are for enforcing this requirement.

All work-related injuries and illness are reported to the line managers and workers representatives, as and when they occur and this must be done within 2 hours of occurrence of the incident. An Investigation Team is set up after the incident and is required to identify the root cause of the accident, and circumstances leading to the accident and identify corrective action plans with clear timelines and responsibilities. Tracking of corrective action plans is reported monthly in the OHS Safety Committee chaired by a senior manager.

DIVERSITY AND INCLUSIVITY

Workplace diversity and inclusivity foster improved tolerance, exchange of good work practices and shared values amongst employees which in turn creates a vibrant and healthy workforce. We make deliberate efforts to ensure balance is always struck regarding age, gender and ethnicity at recruitment, staff development, and rotations.

Management Approach

Our diversity and inclusivity policy guided by the Labour Act, CBA and our Recruitment Policy of ensuring that equal opportunities are provided to all individuals. The Company facilitates training for all employees on relevant regulatory frameworks regarding diversity and inclusivity.

Fidelity has a zero-tolerance stance against any form of exclusion and or discrimination hence we established grievance and disciplinary mechanisms to promote inclusivity, and to track and trace all nature of grievances. Our goal is to create an inclusive and diversified workspace and we target to attain 100% compliance on both indices. We evaluate our conformance to these targets through quarterly tracking of our employment demographics.

HUMAN RIGHTS

Fidelity Life Assurance plays an important role in promoting human rights. Driving equality in both workplace and communities through employment creation, we support the advancement of social and economic rights. The business endeavours to respect the fundamental right of each and every employee where each has the liberty to choose, be involved, and live fully as enshrined within our policies and procedures.

Management Approach

As a Group, we abide by our internal policies, CBAs, Labour Act and other regulatory frameworks. As an employer, we are conscious of the fundamental rights of each individual involved with the business. Our employees are trained on Group policies and other regulatory frameworks to ensure that everyone is aware of their rights. Any suspected or known acts of breach are handled through the grievance and disciplinary processes.

We track and trace all nature of grievances and their nature and conduct compliance audits to ensure adherence to policies and procedures. Our goal is to create an environment that recognizes and enforces the rights of each individual and our target is to attain 100% compliance on inclusivity and 0% reports of discrimination of any sort. Quarterly employment demographics with positive feedback on all matrixes measures our progress towards our goals and targets. The business has always enforced the upholding of the rights of each individual within and associated with the business.

Security personnel trained in human rights policies or procedures for FY2022 were as follows:

Indicator	Unit	2022	2021	2020
Internal Security Personnel Trained	Count	5	5	5
Third party security personnel Trained	Count	2	2	2
Total Security Personnel	**Count**	**7**	**7**	**7**

Responsible Operations

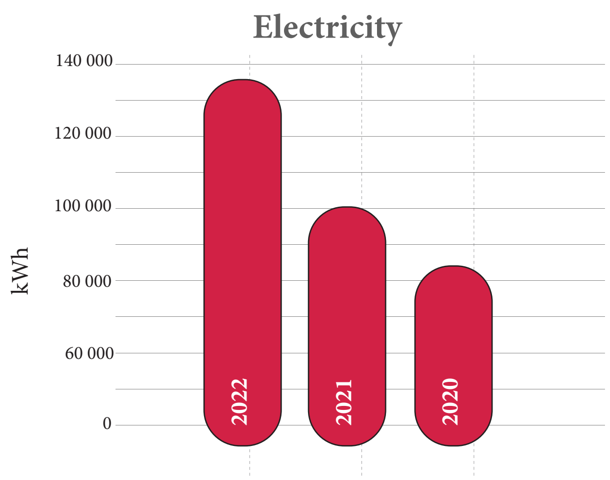
ENERGY

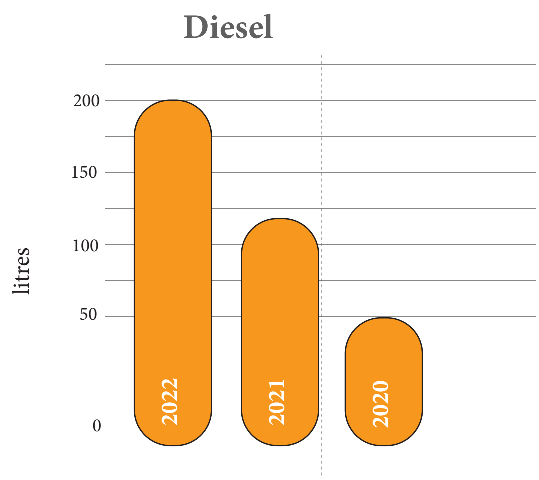
Energy is a critical driver for our operations and it enables reliable and smooth operations. Our energy sources include electricity, and liquid fuels (diesel and petrol). Liquid fuels are used for our transportation as well as powering our generators which play a role as a back-up power source given the energy crisis prevailing in Southern Africa. Electrical energy is mainly used for office processes.

Our energy consumption trends for the inside and the outside of the business are as follows:

Energy consumption inside the business

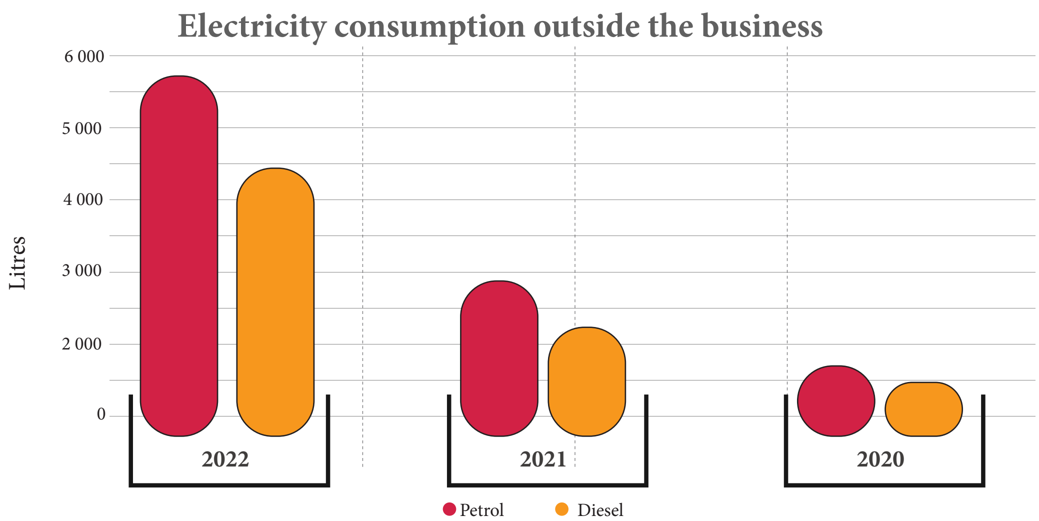
Energy	2022	2021	2020
Electricity (kWh)	138,000	100,000	84,000
Diesel for generators (litres)	200	120	50





Energy consumption outside the business

Energy	2022	2021	2020
Petrol (litres)	5,760	2,880	1,440
Diesel (litres)	4,320	2,160	1,080



WATER

Provision of safe and clean water is crucial for the heath and wellness of employees, operations, and residents. At our different operations we freely grant local communities' access to clean water which positions the Group as a socially responsible citizen.

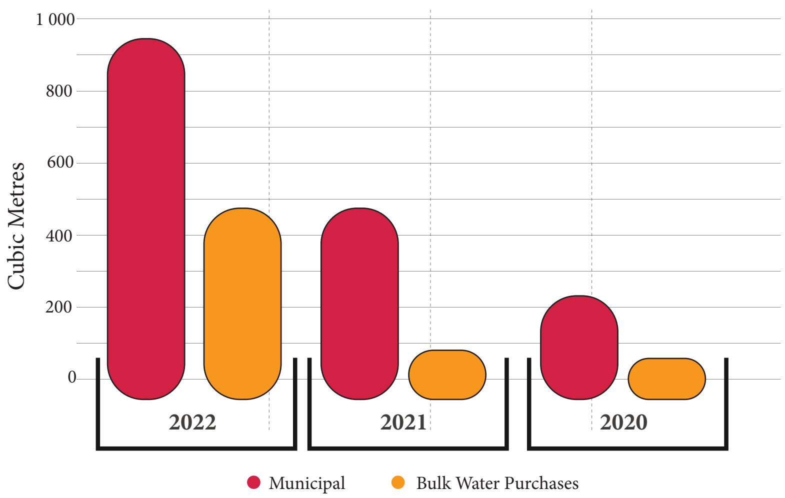
Management Approach

The Group conducts routine maintenance of water supply infrastructure and is committed to water conservation through recycling and reuse policies, adherence to applicable water conservation laws and running awareness campaigns. The Group invested in a water reticulation system for Southview residents at a cost of US$7 million. The project has a 10km pipeline and 11 mega litre reservoir to ensure constant supply of water to residence.

Our goal is to:
- supply clean and sufficient drinking water on all corporate premises and tenants on our premises,
- provide and secure access to sanitation,

For the period under review, we are pleased to report that we managed to consistently supply water for employees and our stakeholders while safeguarding water infrastructure from operational wear and tear.

Water Withdrawal by Source



Water Source	2022	2021	2020
Municipal	960	480	240
Bulk water purchases	480	90	60

WASTE

As a Group, we strive to keep a clean and healthy environment at our premises and at our project sites. Our strategy is to reduce, reuse and recycle waste to ensure efficient resource and waste reduction.

Management approach

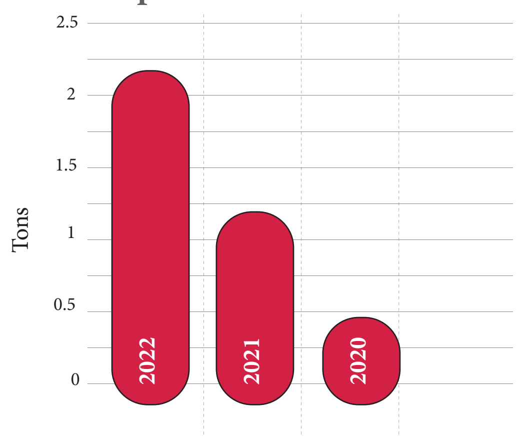
As part of our waste management strategy, the Group:

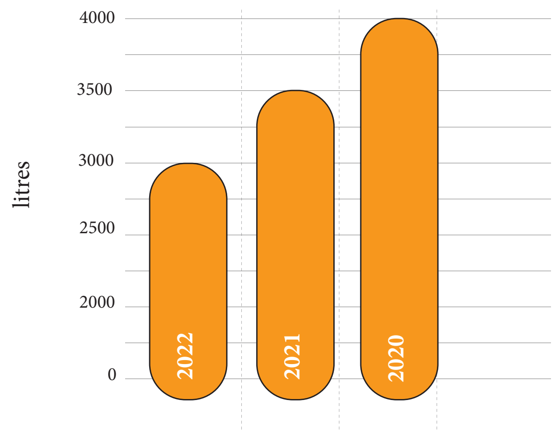
- Comply with proper waste disposal regulations and guidelines,
- Maintain municipality infrastructure,
- Minimise paper use and promotes use of e-documents.
- Provide office and sanitary bins

We conduct regular trainings and awareness campaigns both for employees and our project communities. Where municipal waste collection may be unreliable, we have engaged reputable third-party waste collection contractors who in turn work with municipalities to ensure proper waste transport and disposal.

During the year, we significantly reduced our office waste by digitalising most of our processes. We incurred zero waste related penalties from local authorities, and recorded no disease outbreaks in residential properties under our control.

Waste Generated	2022	2021	2020
Paper and Food Waste (tons)	2.2	1.2	0.48
Parlour Water (litres)	3,000	3,500	4,000





Climate Change

Climate change is a global phenomenon whose effects continue to change weather and climate patterns as we know them. As Fidelity Life Assurance, we contribute to climate change through our use of electricity, fuel, and property development activities. Therefore, it is important to track and manage our greenhouse generating activities so as to reduce our carbon footprint and play our part in environmental stewardship.

Greenhouse Gas (GHG) Emissions

The Group calculates its carbon footprint by converting its energy consumption into carbon dioxide (CO2e) emission equivalency using internationally accepted conversion factors due to the unavailability of nationally adopted conversion factors for Zimbabwe.

Scope 1: Emissions Source

These are direct GHG emissions from operations that are primarily owned or controlled by Fidelity Life Assurence. These are emissions from fuel consumed by generators and vehicles. We applied emission factors obtained from the United Kingdom (UK) Government GHG Conversion Factors to convert liquid bio-fuel usage as presented below:

Energy Source	Unit	2022	2021	2020
Diesel	(Kg CO2e litres)	12,184	6,450	3,203
Petrol	(Kg CO2e litres)	13,176	6,588	3,294
Total Scope 1 Emissions	(Kg CO2e litres)	**25,360**	**13,038**	**6,497**

Scope 2: Indirect Emissions

These are emissions from the consumption of energy generated and supplied by a third party over which Fidelity Life Assurance has no direct control. Our Scope 2 emissions were calculated using emission factors obtained from the Southern African Power Pool 2015 using Operating Margin factors and the Global Warming Potential rates from the Intergovernmental Panel on Climate Change (IPCC) as presented below:

Scope 2 Emission Source	Unit	2022	2021	2020
Electricity	(Kg CO2e KwH)	48,515	35,156	29,531

Investing in Community and Economic Development

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Fidelity Life Assurance demonstrate its good corporate citizenship through its Corporate Social Responsibility Programmes. The Group's CSR strategy is informed by needs identified during stakeholder engagements and our own desire to contribute to the socio-economic development of the society.

During the year under review, the Minster of National Housing and Social Amenities, Honourable Garwe honoured us as we commissioned a Waterworks Project in Southview Park, Harare South. The Project consisted of a 10km pipeline from Rothmans to Southview Park, 1 megalitre elevated reservoir, 10 megalitre ground reservoir, a pump station and staff quarters. The total project cost was in excess of USD9 million and has enabled residents of Southview and surrounding neighbourhoods in Hopely and Ishewokunze to access clean water. Implementing this project demanded constant engagements with various stakeholders who included engineers, regulators, local authorities, government, and representatives of the residents' association of Southview Park. We strongly believed the appreciation we received from residents demonstrates the significant impact of our CSR projects.

Beyond the Waterworks Projects , we supported other initiatives presented below:

CSR	Unit	2022	2021	2020
Children home-vulnerable groups	Enhance the quality of life for vulnerable groups.	Matthew Rusike Children's Home.	9 000 vegetable seedlings.	400
		Matthew Rusike Primary and High school.	Haircuts.	200
Environment	Cleaning the environment.	National Event (HCC).	Masks, gloves, brooms, disposable bins.	400
		Victoria Falls City Council	Refuse collection truck	10600
			Total	**11 600**

SUSTAINABLE DEVELOPMENT

Fidelity Life Assurance believes it has the responsibility to contribute to the UN supported Sustainable Development Goals (SDGs) as a responsible business. To this effect, the business identified SDG 2: Zero Hunger, SDG3: Good Health and Wellbeing, and SDG 8: Decent Work and Economic Growth as its key SDGs. Our approach is to align our corporate social responsibility and sustainability actions with these particular SDGs.

During the year, our contributions were as follows:

Sustainable Development Goals	SDG Target	Business Actions	Impact
2 ZERO HUNGER	Target 2.1	The Group donated 9 000 vegetable seedlings worth US$ 500 to Matthew Rusike children's home.	Reducing hunger in society.
8 DECENT WORK AND ECONOMIC GROWTH	Target 8.1; 8.3; and 8.8	Employment opportunities. The Group employs 284 people thereby supporting several households by extension. Fidelity Life Assurance contributed ZWL 261,076,317 in taxes and ZWL 57,145,142 in pension contribution for employees. Providing micro-lending services to the the informal sector which make up more than 80% of Zimbabwe's employable workforce.	Economic development, and employee welfare.

ECONOMIC VALUE CREATION

Fidelity Life Assurance generates significant economic value through financial services and products for a wide range of stakeholders. We pride ourselves in the valuable contributions we make to the communities within which we operate. Our management approach to economic value generation and distribution is guided by our annual business strategy, budgets, and priorities adopted for the year. The business remains committed to driving growth while improving performance innovation, service excellence, relevant products and capacitating our access channels to stakeholders.

Our Sustainable Wealth Pillars are as follows:

- Capital requirements for insurance business
- Systemic Risk Management
- Product Design
- Wealth Distribution

The direct economic value generated and distributed is presented on pages 56 to 182 of the financial statements.

PAYMENTS TO GOVERNMENT

Fidelity Life Assurance makes tax payments to government which we believe play a significant role in economic development, social service delivery, and national policy formulation. The business does not take this responsibility lightly hence ensuring tax payments are made timely and in full compliance with tax laws in Zimbabwe.

Approach to tax management

Tax management is a critical responsibility of the Board assigned to the Chief Finance Officer. Fidelity Life Assurance ensure all personnel assigned responsibilities of managing tax affairs are knowledgeable of tax laws and requirements to ensure timely filing of tax returns. The Chief Finance Officer ensures all tax returns have been reviewed and approved for filing with tax payments.

Stakeholder engagements on tax

Fidelity Life Assurance engages with the Zimbabwe Revenue Authority (ZIMRA) through an assigned tax official. The engagements are meant to ensure the business is fully compliant with tax requirements and up to date with any developments.

During the year, our tax payments were as follows:

Payment		2022 (ZWL)	2021 (ZWL)	2020 (ZWL)
Corporate Tax		59,917,927	19,564,670	4,437,197
Value Added Tax		52,243,714	3,333,882	1,106,255
Other Taxes	PAYE	111,403,059	32,646,465	10,262,211
	Withholding tax	9,013,190	973,001	157,785
	Aids Levy	3,445,455	1,009,684	317,388
	IMTT	25,052,972	3,810,395	1,464,766
Total		**261,076,317**	**61,338,097**	**17,745,602**

Directors' Statement of Responsibility

The directors are responsible for maintaining adequate accounting records for the Group and the Company to enable compliance with the requirements of the Companies and Other Business Entities Act [Chapter 24:31]. It is their responsibility to ensure that the consolidated and separate financial statements fairly present the financial position of the Group and Company respectively, as at the end of the financial year, and the results of the Group and Company's operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards and with the requirements of the Companies and Other Business Entities Act [Chapter 24:31].

The directors acknowledge that they are ultimately responsible for the system of internal financial control employed within the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet this responsibility, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. While operating risk cannot be fully eliminated, the Board endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints. The directors are of the opinion, based on the information provided by, and interactions with management, that the system of internal control currently in place provides reasonable assurance that the financial records may be relied upon for the preparation and fair presentation of the financial statements.

Directors' statement ongoing concern assumption

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

Directors' statement on audit results

The independent auditor is engaged to express an independent opinion on whether the consolidated and separate financial statements give a true and fair view of the financial position and financial performance of the Group and Company. The consolidated and separate financial statements and related notes have been audited by the Group's independent auditor and the auditor's report is presented on pages 49 to 55.

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

The consolidated and separate financial statements and the related notes set out on pages 56 to 129, were approved by the Board on 28 March 2023 and were signed on its behalf by:

L. T Gwata
Chairman

R. Chihota
Managing Director

Independent Auditor's Report

To the members of Fidelity Life Assurance of Zimbabwe Limited

Report on the Audit of the Consolidated Inflation Adjusted Financial Statements

Adverse Opinion

We have audited the consolidated inflation adjusted financial statements of Fidelity Life Assurance of Zimbabwe Limited, 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 inflation adjusted financial statements, including a summary of the Group's significant accounting policies.

In our opinion, because of the significance of the matters described in the Basis for Adverse Opinion section of our report, the consolidated inflation adjusted financial statements do not present fairly, in all material respects, the financial position of Fidelity Life Assurance of Zimbabwe 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

During the period from 22 February 2019 up to 22 June 2020, the foreign currency denominated transactions and balances of the Group and Company were translated into ZWL using interbank exchange rates, which were not considered appropriate spot rates for translations as required by International Accounting Standard (IAS) 21, 'The Effects of Changes in Foreign Exchange Rates'. The opinion on the prior year consolidated inflation adjusted financial statements was modified in respect of this matter and the misstatements have not been corrected in the consolidated inflation adjusted financial statements for the year ended 31 December 2022.

Had the financial statements been prepared in accordance with the requirements of IAS 21, certain elements would have been materially different. The effects of the non-compliance with the requirements of IAS 21 have been considered to be material but not pervasive to the consolidated inflation adjusted financial statements.

Valuation of investment property

In performing the property valuations as at 31 December 2021, inappropriate void rates were used. In addition, the lettable space for multi-tenanted commercial property included common areas, for which rental per square metre had already been included in the rentals per square metre charged to tenants. In the prior year, sufficient appropriate audit evidence was not provided to support the valuator's assumptions in this regard. The opinion on the prior year consolidated inflation adjusted financial statements was modified in respect of this matter and the misstatements have not been corrected in the separate inflation adjusted financial statements for the year ended 31 December 2022 in accordance with International Accounting Standard (IAS) 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'. As a result, the opening investment property balances of the Company as at 1 January 2022 recognised in the separate statement of financial position, and the fair value gains on investment properties recognised in the separate statement of profit or loss and other comprehensive income for the year ended 31 December 2022 are misstated. The effects on the separate inflation adjusted financial statements of this misstatement have not been determined.

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

The consolidated inflation adjusted financial statements include unaudited financial statements of Vanguard Life Assurance Limited, a significant component of Fidelity Life Assurance of Zimbabwe Limited and its subsidiaries. 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 for the year ended 31 December 2022. Accordingly, we were unable to determine the effect of this on the consolidated inflation adjusted financial statements of Fidelity Life Assurance of Zimbabwe Limited and its subsidiaries for the year ended 31 December 2022.

Key Audit Matters

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

Key Audit Matters	How our audit addressed the Key Audit Matter
Valuation of insurance contract liabilities and investment contract liabilities As at 31 December 2022 the Group had insurance contract liabilities amounting to ZWL 24 458 354 615, investment contract liabilities with discretionary participation features amounting to ZWL 12 461 018 797 and investment contracts without discretionary participation features amounting to ZWL 5 589 813 223. The Company had insurance contract liabilities amounting to ZWL 11 254 755 431, investment contract liabilities with discretionary participation features amounting to ZWL 12 461 018 797 and investment contracts without discretionary participation features amounting to ZWL 5 589 813 223 (Refer to **Note 11**). We considered the valuation of insurance contract liabilities and investment contract liabilities to be a matter of most significance to our current year audit of the consolidated and separate inflation adjusted financial statements due to the following: • 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.	**Our audit procedures included the following:** • We 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. • We assessed the design and operating effectiveness of the key controls of the actuarial valuation process for the setting and updating of actuarial assumptions and the process for model and methodology changes. • Reviewed management's key assumptions around mortality, longevity, disability, morbidity, persistency and expenses and assess the results of management's experience analyses. • Compared the mortality tables against the standard actuarial mortality tables to assess the reasonableness of the assumptions. • Assessed whether discount rates used reflect the nature of the assets backing the insurance contract liabilities and also whether they reflect the conditions of the market in which these assets are held. • Compared the actual emerging claims for prior years against the provision for the same period to assess the reasonableness of management's previous provisions.

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• 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 inflation adjusted 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.	• Assessed the valuation basis through discussion with the statutory actuaries and assess its appropriateness, given the nature of the business as well as actuarial best practice. • Compared the mortality, expenses, expense inflation, discount rates and lapses, previous experience in claim patterns, claim settlement patterns and trends in claims frequency to the prior year valuation in order to test whether they were consistently applied by management. • Assessed whether discount rates used reflect the nature of the assets backing the insurance contract liabilities and also whether they reflect the conditions of the market in which these assets are held. • Compared the actual emerging claims for prior years against the provision for the same period to assess the reasonableness of management's previous provisions. • We satisfied ourselves that the valuation of insurance/reassurance contract liabilities is appropriate.
Gross premiums recognition • There is a presumed fraud risk with regards revenue recognition as guided by International Standard on Auditing (ISA 240: Revised). There is a risk that gross premiums are presented at amounts higher than what has been actually generated by the Group. This is a significant risk and accordingly a key audit matter.	Our audit procedures incorporated a combination of tests of the Group's controls relating to gross premiums recognition and the appropriateness of premiums recognition policies as well as substantive procedures in respect of testing the occurrence assertion. Our substantive procedures included but were not limited to the following: • Reviewed that gross premiums recognition criteria is appropriate and in line with the requirements of IFRS 4. • Identified key controls and tested these controls to obtain satisfaction that they were operating effectively for the year under review. • Tested the design and operating effectiveness of internal controls implemented as well as test of details to ensure accurate processing of premiums transactions. • The results of our controls testing have been the basis for the nature and scoping of the additional test of details, which mainly consisted of testing individual transactions by reconciling them to external sources (supporting documentation). • Performed cut-off tests on year end balances to ensure premiums are recognised in the correct period. • Analytical procedures and assessed the reasonableness of explanations provided by management. We satisfied ourselves that the recognition of gross premiums is appropriate.

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Adequacy of allowance for credit losses on trade and other receivables The Group has trade and other receivables amounting to ZWL 3 654 064 843. This was considered an area of focus as IFRS 9 requires management to exercise significant judgement using subjective assumptions when determining both timing and amounts of the impairment provision for trade and other receivables. Key areas of judgement included: • The interpretation of the requirements to determine impairment under application of IFRS 9, which is reflected in the Group's expected credit loss model; and • Assumptions used in the expected credit loss model such as the financial condition of the counterparty, expected future cash flows and forward looking macroeconomic factors (e.g. exchange rates, interest rates, gross domestic product growth, inflation).	**Our audit procedures included the following:** Assessed management's allowance for credit losses, which included the following: • We performed an assessment of the modelling techniques and methodology used against the requirements of IFRS 9; • We assessed and tested the modelling assumptions with a focus on the: i. Key modelling assumptions adopted by the Group; ii. Reliability of the historical data collected; and iii. Appropriateness of macroeconomic factors used. • We examined a sample of exposures and performed procedures to evaluate the: i. Timely identification of exposures with a significant deterioration in credit quality; and ii. Expected loss calculation for exposures assessed on an individual basis. We assessed the adequacy of the disclosures in the consolidated inflation adjusted financial statements. Based on our audit work performed, the assumptions used by management were appropriate.
Loans and advances Loans and advances form a major portion of the Bank's assets, and due to the significant judgement using subjective assumptions over both when and how much to record as loan impairment, and estimation of the amount of the impairment provision for loans and advances, this audit area is considered a key audit risk.	**Our audit procedures included the following:** Our audit procedures include testing of design, existence and operating effectiveness of internal controls implemented as well as test of details to ensure accurate processing of loans and advances. • We obtained understanding of the Bank's key credit processes comprising granting, booking, monitoring and provisioning of loans. • We identified key controls involved in the issuance of loans and tested these controls to obtain satisfaction that they were operating effectively for the year under review. • The results of our controls testing have been the basis for the nature and scoping of the additional test of details, which included recomputation of loan balances and reconciling them to loan system balances. • We reviewed the ECL model and assessed reasonableness of the provision and checked the allowance for credit losses calculations. • We performed analytical procedures and assessed the reasonableness of explanations provided by management.

	We satisfied ourselves that the Group's loan and advances recognition criteria is adequate and appropriate.
Interest and similar income Overstatement of interest income and similar income. Interest income is a key measure used to evaluate the performance of the Group. There is a presumed fraud risk with regards to revenue recognition as guided by International Standard on Auditing (ISA 240). There is a risk that the income is presented at amounts higher than what has been actually generated by the Group. This is a significant risk and accordingly a key audit matter.	**Our audit procedures included the following:** • Our audit procedures include testing of design, existence and operating effectiveness of internal controls implemented as well as test of details to ensure accurate processing of interest and similar income. • We identified key controls and tested these controls to obtain satisfaction that they were operating effectively for the year under review. • 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). • Furthermore, we performed analytical procedures and assessed the reasonableness of explanations provided by management. We satisfied ourselves that the Group's interest and similar income recognition criteria is adequate and appropriate.

Other information

The Directors are responsible for the other information. The other information comprises the 'Corporate information', 'Directors' report, 'Corporate governance', 'Chairman's report', and 'Chief Executive Officers' report', which we obtained prior to the date of this auditor's report. The other information does not include the consolidated inflation adjusted financial statements and our auditor's report thereon. Our opinion on the consolidated inflation adjusted 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 inflation adjusted 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 inflation adjusted financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated inflation adjusted financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of consolidated inflation adjusted financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated inflation adjusted 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Inflation Adjusted Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated inflation adjusted 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 consolidated inflation adjusted 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 consolidated inflation adjusted 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 consolidated inflation adjusted 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 consolidated inflation adjusted financial statements, including the disclosures, and whether the consolidated inflation adjusted 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 entities or business activities within the Group to express an opinion on the consolidated inflation adjusted financial statements. We are responsible for the direction, supervision and performance of Group's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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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 inflation adjusted 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 Farai Chibisa.

Grant Thornton

Farai Chibisa
Partner

Registered Public Auditor (PAAB No: 0547)

30 MARCH 2023

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors
HARARE

Consolidated
Statement of Financial Position
FOR THE YEAR ENDED 31 DECEMBER 2022

		GROUP			
		INFLATION ADJUSTED		HISTORICAL COST	
		31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
ASSETS	**Notes**	ZWL	ZWL	ZWL	ZWL
Property and equipment	5	4 118 563 340	2 731 699 245	3 897 472 350	774 216 149
Right of use asset	7	90 912 297	95 188 199	90 912 297	27 690 317
Investment property	6	36 096 715 231	20 853 467 809	36 096 715 231	6 066 289 056
Intangible assets	4	340 877 660	310 324 810	236 804 436	70 405 507
Other non current assets	4.1	47 940 190	-	47 940 190	-
Inventories	10	334 989 425	334 990 093	4 881 663	2 759 402
Trade and other receivables	9	3 654 064 843	1 929 450 499	3 654 064 843	560 732 635
Equities at fair value through profit or loss	11.4	5 586 326 587	4 056 839 792	5 586 326 587	1 180 137 666
Debt securities at amortised cost	11.5	4 667 090 105	2 147 817 235	4 667 090 105	624 801 606
Cash and deposits with banks	12	1 470 210 710	1 546 661 270	1 470 210 710	449 923 714
Total assets		56 407 690 388	34 006 438 952	55 752 418 412	9 756 956 052
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Issued share capital	13	167 696 221	167 696 221	1 089 233	1 089 233
Share premium		103 368 838	103 368 838	671 409	671 409
Treasury shares		(1 545 278)	(1 545 278)	(10 037)	(10 037)
Retained earnings		(715 399 601)	686 560 081	(2 484 826 299)	157 627 445
Revaluation reserve		1 535 483 401	226 526 465	3 030 637 023	100 464 382
Foreign currency translation reserve		736 915 115	29 255 491	1 132 049 077	125 436 207
Total ordinary shareholder's equity		1 826 518 696	1 211 861 818	1 679 610 405	385 278 639
Non-controlling interests		5 720 999 281	2 954 233 185	5 699 360 494	852 750 657
Total equity		7 547 517 977	4 166 095 003	7 378 970 899	1 238 029 296
Liabilities					
Insurance contract liabilities with discretionary participation features	14.1	24 458 354 615	20 603 880 912	24 458 354 615	5 993 684 045
Investment contract liabilities with discretionary participation features	14.2	12 461 018 797	2 977 660 658	12 461 018 797	866 203 666
Investment contracts liabilities without discretionary participation features	14.3	5 589 813 223	3 269 671 499	5 589 813 223	951 149 833
Borrowings	15	201 545 556	228 720 126	201 545 556	66 534 852
Deferred tax liabilities	17.1	1 578 605 282	934 565 555	1 665 264 442	270 868 738
Lease obligations	16	24 319 337	64 264 529	24 319 337	18 694 598
Trade and other payables	18	4 523 030 255	1 645 756 148	3 949 646 197	318 097 585
Income tax liability	17.3	23 485 346	115 824 522	23 485 346	33 693 439
Total liabilities		48 860 172 411	29 840 343 949	48 373 447 513	8 518 926 756
Total equity and liabilities		56 407 690 388	34 006 438 952	55 752 418 412	9 756 956 052

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

L. T Gwata
Chairman

R. Chihota
Managing Director

Separate
Statement of Financial Position

FOR THE YEAR ENDED 31 DECEMBER 2022

		COMPANY					
		INFLATION ADJUSTED			HISTORICAL COST		
			Restated	Restated		Restated	Restated
		31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-22	31-Dec-21	31-Dec-20
ASSETS	**Notes**	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Investment in subsidiaries	8	21 032 135 554	12 256 342 540	9 581 735 962	21 044 637 535	3 595 812 170	1,750,967,112
Property and equipment	5	39 765 576	53 906 569	1 645 513 372	33 068 554	1 596 768	280,277,788
Investment property	6	10 485 909 997	7 297 664 339	4 624 777 740	10 485 909 997	2 122 895 999	836,988,191
Intangible assets	4	134 361 375	120 059 878	18 371 164	32 705 034	18 403 533	18,403,533
Other non current assets	4.1	46 589 762	-	-	46 589 762	-	-
Deferred tax assets		-	-	-	572 971	-	-
Income tax asset		29 384 195	-	-	29 384 195	-	-
Inventories	10	331 287 702	331 287 702	336 541 584	1 756 608	1 756 608	2,008,966
Trade and other receivables	9	829 978 499	433 488 507	142 483 430	829 978 499	124 967 043	25,786,628
Equities at fair value through profit or loss	11.1	722 849 687	1 744 647 488	1 155 857 067	722 849 687	507 519 229	209,187,512
Debt securities at amortised cost	11.2	52 323	175 978	10 348 735	52 323	52 323	298,872
Cash and deposits with banks	12	355 292 135	431 451 286	1 292 602 582	355 292 135	125 509 495	233,934,160
Total assets		34 007 606 805	22 669 024 287	18 808 231 636	33 582 797 300	6 498 513 168	3 357 852 762
EQUITY AND LIABILITIES							
Equity attributable to equity holders of the parent							
Issued share capital	13	167 696 221	167 696 221	167 696 221	1 089 233	1 089 233	1,089,233
Share premium		103 368 838	103 368 838	103 368 838	671 409	671 409	671,409
Treasury shares		(1 545 278)	(1 545 278)	(1 545 278)	(10 037)	(10 037)	(10,037)
Retained earnings		615 633 862	816 933 881	2 129 662 510	667 562 063	259 601 199	62,644,615
Revaluation reserve		25 688 438	23 617 512	15 438 132	18 224 596	16 153 670	14,068,266
Foreign currency translation reserve		763 275 116	54 333 778	202 547 161	1 135 950 250	128 055 666	101,923,517
Total ordinary shareholder's equity		1 674 117 197	1 164 404 952	2 617 167 584	1 823 487 515	405 561 140	180 387 003
Non-controlling interests		-	-	-	-	-	-
Total equity		1 674 117 197	1 164 404 952	2 617 167 584	1 823 487 515	405 561 140	180 387 003
Liabilities							
Insurance contract liabilities with discretionary participation features	14.1	11 254 755 431	13 970 404 659	8 766 648 107	11 254 755 431	4 064 000 946	1 915 743 433
Investment contract liabilities with discretionary participation features	14.2	12 461 018 797	2 977 660 658	3 259 160 180	12 461 018 797	866 203 666	456 886 102
Investment contracts liabilities without discretionary participation features	14.3	5 589 813 223	3 269 671 499	976 873 269	5 589 813 223	951 149 833	397 468 982
Borrowings	15	-	-	501 558 558	-	-	16 859 568
Deferred tax liabilities	17.1	795 760	(1 400 909)	(2 526 042)	-	377 607	-
Trade and other payables	18	3 027 106 397	1 217 447 894	2 662 536 303	2 453 722 335	190 612 733	381 822 070
Income tax liability	17.3	-	70 835 534	26 813 677	-	20 607 243	8 685 604
Total liabilities		32 333 489 608	21 504 619 335	16 191 064 052	31 759 309 786	6 092 952 028	3 177 465 759
Total equity and liabilities		34 007 606 805	22 669 024 287	18 808 231 636	33 582 797 300	6 498 513 168	3 357 852 762

The above separate statement of financial position should be read in conjunction with the accompanying notes. Further information on the restatement is included in Note 11 to the financial statements.

L. T Gwata
Chairman

R. Chihota
Managing Director

Consolidated

Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2022

		GROUP			
		INFLATION ADJUSTED		HISTORICAL COST	
		2022	2021	2022	2021
	Notes	ZWL	ZWL	ZWL	ZWL
Gross premiums	19	4 082 780 792	4 032 228 615	3 403 406 422	1 066 935 975
Premiums ceded to reinsurers		(279 171 392)	(353 593 816)	(158 298 570)	(84 843 213)
Net premium written		3 803 609 400	3 678 634 799	3 245 107 852	982 092 762
Fees and commission income	20	80 860 998	399 366 493	63 939 126	92 480 664
Investment income	21	634 703 194	375 060 572	629 050 823	109 486 493
Interest income from residential stands receivables		338 968	24 896 420	338 968	5 702 277
Fair value (loss)/gains from equities		(834 376 924)	1 095 005 052	925 824 402	468 430 775
Fair value gains and losses investment property	32	10 920 928 930	4 449 264 370	24 956 413 046	3 005 523 574
Fair value gains losses from other non current assets	4.1	6 384 602	-	9 478 822	-
Interest income from microlending		529 703 897	429 200 347	346 712 607	102 314 597
Non insurance income	22	1 372 773 787	907 752 426	839 712 991	213 145 790
Total Income		16 514 926 852	11 359 180 479	31 016 578 637	4 979 176 932
Gross benefits and claims paid		(1 370 745 242)	(1 844 149 452)	(1 172 842 851)	(489 423 884)
Claims ceded to reinsurers		112 529 086	323 084 543	57 777 335	72 754 414
Net benefits and claims		(1 258 216 156)	(1 521 064 909)	(1 115 065 516)	(416 669 470)
Gross change in insurance contract liabilities with DPF	14.1	1 133 233 209	(3 988 187 536)	(8 773 170 399)	(2 180 269 106)
Gross change in investment contract liabilities with DPF		(9 483 358 139)	(453 136 810)	(11 594 815 131)	(409 317 564)
Gross change in investment contract liabilities without DPF		(925 056 558)	(1 073 032 048)	(3 429 299 258)	(553 507 748)
Fee and commission expenses, and other acquisition costs	23	(363 824 248)	(202 351 788)	(309 884 987)	(54 084 459)
Operating and administration expenses	24	(2 482 821 918)	(2 498 320 857)	(3 317 390 810)	(622 205 345)
Allowance for expected credit losses on receivables		(26 252 361)	(44 545 827)	(26 248 760)	(12 958 413)
Cost of sales of residential stands	10	-	(1 200 307)	-	(252 375)
Project development costs	24.1	(43 792 820)	(150 542 144)	(268 222 414)	(30 625 763)
Finance costs	25	(191 428 499)	(155 153 530)	(155 872 503)	(38 063 023)
Gain/(loss) on net monetary position		(2 037 077 413)	26 606 913	-	-
Total benefits, claims and other expenses		(15 678 594 903)	(10 060 928 843)	(28 989 969 778)	(4 317 953 266)
Profit before income tax		836 331 949	1 298 251 636	2 026 608 859	661 223 666
Income tax expense	26	(626 817 511)	(353 237 187)	(1 162 769 555)	(166 069 670)
Profit for the year		209 514 438	945 014 449	863 839 305	495 153 996
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Gross gains on property revaluation		1 310 393 782	754 736 551	2 931 609 487	416 599 249
Income tax related to items that will not be reclassified to profit or loss		(1 436 846)	(4 973 811)	(1 436 846)	(1 446 885)
Gross change in insurance liabilities through OCI		-	(594 878 252)	-	(339 097 687)
Gains on property revaluation, net of income tax		1 308 956 936	154 884 488	2 930 172 641	76 054 677
Items that will or may be reclassified to profit or loss:					
Exchange differences arising on translation of foreign operations		1 098 456 897	(239 943 958)	1 582 434 954	42 305 568
Other comprehensive income for the year, net of income tax		2 407 413 833	(85 059 470)	4 512 607 595	118 360 245
Total comprehensive income for the year		2 616 928 271	859 954 979	5 376 446 900	613 514 241
Profit for the year attributable to:					
Owners of the parent		(1 401 959 682)	387 915 818	(2 642 453 745)	105 126 654
Non-controlling interests		1 611 474 120	557 098 631	3 506 293 049	390 027 342
Profit for the year		209 514 438	945 014 449	863 839 305	495 153 996
Comprehensive income attributable to:					
Owners of the parent		614 656 875	390 150 108	1 294 331 766	206 022 806
Non-controlling interests		2 002 271 396	469 804 871	4 082 115 134	407 491 435
Comprehensive profit for the year		2 616 928 271	859 954 979	5 376 446 900	613 514 241
Earnings per share attributable to the ordinary equity holders of the parent					
Basic and diluted earnings per share (cents)	27.1	(1,299.08)	359.45	(2,448.54)	97.41

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Separate
Statement of Profit or Loss and Other Comprehensive Income
FOR THE YEAR ENDED 31 DECEMBER 2022

		COMPANY			
		INFLATION ADJUSTED		HISTORICAL COST	
		2022	2021	2022	2021
	Notes	ZWL	ZWL	ZWL	ZWL
Gross premiums	19	2 229 221 543	1 854 400 178	1 549 847 174	433 404 029
Premiums ceded to reinsurers		(230 842 686)	(300 166 022)	(109 969 865)	(69 301 028)
Net premium written		1 998 378 857	1 554 234 156	1 439 877 309	364 103 001
Fees and commission income	20	54 088 133	65 092 720	38 242 443	14 670 468
Investment income	21	71 481 933	162 194 280	65 971 786	17 895 894
Interest income from residential stands receivables		338 968	24 896 420	338 968	5 702 277
Fair value gains from equities		(1 253 017 687)	577 892 760	313 791 542	306 605 225
Fair value gains from investment property	7	3 188 245 310	1 122 732 196	8 363 013 998	790 918 828
Fair value gains and losses from other non current assets	4.1	8 027 116	-	9 053 425	-
Non insurance revenue	22	170 687 189	729 374 065	57 487 801	174 205 853
Equity accounted earnings	8	6 681 129 365	2 860 285 090	15 031 895 653	1 841 300 050
Total Income		10 919 359 184	7 096 701 685	25 319 672 925	3 515 401 596
Gross benefits and claims paid		(618 836 994)	(973 529 964)	(399 264 294)	(233 140 652)
Claims ceded to reinsurers		105 320 088	244 320 618	50 568 336	49 841 930
Net benefits and claims		(513 516 906)	(729 209 346)	(348 695 958)	(183 298 722)
Gross change in insurance contract liabilities with DPF	14.1	2 715 649 228	(2 712 462 372)	(7 190 754 484)	(1 809 159 826)
Gross change in investment contract liabilities with DPF		(9 483 358 139)	(453 136 810)	(11 594 815 131)	(409 317 564)
Gross change in investment contract liabilities without DPF		(925 056 558)	(1 073 032 048)	(3 429 299 258)	(553 507 748)
Fee and commission expenses, and other acquisition costs	23	(263 935 984)	(74 825 364)	(213 407 317)	(17 766 619)
Operating and administration expenses	24	(2 568 733 929)	(1 334 230 048)	(1 850 368 236)	(310 196 778)
Allowance for expected credit losses on receivables		(1 184 854)	30 510 578	(1 184 854)	8 875 549
Cost of sales of residential stands	10	-	(1 200 307)	-	(252 375)
Project development costs	24.1	(43 792 820)	(150 542 144)	(268 222 414)	(30 625 763)
Finance costs	25	(14 805 499)	(24 694 027)	(12 872 917)	(5 680 813)
Gain/(loss) on net monetary position		(19 983 575)	(1 859 667 284)	-	-
Total benefits, claims and other expenses		(11 118 719 036)	(8 382 489 171)	(24 909 620 571)	(3 310 930 659)
Profit before income tax		(199 359 852)	(1 285 787 485)	410 052 354	204 470 937
Income tax expense	26	(1 940 167)	(26 941 144)	(2 091 490)	(7 514 353)
Profit for the year		(201 300 019)	(1 312 728 629)	407 960 864	196 956 584
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Gross gains on property revaluation		-	595 888 879	-	339 097 687
Share of revaluation gains on property		2 070 926	7 168 754	2 070 926	2 085 403
Gross change in insurance liabilities through OCI		-	(594 878 252)	-	(339 097 687)
Gains on property revaluation, net of income tax		2 070 926	8 179 380	2 070 926	2 085 403
Items that will or may be reclassified to profit or loss:					
Share of exchange differences arising on translation of foreign operations		708 941 338	(148 213 383)	1 007 894 584	26 132 149
Other comprehensive income for the year, net of income tax		711 012 264	(140 034 002)	1 009 965 510	28 217 552
Comprehensive profit for the year		509 712 245	(1 452 762 632)	1 417 926 374	225 174 136
Profit for the year attributable to:					
Owners of the parent		(201 300 019)	(1 312 728 629)	407 960 864	196 956 584
Non-controlling interests		-	-	-	-
Profit for the year		(201 300 019)	(1 312 728 629)	407 960 864	196 956 584
Comprehensive profit attributable to:					
Owners of the parent		509 712 245	(1 452 762 632)	1 417 926 374	225 174 136
Non-controlling interests		-	-	-	-
Comprehensive profit for the year		509 712 245	(1 452 762 632)	1 417 926 374	225 174 136
Earnings per share attributable to the ordinary equity holders of the parent					
Basic and diluted earnings per share (cents)	27.1	(186.53)	(1,216.40)	378.02	182.51

The above consolidated and separate statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated
Statement of Changes in Equity
FOR THE YEAR ENDED 31 DECEMBER 2022

GROUP
INFLATION ADJUSTED

	Share capital ZWL	Share premium ZWL	Treasury shares ZWL	Retained earnings ZWL	Revaluation reserve ZWL	Foreign currency translation reserve ZWL	Attributable to shareholders of parent ZWL	Non-controlling interest ZWL	"Total equity" ZWL
Year ended 31 December 2021									
Balance at 1 January 2021	167 696 221	103 368 838	(1 545 278)	298 644 263	71 641 977	181 905 689	821 711 710	2 484 428 313	3 306 140 023
Profit for the year	-	-	-	387 915 818	-	-	387 915 818	557 098 631	945 014 449
Other comprehensive income for the year	-	-	-	-	154 884 488	(152 650 198)	2 234 290	(87 293 759)	(85 059 469)
Comprehensive income for the year	-	-	-	387 915 818	154 884 488	(152 650 198)	390 150 108	469 804 872	859 954 980
Balance at 31 December 2021	167 696 221	103 368 838	(1 545 278)	686 560 081	226 526 465	29 255 491	1 211 861 818	2 954 233 185	4 166 095 003
Year ended 31 December 2022									
Balance at 1 January 2022	167 696 221	103 368 838	(1 545 278)	686 560 081	226 526 465	29 255 491	1 211 861 818	2 954 233 185	4 166 095 003
Profit for the year	-	-	-	(1 401 959 682)	-	-	(1 401 959 682)	1 611 474 120	209 514 438
Non controlling interest on acquisition of subsidiary								764 494 703	764 494 703
Other comprehensive income for the year	-	-	-	-	1 308 956 936	707 659 624	2 016 616 560	390 797 273	2 407 413 833
Comprehensive income for the year	-	-	-	(1 401 959 682)	1 308 956 936	707 659 624	614 656 878	2 766 766 096	3 381 422 974
Balance at 31 December 2022	167 696 221	103 368 838	(1 545 278)	(715 399 601)	1 535 483 401	736 915 115	1 826 518 696	5 720 999 281	7 547 517 977

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Separate
Statement of Changes in Equity
FOR THE YEAR ENDED 31 DECEMBER 2022

COMPANY
INFLATION ADJUSTED

	Share capital ZWL	Treasury shares ZWL	Share premium ZWL	Retained earnings ZWL	Revaluation reserve ZWL	Foreign currency translation reserve ZWL	Total equity ZWL
Year ended 31 December 2021							
Balance at 1 January 2021, as previously stated	167 696 221	(1 545 278)	103 368 838	202 124 939	15 438 132	202 547 161	689 630 013
Prior period error	-	-	-	1 927 537 571	-	-	1 927 537 571
Restated balance at 1 January 2021	167 696 221	(1 545 278)	103 368 838	2 129 662 510	15 438 132	202 547 161	2 617 167 584
Profit for the year-restated	-	-	-	(1 312 728 629)	-	-	(1 312 728 629)
Other comprehensive income for the year	-	-	-	-	8 179 380	(148 213 383)	(140 034 003)
Comprehensive income for the year	-	-	-	(1 312 728 629)	8 179 380	(148 213 383)	(1 452 762 632)
Balance at 31 December 2021	167 696 221	(1 545 278)	103 368 838	816 933 881	23 617 512	54 333 778	1 164 404 952
Year ended 31 December 2022							
Balance at 1 January 2022	167 696 221	(1 545 278)	103 368 838	816 933 881	23 617 512	54 333 778	1 164 404 952
Profit for the year	-	-	-	(201 300 019)	-	-	(201 300 019)
Other comprehensive income for the year	-	-	-	-	2 070 926	708 941 338	711 012 264
Comprehensive income for the year	-	-	-	(201 300 019)	2 070 926	708 941 338	509 712 245
Balance at 31 December 2022	167 696 221	(1 545 278)	103 368 838	615 633 862	25 688 438	763 275 116	1 674 117 197

The above separate statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated
Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2022

		GROUP			
		INFLATION ADJUSTED		HISTORICAL COST	
		2022	2021	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INCOME TAX	Notes	ZWL	ZWL	ZWL	ZWL
Profit before income tax		836 331 949	1 298 251 636	2 026 608 859	661 223 666
Adjustments:		(1 413 463 043)	(409 703 637)	(2 189 624 861)	(285 170 311)
Fair value gains on equities at fair value through profit or loss	11.1	834 376 924	(1 095 005 052)	(925 824 402)	(468 430 775)
Additions to financial assets at fair value through profit or loss	11.1	(747 263 262)	(356 954 523)	(317 705 234)	(87 467 628)
Disposals of financial assets at fair value through profit or loss	11.1	284 600 665	258 994 256	170 112 655	70 116 580
Fair value gains on investment property	7	(10 920 928 930)	(4 449 264 370)	(24 956 413 046)	(3 005 523 574)
Fair value gains from other non current assets		(6 384 602)	-	(9 478 822)	-
Amortisation of intangible assets	4	39 382 011	7 468 486	30 220 478	89 184
Depreciation of right of use asset		21 445 693	27 362 688	21 445 699	7 959 826
Finance costs		191 428 499	155 153 530	155 872 503	38 063 023
Depreciation of property and equipment	5	49 970 791	91 296 075	22 814 948	13 512 104
Gross change in insurance contract liabilities with DPF		(1 133 233 209)	3 988 187 536	8 773 170 399	2 180 269 106
Gross change in insurance contract liabilities with DPF		9 483 358 139	453 136 810	11 594 815 131	409 317 564
Gross change in investment contract liabilities without DPF		2 320 141 725	1 073 456 880	4 638 663 391	553 680 850
Interest income		(521 869 403)	(329 265 629)	(519 150 489)	(90 217 366)
Dividend income		(112 833 790)	(45 794 941)	(109 900 335)	(19 269 127)
Effects of inflation		2 037 077 413	(26 606 913)	-	-
Unrealised exchange gains/ (losses)		(3 274 802 140)	(11 325 772)	(1 024 838 176)	162 907 210
Projects development costs		43 792 820	150 542 144	268 222 414	30 625 763
Profit on disposal of investment property		-	(246 409 356)	-	(65 218 089)
Profit/(loss) on disposal of property, plant and equipment		(1 722 387)	(54 675 485)	(1 651 975)	(15 584 962)
Changes in working capital		1 082 615 248	(2 244 878 696)	241 622 969	(507 270 849)
Increase in trade and other receivables		(1 750 866 706)	(348 840 489)	(2 122 261)	(637 136)
(Increase)/decrease in inventories		666	(1 551 186)	(3 119 580 967)	(280 673 304)
(Decrease)/Increase in trade and other payables		2 833 481 288	(1 894 487 021)	3 363 326 197	(225 960 409)
Cash (utilised)/ generated from operations		505 484 154	(1 356 330 700)	78 606 967	(131 217 494)
Income taxes paid		(44 921 067)	(133 320 674)	(124 515 186)	(31 395 413)
Net cash (utilised)/ generated from operations		460 563 087	(1 489 651 375)	(45 908 219)	(162 612 907)
Cash flows from investing activities					
Additions to and replacement of property and equipment	5	(55 078 796)	(28 719 161)	(79 377 250)	(6 593 981)
Additions to intangible assets	4	(19 242 203)	(24 929 573)	(19 242 202)	(7 252 030)
Acquisition of subsidiary		(690 585 333)	-	(638 905 496)	-
Additions to other non current assets		(58 953 093)	-	(38 461 368)	-
Proceeds from sale of other non current assets		17 397 505	-	7 918 683	-
Interest income		521 869 403	329 265 629	519 150 489	90 217 366
Dividend income		112 833 790	45 794 941	109 900 335	19 269 127
Proceeds from sale of investment property		-	116 700 497	-	19 035 806
Proceeds from sale of property and equipment		759 072	595 037	759 072	670 446
Additions to debt securities held at amortised cost		(441 713 350)	(979 150 575)	(441 713 350)	(284 355 222)
Maturities debt securities held at amortised cost		121 485 647	385 891 277	121 485 647	112 265 372
Net cash utilised from investing activities		(491 227 358)	(154 551 927)	(458 485 440)	(56 743 116)
Cash flows from financing activities					
Finance costs		(191 428 499)	(155 153 530)	(155 872 503)	(38 063 023)
Repayments lease obligations		(35 852 966)	(48 791 780)	(35 852 966)	(14 193 565)
Repayments of borrowings	15.3	(267 616 983)	(71 220 948)	(204 351 342)	(3 708 652)
Proceeds from borrowings	15.3	418 338 406	532 038 633	339 362 046	88 857 012
Net cash generated/ (utilised) from financing activities		(76 560 042)	256 872 375	(56 714 765)	32 891 772
Net (decrease)/increase in cash equivalents for the year		(107 224 313)	(1 387 330 927)	(561 108 426)	(186 464 251)
Cash and cash equivalents at the beginning of the year		1 370 792 770	2 998 067 653	398 763 439	542 922 122
Exchange differences on translation of a foreign operation		156 521 510	(239 943 956)	1 582 434 954	42 305 568
Cash and cash equivalents at the end of the year	12	1 420 089 967	1 370 792 770	1 420 089 967	398 763 439

The above consolidated and separate statements of cash flows should be read in conjunction with the accompanying notes.

Separate
Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2022

		COMPANY			
		INFLATION ADJUSTED		HISTORICAL COST	
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INCOME TAX	Notes	2022 ZWL	RESTATED 2021 ZWL	2022 ZWL	RESTATED 2021 ZWL
Profit before income tax		(199 359 852)	(1 285 787 485)	410 052 354	204 470 937
Adjustments:		(552 206 906)	2 344 939 089	(743 953 822)	20 814 749
Fair value gains on equities at fair value through profit or loss					
Additions to financial assets at fair value through profit or loss		1 253 017 687	(577 892 760)	(313 791 542)	(306 605 225)
Disposals of financial assets at fair value through profit or loss		(441 334 451)	(166 034 256)	(12 356 470)	32 603 438
Fair value gains on investment property		210 114 565	144 582 186	110 817 554	40 876 946
Fair value gains on gold coins	7	(3 188 245 310)	(1 122 732 196)	(8 363 013 998)	(790 918 828)
Finance costs		(8 027 116)	-	(9 053 425)	-
Depreciation of property and equipment		14 805 499	24 694 027	12 872 917	5 680 813
Gross change in insurance contract liabilities with DPF	5	10 381 576	56 153 462	3 807 589	5 703 562
Gross change in investment contract liabilities with DPF		(2 715 649 228)	2 712 462 372	7 190 754 484	1 809 159 826
Gross change in insurance and investment contract liabilities with DPF		9 483 358 139	453 136 810	11 594 815 131	409 317 564
Interest income		2 320 141 725	1 073 032 048	4 638 663 391	553 680 851
Dividend income		(29 704 830)	(54 462 450)	(27 128 137)	(10 814 419)
Share of profit of investments accounted using		(41 777 103)	(2 332 250)	(38 843 649)	(31 300 578)
the equity method		(6 681 129 365)	(2 860 285 090)	(15 031 895 653)	(1 816 627 507)
Non cash adjustment-IAS29		19 983 575	1 859 667 284	-	-
Unrealised exchange gains/ (losses)		(800 212 703)	955 277 169	(766 172 453)	170 235 594
Projects development costs		43 792 820	150 542 144	268 222 414	30 625 763
Profit on disposal of investment property		-	(246 409 356)	-	(65 218 089)
Profit/(loss) on disposal of property, plant and equipment		(1 722 387)	(54 460 055)	(1 651 975)	(15 584 962)
Changes in working capital		1 368 190 836	(1 855 257 515)	1 288 690 877	(311 887 607)
Decrease/ (increase) in inventories		-	867 538	-	252 358
Decrease/(Increase) in trade and other receivables		(397 674 847)	(260 494 501)	(706 196 310)	(90 304 865)
Decrease in trade and other payables		1 765 865 683	(1 595 630 552)	1 994 887 187	(221 835 100)
Cash (utilised)/ generated from operations		616 624 079	(796 105 911)	954 789 409	(86 601 920)
Income taxes paid		(1 140 913)	(14 774 383)	(52 082 928)	3 999 051
Net cash (utilised)/ generated from operations		615 483 166	(810 880 293)	902 706 481	(82 602 869)
Cash flows from investing activities					
Additions to and replacement of property and equipment	5	(5 631 222)	(7 679 569)	(35 279 375)	(1 185 876)
Additions to intangible assets	4	(14 301 501)	-	(14 301 501)	-
Acquisition of subsidiary		(723 771 642)	-	(638 905 496)	
Additions to other non current assets		(38 562 646)	-	(37 536 337)	
Interest income		29 704 830	(54 462 450)	27 128 137	10 814 419
Dividend income		41 777 103	(2 332 250)	38 843 649	(31 300 578)
Proceeds from sale of investment property		33 948 260	116 700 497	-	19 035 806
Maturities debt securities held at amortised cost		-	815 512	-	246 549
Net cash generated from in investing activities		(676 836 818)	53 041 739	(660 050 923)	(2 389 680)
Cash flows from financing activities					
Finance costs		(14 805 499)	(24 694 027)	(12 872 917)	(5 680 813)
Repayments of borrowings	15.3	-	(78 619 064)	-	(16 942 046)
Net cash (utilised)/ generated from financing activities		(14 805 499)	(103 313 091)	(12 872 917)	(22 622 859)
Net (decrease)/increase in cash equivalents for the year		(76 159 151)	(861 151 644)	229 782 640	(107 615 408)
Cash and cash equivalents at the beginning of the year		431 451 286	1 292 602 930	125 509 495	233 124 904
Cash and cash equivalents at the end of the year	12	355 292 135	431 451 286	355 292 135	125 509 495

The above consolidated and separate statements of cash flows should be read in conjunction with the accompanying notes. Further information on the restatement is included in Note 11 to the financial statements.

Notes to the Consolidated and Separate Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2022

1. General Information

1.1. Nature of business

The consolidated financial statements (the "Group financial statements") of Fidelity Life Assurance of Zimbabwe Limited (the "Company") and its subsidiaries (together, the "Group"), and the separate financial statements of Fidelity Life Assurance of Zimbabwe Limited alone (the "Company financial statements"), (together, the "financial statements"), for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors on 28 March 2023. Fidelity Life Assurance of Zimbabwe is a limited company incorporated and domiciled in Zimbabwe and is listed on the Zimbabwe Stock Exchange. It has subsidiaries which are domiciled in Zimbabwe and Malawi. The Group provides life assurance, funeral assurance, asset management, actuarial consultancy and micro – financing services.

1.2. Corporate information

The ultimate parent of the Group is Zimre Holdings Limited ("ZHL") with direct shareholding of 66, 95% as at 31 December 2022 (2021: 66.95%). ZHL is listed on the Zimbabwe Stock Exchange.

2. Accounting Policies

2.1 Basis of preparation

The Group's financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"),as issued by the International Accounting Standards Board ('IASB"), and in the manner required by the Zimbabwe Companies and other Business Entities Act (Chapter 24:31) except for non-compliance with IAS 21 'The effects of changes in foreign exchange rates. The financial statements are based on statutory records that are maintained Financial reporting in hyperinflationary economies 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 Group adopted IAS 29 "Financial Reporting in Hyperinflationary Economies" as proclaimed by the local accounting regulatory board, Public Accountants and Auditors Board "PAAB".

Historical financial statements have been presented as supplementary information.

2.2 Functional currency

The Group's functional and presentation currency is the Zimbabwe dollar ("ZWL"). All amounts presented are rounded to the nearest Zimbabwe dollar. Exchange gains and losses on translation of the results and financial positions of the Group's foreign operations are recognised in other comprehensive income.

2.3. Application of IAS 29 (Financial reporting in hyperinflationary Economies)

The Group and Company continues to apply IAS 29 which came into effect from 1 July 2019, when Zimbabwe was considered to be a hyperinflationary economy as the three – year cumulative inflation figure was above 100 %. IAS 29 Financial Reporting in Hyperinflationary Economies requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the statement of financial position date.

IAS 29 requires that the financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the reporting end, and that corresponding figures of the previous periods be restated in the same terms to the latest statement of financial position date. 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:

	INDEX	CONVERSION FACTOR
CPI as at 31 December 2020	2474.51	5.5255
CPI as at 31 December 2021	3977.46	3.4376
CPI as at 31 December 2022	13672.91	1.0000

The main procedures applied in the above restatement of transactions and balances are as follows:

Financial statements prepared in the currency of a hyperinflationary economy are stated in terms of a measuring unit current at the balance sheet date, and corresponding figures for the previous year are restated in the same terms. All comparative figures as of and for the year ended 31 December 2022 are restated by applying the change in the index from 31 December 2021 to 31 December 2022. The opening revaluation reserve was eliminated against retained earnings. The line items in the statement of profit or loss and other comprehensive income except for depreciation charge were segregated into monthly totals and an applicable monthly adjustment factor was factored to hyper inflate the amounts. Monetary assets and liabilities that are carried at amounts current at the statement of financial position date are not restated since they are already stated in terms of the monetary unit current at the balance sheet date.

Non monetary assets and liabilities that are not carried at amounts current at statement of financial position date and components of shareholders equity are restated by applying the relevant monthly conversion factors. Property and equipment is restated by applying the change in the index from the date of purchase to 31 December 2022. Depreciation amounts is calculated applying the index from the depreciation date. Owner occupied buildings are revalued annually at the statement of financial position date, and therefore are being carried at amounts current at the statement of financial position date, are not restated. The depreciation amounts are based on the opening revalued amounts. Additions to equipment and vehicles are restated using the relevant conversion factors. The investment property was fair valued at 31 December and thus no inflation adjustment on the closing fair values. The difference between the inflation adjusted opening balance and the closing fair value was accounted for as the fair value adjustment.

Deferred tax was calculated on restated carrying amounts, Borrowings constitute a monetary liability and thus there was no inflation adjustment on the balances. The effect of inflation on the net monetary position of the Group is included in the income statement as a net monetary gain / loss. All items in the cash flow statement are expressed in terms of the measuring unit current at the balance sheet date. The financial statements of the subsidiary in Malawi which does not report in the currency of a hyper-inflationary economy 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. The opening balances were restated by applying the adjustment factor as at 31 December 2022.

2.4 Changes in accounting policy and disclosures
2.4.1 New and amended standards and interpretations

NUMBER	EFFECTIVE DATE	EXECUTIVE SUMMARY
Amendment to IFRS 3, 'Business combinations' asset or liability in a business combination clarity	Annual periods beginning on or after 1 January 2022	The Board has updated IFRS 3, 'Business combinations', to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, the Board added a new exception in IFRS 3 for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37, 'Provisions, contingent liabilities and contingent assets', or IFRIC 21, 'Levies', rather than the 2018 Conceptual Framework. The Board has also clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date.
Amendments to IAS 16 'Property, Plant and Equipment': Proceeds before Intended Use	Annual periods beginning on or after 1 January 2022	The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of property and equipment and any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss.
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' on Onerous Contracts—Cost of Fulfilling a Contract	Annual periods beginning on or after 1 January 2022	The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of 'costs to fulfil a contract'. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract.
Annual improvements cycle 2018-2020	Annual periods beginning on or after 1 January 2022	These amendments include minor changes to: · IFRS 1, 'First time adoption of IFRS' has been amended for a subsidiary that becomes a first-time adopter after its parent. The subsidiary may elect to measure cumulative translation differences for foreign operations using the amounts reported by the parent at the date of the parent's transition to IFRS. · IFRS 9, 'Financial Instruments' has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation. · IFRS 16, 'Leases', amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the illustration of payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives.

2.4.1 New and amended standards and interpretations (Continued)

2.4.2 International Financial Reporting Standards, interpretations and amendments issued but not effective

NUMBER	EFFECTIVE DATE	EXECUTIVE SUMMARY
		· IAS 41, 'Agriculture' has been amended to align the requirements for measuring fair value with those of IFRS 13. The amendment removes the requirement for entities to exclude cash flows for taxation when measuring fair value.

NUMBER	EFFECTIVE DATE	EXECUTIVE SUMMARY
IFRS 17, 'Insurance contracts'	Annual periods beginning on or after 1 January 2023 Early application is permitted for entities that apply IFRS 9, 'Financial Instruments', and IFRS 15, 'Revenue from Contracts with Customers', at or before the date of initial application of IFRS 17.	The IASB issued IFRS 17, 'Insurance contracts', and thereby started a new approach of accounting for insurers. Whereas the current standard, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to IFRS 17 will have an impact on financial statements and on key performance indicators. Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period. Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contract, including those with a coverage period of one year or less. For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. As a consequence, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract. The Group commenced preparations for the implementation of IFRS 17 a project team was set up and the following have been done: · A project charter and detailed implementation plan was drafted · Performance of gap analysis on products, systems, and business processes to enable full project documentation. · Data categorisation defining starting points to align to the current system. · Aligning and upgrading existing operating and accounting systems to the new user requirements arising from implementing IFRS 17.

2.4.2 International Financial Reporting Standards, interpretations and amendments issued but not effective (Continued)

NUMBER	EFFECTIVE DATE	EXECUTIVE SUMMARY
		· Aligning actuarial models currently in use to IFRS 17 requirements and integrating the actuarial systems to the Group's operating systems and accounting systems. · Reviewing and updating accounting policies and updating business processes for financial reporting purposes. · Training sessions were organised for the project team and these will be held continuously until project is fully implemented. The full quantitative impact of applying this standard is still being assessed to determine the impact on the Group's and Company's financial statements.
IFRS 17, 'Insurance contracts' ammendments	Annual periods beginning on or after 1 January 2023	In response to some of the concerns and challenges raised, the Board developed targeted amendments and a number of proposed clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and ease transition. The amendments relate to eight areas of IFRS 17, and they are not intended to change the fundamental principles of the standard or unduly disrupt implementation already underway.
Amendment to IAS 1 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current	Defer the effective date of the amendments to IAS1, classification of liabilities as current or non current to annual reporting periods beginning on or after a date to be decided after exposure, but no earlier than 1 January 2023.	The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.
"Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	Annual periods beginning on or after 1 January 2023. Earlier application is permitted.	The amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

2.5 Basis of consolidation

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. The consolidated financial statements present the results of the Company and its subsidiaries together ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date such that control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra group balances, income and expenses, unrealised gains and losses and dividends resulting from intra-group transactions are eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of profit or loss and other comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

2.5.1 Non-controlling interests

For business combinations completed prior to 1 January 2010, the Group initially recognised any subsidiary non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets. For business combinations completed on or after 1 January 2010 the Group has the choice, on a transaction by transaction basis, to initially recognise any non-controlling interest in the acquiree which is a present ownership interest and entitles its holders to a proportionate share of the net assets in the event of liquidation at either acquisition date fair value or, at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. Other components of non-controlling interest such as outstanding share options are generally measured at fair value. The Group has not elected to take the option to use fair value in acquisitions completed to date.

From 1 January 2010, the total profit or loss and other comprehensive income of non-wholly owned subsidiaries is attributed to owners of the parent and to the non- controlling interests in proportion to their relative ownership interests. Before this date, unfunded losses in such subsidiaries were attributed entirely to the Group. In accordance with the transitional requirements of IAS 27 (2008), the carrying value of non-controlling interests at the effective date of the amendment has not been restated.

2.5.1.1 Separate financial statements of the Company

In the Company's separate financial statements, investments in subsidiaries are accounted for using the equity method of accounting. Under the equity method of accounting, the investments are initially recognised at historical cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. After initial recognition, subsidiaries are recognised at inflation adjusted amounts.

2.5.2 Claims and benefits

Claims and benefits represent the ultimate cost of settling all claims and benefits arising from events that have occurred up to the reporting date. Claims and benefits incurred but not reported are those which arise out of events which have occurred by the reporting date but have not yet been reported. Death claims are recognised when reported and a provision is made for deaths that have not been reported. Claims relating to annuities and surrenders are recognised when due and when paid, respectively. Maturity claims are recognised on maturity of the related policies.

2.5.2 Claims and benefits (Continued)

Outstanding claims

The outstanding claims provision is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims handling costs and reduction for the expected salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims, therefore the ultimate cost of these cannot be known with certainty at the reporting date. The liability is calculated at the reporting date using a range of standard actuarial claim project techniques, based on empirical data and current assumptions that include a margin for adverse variation. The liability is not discounted for the time value of money. No provision for equalisation or catastrophe reserves is recognised. The liabilities are derecognised when the obligation to pay a claim expires, is discharged or has been cancelled.

2.5.3 Reinsurance

The Group and Company cede insurance risk in the normal course of business for all of its businesses. Gross outward reinsurance premiums are recognised as an expense on the earlier of the date when premiums are payable or when the policy becomes effective. Reinsurance premiums ceded comprise the total premiums payable for the whole cover provided by contracts entered into in the period and are recognised on the date on which the policy incepts. Reinsurance assets represent balances due from reinsurance companies, for the primary insurers and balances due from retrocession companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group and Company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group and Company will receive from the reinsurer. The impairment loss is recorded in profit or loss. Gains or losses on buying reinsurance are recognised in statement of comprehensive income immediately at the date of purchase and are not amortised. Ceded reinsurance arrangements do not relieve the Group and Company from its obligations to policyholders. Claims are recognised as expenses in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business. Reinsurance assets represent balances due to the Group and Company. Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract.

2.5.4 Life insurance contract liabilities

Life insurance liabilities are recognised when contracts are entered into and premiums are charged. Life insurance contract liabilities are computed by an independent actuary in accordance with the requirements of the Insurance Act (Chapter 24:07) and the Fidelity Life Reserving policy and other guidance issued by the Insurance and Pensions Commission of Zimbabwe under this method, the policyholders' liabilities are valued using realistic expectations of future experience with prescribed margins for prudence and deferral profit emergence on the following basis:

(i) For conventional individual life and individual life funeral business, a gross premium valuation method is used, thus allowing explicitly for expected future premiums, claims and expenses.

(ii) For annuity business, the discounted value of future payments is used as the actuarial liability.

(iii) An incurred but not reported reserve (''IBNR") is set up for group life (and associated benefits) business. The IBNR reserve amounts to 3 months' premiums. No incurred but not reported reserve (IBNR) is set up as most contributions are paid monthly in arrears.
The provision for incurred but not reported claims represents all claims incurred before the reporting date but only reported subsequent to year-end. The IBNR is actuarially determined.

(iv) Deposit administration business is valued at the accrued premiums (after deducting specified charges) plus accumulated bonuses.

(v) The bonus equalisation fund is held to support the with profits business. The surplus for the year allocated to the policyholders was used to declare a bonus and the balance was transferred to the bonus stabilisation fund.

2.5.4 Life insurance contract liabilities (Continued)

(vi) A reserve is held for HIV/AIDS and COVID 19 claims and has been reduced in the current period, as most of the reserve was held for group business.
(vii) In addition, margins for prudence have been included in individual life business and employee benefit business.
(viii) Surplus is the difference between Life and Pension Fund and the actuarial liabilities.

(ix) The insurance liabilities consist of the present value of future obligations, allowing for future premiums, claims and expenses and taking into account lapses and allowing for prescribed margins. The discount rates are based on current expense levels adjusted for expected inflation were appropriate.

Adjustments to the liabilities at each reporting date are recorded in the statement of profit or loss and other comprehensive income in 'Gross change in contract liabilities'. Profits originated from margins for adverse deviations on run-off contracts are recognised in the statement of profit or loss over the life of the contract, whereas losses are fully recognised in the statement of profit or loss during the first year of runoff. The liability is derecognised when the contract expires, is discharged or cancelled. At each reporting date, an assessment is made of whether the recognised life insurance liabilities, net of related Present Value of In Force business (''PVIF'') and Deferred Acquisition Costs (''DAC''), are adequate by using an existing liability adequacy test performed in accordance with Zimbabwe Actuarial Society and South African Standards of Actuarial Practice Practices. The liability value is adjusted to the extent that it is insufficient to meet expected future benefits and expenses. In performing the adequacy test, current best estimates of future contractual cash flows, including related cash flows such as claims handling and policy administration expenses, policyholder guarantees, as well as investment income from assets backing such liabilities, are used. A number of valuation methods are applied, including discounted cash flows. To the extent that the test involves discounting of cash flows, the interest rate applied is based on management's prudent expectation of current market interest rates. Any inadequacy is recorded in the statement of profit or loss, initially by impairing PVIF and DAC and, subsequently, by establishing an additional insurance liability for the remaining loss.

The Company applies shadow accounting on Insurance contract liabilities with Discretionary Participating Feasures (DPF) were the recognised but unrealised gain or loss on an asset affects measurement in the same way as a realised gain or loss. The related adjustment to the insurance liability is recognised in other comprehensive income if the unrealised gains or losses are recognised in other comprehensive income .

2.5.5 Investment contract liabilities

Investment contracts are classified between contracts with and without Discretionary Participating Features (''DPF''). Investment contracts without DPF are determined by applying deposit accounting where the contributions, claims and benefits paid, investment income and related expenses are not accounted through profit or loss but are accounted as direct increases or decreases to the investment contract liability and the corresponding assets. Investment contract liabilities without DPF are recognised when contracts are entered into and premiums are charged. These liabilities are initially recognised at fair value Subsequent to initial recognition, the investment contract liabilities are measured at fair value which represents the fair value of assets and liabilities backing the contracts, with fair value adjustments being recognised directly against the investment contract liabilities. Any other additions to the liabilities by contract holders are recorded directly against the liability. The liability is derecognised when the contract expires, is discharged or is cancelled. For a contract that can be cancelled by the policyholder, the fair value of the contract cannot be less than the surrender value.

When contracts contain both a financial risk component and a significant insurance risk component and the cash flows from the two components are distinct and can be measured reliably, the underlying amounts are unbundled. Any premiums relating to the insurance risk component are accounted for on the same basis as insurance contracts and the remaining element is accounted for as a deposit through the statement of financial position.

2.5.6 Discretionary Participation Features (''DPF'')

In line with the profit-sharing arrangements between the shareholders and policyholders, 6% of the excess assets (surplus), is transferred to shareholders account and 94% is transferred to policyholder Bonus Stabilisation Reserve (BSR). The distribution of the BSR in the form of bonus to policyholders who hold with- profits contracts remains at the discretion of the Board in consultation with Statutory Actuary.

2.5.7 Property and equipment

Items of property and equipment are initially recognised at historical cost. The purchase price includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The assets residual values, useful lives and methods of depreciation are reviewed and adjusted if appropriate at each financial year end. Items of property and equipment other than land and buildings are subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Land and buildings are subsequently carried at fair value, based on valuations by a professionally qualified valuer. These revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in the revaluation reserve except to the extent that any decrease in value in excess of the credit balance on the revaluation reserve, or reversal of such a transaction, is recognised in profit or loss.

Land is not depreciated. Depreciation is provided on all other items of property and equipment so as to write off their carrying values over their expected useful economic lives. Depreciation is provided at the following rates on a straight line basis:-

Motor vehicles	5 years
Equipment and computers	4 years
Furniture and fittings	5-10 years
Buildings	50 years

At the date of revaluation, the accumulated depreciation on the revalued buildings is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus is included in the revaluation reserve until the asset is disposed or derecognised and the revaluation surplus balance is transferred to retained earnings. An asset is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in profit or loss in the year the asset is derecognized. The Group and Company assesses at each reporting date whether there is an indication that an item property, plant and equipment may be impaired. If such indication exists, the Group and Company makes an estimate of its recoverable amount. Property, plant and equipment's recoverable amount is the higher of the assets fair value less costs to sell or its value in use and is determined for an individual item of property, plant and equipment, unless it does not generate cash inflows that are largely independent of those from other items of property, plant and equipment or groups of property, plant and equipment.

Where the carrying amount of an item of property, plant and equipment exceeds its recoverable amount, the property, plant and equipment is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the property, plant and equipment. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices of investments or other available fair value indicators. Impairment losses on continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired property, plant and equipment except for property previously revalued where there valuation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation. An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group and Company makes estimates of recoverable amounts. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

If that is the case the carrying amount of property, plant and equipment is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment been recognized for the property, plant and equipment asset in prior years.

2.5.8 Investment property

Investment property comprises residential houses, commercial buildings and developed residential stands which are held to earn rentals and for capital appreciation. The Group and Company's investment property is initially recorded at cost and subsequently at fair value. value, with changes in the carrying value recognised in profit or loss. Transfers are made to Investment property when and only when there is a change in use, evidenced by the end of owner occupation or commencement of an operating lease. Undeveloped land that is initially recognised as investment property is transferred to inventory or property and equipment when the property ceases to meet the definition of investment property, and there is evidence of the change in use from holding such land for capital appreciation to either developing the land for sale as trading stock or to developing owner occupied building on such land.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment property are recognised in the income statement in the year of retirement or disposal. Gains or losses on the disposal of investment property are determined as the difference between net disposal proceed and the carrying value of the assets in the previous full period financial statements.

2.5.9 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in statement of profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss (operating and administration expenses).

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit ("CGU") level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis. The significant intangibles recognised by the Group and Company, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:-

Computer software	4-10 years

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised. The assets residual values, useful lives and methods of depreciation are reviewed and adjusted if appropriate at each financial year end.

2.5.10 Inventories

Inventories comprise developed stands and land under development for sale as stands, funeral services consumables such as caskets and other consumables such as fuel. Inventories are initially measured at cost and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, development, conversion and bringing the inventories to their present location and condition. Weighted average cost is used to determine the cost of ordinarily interchangeable items (such as funeral services consumables). Net realisable value represents the estimated selling price less all estimated cost of completion to make the necessary sale.

2.5.11 Trade and other receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arose principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporated other types of contractual monetary assets. They were initially recognised at fair value plus transaction costs that were directly attributable to their acquisition or issue, and were subsequently carried at amortised cost using the effective interest method, less expected credit losses. Insurance debtors were assessed to be outside the scope of IFRS 9's requirements. As such, the impairment allowance for insurance debtors continues to be measured on an incurred loss model. The Group elected to provide in full all insurance debtors in the 120+ days and 10% on all insurance debtors in the 60 to 90+ days category. There were therefore no changes in the measurement of the impairment allowance on insurance debtors.

2.5.12 Cash and deposits with banks

The Group and Company's cash and cash equivalents include cash in hand, other short term highly liquid investments readily convertible to known amounts of cash with original maturities of three months or less, and-for the purpose of the cash flow statement it includes bank overdraft. The cash and cash equivalents is subsequantly measured at armotised cost.

Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of less than three months and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are shown within borrowings.

2.6 Financial instruments

2.6.1 Financial assets

2.6.1.1 Classification

(a) Classification and measurement under IFRS 9

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
The Group and Company's financial assets are classified as measured at:

- Financial assets at amortised cost
- Financial assets fair value through profit or loss (''FVPL'').

A financial asset is classified at amortised cost if it is held in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest on the principal amount owing. The Group and Company's debt instruments are currently classified as financial assets at amortised cost. The equity securities are classified as financial assets at fair value through profit or loss by the Group and Company as management assess performance of the financial assets on a fair value basis. Dividend income from such assets is recorded in 'investment income' when the right to the payment has been established.

For an equity instrument that are held for reasons other than to generate investment returns that would otherwise be classified as assets at fair value through profit or loss, the Group and Company may make an irrevocable election at the time of initial recognition to account for the equity investment as an asset at fair value through other comprehensive income. When this election is made, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit and loss. The Group has not taken this election on any of its assets.

Classification of debt instruments

Debt instruments are contracts that entitle the Group and Company to fixed or determinable payments from another entity, such as loans, government and corporate bonds and trade receivables. The Group's debt instruments include trade, loan and other receivables, cash and deposits with banks, and bonds and other similar instruments. Based on the factors indicated above, all of the debt instruments currently held by the Group and Company were classified as financial assets at amortised cost as they are all held in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest on the principal amount owing. The Group and Company reclassifies debt instruments between amortised cost and fair value categories only if its business model for managing those assets changes.

Subsequent measurement

Financial assets at fair value through profit and loss are subsequently measured at fair value. Net gains and losses including any interest on dividend income are recognised in profit and loss. Financial asset at amortised cost are subsequently measured at amortised cost using the effective interest method. Interest income, foreign exchange gain and losses and impairment are recognised in profit or loss.

2.6.2 Impairment

(a) Impairment of financial assets under IFRS 9

The Group and Company uses forward looking probability weighted expected credit loss models to determine the impairment allowance on the financial assets at amortised cost. The Group and Company recognises a separate loss allowance for such losses at each reporting date.

Refer notes 9.1 to 9.3 for the impairment methodology applied for each major class of financial assets.

2.6.3 Financial liabilities

The Group and Company's financial liabilities include borrowings and trade and other payables. These are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such liabilities are subsequently measured at amortised cost using the effective interest method, which ensures that any interest expense on the balance of the liability carried in the statement of financial position is at a constant rate over the period to the date of repayment. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.
There were no changes to the classification and measurement of the Group and Company's financial liabilities following the Group's adoption of IFRS 9 as at 1 January 2018.

2.6.4 Derecognition of financial assets and liabilities

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and Company has transferred substantially all the risks and rewards of ownership.
Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

2.6.5 Fair value measurement

The Group and Company measures financial instruments and non-financial assets such as investment properties, at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability

Or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group and Company.

2.6.6 Fair value measurement (continued)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group and Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets, liabilities and equity items for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are measured at fair value in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
For all the significant assets such as properties each year, The Audit, Risk and Compliance Committee approves which external valuer to appoint to be responsible for the external valuations. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

2.6.7 Impairment of non-financial assets (excluding inventories, property, plant and equipment, investment property and deferred tax assets)

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows. Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill. Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in profit or loss. An impairment loss recognised for goodwill is not reversed.

2.6.8 Income tax

2.6.8.1 Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date as per the Income Tax Act (Chapter 23:06) Income tax assets arising from companies within the Group are not offset against liabilities in other entities within the Group. Income tax liabilities and assets are disclosed separately in the statement of financial position. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to setoff current tax assets against current income tax liabilities and the deferred tax assets relates to the same taxable entity and the same taxation authority.

2.6.8.2 Value added taxed (VAT)

Revenues, expenses and assets are recognised net of the amount of Value Added Taxes except:
(i) Where the Value Added Tax incurred on the purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

2.6.8.2 Value added taxed (VAT) (continued)

(ii) Receivables and payables that are stated with the amount of VAT included.

Outstanding net amounts of VAT recoverable from, or payable to, the taxation authority are included as part of receivables or payables in the statement of financial position.

2.6.8.3 Deferred tax

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

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint arrangements, except for deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.Only where there is an agreement in place that gives the Group and Company the ability to control the reversal of the temporary difference not recognised.
- deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and carry forward of unused tax credits and unused tax losses can be utilised except;
- when the deferred tax asset relating to deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss; and in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date that are expected to apply to the year when the asset is realised, or the liability is settled. Deferred tax relating to items recognised in other comprehensive income or equity is also recognised in other comprehensive income or equity and not in statement of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. The Group and Company applied the income tax rate of 24.72% (2020: 24.72%) for the purpose of recognising deferred tax for its investment properties with the exception of land, where the capital gains tax rate is applied.

2.6.9 Foreign currency

Transactions entered into by Group and Company in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at average rates for statement of income statement transactions. The exchange rates used are obtained from the Reserve Bank of Zimbabwe (''RBZ") website.

Exchange gains and losses on non-monetary financial assets form part of the overall gain or loss recognised in respect of that financial instrument. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

2.6.9 Foreign currency (Continued)

On consolidation, the results of the subsidiary in Malawi are translated into ZWL at rates approximating those ruling when the transactions took place. All assets and liabilities arising on the acquisition of the foreign subsidiary were translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of the foreign subsidiary at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve. On disposal of a foreign subsidiary, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to profit or loss.

2.6.10 Retirement benefits: Defined contribution schemes

Contributions to defined contribution pension schemes are charged to profit or loss in the year to which they relate.

2.6.11 Revenue

Revenue recognition

The Group and Company recognise revenue when the following conditions have been met as per IFRS 15;

- the contract has been approved by the parties to the contract;
- each party's rights in relation to the goods or services to be transferred can be identified;
- the payment terms for the goods or services to be transferred can be identified;
- the contract has commercial substance; and
- and it is probable that the consideration to which the Group and Company are entitled to in exchange for the goods or services will be collected.

The Group and Company do not expect to have any new contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds 12 months. The transaction price is there for not adjusted for the effects of a significant financing component. The property services income, sale of completed property and funeral services income follow the above conditions in line with IFRS 15.

2.6.11.1 Premium income

Premium income is accounted for gross of reinsurance and accounted for as follows:
Gross premiums comprise the premiums on contracts entered into during the year.
Premium income arising from insured pension products is recognized when due while that from individual life is recognized when due per IFRS 4.

2.6.11.2 Management fee income

Fees charged for investment management services provided in conjunction with an investment contract are recognised as revenue in the statement of comprehensive income as the services are provided per IFRS 15. Insurance contract policyholders are charged for policy administration services and other contract fees. These fees and charges are recognised as revenue over the period in which the related services are performed.

2.6.11.3 Commission income

Commission income received or receivable under insurance and reinsurance contracts for life insurance contracts is recognised over the average period of the treaty reinsurance cover that is on a financial year basis.

2.6.11.4 Funeral services income

Funeral services income comprises income received or receivable from provision of funeral services to clients. The income is recognised when the related services have been provided per IFRS 15, however, there is usually no material time lag between service provision and payment. Funeral services income will be generated from the following services:

- body embalming;
- hearse hire;
- church services; and
- bus hire.

2.6.11.5 Investment management fees

Fees charged for investment management services are recognised as revenue as the services are provided per IFRS 15. Initial fees which exceed the level of recurring fees and relate to the future provision of services are deferred and amortised over the anticipated period in which the services will be provided.

2.6.11.6 Investment income

Investment income is interest receivable on money market financial instruments, dividends from listed and unlisted companies and fair value gains on investment property. Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and effective interest rate applicable per IFRS 9.

2.6.11.7 Revenue from sale of stands

The Group develops and sells residential properties. Revenue is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer per IFRS 15. The revenue is measured at the transaction price agreed under the contract. The consideration is due upon signing the sale contract. Deferred payment terms may be agreed in some cases for periods up to 36 months. In such cases, the transaction price is adjusted for the effects of a significant financing component. The Group has contracts with customers where the period between signing of the sale contract and payment by the customer exceeds one year. As a consequence, the Group adjusts the transaction prices for the time value of money at the effective interest rate.

2.6.11.8 Deferred income

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

2.7 Borrowing costs

Interest incurred on bank loans used to fund acquisition of additional investment property or development of existing investment property and inventory developments is capitalised as part of the acquired or developed property or developed inventory. Interest on borrowings that were obtained for lending by micro–finance subsidiary and also for operations by the holding Group is recognised in profit or loss as an expense when incurred.

2.8 Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when approved by the directors. In the case of final dividends, this is when approved by the shareholders at the annual general meeting.

2.9 Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

2.9.1 Group as a lessee

A right of use asset and a corresponding lease liability are recognised on the Group's statement of financial position at the date the leased asset becomes available for use by the Group and Company. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and Company uses their incremental borrowing rate.

Subsequently, each rental payment is allocated between finance costs and a reduction of the lease liability over the term of the lease. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.The remaining lease term currently range from 13 to 53 months and the lease liabilities are measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate. The incremental borrowing rate applied on these leases was 21% per annum.

2.9.2 Leases assessed as short term or low-value leases

Lease agreements in Zimbabwe and a few other leases in Malawi were assessed as meeting the criteria for classification as short term. Short-term leases are leases with a lease term of 12 months or less. Rental payments on these leases continue to be recognised as an expense in the income statement on a straight-line basis.

2.10 Share capital

Financial instruments issued by the Group and Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Group and Company's ordinary shares are classified as equity instruments.

2.11 Treasury shares

Consideration paid/received for the purchase/sale of treasury shares is recognised directly in equity. The cost of treasury shares held is presented as a separate reserve (the treasury share reserve). Any excess of the consideration paid/received on the purchase/sale of treasury shares over the nominal cost price of the shares purchased/sold is adjusted to the share premium reserve.

2.12 Employee share ownership plan (''ESOP")

As the Group has control of its ESOP trust, it is treated as a subsidiary and consolidated for the purposes of the consolidated financial statements. The ESOP's assets (other than investments in the Group's shares), liabilities, income and expenses are included on a line-by-line basis in the consolidated financial statements. The ESOP's investment in the Group's shares is deducted from equity in the consolidated statement of financial position as if they were treasury shares.

2.13 Provisions

The Group and Company has recognised within trade and other payables, provisions of uncertain timing or amount. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability.

2.14 Deferred income from sale of residential stands

The Group and Company accounts for proceeds from sale of residential stands that have not yet been developed as deferred income. Once the residential stands have been developed and allocated to customers, proceeds associated with such stands are transferred from deferred income to income from sale of residential stands as the Group and Company will have discharged its obligations to the customers concerned.

2.15 Reinsurance

The Group and Company cede insurance risk in the normal course of business for all of its insurance businesses. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract. Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group and Company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group and Company will receive from the reinsurer. The impairment loss is recorded in profit or loss. Gains or losses on buying reinsurance are recognised in statement of comprehensive income immediately at the date of purchase and are not amortised. Ceded reinsurance arrangements do not relieve the Group and Company from its obligations to policyholders.

Premiums and claims on assumed reinsurance are recognised as revenue or expenses in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business. Reinsurance assets represent balances due to the Group and Company. Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract. Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance. Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or have expired or when the contract is transferred to another party. Reinsurance contracts that do not transfer significant insurance risk are accounted for directly through the statement of financial position.

3 CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

3.1 Fair values

The fair value of the Group's land and buildings and investment properties is based on valuations performed by Homelux Real Estate, an accredited independent valuer. Valuation models in accordance with recommendations by the International Valuation Standards Committee have been applied. The current year has been characterised by an increase in the demand for properties as compared to previous years due to the improvement in economic performance resulting in improved disposable incomes, production and companies' adjusting to the impact of COVID 19. Resultantly the property market has had an increase in property transactions. The key assumptions in coming up with fair values are future rental income, anticipated maintenance costs, future development costs and the appropriate discount rate. Due to the stabilisation of the local currency there has been an increase in the number of ZWL property transactions with rental and property sales being recorded in the ZWL.

The users of the financial statements must therefore note that whilst management has taken the necessary steps in coming up with the fair valuation, significant judgements were applied in the current year as a result of the uncertainties resulting from the volatile economic environment, currency shifts, excessive market volatility. The fair values of land and buildings and investment property as well as the valuation techniques and assumptions are disclosed on Notes 5 and 6.

3.2 Actuarial valuation for insurance liabilities

At the reporting date, an independent valuation of policyholder liabilities is carried out to establish a proper value of the liabilities in accordance with the registration and licensing requirements of the Commissioner of Insurance in the respective jurisdictions. The process of establishing insurance liabilities is both complex and subjective, requiring the use of informed estimates and judgements. The significant assumptions and other factors used in the Group valuation include, but are not limited to:-

- the effects of inflation;
- estimation of underlying exposures;
- changes in the mix of business;
- amendments to contract terms and coverage;
- the impact of major events;
- movements in industry benchmarks;
- the incidence of incurred claims;
- the extent to which all claims have been reported;
- changes in the legal environment;
- damage awards; and
- changes in both internal and external processes which might accelerate or slow down both reporting and settlement of claims.

The carrying amount of life assurance liabilities that have been actuarially valued is disclosed on Note 14.

As part of the valuation the actuary gives advice to the Group and Company on the reserve capital to keep above the regulatory capital in order to keep the Group and Company solvent. The value of policyholder liabilities is then deducted from the value of total assets. Any surplus (i.e. excess of assets over liabilities) is split between the policyholders and shareholders as per the advice of the independent actuary.

3.3 Other non-current assets

Other non-current assets comprise of gold coins that are held for capital appreciation or value preservation. The Group's other non-current assets are initially recorded at cost and subsequently measured at fair value, with changes in the carrying value recognised in the statement of profit or loss. Other non-current assets are derecognised when disposed. Any gains and losses on disposal of other non-current assets are recognised in the statement of profit or loss in the year of disposal. Gains or losses on the disposal are determined as the difference between net disposal proceeds and the carrying value of the asset in the previous financial period.

3.4 Classification of property

The Group and Company determines whether property is classified as investment property or property plant and equipment.
Investment property comprises land and buildings (principally offices, commercial warehouses and retail property) which are not occupied substantially for use by, or in the operations of, the Group and Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. The Company implemented a space rationalisation exercise which resulted in a significant decrease in space occupied for the production of services and for administration purposes to 13% of the total floor area of the building a level that was considered constitutes an insignificant portion. A significant judgement was made to determine the 13% occupied by the Company constitutes an insignificant portion. A decision was made to reclassify the building from property plant and equipment to investment property since the building was being held to earn rentals and capital appreciation.

4. INTANGIBLE ASSETS

	GROUP COMPUTER SOFTWARE 2022 ZWL	GROUP COMPUTER SOFTWARE 2021 ZWL	COMPANY COMPUTER SOFTWARE 2022 ZWL	COMPANY COMPUTER SOFTWARE 2021 ZWL
Net carrying amount at the beginning of the year	310 324 810	328 979 544	120 059 874	120 059 874
Gross carrying amount - Cost	403 895 300	415 081 549	128 416 103	128 416 104
Accumulated amortisation	(93 570 490)	(86 102 004)	(8 356 230)	(8 356 230)
Additions	19 242 203	24 929 573	14 301 501	-
Exchange rate movement on foreign operations	50 692 658	(36 115 822)	-	-
Impairment	-	-	-	-
Amortisation charge for the year	(39 382 011)	(7 468 486)	-	-
Net carrying amount at the end of the year	340 877 660	310 324 810	134 361 375	120 059 874
Gross carrying amount - Cost	473 830 161	403 895 300	142 717 604	128 416 103
Accumulated amortisation/impairment	(132 952 501)	(93 570 490)	(8 356 230)	(8 356 230)

A software with a cost of ZWL 19,242,203 and 2021 ZWL24,929,573 was acquired during the year, it has an estimated useful life of 4 years.

4.1 OTHER NON CURRENT ASSETS

	Group 2022	Group 2021	Company 2022	Company 2021
Balance at the beginning of the year	-	-	-	-
Additions	58,953,093	-	38,562,646	-
Disposals	(17,397,505)	-	-	-
Fair value gains through profit or loss	6,384,602	-	8,027,116	-
Balance at the end of the year	47,940,190	-	46,589,762	-

Gold coins with a cost of ZWL 58,953,093 were purchased during the year.

5 PROPERTY AND EQUIPMENT

GROUP

	Land and buildings ZWL	Motor vehicles ZWL	Equipment and computers ZWL	Furniture and fittings ZWL	Total ZWL
Net carrying amount at 1 January 2021	1 943 775 777	69 564 980	54 726 882	43 019 640	2 111 087 279
Gross carrying amount - cost/valuation	1 964 456 272	384 176 522	217 339 741	86 930 258	2 652 902 793
Accumulated depreciation	(20 680 495)	(314 611 542)	(162 612 859)	(43 910 618)	(541 815 514)
Additions	-	2 985 919	21 796 097	3 937 145	28 719 161
Exchange rate movement on foreign operations	(13 170 847)	(3 835 167)	(11 172 633)	(2 682 736)	(30 861 383)
Disposals	-	(40 417 980)	(268 308)	-	(40 686 288)
Gross carrying amount - cost/valuation	-	(157 773 268)	(1 027 193)	-	(158 800 461)
Accumulated depreciation	-	117 355 288	758 885	-	118 114 173
Depreciation charge for the year	(28 755 784)	(21 802 186)	(33 731 422)	(7 006 682)	(91 296 074)
Revaluation surplus	754 736 551	-	-	-	754 736 551
Gross carrying amount - cost/valuation	726 281 961	-	-	-	726 281 961
Accumulated depreciation	28 454 590	-	-	-	28 454 590
Net carrying amount at 31 December 2021	2 656 585 697	6 495 562	31 350 619	37 267 367	2 731 699 245
Gross carrying amount - cost/valuation	2 677 567 386	225 554 005	226 936 015	88 184 667	3 218 242 073
Accumulated depreciation	(20 981 689)	(219 058 443)	(195 585 396)	(50 917 300)	(486 542 828)
Additions	-	17 244 859	32 922 260	4 911 677	55 078 796
Exchange rate movement on foreign operations	41 830 222	22 579 518	6 890 054	62 513	71 362 307
Disposals	-	-	-	-	-
Gross carrying amount - cost/valuation	-	(1 646 901)	(355 091)	-	(2 001 992)
Accumulated depreciation	-	1 646 901	355 091	-	2 001 992
Depreciation charge for the year	(8 513 400)	(14 816 206)	(19 652 206)	(6 988 979)	(49 970 791)
Revaluation surplus	1 310 393 782	-	-	-	1 310 393 782
Net carrying amount at 31 December 2022	4 000 296 300	31 503 734	51 510 729	35 252 577	4 118 563 340
Gross carrying amount - cost/valuation	4 021 513 928	263 731 482	266 393 240	93 158 856	4 644 797 506
Accumulated depreciation	(21 217 628)	(232 227 748)	(214 882 511)	(57 906 279)	(526 234 166)

Land and buildings are carried at fair value determined on an open market value basis by independent professional valuers. The latest fair value was estimated as at 31 December 2022.
There were no buildings pledged as collateral as at 31 December 2022.The value of land and buildings is categorised as a level 3 recurring fair value measurement, as disclosed in Note 32.
The carrying amount of land and buildings had the assets been measured at cost as at 31 December 2022 ZWL514,668,701 and ZWL559,312,721 in 2021.

5 PROPERTY AND EQUIPMENT

COMPANY

	Land and buildings ZWL	Motor vehicles ZWL	Equipment and computers ZWL	Furniture and fittings ZWL	Total ZWL
Net carrying amount at 1 January 2021	1 536 376 159	64 822 041	23 332 969	20 982 203	1 645 513 372
Gross carrying amount - cost/valuation	1 536 376 159	235 978 149	92 716 791	33 778 782	1 898 849 881
Accumulated depreciation	-	(171 156 108)	(69 383 822)	(12 796 579)	(253 336 509)
Additions	-	-	5 830 574	1 848 996	7 679 569
Disposals	-	(35 211 345)	-	-	(35 211 345)
Gross carrying amount - cost/valuation	-	(138 106 663)	-	-	(138 106 663)
Accumulated depreciation	-	102 895 318	-	-	102 895 318
Depreciation charge for the year	(28 454 590)	(15 466 265)	(11 874 936)	(357 671)	(56 153 462)
Transfer to investment property	(2 103 810 448)				(2 103 810 448)
Revaluation surplus	595 888 879	-	-	-	595 888 879
Gross carrying amount - cost/valuation	567 434 289	-	-	-	567 434 289
Accumulated depreciation	28 454 590	-	-	-	28 454 590
Net carrying amount at 31 December 2021	-	14 144 432	17 288 609	22 473 528	53 906 569
Gross carrying amount - cost/valuation	-	97 871 487	98 547 366	35 627 778	232 046 631
Accumulated depreciation	-	(83 727 055)	(81 258 757)	(13 154 250)	(178 140 062)
Additions	-	-	5 419 872	211 350	5 631 222
Disposals	-	(9 390 638)	-	-	(9 390 638)
Gross carrying amount - cost/valuation	-	(39 244 057)	-	-	(39 244 057)
Accumulated depreciation	-	29 853 419	-	-	29 853 419
Depreciation charge for the year	-	(4 446 545)	(5 635 926)	(299 105)	(10 381 576)
Transfer to investment property	-				-
Revaluation surplus	-	-	-	-	-
Net carrying amount at 31 December 2022	-	307 249	17 072 554	22 385 773	39 765 576
Gross carrying amount - cost/valuation	-	58 627 430	103 967 238	35 839 128	198 433 796
Accumulated depreciation	-	(58 320 181)	(86 894 684)	(13 453 355)	(158 668 220)

Land and buildings are carried at fair value determined on an open market value basis by independent professional valuers. The latest fair value was estimated as at 31 December 2022.
There were no buildings pledged as collateral as at 31 December 2022.The value of land and buildings is categorised as a level 3 recurring fair value measurement, as disclosed in Note 32.
The carrying amount of land and buildings had the assets been measured at cost as at 31 December 2022 ZWL446,425,993 and ZWL483,685,548 in 2021.

6 INVESTMENT PROPERTY

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Balance at the beginning of the year	20 853 467 809	17 227 136 208	7 297 664 687	4 624 777 740
Additions	1 819 072 282	-	-	-
Improvements	-	-	-	-
Reclassification from property plant and equipment	-	-	-	2 103 810 448
Disposals	(32 716 900)	(567 165 791)	-	(553 655 698)
Exchange rate movement on foreign operations	2 535 963 110	(255 766 978)	-	-
Fair value gains through profit or loss	10 920 928 930	4 449 264 370	3 188 245 310	1 122 732 196
Balance at the end of the year	36 096 715 231	20 853 467 809	10 485 909 997	7 297 664 687

Management determined that the investment properties consist of four classes of property – office and retail buildings, residential houses, and land investment properties are held for long term rental yields and capital appreciation. The property fair values are as shown below:

Class of property	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
CBD retail	79 600 000	52 595 262	-	-
CBD offices	726 798 359	3 048 427 510	3 728 120 000	2 621 340 943
Residential properties	3 582 169 476	1 531 987 945	2 667 540 000	1 618 528 411
Land	31 708 147 396	16 220 457 092	4 090 249 997	3 057 795 333
	36 096 715 231	20 853 467 809	10 485 909 997	7 297 664 687

"As at 31 December 2022, the fair values of the properties are based on valuations performed by Homelux Real Estate an accredited independent valuer. Homelux Real Estate is a specialist in valuing these types of investment properties and has recent experience in the location and category of the investment properties being valued. 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. Refer to Note 32 for relevant fair value hierarchy disclosures. Significant judgements and assumptions were applied for the Group and Company's Investment property portfolio. Land banks and residential properties were valued in Zimbabwe dollar using the market comparison method and income capitalisation method for commercial properties .
During the year ZWL3,149,941 (2021:ZWL175,956,591) was recognised in the consolidated statement of profit or loss and other comprehensive income in relation to rental income from the investment properties. For the Company, rental income arising from investment properties amounted ZWL94,948,768 (2021: ZWL128,406,501). Direct operating expenses, including repairs and maintenance, from investment property that generated rental income amounted to ZWL5,724,127 (2021 ZWL5,082,118). Direct operating expenses, including repairs and maintenance, arising from investment property that did not generate rental income during the year amounted to ZWLNil (2021: ZWLNil).

7 RIGHT OF USE ASSET

The Group leases several offices in major towns and cities in Zimbabwe and Malawi and motor vehicles. Each lease is negotiated separately and will have terms and conditions that vary widely from those agreed for other lease arrangements. The lease agreements do not impose any covenants, and leased assets may not be used as security for borrowings. Lease contracts are usually signed for fixed periods of 1 to 5 years. The Group disclosed the office building under lease separately from property and equipment. The motor vehicles lease periods approximated the estimated useful economic lives of the motor vehicles and the Group has a right to purchase the motor vehicles outright at the end of the minimum lease term by paying a nominal amount.The lease liability is disclosed on note 16.

	GROUP		
	Office buildings	Motor Vehicles	Total
	ZWL	ZWL	ZWL
Net carrying amount at 1 January 2021	-	163 330 056	163 330 056
Cost	-	183 874 404	183 874 404
Accumulated armotisation	-	(20 544 348)	(20 544 348)
Additions	-	-	-
Exchange rate movement on foreign operations	-	(40 779 169)	(40 779 169)
Derecognition of right of use asset	-	-	-
Cost	-	-	-
Amortisation	-	-	-
Amortisation for the year	-	(27 362 688)	(27 362 688)
Net carrying amount at 31 December 2021	-	95 188 199	95 188 199
Cost	-	143 095 235	143 095 235
Accumulated amortization	-	(47 907 036)	(47 907 036)
Additions	-	-	-
Exchange rate movement on foreign operations	-	17 169 791	17 169 791
Derecognition of right of use asset	-	-	-
Cost	-	-	-
Amortisation	-	-	-
Amortisation for the year	-	(21 445 693)	(21 445 693)
Net carrying amount at 31 December 2022	-	90 912 297	90 912 297
Cost	-	160 265 026	160 265 026
Accumulated amortization	-	(69 352 729)	(69 352 729)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

7.1 Movement analysis to 31 December 2022

Movements in right of use assets and lease liabilities as included in **note 7.1 and 16** during the year were as follows:

	GROUP	
	2022 Right-Of-Use Asset ZWL	2021 Right-Of-Use Asset ZWL
Balance as at 1 January 2021	95 188 199	163 330 055
Additions	-	-
Amortization	(21 445 693)	(27 362 688)
Derecognition of right of use asset	-	-
Exchange rate movement on foreign operations	17 169 791	(40 779 168)
Balance at 31 December 2021	90 912 297	95 188 199

7.2 The following amounts are recognised in profit and loss

	GROUP		COMPANY	
	2022	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
Armotisation of right of use assets	21 445 693	27 362 688	-	-
Interest expense on lease liabilities	4 772 075	11 906 629	-	-
Expense relating to short term leases	146 095 806	136 560 001	52 360 817	77 819 295

The Group had total cash outflows for leases of ZWL150,867,882 in 2022 and ZWL175,829,317 in 2021. Company outflows 2022 ZWL52,360,817 and 2021 ZWL77,819,295 ZWL52,360,817 and 2021 ZWL77,819,295

8 INVESTMENT IN SUBSIDIARIES

The Company accounts for Investment in subsidiaries applying the equity method. The share of losses in Fidelity Funeral Services Company (Private) Limited exceeded the Company's interest in the subsidiary resulting in the accounting of share of losses to the extent of profit made in the current year.

	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Fidelity Life Asset Management Company (Private) Limited	412 183 323	326 717 805
Fidelity Funeral Services Company (Private) Limited	-	-
Fidelity Life Medical Services Company (Private) Limited	178 013 210	60 517 439
Fidelity Life Financial Services (Private) Limited	262 566 535	233 598 932
Zimbabwe Actuarial Consultants (Private) Limited	275 379 096	176 097 253
Zambezi Properties (Private) Limited	2 512 129 953	-
Langford Estates 1962 (Private) Limited	17 031 174 335	11 117 159 708
Vanguard Life Assurance Company Limited	360 689 103	342 251 403
	21 032 135 554	12 256 342 540

8.1 RECONCILIATION OF CARRYING AMOUNT

	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Opening balance	12 256 342 540	9 581 735 962
Equity accounted earnings	6 681 129 365	2 860 285 090
Share of revaluation gains on property	2 070 926	7 168 754
Share of exchange differences arising on translation of foreign operations	708 941 338	(148 213 383)
Acquisition of subsidiary	1 419 775 878	-
Dividends	(36 124 493)	(44 633 883)
Closing balance	21 032 135 554	12 256 342 540

9 TRADE AND OTHER RECEIVABLES

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Residential stand sales debtors	1 520 773	8 357 940	1 520 773	8 357 940
Micro-finance loans receivable	628 967 395	383 803 366	-	-
Insurance debtors	1 560 852 154	862 049 202	84 132 381	83 220 883
Other trade debtors	259 049 417	199 163 437	(3 328 692)	5 430 561
Trade receivables - gross	2 450 389 739	1 453 373 945	82 324 462	97 009 384
	(234 752 598)	(145 001 819)	(3 246 507)	(7 087 138)
Allowance for impairement- insurance debtors	(202 711 691)	(121 030 074)	(2 287 886)	(3 791 782)
Expected credit loss on trade receivables- other debtors	(32 040 907)	(23 971 745)	(958 622)	(3 295 356)
Trade receivables - net	2 215 637 141	1 308 372 126	79 077 954	89 922 246
Receivables from related parties, net of expected credit loss (''ECL'') (note 34.3.1)	65 646 736	66 874	521 239 555	192 921 064
Loans to employees, net of ECL	123 035 134	80 522	123 035 134	80 522
Total receivables classified as financial assets at amortised cost	2 404 319 011	1 308 519 522	723 352 644	282 923 832
Prepayments	1 038 369 320	474 965 671	46 362 431	35 682 755
Other receivables, net of ECL	211 376 512	145 965 306	60 263 425	114 881 920
Total trade and other receivables	3 654 064 843	1 929 450 499	829 978 499	433 488 507
Non-current portion				
Current portion	3 654 064 843	1 929 450 499	829 978 499	433 488 507
Total trade and other receivables	3 654 064 843	1 929 450 499	829 978 499	433 488 507

9 TRADE AND OTHER RECEIVABLES (Continued)

There was a significant decline in stand debtors in the currentyear as most of the debtors settled their accounts and no new debtors were recognised as the Southview development project has reached its tail end. Included in other receivables balance are debtors arising from non core business activities such as rental debtors and debtors arising from disposal of non core assets from the Southview development project. Receivables from related parties , loans to employees and other receivables are shown net of expected credit losses. The amount of expected credit losses for these receivables are shown in the table below. Residential stands sales debtors were issued on terms of 5 to 10 years.
The total expected credit loss is made up of the following:

	GROUP		COMPANY	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Expected credit loss on trade receivables	234 752 598	145 001 818	3 246 507	7 087 138
Expected credit loss on loans to employees	-	-	-	-
Expected credit loss on other receivables	47 614	163 678	47 614	163 678
Expected credit loss on related party receivables	-	-	-	-
	234 800 212	145 165 496	3 294 121	7 250 816
Impact on year end ECL exposures transferred between stages during the year				
Movements in expected credit losses were as follows:				
Opening credit loss allowance as at 1 January 2021	145 165 496	73 070 169	7 250 815	13 450 872
Receivables written off during the year as uncollectable	-	-	-	-
Net (decrease)/ increase during the year through profit or loss	26 252 361	44 545 827	1 184 854	(30 510 578)
Monetary loss adjustment	63 382 355	27 549 500	(5 141 548)	24 310 522
Balance at the end of the year	234 800 212	145 165 496	3 294 121	7 250 816

The decrease in expected credit losses has been disclosed separately on the face of the statement of profit or loss and other comprehensive income.

9.1 Impairment - Expected Credit Loss Models

With the adoption of IFRS 9, the Group revised its impairment methodology for each class of assets held at amortised cost that bear similar credit risk characteristics. The IFRS 9 methodology requires the use of forward looking probability weighted expected credit loss models to determine the impairment allowance on the financial assets held at amortised cost. The impairment methodology applied for each material class of financial assets is indicated below.

(i) Trade receivables: micro-finance loans receivable

In determining impairment allowances for micro-finance loans and advances, the Group applies the full expected credit loss model under IFRS 9. This model starts with establishing a 3 stage loan grading model, which grades each loan based on whether there has been a significant increase in the credit risk and/or a default event observed since the initial recognition of that loan. Under the current model, credit risk of each loan is tracked using the ageing of the receivable. The loan is graded into stage 1, stage 2 or stage 3 based on the age of the oldest outstanding instalment. The grade into which the loan is categorised determines how the impairment loss on the loan is calculated.
The stages are as defined below:

Stage 1 - Performing loans - all micro-finance loans advanced by the Group start off in this stage. In the absence of a significant deterioration in credit risk, the loans remain in Stage 1. For loans in Stage 1, ECL is estimated based on the loan's risk of default in the twelve months after the year end (12-month ECL).

Stage 2 - Non-performing loans - a micro-finance loan advances into Stage 2 if it experiences a significant increase in credit risk. For the Group, a micro-finance loan is assessed as having experienced a significant increase in credit risk when one or more instalment is overdue at the point of measuring the ECL. This is consistent with the rebuttable presumption in IFRS 9 that suggests that a debtor has experienced a significant increase in credit risk when it carries a balances that is 30 days overdue. For Stage 2 loans, the ECL represents losses expected over the remaining contractual life of the loan (lifetime expected credit loss). Interest is earned on gross value

Stage 3 - Loans in default - the loan reaches default when it carries an instalment older than 90days. IFRS 9 carries a rebuttable presumption that default does not occur later than when a financial asset is 90 days past due. For Stage 3 loans, the ECL represents losses expected over the remaining contractual life of the loan (lifetime expected credit loss).
Penalty interest is charged on the overdue amounts and interest is recognised of the net carrying amounts.

(i) Trade receivables: micro-finance loans receivable (continued)

After staging, the model then calculates the expected credit loss as a product of Probability of Default (''PD"), Loss Given Default (''LGD"), and Exposure At Default (''EAD"). The methods applied by the Group to determine these inputs are described below:

PD - Probability of default is the estimation of the likelihood of a loan reaching default state over a given time horizon. The determination of PD considers all reasonable and supportable information relating to the loan book that the Group can obtain without undue cost or effort. This includes information about past performance of the loan portfolio, current conditions and forecasts of future conditions that may affect the loans. This information is a combination of information that is internal and external to the Group. PDs were calculated for the 3 stages using Markov Chains. Regression analysis was done for unemployment risk against factors such gender, marital status, age. The linear coefficient and the intercept were used to estimate the percentage change in PD over the year. An adjustment of 0.28% was applied on the estimated PD to incorporate changes in the PD.

LGD - Loss given default is the financial loss that the Group could suffer when a borrower defaults on their loan. The Group used run-off triangles to model the progression of loans in default state from the year they were disbursed. The run-off triangles were tabulated starting with loans disbursed from 2012 through to 2022 as part of the determination of loss given default. A weighted average LGD ratio was calculated for the entire portfolio, adjusted for macro-economic factors and discounted at the original effective interest rate applicable to the micro-finance loans.

A small percentage of the micro-finance loan book is secured. LGD for the secured loans was estimated separately for each loan, rather than at portfolio level. For secured loans, the LGD is defined as the expected ultimate loss on the loan expressed as a proportion of the outstanding loan balance at the point of default. The ultimate loss is the difference between outstanding loan balance at default and the amount recovered from sale of the security held. The fair value of the assets held as security is determined through management estimates. Where the estimated fair value of the asset equals or exceeds the outstanding loan amount, LGD is estimated as zero. The calculated LGDs were adjusted for inflation based on the correlation that was established between LGD and inflation indices. EAD - Exposure at default is an estimation of the expected financial exposure to the Group at the point a loan reaches default state. EAD has been calculated as the amortised cost of each loan at the end of the minimum number of months that would be required for the loan to reach default state from its current state, assuming no collections are made on the loan. ECL is then calculated as a probability weighted average of a range of possible loss outcomes, with the key variables being PD and LGD.

The ECL calculated on the loans in the 3 stages is as follows:

	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
As at 31 December 2022				
Micro-finance loans receivable				
Performing	370 100 570	-	-	370 100 570
Overdue	-	171 943 742	-	171 943 742
Default	-	-	86 923 082	86 923 082
Gross carrying amount	370 100 570	171 943 742	86 923 082	628 967 395
Expected credit loss on micro-finance loans receivable	(791 977)	(5 623 314)	(24 666 993)	(31 082 284)
Net carrying amount	369 308 593	166 320 428	62 256 089	597 885 111
As at 31 December 2021				
Micro-finance loans receivable				
Performing	298 753 329	-	-	298 753 329
Overdue	-	25 344 006	-	25 344 006
Default	-	-	59 706 031	59 706 031
Gross carrying amount	298 753 329	25 344 006	59 706 031	383 803 366
Expected credit loss on micro-finance loans receivable	(855 084)	(3 551 617)	(16 269 690)	(20 676 391)
Net carrying amount	297 898 245	21 792 389	43 436 341	363 126 975

Analysis of changes in the gross carrying amount in relation to micro-finance loans receivable is as follows:

	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
As at 31 December 2022				
Gross carrying amount at beginning of the year	349 394 192	5 200 718	29 208 455	383 803 366
Categorisation of new receivables originated during the year	560 428 597	169 236 941	87 863 690	817 529 228
Repayments	(280 259 979)	(4 670 897)	(11 446 176)	(296 377 052)
Receivables written off	-	-	-	-
Monetary (loss)/gain adjustment	(255 614 736)	2 579 879	(18 365 389)	(271 400 246)
Receivables transferred between stages during the year	(3 847 505)	(402 899)	(337 497)	(4 587 901)
Gross loan and advances to customers at year end	370 100 570	171 943 742	86 923 083	628 967 395

(i) Trade receivables: micro-finance loans receivable (continued)

	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
As at 31 December 2021				
Gross carrying amount at beginning of the year	98 973 966	5 200 718	29 208 455	133 383 139
Categorisation of new receivables originated during the year	249 544 349	22 981 157	38 629 566	311 155 072
Repayments	(5 241 195)	(2 362 057)	(18 501 958)	(26 105 210)
Receivables written off	-	-	-	-
Monetary loss adjustment	(31 297 611)	(10 412 421)	7 080 397	(34 629 635)
Receivables transferred between stages during the year	(13 226 180)	9 936 610	3 289 570	-
Gross loan and advances to customers at year end	298 753 329	25 344 007	59 706 030	383 803 366

Movements in expected credit losses for micro-finance loans receivable were as follows:

	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
As at 31 December 2022				
Balance at the beginning of the year	855 084	3 551 616	16 269 697	20 676 397
Allowances written off on uncollectable receivables	-	-	-	-
Categorisation of new receivables originated during the year	871 394	860 444	546 589	2 278 427
Repayments	(743 378)	(402 289)	(5 408 864)	(6 554 531)
Monetary loss adjustment	(606 336)	(2 909 450)	(11 145 831)	(14 661 617)
Impact on year end ECL of exposures transferred between stages during the year	415 213	4 522 993	24 405 402	29 343 608
Balance at the end of the year	791 977	5 623 314	24 666 993	31 082 284
As at 31 December 2021				
Balance at the beginning of the year	2 157 304	11 926 384	7 748 229	21 831 917
Categorisation of new receivables originated during the year	-	-	-	-
New allowances originated	739 984	389 982	9 781 405	10 911 371
Repayments	(47 665)	(40 312)	(445 030)	(533 007)
Monetary loss adjustment	(875 649)	(9 944 200)	(714 041)	(11 533 890)
Impact on year end ECL of exposures transferred between stages during the year	(1 118 892)	1 219 762	(100 869)	-
Balance at the end of the year	855 081	3 551 616	16 269 694	20 676 391

(ii) Trade receivables: residential stand sales

The stand sales debtors represent trade debtors with a significant financing component. The IFRS 9 practical expedient for trade debtors requires that for such debtors, a policy choice be taken to either apply the simplified approach under the practical expedient, or the full three-stage approach under the general model. The Group elected to apply the simplified approach on its stands sales debtors. Under this approach, lifetime expected credit losses are recognised from initial recognition of the receivables, on a portfolio basis. The residential stand debtors are secured by the respective residential stands sold, significantly reducing the risk of outright loss. Credit loss is however expected from delayed payment of instalments by these debtors.

The expected loss rate is a significant estimate and has been calculated as a probability weighted average of a range of possible loss outcomes estimated based on historic, current and forward looking internal and macro-economic information that is readily available without undue cost or effort. Each scenario was adjusted to factor in time value of money at the original effective interest rate of the debtors, and inflation based on its correlation with the performance of the debtors' book. There was no material change in the impairment allowances on these debtors from prior year . However, due to significant increases in inflation rates at the end of the year, there was a significant reduction in the expected loss rate due to the inverse relationship established between inflation and expected losses on the stand sales debtors' book. The residential stand sales debtors are analysed below:

	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
As at 31 December 2022			
Residential stand sales debtors			
Performing	-	-	-
Overdue	365 258	-	365 258
Default	-	1 155 515	1 155 515
Gross carrying amount	365 258	1 155 515	1 520 773
Expected credit loss on residential stand sales debtors	(68 273)	(890 349)	(958 622)
Net carrying amount	296 985	265 166	562 151

(ii) Trade receivables: residential stand sales (Continued)

As at 31 December 2021	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Residential stand sales debtors			
Performing	-	-	-
Overdue	2 007 403	-	2 007 403
Default	-	6 350 537	6 350 537
Gross carrying amount	2 007 403	6 350 537	8 357 940
Expected credit loss on residential stand sales debtors	(234 695)	(3 060 663)	(3 295 358)
Net carrying amount	1 772 708	3 289 875	5 062 582

Analysis of changes in the gross carrying amount in relation to stand sales receivables is as follows:

As at 31 December 2022	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Balance at the beginning of the year	2 007 402	6 350 537	8 357 939
Categorisation of new receivables originated during the year	-	-	-
Repayments	(300 110)	(949 416)	(1 249 526)
Monetary loss adjustment	(1 342 034)	(4 245 607)	(5 587 641)
Receivables written off	-	-	-
Impact on year end of exposures transferred between stages during the year	-	-	-
Balance at the end of the year	365 258	1 155 515	1 520 773

As at 31 December 2021	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Balance at the beginning of the year	11 212 277	2 710 691	13 922 968
Categorisation of new receivables originated during the year	-	-	-
Repayments	(251 368)	(480 738)	(732 106)
Monetary loss adjustment	(7 964 191)	3 131 269	(4 832 922)
Receivables written off	-	-	-
Impact on year end exposures transferred between stages during the year	(989 317)	989 317	-
Balance at the end of the year	2 007 401	6 350 539	8 357 940

Movements in expected credit losses for stand sales receivables are as follows:

As at 31 December 2022	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Opening loss allowance as at 1 January 2021	**234 695**	**3 060 663**	**3 295 358**
Allowances written off on uncollectable receivables	-	-	-
Categorisation of new receivables originated during the year	-	-	-
Monetary loss adjustment	(166 422)	(2 170 314)	(2 336 736)
Repayments	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-
Balance at the end of the year	68 273	890 349	958 622

As at 31 December 2021	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Opening loss allowance as at 1 January 2021	**330 223**	**1 871 260**	**2 201 483**
Allowances written off on uncollectable receivables	-	-	-
Categorisation of new receivables originated during the year	-	-	-
Monetary loss adjustment	(628 056)	(2 307 581)	(2 935 637)
Repayments	(80 612)	(1 256 209)	(1 336 820)
Impact on year end ECL of exposures transferred between stages during the year	613 140	4 753 192	5 366 332
Balance at the end of the year	234 695	3 060 663	3 295 358

There were no loans that were credit impaired at origination , however there were loans that originated and became impaired during the year.

(iii) Cash and short term deposits

The expected credit loss model under the IFRS 9 also applies to the Group's cash and short term deposits. Credit risk associated with counterparties hold the Group and Company's short term and demand deposits is assessed based on credit ratings determined by the Global Credit Rating Company, which ratings are external to the Group. Were these ratings are not available, counterparty credit risk is assessed through internal mechanisms designed to assess the strength of the counterparty's capacity to meet their contractual cash obligations in the near term.

As the deposits are for periods less than 3 months, no significant increases in credit risk was noted as at 1 January 2022 and over the course of the year. As such, the cash and short term deposits were classified within Stage 1, prompting a 12 month expected credit loss assessment per IFRS 9. The probability of default on these instruments was assessed as insignificant due to their short tenure, resulting in an immaterial ECL which has not been recognised.

(iv) Debt securities at amortised cost

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

(v) Insurance debtors

Insurance debtors were assessed to be outside the scope of IFRS 9's requirements. As such, the impairment allowance for insurance debtors continues to be measured on an incurred loss model. The Group has elected to provide in full all insurance debtors in the 120+ days and 10% on all insurance debtors in the 60 to 90+ days category.

(vi) Related party receivables

Expected credit losses on related party receivables were assessed as immaterial.There has been no indication of lack of capacity by the related parties to settle the balances when they fall due. As such the PD is estimated to approximate zero. No ECL has been recognised on these balancies

10 INVENTORIES

	GROUP		COMPANY	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Projects under development	272 428 714	272 428 713	272 428 713	272 428 713
Residential stands	58 858 989	58 858 979	58 858 989	58 858 989
Consumables	3 701 722	3 702 401	-	-
Closing balance	334 989 425	334 990 093	331 287 702	331 287 702

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11 RESTATEMENTS

Prior period error consolidation of Fidelity Life Medical Services Company (Private) Limited ("FLIMESCO") under Separate Financial Statements of the Company

Fidelity Life Assurance of Zimbabwe the Company restated financial statements following an error that resulted in the Company consolidating Fidelity Life Medical Services Company (Private) Limited ("FLIMESCO") as a subsidiary under FLA Company. The balances and transactions of Fidelity Life Medical Services Company (Private) Limited ("FLIMESCO") were inappropriately recognised in the Company's separate financial statements instead of accounting for it as an investment in subsidiary using the equity method, in accordance with the requirements of International Reporting Standards and accounting policy adopted by the Company. The restatement to correct this error is shown in the note below

IMPACT OF RESTATEMENTS

The tables below summarise the impact of the prior period error on the affected financial statement line items:

	COMPANY		
	As previously stated 2021 ZWL	Effect of restatement 2021 ZWL	Restated 2021 ZWL
Impact on statement of profit or loss and other comprehensive income - year ended 31 December 2021			
Fees and commission income	372 435 982	(307 343 262)	65 092 720
Investment income	58 354 526	103 839 754	162 194 280
Fair value gains and losses from equities	579 543 295	(1 650 536)	577 892 760
Fair value gains and losses from investment property	1 125 707 737	(2 975 541)	1 122 732 196
Non insurance revenue	730 023 922	(649 857)	729 374 065
Equity accounted earnings	2 777 393 447	82 891 643	2 860 285 090
Operating and administration expenses	(1 428 752 273)	94 522 225	(1 334 230 048)
Net Monetary Loss	62 839 016	(1 922 506 300)	(1 859 667 284)
Income tax expense	(77 740 834)	50 799 690	(26 941 144)
Impact on statement of cash flow			
Profit before income tax	668 082 213	(1 953 869 698)	(1 285 787 485)
Fair value gains on equities at fair value through profit or loss	(579 543 295)	1 650 536	(577 892 760)
Fair value gains on investment property	(1 125 707 737)	2 975 541	(1 122 732 196)
Depreciation of property and equipment	56 578 807	(425 344)	56 153 462
Interest income	(55 934 815)	1 472 365	(54 462 450)
Dividend income	(2 419 713)	87 463	(2 332 250)
Unrealised exchange gains/ (losses)	386 682 296	568 594 873	955 277 169
Increase/(decrease) in trade and other receivables	(334 354 387)	73 859 886	(260 494 501)
Increase/(decrease) in trade and other payables	(1 538 803 466)	(56 827 086)	(1 595 630 552)
Income taxes paid	(65 264 121)	50 489 739	(14 774 383)
Additions to and replacement of property and equipment	(9 597 867)	1 918 298	(7 679 569)

	COMPANY			COMPANY		
	As previously stated 2021 ZWL	Effect of restatement 2021 ZWL	Restated 2021 ZWL	As previously stated 2020 ZWL	Effect of restatement 2020 ZWL	Restated 2020 ZWL
Impact on statement of financial position						
Investment in subsidiaries	12 195 825 101	60 517 439	12 256 342 540	9 559 476 283	22 259 679	9 581 735 962
Property and equipment	57 546 368	(3 639 799)	53 906 569	1 647 660 217	(2 146 846)	1 645 513 372
Investment property	7 320 727 708	(23 063 369)	7 297 664 339	4 644 865 224	(20 087 484)	4 624 777 740
Trade and other receivables	540 312 181	(106 823 674)	433 488 507	175 447 217	(32 963 788)	142 483 430
Equities at fair value through profit or loss	1 756 888 891	(12 241 403)	1 744 647 488	1 155 893 525	(36 458)	1 155 857 067
Cash and deposits with banks	444 987 116	(13 535 830)	431 451 286	1 299 964 840	(7 362 258)	1 292 602 582
Retained earnings	814 710 376	2 223 505	816 933 881	224 369 001	(22 244 062)	202 124 939
Trade and other payables	1 312 086 096	(94 638 201)	1 217 447 894	2 700 347 418	(37 811 115)	2 662 536 303
Deferred tax liabilities	2 747 521	(4 148 430)	(1 400 909)	-	(2 526 042)	(2 526 042)

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 Restated ZWL
11.1 Financial assets at fair value through profit or loss				
Balance at the beginning of the year	4 056 839 792	3 199 198 124	1 744 647 488	1 155 876 076
Additions	747 263 262	356 954 523	441 334 451	155 460 842
Fair value adjustments - through profit or loss	(834 376 924)	1 095 005 052	(1 253 017 687)	577 892 760
Exchange gains/ loss	1 901 201 122	(335 323 184)	-	-
Disposals	(284 600 665)	(258 994 723)	(210 114 565)	(144 582 189)
Balance at the end of the year	5 586 326 587	4 056 839 792	722 849 687	1 744 647 488

Financial assets at fair value through profit or loss relate to shares held in various listed companies in Zimbabwe and Malawi. Refer to **note 30** for relevant fair value hierarchy disclosures.

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 Restated ZWL
11.2 Debt securities at amortised cost				
Balance at the beginning of the year	2 147 817 235	1 751 160 715	175 978	1 651 424
Additions	441 713 350	979 150 575	-	-
Interest	368 668 210	188 293 524	-	1 594
Exchange (loss)/gain	1 830 500 612	(384 234 774)	-	-
Maturities	(121 485 647)	(385 891 277)	-	(815 512)
Impact of inflation	(123 655)	(661 528)	(123 655)	(661 528)
Balance at the end of the year	4 667 090 105	2 147 817 235	52 323	175 978

Debt securities at amortised cost include development bonds and treasury bills that carry prescribed asset status. Interest rates on these instruments range from 5% to 16%. 99% of the bonds will have matured by 31 December 2022, and the remaining 1% extend as far as 2026. Further disclosure on prescribed assets is provided in Note 38.

12 CASH AND DEPOSITS WITH BANKS

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Money market investments	938 862 435	972 191 369	158 638 386	105 570 260
Bank and cash	531 348 275	574 469 901	196 653 749	325 881 026
Restricted cash	-	-	-	-
Cash and deposits with banks	1 470 210 710	1 546 661 270	355 292 135	431 451 286
Bank overdraft	(50 120 743)	(175 868 500)	-	-
Cash and cash equivalents	1 420 089 967	1 370 792 770 5	355 292 135	431 451 286

13 SHARE CAPITAL

	GROUP 2022	GROUP 2021	COMPANY 2022	COMPANY 2021
Authorised share capital 200,000,000 ordinary shares with a norminal value of ZWL0.01 each	307 916 156	307 916 156	307 916 156	307 916 156
Issued and fully paid share capital 108,923,291 ordinary shares with a norminal value of ZWL0.01 each	167 696 221	167 696 221	167 696 221	167 696 221

91 076 709 unissued shares and 1 003 743 treasury shares are under the control of the Directors subject to the limitations imposed by the Articles and Memorandum of Association of the Company, the Zimbabwe Companies and Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange Listing Requirements.

The following describes the nature and purpose of each reserve within equity

Reserve	**Description and purpose**
Share premium	Amount subscribed for share capital in excess of nominal value
Treasury shares	Cost of own shares held in treasury
Revaluation reserve	Gains/losses arising on the revaluation of property (other than investment property)
Foreign currency translation reserve	Gains/losses arising on retranslating the net assets of foreign operations into Zimbabwe Dollars.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

14 INSURANCE AND INVESTMENT CONTRACT LIABILITIES

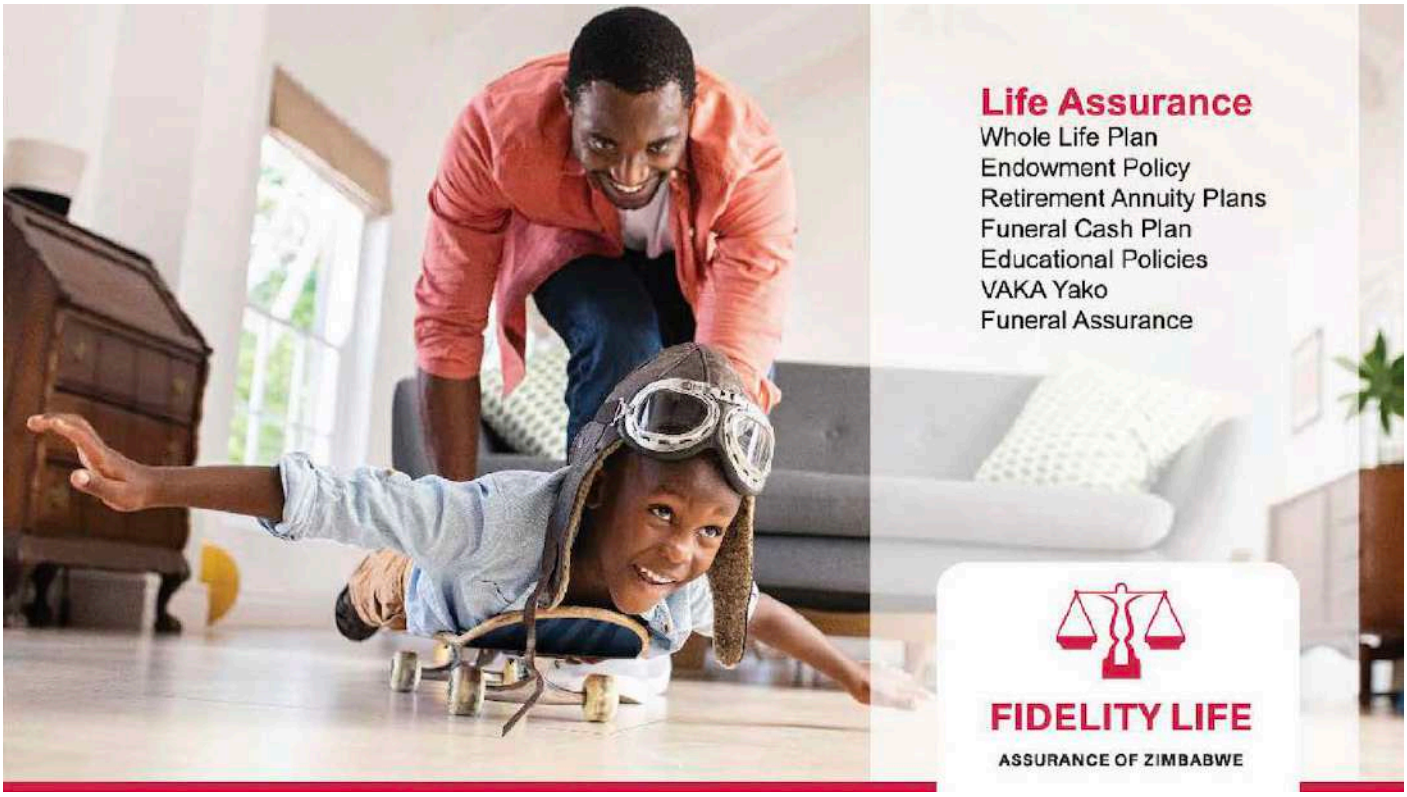
	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
14.1 Insurance contract liabilities with discretionary participation features				
Balance at the beginning of the year	20 603 880 912	17 173 126 315	13 970 404 659	10 663 064 038
Change in life assurance policyholder liabilities for the year	3 854 473 703	3 430 754 597	(2 715 649 228)	3 307 340 624
Movement through profit or loss	(1 133 233 209)	3 988 187 536	(2 715 649 228)	2 712 462 372
Movement through other comprehensive income	-	594 878 252		594 878 252
Exchange rate movement on foreign operations	4 987 706 912	(1 152 311 191)	-	-
Balance at the end of the year	24 458 354 615	20 603 880 912	11 254 755 431	13 970 404 659

14.2 Investment contract liabilities with discretionary participation features

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Balance at the beginning of the year	**2,977,660,658**	**2,524,523,848**	**2,977,660,658**	**2,524,523,848**
Movement through profit or loss-Investment contract liabilities with DPF	9,483,358,139	453,136,810	9,483,358,139	453,136,810
				-
Balance at the end of the year	**12,461,018,797**	**2,977,660,658**	**12,461,018,797**	**2,977,660,658**

14.3 Investment contracts without discretionary participation features

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Balance at the beginning of the year	3 269 671 499	2 196 214 619	3 269 671 499	2 196 214 619
Other investment income	1 762 593	-	1 762 593	-
Gross premium income	1 400 982 082	15 037 985	1 400 982 082	15 037 985
Gross benefits and claims paid	(7 659 508)	(14 613 153)	(7 659 508)	(14 613 153)
Movement through profit or loss	925 056 558	1 073 032 048	925 056 558	1 073 032 048
Fair value gains from equities	(834 819)	252 481 156	(834 819)	252 481 156
Fair value gains from investment properties	2 864 791 479	855 863 989	2 864 791 479	855 863 989
Investment expenses	(1 938 900 102)	(35 313 097)	(1 938 900 102)	(35 313 097)
Balance at the end of the year	5 589 813 223	3 269 671 499	5 589 813 223	3 269 671 499



15 BORROWINGS

15.1 Current borrowings

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
ZB Bank Limited	201 545 556	175 868 500	-	-
Ecobank Zimbabwe Limited		52 851 626	-	-
Current portion of non-current borrowings	-	-	-	-
	201 545 556	228 720 126	-	-

ZB Bank Limited Loan

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.

15.2 Movement in borrowings

Movements in borrowings during the year were as follows for both the Group and the Company:

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Balance at the beginning of the year	228 720 126	179 381 425	-	93 157 538
Net cash out flow on borrowings	150 721 423	284 949 185	-	(78 619 064)
Proceeds from borrowings	418 338 406	532 038 633	-	-
Repayment of borrowings	(267 616 983)	(247 089 448)	-	(78 619 064)
Finance costs capitalised	191 428 499	155 153 530	-	24 694 027
Finance costs paid	(191 428 499)	(155 153 530)	-	(24 694 027)
Exchange differences on foreign currency denominated loans	-	(9 333 616)	-	(9 333 616)
Reduction of borrowings due to inflation	(177 895 993)	(226 276 868)	-	(5 204 858)
Balance at the end of the year	201 545 556	228 720 126	-	-
Current borrowings	201 545 556	228 720 126	-	-
Non-current borrowings	-	-	-	-
Borrowings as at 31 December	201 545 556	228 720 126	-	-

16 LEASE OBLIGATIONS

The Group leased motor vehicles with a net carrying value of ZWL90,912,297 (2021: ZWL95,188,199). The transaction was generally classified as a lease liability in accordance with IFRS 16. The lease periods approximated the estimated useful economic lives of the motor vehicles and the Group has a right to purchase the motor vehicles outright at the end of the minimum lease term by paying a nominal amount.

Set out below are the carrying amounts of the lease liability and the movements during the year

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Balance as at 1 January	64 264 529	138 455 059	-	-
additions	-	-	-	-
Derecognition of right of use asset	-	-	-	-
Interest	4 772 075	11 906 629	-	-
Payments	(35 852 966)	(48 791 780)	-	-
Exchange rate movement on foreign operations	(8 864 301)	(37 305 379)	-	-
Balance as at 31 December	24 319 337	64 264 529	-	-

16 LEASE OBLIGATIONS (Continued)

	Minimum lease payments ZWL	Interest payments ZWL	Present value ZWL
2022			
Not later than one year	25 241 712	922 375	24 319 337
Between one year and five years	-	-	-
Later than five years	-	-	-
	25 241 712	922 375	24 319 337
Current liabilities			24 319 337
Non-current liabilities			-
			24 319 337
2021			
Not later than one year	54 668 469	7 019 351	47 649 118
Between one year and five years	17 185 651	570 240	16 615 411
Later than five years	-	-	-
	71 854 120	7 589 591	64 264 529
Current liabilities			47 649 118
Non-current liabilities			16 615 411
			64 264 529

17 DEFERRED INCOME TAX

	GROUP		COMPANY	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
17.1 Deferred tax liability				
Property and equipment	24 546 924	15 501 808	1 357 449	(4 483 679)
Investment property	1 511 646 604	921 632 686	-	-
Provisions	42 411 754	(2 568 939)	(561 689)	3 082 770
Total	1 578 605 282	934 565 555	795 760	(1 400 909)
Reconciliation				
Balance at the beginning of the year	1 032 644 332	821 937 495	(2 717 098)	(4 148 432)
Movement through profit or loss	74 650 132	161 321 069	3 512 858	2 747 523
Movement through other comprehensive income	1 436 842	4 973 930	-	-
Other temporary differences	(180 534)	(620 600)	-	-
Exchange rate movements	470 054 510	(53 046 339)	-	-
Balance at the end of the year	1 578 605 282	934 565 555	795 760	(1 400 909)
17.2 Deferred income tax impact on profit or loss				
Decrease/(increase) in deferred tax asset through profit or loss	-	-	-	-
Increase in deferred tax liability through profit or loss	74 650 132	161 321 069	3 512 858	2 747 522
Deferred income tax charge/(credit) included in profit or loss	74 650 132	161 321 069	3 512 858	2 747 522
17.3 Income tax liability / (asset)				
Balance as at 1 January 2022	115 824 522	52 110 559	70 835 534	47 992 302
Charge for the year	626 817 511	353 237 187	1 940 167	26 941 144
Paid during the year	(44 921 067)	(133 320 674)	(1 140 913)	(14 774 383)
Monetary gain/loss adjustment	(674 235 618)	(156 202 551)	(101 018 983)	10,676,470
Balance as at 31 December 2022	23 485 346	115 824 522	(29 384 195)	70 835 534

18 TRADE AND OTHER PAYABLES

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Trade payables	2 539 754 545	417 754 953	13 481 005	249 070 386
South View offsite works liability	359 236 020	179 696 088	359 236 020	179 696 088
Related party payables (note 34.3.2)	214 772 611	29 374 378	218 297 239	55 831 645
Deferred income from sale of residential stands (note 18.1)	577 783 398	577 783 398	577 783 398	577 783 398
Statutory liabilities	1 278 329	61 870 951	1 278 329	61 870 951
Accrued expenses	90 024 708	176 621 125	84 870 118	11 543 711
Other payables	740 180 644	202 655 255	1 772 160 286	81 651 715
	4 523 030 255	1 645 756 148	3 027 106 397	1 217 447 894

Included in the trade and other payables is the South View offsite works liability which is due for payment after completion of the project including the retension. It also includes deferred revenue from sale of stands which will be recognised when the conditions of transfer of title has been met.

18.1 Deferred income reconciliation

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Balance at the beginning of the year	577 783 398	577 783 398	577 783 398	577 783 398
Capitalised	-	-	-	-
Movement through profit or loss	-	-	-	-
Balance at the end of the year	577 783 398	577 783 398	577 783 398	577 783 398

Trade payables represent liabilities for goods and services provided to the Group and Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually due within 30 days of invoice or statement date. Other payables mainly relate to accrued finance costs, accrued value added tax, accrued staff expenses and accrued audit fees. Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method. As these are mostly payable within twelve months of provision of the goods or services, the impact of discounting is not expected to be material. Their carrying amounts are considered to be the same as their fair values, due to their short-term nature.

19 GROSS PREMIUMS WRITTEN

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Employee benefits income				
Annuity consideration	190 226 338	425 060 278	-	171 154 655
Recurring premiums	1 472 262 209	1 503 948 609	952 193 501	826 170 689
New business premiums	396 767 794	50 976 424	327 106 741	5 667 645
Single premiums	378 175 063	400 413 567	-	123 395 675
	2 437 431 404	2 380 398 879	1 279 300 242	1 126 388 662
Individual life income				
Life premiums	280 463 334	533 901 280	106 388 291	369 292 649
Funeral premiums	843 533 010	358 718 866	843 533 010	358 718 867
Single premiums	521 353 044	759 209 590	-	-
	1 645 349 388	1 651 829 736	949 921 301	728 011 516
Gross premiums	4 082 780 792	4 032 228 615	2 229 221 543	1 854 400 178

20 FEES AND COMMISSION INCOME

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Brokerage fees-recognised at a point in time	15 726 016	13 529 233	14 649 835	13 529 235
Reinsurance commission- recognised over time	39 438 298	53 122 245	39 438 298	51 563 485
Management fees-recognised at a point in time	25 696 684	332 715 015	-	-
	80 860 998	399 366 493	54 088 133	65 092 720

21 INVESTMENT INCOME

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Interest income	521 869 403	329 265 629	29 704 830	55 934 815
Dividend income	112 833 790	45 794 943	41 777 103	106 259 465
Other investment income	-	-	-	-
	634 703 193	375 060 572	71 481 933	162 194 280

22 NON INSURANCE INCOME

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Actuarial fees-recognised over time	157 946 776	105 193 687	-	-
Management fees-recognised at a point in time	775 079 257	42 020 097	59 950 265	205 033 797
Rental and other property income	3 149 941	175 956 591	94 948 768	128 406 501
Profit on disposal of property and equipment	1 722 387	54 460 055	1 722 387	54 460 055
Profit on disposal of investment property	-	246 409 356	-	246 409 356
Bad debts recovered	-	-	-	-
Debtors impairment allowance reduction	-	8 806 333	-	8 806 333
Loan establishment and administration fee income	29 198 358	41 789 155	-	-
Net exchange loss on foreign translations	-	21 936 841		21 936 837
Sale of funeral services- recognised at a point in time	149 100 091	108 518 708	-	-
Sundry	256 576 977	102 661 603	14 065 769	64 321 186
	1 372 773 787	907 752 426	170 687 189	729 374 065

Sundry income includes land sale agreement withdrawal charges, charges for funeral services provided to parties not insured by the Group and other miscellaneous income.

23 FEE AND COMMISSION EXPENSES AND OTHER ACQUISITION COSTS

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Fee and commission expenses	363 546 383	202 351 788	263 658 119	74 825 364
Other acquisition costs	277 865	-	277 865	-
	363 824 248	202 351 788	263 935 984	74 825 364

24 OPERATING AND ADMINISTRATIVE EXPENSES

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Staff costs	1 544 926 993	1 277 397 580	686 986 656	804 493 495
Auditors' remuneration	193 066 104	88 639 598	144 343 508	59 418 773
Directors' remuneration - fees	72 397 595	41 967 573	56 380 801	28 350 896
- other services	1 557 746	886 142	-	-
Depreciation of property and equipment	49 970 791	91 296 075	10 381 576	56 578 807
Computer and data expenses	38 207 995	32 459 076	31 224 988	14 567 793
Marketing expenses	91 975 240	60 025 220	54 598 545	21 664 742
Actuarial, legal and other professional fees	171 064 857	78 792 011	237 253 960	106 421 328
Motor vehicle maintenance costs	90 935 185	49 088 793	55 256 200	29 354 633
Amortisation and impairement of intangibles	39 382 011	7 468 486	-	-
Net exchange loss on foreign translations	(830 203 564)	-	825 426 119	-
Depreciation of right of use asset	21 445 699	27 362 688	-	-
Bad debts written off	14 007 670	103 149 645	-	-
Rental from short term leases	146 095 806	136 560 001	52 360 817	77 819 295
Other operating expenses	837 991 791	503 227 969	414 520 757	135 560 286
	2 482 821 918	2 498 320 857	2 568 733 929	1 334 230 048

Other operating expenses comprise mainly electricity charges, rates, telephone expenses, printing and stationery costs.

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
24.1 PROJECT DEVELOPMENT COSTS				
Direct development costs	-	-	-	-
Foreign exchange loss	43 792 820	150 542 144	43 792 820	150 542 144
	43 792 820	150 542 144	43 792 820	150 542 144
25 FINANCE COSTS				
Interest expense - debt assumed on Langford acquisition	-	-	-	-
Interest expense - debt related to Southview project (Note 15.1)	-	14 630 077	-	14 630 077
Interest expense- Micro lending	171 850 923	118 552 874	-	-
Other interest expenses	19 577 575	21 970 579	14 805 499	10 063 950
Total finance costs	191 428 499	155 153 530	14 805 499	24 694 027

Included in the other interest expenses are finance costs relating to the Group's foreign loan obligation from Malawi amounting to ZWL1,253,879, and the Malawi subsidiary interest on lease liabilities ZWL3,463,647.

26 INCOME TAX EXPENSE/(CREDIT)

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Current	552 167 379	191 916 118	(1 572 690)	24 193 621
Deferred	74 650 132	161 321 069	3 512 858	2 747 523
	626 817 511	353 237 187	1 940 167	26 941 144
Tax rate reconciliation				
Profit for the year	836 331 949	1 298 251 636	(199 359 852)	668 084 396
Tax at Zimbabwe statutory rate of 24.72%	206 741 258	320 927 804	(49 281 755)	165 150 463
Tax effect of amounts not deductible/(taxable) in calculating taxable income:				
Items not deductible for tax:				
Other disallowable expenses	755 623 704	534 927 904	790 405	24 525 658
Non-taxable items:				
Differences arising from movements in unrealised fair value (gains)/losses	-	(165 850 964)	-	-
Other non-taxable income	(383 216 617)	(210 741 786)	-	(7 357 156)
Other adjustments:				
Differences arising from 8th schedule tax for life assurance	50 431 517	(148 070 044)	50 431 517	(155 377 821)
Deferral of unutilised tax losses	-	-	-	-
Difference in tax rate applied in foreign jurisdiction	(2 762 351)	22 044 272	-	-
	626 817 511	353 237 187	1 940 167	26 941 144

27 EARNINGS PER SHARE (EPS)

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Reconciliation of total earnings to headline earnings attributable to shareholders Numerator				
Profit/ (loss) for the year attributable to owners of the parent and profit used in EPS	(1 401 959 682)	387 915 818	(201 300 019)	(1 312 728 629)
Add/(deduct) non recurring items				
Impairment of intangible assets	-	7 468 486	-	-
Profit on disposal of property	(1 722 387)	(54 460 055)	(15 842 470)	(54 460 055)
Profit on disposal of investment property	-	(246 409 356)	(71 680 662)	(246 409 356)
Taxation on headline earnings adjustable items	425 774	72 528 709	21 635 718	74 374 918
Headline earnings attributable to ordinary shareholders	(1 403 256 296)	167 043 602	(267 187 433)	(1 539 223 122)
Denominator				
Weighted number of ordinary shares in issue	108 923 291	108 923 291	108 923 291	108 923 291
Less: Shares purchased for the Employee Share Ownership Plan	(1 003 743)	(1 003 743)	(1 003 743)	(1 003 743)
Weighted average number of shares used in basic EPS	107 919 548	107 919 548	107 919 548	107 919 548
Less: Dilutive adjusting effects	-	-	-	-
Weighted average number of shares used in diluted EPS	107 919 548	107 919 548	107 919 548	107 919 548
27.1 Basic and diluted earnings per share (cents)	(1,299.08)	359.45	(186.53)	(1,216.40)
27.2 Headline earnings per share (cents)	(1,300.28)	154.79	(247.58)	(1,426.27)

Basic earnings per share

Basic earnings per share is basic earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year.

Headline earnings per share

Headline earnings per share is a disclosure requirement in terms of Statutory Instrument 134 of 2019 of the Zimbabwe Stock Exchange (''ZSE'') listing requirements for companies listed on the ZSE. Headline earnings per share is calculated by dividing the headline earnings by the weighted average number of shares in issue during the year. Disclosure of headline earnings is not a requirement of International Financial Reporting Standards (IFRS).

28 CAPITAL EXPENDITURE COMMITMENTS

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Authorised and contracted for	-	-	-	-
Authorised but not contracted for	559 758 441	130,134,356	332 107 242	99 808 853
	559 758 441	130 134 356	332 107 242	99 808 853

Capital expenditure will be financed from the Group and Company's own resources and borrowings.

29 MANAGEMENT OF CAPITAL

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits to other stakeholders. The capital of the Group comprise reserves and share capital. The Group's strategy has been to maintain capital that is higher than the minimum required by the regulatory authorities. The Group's compliance with the capital requirements as set out by the regulatory authorities is as follows :

29 MANAGEMENT OF CAPITAL (Continued)

31 December 2022	Capital	Minimum capital requirement	Surplus/ (deficit)
Fidelity Life Assurance of Zimbabwe Limited	1 823 487 513	75 000 000	1 748 487 513
Vanguard Life Assurance Company Limited	735 728 581	534 705 745	201 022 837
Fidelity Life Asset Management Company (Private) Limited	371 701 477	110 000 000	261 701 477
Fidelity Life Financial Services (Private) Limited	179 877 681	17 108 348	162 769 334
31 December 2021			
Fidelity Life Assurance of Zimbabwe Limited	692 394 269	75 000 000	617 394 269
Vanguard Life Assurance Company Limited	563 229 650	106 686 581	456 543 068
Fidelity Life Asset Management Company (Private) Limited	91 698 611	10 000 000	81 698 611
Fidelity Life Financial Services (Private) Limited	151 611 747	2 173 200	149 438 547

The regulatory capital position for Fidelity Life Assurance of Zimbabwe Limited, as defined in Section 24 of the Insurance Act (Chapter 24:07) (the "Insurance Act"), amended by Statutory Instrument 95 of 2017, Insurance (Amendment) Regulations, 2017 (No. 19) ("SI 95 of 2017") read with Instrument 59 of 2020, section (3) requires a provider of life and funeral assurance in Zimbabwe to maintain a minimum unencumbered statutory capital (as defined in the Statutory Instrument) of ZWL75million. Further disclosure on the Company's capital position is included in Note 39.

The Company is fully compliant with the minimum capital requirements.The Company continues to pursue plans disclosed in Note 39 to improve its solvency position. The Group endeavours to preserve a strong cash base and achieve a debt to capital ratio of less than 100%. The objective of this strategy is to secure access to finance at reasonable cost by maintaining a high credit rating. The Group also constantly scouts for opportunities that enable it to acquire strategic assets such as land banks. Such opportunities may entail an increase in the debt to capital ratio.

Under such circumstances, the Group's cap on the debt to capital ratio will be 200%. The debt to capital ratios at 31 December were as follows:-

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Debt				
Borrowings	201 545 556	228 720 126	-	-
Equity				
Capital	7 547 517 977	4 166 095 003	1 674 117 197	1 164 404 952
	3%	5%	0%	0%

30 FINANCIAL INSTRUMENTS - RISK MANAGEMENT

The Group is exposed through its operations to the following financial risks:-

a. Credit risk
b. Fair value or cash flow interest rate risk
c. Liquidity risk
d. Foreign exchange risk
e. Equity price risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated and separate financial statements. There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from the previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments held by the Group, from which financial instrument risk arises, are as follows:-

i) Trade and other receivables (excluding prepayments and statutory assets)
ii) Debt securities at amortised cost
iii) Bank and cash
iv) Money market investments
v) Equities at fair value through profit or loss
vi) Trade and other payables (excluding deferred income and statutory liabilities)
vii) Borrowings
(i) Financial instruments by category

A summary of the financial instruments held by category is provided below:-

30 FINANCIAL INSTRUMENTS - RISK MANAGEMENT (Continued)

Financial assets	GROUP Financial assets at fair value through profit or loss ZWL	GROUP Financial assets at amortised cost ZWL	COMPANY Financial assets at fair value through profit or loss ZWL	COMPANY Financial assets at amortised cost ZWL
2022				
Trade and other receivables (excluding prepayments and statutory assets)	-	2 404 319 011	-	723 352 643
Equities at fair value through profit or loss	5 586 326 587	-	722 849 687	-
Debt securities at amortised cost	-	4 667 090 105	-	52 323
Cash and deposits with banks	-	1 470 210 710	-	355 292 135
	5 586 326 587	8 541 619 826	722 849 687	1 078 697 100
2021				
Trade and other receivables (excluding prepayments and statutory assets)	-	1 308 519 522	-	389 639 160
Equities at fair value through profit or loss	5 586 326 587	-	1 744 647 488	-
Debt securities at amortised cost	-	2 147 817 235	-	175 978
Cash and deposits with banks	-	1 546 661 270	-	431 451 286
	5 586 326 587	5 002 998 027	1 744 647 488	821 266 422

(i) Financial instruments by category (continued)

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Debt				
Borrowings				
Equity	3 943 968 528	1 006 101 801	2 448 044 670	662 498 230
Capital	201 545 556	228 720 126	-	-
	4 145 514 084	1 234 821 926	2 448 044 670	662 498 230

(ii) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, debt securities at amortised cost , trade and other receivables (excluding prepayments and statutory assets), trade and other payables (excluding deferred income and statutory liabilities), borrowings and investment contract liabilities without discretionary participation features. that compare to the market, their carrying values.

(iii) Financial instruments measured at fair value

Financial instruments were measured at fair value at 31 December using:-

	LEVEL 1 2022 ZWL	LEVEL 1 2021 ZWL	LEVEL 2 2022 ZWL	LEVEL 2 2021 ZWL	LEVEL 3 2022 ZWL	LEVEL 3 2021 ZWL
Group						
Financial assets						
Equities at fair value through profit or loss	5 586 326 587	4 056 839 792	-	-	-	-
Company						
Financial assets						
Equities at fair value through profit or loss	722 849 687	1 744 647 488	-	-	-	-

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for 3.437598772 financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the 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.

(iii) Financial instruments measured at fair value(continued)

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to Management. The Board receives quarterly reports from the Chief Executive Officer ("CEO") through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The Group's internal audit and risk and compliance departments also review the risk management policies and processes and report their findings to the Audit, Risk and Compliance Committee. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:-

(a) Credit risk

Credit risk is the risk of financial loss to the Group and Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Group and Company are mainly exposed to credit risk from trade and other receivables , debt securities at amortised cost and cash and deposits with banks. Credit risk from trade and other receivables mainly emanates from residential stand sales debtors and microfinance loans receivable. The residential stand debtors are secured by the properties sold on credit by the Group to the respective customers. The microfinance loan book is predominantly comprised of customers in formal employment. A pre-condition of extending such loans is the establishment of an agreement with the employer wherein the employer is obliged to deduct the loans repayments through their monthly payroll process from any of their employees to whom such loans are extended. Further disclosures regarding the credit quality of trade and other receivables are provided in Note 9.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. Credit quality of cash and cash equivalents is reflected in the table below, based on credit ratings determined by the Global Credit Rating Company:

The financial institutions holding the cash and cash equivalents of the Group and Company have the following external credit ratings:

	GROUP		COMPANY	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
A	10 105 123	-	10 105 123	-
A+	20 898 266	-	7 846 140	-
A-	3 401 063		3 401 063	
AA	41 686 741	22 542 072	37 601 003	14 648 412
AA-	(70 552 844)	30 401 940	69 745 826	26 955 552
B+	-	-	-	-
BB	-	-	-	-
BB-	-	-	-	-
BB+	-	-	-	-
BBB	764 074	37 865 204	11 383	37 080 282
BBB-	-	-	-	-
BBB+	33 412 454	15 026 496	318 981	15 026 496
Cash	91 066 058	108 747 841	45 402 130	66 163 784
Unrated	1 339 429 775	1 332 077 717	180 860 486	271 576 760
	1 470 210 710	1 546 661 270	355 292 135	431 451 286

Included in the unrated balance of ZWL1,339,429,775 is ZWL531,348,275 money market investments deposited with asset managers that are not rated. The Group only trades with and receives service from financial institutions that meet regulatory requirements including minimum regulatory capital. Key considerations include:-

• compliance with minimum capital requirements as set by the Reserve Bank of Zimbabwe ("RBZ"), and the Reserve Bank of Malawi ("RBM").
• RBZ and RBM periodic capital adequacy, asset quality, management, earnings, liquidity, and sensitivity ("CAMELS") ratings,
• total shareholder equity,
• total assets,
• ratios such as loan to deposit ratio, cost to income and non-performing loans ("NPLs") to total loans ratio,
• overall profitability and cash generation,
• historical performance and outlook,
• ability of the bank to provide financial support,

Quantitative disclosures of the risk exposure in relation to financial assets are set out below:-

(a) Credit risk (continued)

	GROUP Carrying value ZWL	GROUP Maximum exposure ZWL	COMPANY Carrying value ZWL	COMPANY Maximum exposure ZWL
At 31 December 2022				
Trade and other receivables (excluding prepayments and statutory assets)	2 615 695 523	2 615 695 523	776 911 069	776 911 069
Debt securities at amortised cost	4 667 090 105	4 667 090 105	52 323	52 323
Cash and cash equivalents	1 470 210 710	1 470 210 710	355 292 135	355 292 135
	8 752 996 338	8 752 996 338	1 132 255 526	1 132 255 526
At 31 December 2021				
Trade and other receivables (excluding prepayments and statutory assets)	1 454 484 828	1 454 484 828	495 087 700	495 087 700
Debt securities at amortised cost	2 147 817 235	2 147 817 235	179 874	179 874
Cash and cash equivalents	1 546 661 270	1 546 661 270	444 991 178	444 991 178
	5 148 963 333	5 148 963 333	940 258 752	940 258 752

(b) Liquidity risk

Liquidity risk arises from the Group management of working capital and the finance charges and principal repayments on its borrowings. It is the risk that the Group and Company will encounter difficulties in meeting its financial obligations as they fall due. In order to mitigate any liquidity risk that the Group and Company faces, the Group and Company's policy has been throughout the year ended 31 December 2021, to maintain substantial facilities and reserves as well as significant liquid resources. The following table sets out the contractual maturities (representing undiscounted contractual cash-

GROUP	Up to 3 months ZWL	Between 3 and 12 months ZWL	Between 1 and 2 years ZWL	Over 2 years ZWL	Total ZWL
At 31 December 2022					
Trade and other payables (excluding deferred income and statutory liabilities)	3 943 968 528	-	-	-	3 943 968 528
Insurance contract liabilities with discretionary participation features	-	-	-	24 458 354 615	24 458 354 615
Investment contract liabilities with discretionary participation features				12 461 018 797	12 461 018 797
Investment contracts without discretionary participation features	-	-	-	5 589 813 223	5 589 813 223
Borrowings	-	201 545 556	-	-	201 545 556
	3 943 968 528	201 545 556	-	42 509 186 636	46 654 700 720
At 31 December 2021					
Trade and other payables (excluding deferred income and statutory liabilities)	1 006 101 801	-	-	-	1 006 101 801
Insurance contract liabilities with discretionary participation features	-	-	-	20 603 880 912	20 603 880 912
Investment contract liabilities with discretionary participation features				2 977 660 658	2 977 660 658
Investment contracts without discretionary participation features	-	-	-	3 269 671 499	3 269 671 499
Borrowings	-	228 720 126	-	-	228 720 126
	1 006 101 802	228 720 126	-	26 851 213 068	28 086 034 995

b) Liquidity risk (continued)

The following table sets out the expected amounts to be recovered or settled after more than twelve months for each asset and liability

GROUP

	Between 1 and 12 months ZWL	Over 1 year ZWL	Total ZWL
At 31 December 2022			
Assets			
Inventories	1 076 833	333 912 592	334 989 425
Trade and other receivables	3 654 064 843	-	3 654 064 843
Equities at fair value through profit or loss	-	5 586 326 587	5 586 326 587
Debt securities at amortised cost	4 620 419 204	46 670 901	4 667 090 105
Cash and deposits with banks	1 470 210 710	-	1 470 210 710
	9 745 771 592	5 966 910 080	15 712 681 671
Liabilities			
Insurance contract liabilities and investment contract liabilities with discretionary participation features	-	24 458 354 615	24 458 354 615
Investment contract liabilities with discretionary participation features	-	12 461 018 797	12 461 018 797
Investment contracts without discretionary participation features	-	5 589 813 223	5 589 813 223
Borrowings	201 545 556	-	201 545 556
Deferred tax liabilities	-	1 578 605 282	1 578 605 282
Lease obligations	25 241 712	-	25 241 712
Trade and other payables	4 523 030 255	-	4 523 030 255
Income tax liability	23 485 346	-	23 485 346
	4 773 302 869	44 087 791 918	48 861 094 785
At 31 December 2021			
Assets			
Inventories	3 701 720	331 288 373	334 990 093
Trade and other receivables	1 929 450 499	-	1 929 450 499
Income tax asset	-	-	-
Deferred tax assets	-	-	-
Deferred acquisition costs	-	-	-
Equities at fair value through profit or loss	-	4 056 839 792	4 056 839 792
Debt securities at amortised cost	2 126 339 062	21 478 172	2 147 817 235
Cash and deposits with banks	1 546 661 270	-	1 546 661 270
	5 606 152 551	4 409 606 336	10 015 758 887
Liabilities			
Insurance contract liabilities and investment contract liabilities with discretionary participation features	-	20 603 880 912	20 603 880 912
Investment contract liabilities with discretionary participation features	-	2 977 660 658	2 977 660 658
Investment contracts without discretionary participation features	-	3 269 671 499	3 269 671 499
Borrowings	228 720 126	-	228 720 126
Deferred tax liabilities	-	934 565 555	934 565 555
Lease obligations	54 668 469	17 185 651	71 854 120
Trade and other payables	1 645 756 148	-	1 645 756 148
Income tax liability	115 824 522	-	115 824 522
	2 044 969 263	27 802 964 275	29 847 933 539

COMPANY

	Up to 3 months ZWL	Between 3 and 12 months ZWL	Between 1 and 2 years ZWL	Over 2 years ZWL	Total ZWL
At 31 December 2022					
Trade and other payables (excluding deferred income and statutory liabilities)	2 448 044 670	-	-	-	2 448 044 670
Borrowings	-	-	-	-	-
	2 448 044 670	-		-	2 448 044 670
At 31 December 2021					
Trade and other payables (excluding deferred income and statutory liabilities)	662 498 230	-	-	-	662 498 230
Borrowings			-		-
	662 498 230	-		-	662 498 230

(c) Market risk

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

Equity price risk

The Group and Company holds some strategic equity investments in other companies these include development bonds and treasury bills that carry prescribed asset status. Directors believe that the exposure to market price risk from this activity is acceptable in the Group and Company circumstances.

Sensitivity analysis

A 10% increase in value of the equity instruments held at the reporting date would, all other variables held constant will result in the impact as shown below

	GROUP		COMPANY	
	Impact on profit 10% increase ZWL	Impact on net assets for the year 10% increase ZWL	Impact on profit 10% increase ZWL	Impact on net assets for the year 10% increase ZWL
2022				
Equities at fair value through profit or loss	558 632 659	558 632 659	72 284 969	72 284 969
2021				
Equities at fair value through profit or loss	405 683 979	405 683 979	174 464 749	174 464 749

A 10% decrease in their value would on the same basis have decreased profit and assets by the same amount Risk is managed through investing in diverse equity portifolio of perfoming Companies listed on the Zimbabwe Stock Exchange.

(ci) Fair value or cash flow interest rate risk

The fair value risk is the risk of changes in the fair value assets and liabilities that are sensitive to changes in market interest rates. Cashflow interest risk is a risk that results when the cash flow timing or amount is altered due to interest rate changes. The Group seeks to manage this risk through the monitoring of adherence to established set of investment guidelines, which are reviewed and updated periodically by the Investments Committee. The Group's borrowings are at fixed interest rates.

(d) Foreign exchange risk

The risk that the fair value of the cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. Foreign exchange risks arise from recognised monetary financial assets and liabilities future commercial transactions, that are not denominated in the functional currency of the Group and Company. The Group also operates in Malawi and is exposed to foreign exchange risk arising from exposure to the fluctuation of the Malawi Kwacha ("MWK"), with respect to the Zimbabwe dollar ("ZWL"). Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

The following table details the Group's sensitivity to a 10% increase or decrease in the Zimbabwe dollar ZWL against the Malawian Kwacha with all other variables held constant. 10% represents management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and is calculated by adjusting the translation of foreign currency amounts at the period end for a 10% change in foreign currency rates.

Consolidated
foreign exchange gap analysis
as at 31 December 2022

Base Currency	2022 USD ZWL equivalent	2021 USD ZWL equivalent	2022 ZWL equivalent	2021 ZWL equivalent
Assets				
Cash and deposits with banks	1 475 555	9 500 796	1 009 772 609	1 032 356 488
Loans and receivables	3 370 010	10 580 573	2 306 211 844	1 149 685 093
Total assets	4 845 564	20 081 369	3 315 984 453	2 182 041 581
Liabilities				
Trade and other payables	884 415	302 506 070	605 235 260	380 903 439
Total liabilities	884 415	302 506 070	605 235 260	380 903 439
Net currency position	3 961 149	(282 424 700)	2 710 749 193	1 801 138 142
Exchange rates as at 31 December	684.33	108.66	1.50	7.50
Impact of 10% increase in exchange rates				
Assets	440 506	1 825 579	301 453 132	198 367 416
Liabilities	(80 401)	(193 200)	(55 021 387)	(20 993 078)
Net position	360 104	1 632 379	246 431 745	177 374 338

Impact of change in exchange rates	2022 10% increase ZWL	2022 10% decrease ZWL	2021 10% increase ZWL	2021 10% decrease ZWL
Impact of profit before tax	919 965 143	(752 698 754)	1 428 076 799	(1 168 426 472)
Impact on equity	230 465 881	(188 562 994)	1 039 515 894	(850 513 004)

This method used for deriving sensitivity information and significant variables did not change from previous period.

31 ASSURANCE RISK MANAGEMENT

31.1 Insurance Risk

Insurance risk is the risk that actual future underwriting, policyholder behaviour and expense experience will differ from that assumed in measuring policyholder liabilities and assets and in pricing products. Insurance risk arises due to uncertainty regarding the timing and amount of future cash flows from insurance contracts. This could be due to variations in mortality, morbidity, policyholder behaviour or expense experience in the case of life products, and claims incidence, claim severity or expense experience in the case of short-term insurance products. These could have adverse impacts on the Group and Company's earnings and capital if different from those assumed. The Group and Company are exposed to insurance risk arising from its insurance contracts with policyholders and other beneficiaries. The main risk that the Group faces is that the actual claims and benefits payments or the timing thereof differ from expectations. The risk exposure is mitigated by the use of careful selection "procedures and implementation of underwriting procedures, use of actuarial models which calculate premiums and monitor claims patterns, as well as the use of reinsurance arrangements." The insurance risks that the Group and Company is exposed to that have the greatest impact on the financial position and comprehensive income are covered below.

31.2 General mangement of insurance risk

The insurance subsidiaries are responsible for the day to day identification, monitoring and assessment of insurance risk. In addition to the management of risk by the subsidiary companies, the Group has the following insurance risk management controls:

31.3 Group Risk and Compliance Committee

The Committee advises Group's overall risk strategy, current risk exposures, and risk governance. The Committee considers and approves the remit of the risk management function and reviews reports on material breaches of risk limits, as well as the adequacy of remedial action. The Committee also advises the Board on the risks aspects of proposed strategic transactions.

31.4 Audit Committee

The Audit Committee deals with insurance companies within the Group. The committee serves to satisfy the Group and operational boards of directors that adequate internal and financial controls are in place and that material risks are managed appropriately. More specifically, this committee is responsible for reviewing the financial statements and accounting policies, the effectiveness of the management information and systems of internal control, compliance with statutory and regulatory requirements, including actuarial input thereon, interim and final reports, the effectiveness of the internal audit function, external audit plans and findings on their respective reports. This committee reports directly to the board of directors of the Company. The committee meetings are attended by the external and internal auditors and are held at least quarterly.

31.5 Statutory actuary

The statutory actuary of the insurance subsidiaries reports on the capital adequacy and the financial soundness at the year-end date and for the foreseeable future. All new premium rates or premium rates where changes are required are reviewed by the statutory actuary. Dividend declarations are recommended to the Audit Committee for approval by the statutory actuary prior to payment to ensure that the insurance subsidiaries remain financially sound thereafter.

31.6 Capital adequacy requirements

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

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

- "Mortality risk – risk of loss arising due to policyholder death experience being different than expected"
- Morbidity risk – risk of loss arising due to policyholder health experience being different than expected
- Longevity risk – risk of loss arising due to the annuitant living longer than expected
- Investment return risk – risk of loss arising from actual returns being different than expected
- Expense risk – risk of loss arising from expense experience being different than expected
- Policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

31.7 Mortality and morbidity risk

Mortality risk is the risk of adverse financial impact due to actual mortality (death) claims being higher than anticipated. Morbidity risk is the risk of adverse financial impact due to policyholder health related (disablement and dread disease) claims being higher than expected. The Group and Company have the following processes and procedures in place to manage mortality and morbidity risk:

31.8 Pricing

Premium rates are differentiated by factors which historical experience has shown are significant determinants of mortality and morbidity claim experience. Prior to taking on individual risk policies, appropriate underwriting processes are conducted, which influence pricing on the policy prior to acceptance. The actual claims experience is monitored on a monthly basis so that deteriorating experience can be timeously identified. At the point of issuing new policies, consideration is given to update product pricing if the change in the experience, as evidenced by the commissioned periodic investigations, has become sustained and cannot be mitigated. Further, the valuation of liabilities is periodically updated with the new parameters arising from the periodic investigations. Detailed mortality and morbidity investigations are conducted on a bi-annual basis for key products. Allowance for special effects of specified medical conditions is made in product pricing as well as in the measurement of policyholder liabilities and assets.

31.10 Underwriting

Underwriting guidelines concerning authority limits and procedures to be followed in accepting new business are in place. For individual and institutional business, larger sums assured in excess of specified limits are subjected to underwriting and evaluated against established guidelines for accepting new business. The annually reviewable terms on institutional business enable premiums to keep pace with emerging claims experience. Part of the underwriting process involves assessing the health condition and family medical history of applicants. Terms and conditions are varied accordingly. Non-standard risks such as hazardous pursuits and medical conditions are assessed at underwriting stage. The expertise of reinsurers is used in the rating of non-standard risks. Financial underwriting is used where necessary to determine insurable interest.

31.11 Claims management

For mortality, claims are validated against policy terms and conditions. For morbidity, experienced claims assessors determine the merits of the claim in relation to the policy terms and conditions. In the case of disability annuitants, claim management ensures the continued eligibility for monthly income and includes interventions that may result in the full or partial medical recovery of the claimant. The actual disability experience is highly dependent on the quality of the claim assessment

31.12 Reinsurance

Reinsurance is used by the Group to reduce exposure to a particular line of business, a particular individual, a single event, and to benefit from the risk management support services and technical expertise offered by reinsurers. Regular reviews, which consider risk appetite, are conducted on reinsurance arrangements for new business. Given that large proportions of the Group's business is long term individual risk business, where the proportion of the risk that is reinsured is fixed for life at the inception of the policy, the Group's overall reinsurance result is heavily influenced by historical reinsurance arrangements. In some instances where underlying policyholder benefits are annually renewable, for example institutional business, reinsurance is annually renewable. Existing reinsurance arrangements include proportional reinsurance (quota share and surplus type arrangements) on both a treaty and facultative basis and catastrophe reinsurance which is renewed annually. Catastrophe reinsurance is consolidated across business units and is in place to reduce the risk of many claims arising from the same event. Various events are excluded from the catastrophe reinsurance (e.g. epidemics and radioactive contamination).

31.13 Longevity risks

Longevity risk is the risk of adverse financial impact due to actual annuitant mortality being lower than anticipated, that is annuitants living longer than expected. For life annuities, the loss arises as a result of the Group having undertaken to make regular payments to policyholders for their remaining lives, and possibly to the policyholders' spouses for their remaining lives. The most significant risks on these liabilities are continued medical advances and improvements in social conditions that lead to longevity improvements being better than expected. The Group manages the longevity risk by:

- annually monitoring the actual longevity experience and identifying trends over time;
- making allowance for future mortality rates falling in the pricing of new business and the measurement of policyholder liabilities. This allowance will be based on the trends identified in experience investigations and external data; and
- regularly verifying annuitants are still alive

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

31.14 Life insurance contract liability sensitivity analysis

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before income tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options and guarantees. When options and guarantees exist, they are the main reason for the asymmetry of sensitivities. The method used for deriving sensitivity information and significant assumptions made did not change from the previous period.

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

Base	Change in "assumptions (increase) (decrease)	Impact on liabilities	Impact on profit before tax	Impact on profit after tax
2022				
Mortality	+10%	(203 223 699)	203 223 699	(1 977 771)
Morbidity	-10%	(179 561 336)	179 561 336	(1 747 489)
Lapse	-10%	319 037 985	(319 037 985)	3 104 874
Expense	+10%	563 128 316	(563 128 316)	5 480 359
Discount rate	+1%	1 445 206 252	(1 445 206 252)	14 064 733
Investment return	+5%	(5 015 515 654)	5 015 515 654	(48 810 948)
2021				
Mortality	+10%	(45 621 783)	45 621 783	2 140 846
Morbidity	-10%	(47 000 133)	47 000 133	2 205 527
Lapse	-10%	73 659 062	(73 659 062)	(3 456 523)
Expense	+10%	15 019 725	(15 019 725)	(704 815)
Discount rate	+1%	120 978 073	(120 978 073)	(5 677 013)
Investment return	+1%	(3 750 606)	3 750 606	176 001

The above risk exposure is mitigated by the following strategies:

(i) Underwriting strategy

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

(ii) Pricing strategy

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

(iii) Valuation process

The Group and Company engaged an independent Actuary for the valuation of actuarial liabilities as at 31 December 2022. Management provides the independent Actuary with the following information for the current valuation:

-In force policy data as at 31 December 2022
-Product descriptions
-Audited financial statements as at 31 December 2022
-Written and oral communication from management regarding queries that arose on the information provided.

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

Key assumptions

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

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

Mortality rates

Assumptions are based on standard tables, according to the type of contract written. An investigation into the actual mortality experience of the Group and Company is used to compare the experience to the standard table. Adjustment to the standard table may be made where justified by the experience. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type. The valuation basis carries an extra mortality loading of 10% which is in line with the 10% Covid loading being used in the region. An increase in rates will lead to a larger number of claims (and claims could occur sooner than anticipated) which will increase the expenditure and reduce profits for the shareholders.

Longevity

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Group and Company's own risk experience. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type. An increase in longevity rates will lead to an increase in the number on annuity payments to be made, which will increase the expenditure and reduce profits for the shareholders.

Investment return and inflation

Economic assumptions are based on the existing investment portfolio, and take account of the expected future medium to long-term economic environment. These estimates are based on current market returns as well as expectations about future economic and financial developments. An increase in investment return would lead to an increase in profits for the shareholders.

Expenses

Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate. An increase in the level of expenses would result in an increase in expenditure, thereby reducing profits for the shareholders.

31.15 Concentration risk

The Group and Company's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and number of contracts written per product type. The following tables show the concentration of life insurance liabilities and investment contract liabilities by type of contract.

As at 31 December 2022	Insurance contract liabilities	Investment contract liabilities without DPF	Investment contract liabilities with DPF
	ZWL	ZWL	ZWL
Individual life business			
Conventional	8 587 391 906	-	-
Investments	-	3 153 147 361	-
Funeral	2 667 363 525	-	-
Group Life business			
Funeral	-	-	-
Risk business	-	-	-
Deposit administration	-	2 436 665 862	12 461 018 797
Annuity business	-	-	-
Total	11 254 755 431	5 589 813 223	12 461 018 797
As at 31 December 2021			
Individual life business			
Conventional	2,348,790,925	-	-
Investments	1,175,770,814	-	-
Funeral	1,388,789,904	-	-
	-	-	-
Group Life business			
Funeral	237,194	-	-
Risk business	98,968,469	-	-
Deposit administration	-	2,093,931,936	3,090,190,455
	-	-	-
Annuity business	255,413,589	-	-
	-	-	-
Total	5 267 970 894	2 093 931 936	3 090 190 455

(ii) Pricing strategy (continued)

Lapse and surrender rates
Lapse relates rates to the termination of policies on premiums not paid up. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Group and Company's experience and vary by product type, policy duration and sales trends. For lapses, the Group and Company's actual lapse experience is investigated. The lapse assumption is set based on this assumption but at a level that is expected to be consistent from year to year. An increase in lapse rates early in the life of the policy would tend to reduce profits for shareholders, but later increases are broadly neutral in effect.

Discount rate
Life insurance liabilities are determined as the sum of the discounted value of the expected benefits and future administration expenses directly linked to the contract, less the discounted value of the theoretical premiums that would be required to meet these future cash outflows. Discount rates are based on current industry risk rates, adjusted for the Group and Company's own risk exposure. A decrease in the discount rate will increase the value of the insurance liability and therefore reduce profits for the shareholders.

32 FAIR VALUE DISCLOSURES

The Group and Company measures investment property, land and buildings, which are disclosed as part of property and equipment, and investments in listed equities at fair value.

Valuation process - listed equities
The Group and Company obtains values of listed equities based on the prices quoted on the Zimbabwe Stock Exchange for counters listed in Zimbabwe and the Malawi Stock Exchange for counters listed in Malawi.

Valuation process - properties
The Group and Company's properties (investment property, land and buildings) are valued by independent external valuers in order to determine their fair values. Valuations were performed by Homelux Real Estate, an accredited independent property valuer, as at 31 December 2022.

Valuations of the Group and Company's commercial and industrial properties were based on comparative and investment methods .The investment method involves the capitalization of expected rental income by an appropriate yield. The comparative approach seeks to ascribe to the subject property a value similar to that achieved in transactions for comparable properties. The comparative method makes use of assessed rental value rates and capitalization rates for similar properties sold and after appropriate adjustments, such rates are applied to each property to determine its value. The valuation is based on market evidence. Residential stands and small pieces of undeveloped stands were valued based on sales evidence on similar properties situated in comparable residential suburbs as those of the subject properties. For large tranches of undeveloped land, the valuer adopted the development/residual value method. The assessment was based on the assumption that it is subdivided into smaller stands and fully serviced. The total estimated costs of development and disposal, which include servicing costs, agency fees, interest on servicing costs, contingency costs and the developer's profit, were then deducted from the value determined.

Depending on the valuation method applied, valuations are based upon assumptions that include transaction prices on similar properties, market related rental income and market yields.

32 FAIR VALUE DISCLOSURES (Cont'd)

Fair value hierarchy - Group	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL	Total ZWL	Total gain/(loss) for the period in statement of profit or loss and other comprehensive income ZWL	Total gain/(loss) for the period in through investment contract liabilities ZWL
31 December 2022						
Commercial	-	-	806 398 359	806 398 359	9 593 183 812	-
Residential	-	-	3 582 169 476	3 582 169 476	243 972 869	-
Land	-	-	31 708 147 396	31 708 147 396	1 083 772 249	2 864 791 479
Total investment properties	-	-	36 096 715 231	36 096 715 231	10 920 928 930	2 864 791 479
Equities at fair value through profit or loss	5 586 326 587	-	-	5 586 326 587	(834 376 924)	-
Land and buildings	-	-	4 000 296 300	4 000 296 300	1 310 393 782	-
31 December 2021						
Commercial	-	-	2,944,913,851	2,944,913,851	628,322,368	-
Residential	-	-	1,688,096,862	1,688,096,862	360,169,795	-
Land	-	-	16,220,457,096	16,220,457,096	3,460,772,207	855,863,989
Total investment properties	-	-	20 853 467 809	20 853 467 809	4 449 264 370	855 863 989
Equities at fair value through profit or loss	4 056 839 792	-	-	4 056 839 792	1 095 005 052	-
Land and buildings	-	-	2 656 585 693	2 656 585 693	754 736 551	(594 878 252)

Gains recorded in the statement of profit or loss and other comprehensive income for recurring fair value measurements categorised within level 3 of the fair value hierarchy amount to ZWL10,920,928,930 (December 2021: ZWL4,449,264,370). Fair value gains of ZWL2,864,791,479 (December 2021:ZWL855,863,989) allocated to investment contract liabilities. All gains recorded in the statement of profit or loss and other comprehensive income for recurring fair value measurements categorised within level 3 of the fair value hierarchy are attributable to changes in unrealised gains or losses relating to equities and fair value through profit and loss and other properties held at the end of the reporting period.

Valuation techniques and key unobservable inputs used to derive level 3 fair values
The table below presents the following for each class of the investment property:

- The fair value measurements at the end of the reporting period;
- The level of the fair value hierarchy (in this case level 3) within which the fair value measurements are categorised in their entirety;
- A description of the valuation techniques applied;
- The inputs used in the fair value measurement
- Quantitative information about the significant observable inputs used in the fair value measurement

Valuation technique	Key unobservable inputs	Range (Weighted average) 2022	Range (Weighted average) 2021	Class of property valued using this technique	Fair value 31-Dec-2022 ZWL	Fair value 31-Dec-2021 ZWL	Inter-relationship between unobservable inputs and key fair value measurement
Income capitalisation	- Rental per square metre -Capitalisation rate - Void rate	ZWL1300 - 1900 7% 0%	ZWL760-1210 7% 2%	CBD retail CBD offices	79 600 000 726 798 359	52 595 262 3,048,427,510	Increase or decrease in fair value would result from the following movements in these inputs respectively: "- decrease or increase in prime yield - decrease or increase in void rates "
Market comparison method	- Rate per square metre	ZWL55000 - 76500 ZWL55000 - 76500	ZWL27500-133100 ZWL27500-134200	Residential properties Land	3 582 169 476 31 708 147 396	1 531 987 945 16 220 457 092	The estimated fair value would increase if prices for comparable properties increased, and decrease if prices for comparable properties decreased.
Total					36 096 715 231	20 853 467 809	

Descriptions and definitions

The table above includes the following descriptions and definitions relating to valuation techniques and key unobservable inputs made in determining the fair values:

i. Income capitalisation method

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

32 FAIR VALUE DISCLOSURES (Cont'd)

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

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

iv. Void rate
The Group determines the void rate which can be experienced based on the percentage of estimated vacant space divided by the total lettable area.

v. Capitalisation rate
The prime yield is defined as the internal rate of return of the cash flow from the property, assuming a rise to estimated rental value ("ERV") at the next review, but with no further rental growth.

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

The significant unobservable inputs used in the fair value measurement categorised within level 3 of the value hierarchy of the Group's portfolio of investment properties and land and buildings were as follows:
- Capitalisation rate;
- Void rate;
- Rental per square metre; and
- Comparable transacted properties.

Sensitivity analysis

	Impact on property value 10% increase ZWL	Impact on property value 10% decrease ZWL	Impact on profit for the year 10% increase ZWL	Impact on profit for the year 10% decrease ZWL	Impact on equity 10% increase ZWL	Impact on equity 10% decrease ZWL
Rental per square metre	3 609 671 523	(3 609 671 523)	541 450 728	(541 450 728)	541 450 728	(541 450 728)
Capitalisation rate	(3 281 519 566)	4 010 746 137	(492 227 935)	601 611 921	(492 227 935)	601 611 921

Increases/(decreases) in the transaction prices on comparable properties and rental per square metre in isolation would result in a higher/(lower) fair value measurement.

Increases/(decreases) in the long-term void rate and prime yield in isolation would result in a lower/(higher) fair value measurement.

Analysis of property portfolio	Lettable space m2 December 2022	Lettable space m2 December 2021
Sector		
CBD retail and offices	9,031	9,031
Total	**9,031**	**9,031**

33 RETIREMENT BENEFITS

33.1 Fidelity Life Pension Fund
All eligible employees are members of the Fidelity Life Defined Contribution Pension Scheme which is administered by the Company. Employees in the subsidiary in Malawi are members of the Vanguard Life Assurance Pension Scheme which is administered by the Company.The fund is financed by Group and employee contributions.

Contributions were made as follows during the year:

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Employer's contribution	432 502 266	112 169 274	45 062 130	59 059 753

33.2 National Social Security Scheme

The Group employees in Zimbabwe contribute to the National Social Security Scheme, a Defined Contribution Pension Scheme promulgated under the National Social Security Act of 1989. The obligation under the scheme is limited to specific contributions legislated from time to time.The contribution rates were reviewed following the gazetting of Statutory Instrument 108 and 109 of 2020 on 15 May 2020 increasing the contributions from 3.5% to 4.5% of basic salary per employee per month limited to ZWL$225.

Contributions were made as follows during the year:

	GROUP		COMPANY	
	2022	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
Employer's contribution	18 157 705	4 452 761	9 023 302	2 962 969

34 RELATED PARTY INFORMATION

34.1 Related parties

The following are the related parties of the Company:

Related party	Nature of relationship	
Fidelity Life Financial Services (Private) Limited	Wholly owned subsidiary	
Zimbabwe Actuarial Consultants (Private) Limited	Wholly owned subsidiary	
Vanguard Life Assurance Company Limited	Subsidiary	
Fidelity Funeral Assurance (Private) Limited	Subsidiary	
Fidelity Life Asset Management Company (Private) Limited	Subsidiary	
Fidelity Life Medical Services Company (Private) Limited	Subsidiary	
Langford Estates 1962 (Private) Limited	Subsidiary	
Zambezi Properties (Private) Limited	Subsidiary	
Fidelity Life Medical Aid Society	Society managed by Fidelity Life Medical Services Company (Private) Limited	
Zimre Holdings Limited	Shareholder	
Turismo Investments (Private) Limited	Shareholder	
Credsure	Common shareholder	
Zimre Property Investments Limited	Common shareholder	
Emeritus Reinsurance (Private) Limited	Common shareholder	
WFDR Risk Services	Common shareholder	
Zimre Property Investments	Common shareholder	
Zimbabwe Insurance Brokers Limited	Common shareholder	
F. Ruwende	Non Executive Chairman	Retired 31 January 2022
L.T Gwata	Non Executive Chairman	Appointed 1 February 2022
Langton Mabhanga	Independent Non Executive Director	Appointed 1 February 2022
Takudzwa Chitsike	Independent Non Executive Director	Appointed 1 February 2022
S. Kudenga	Non Executive Director	
I. Mvere	Non Executive Director	
F. Dzanya	Non Executive Director	
G. Dhombo	Independent Non Executive Director	
H. Nemaire	Independent Non Executive Director	
B. Wesley	Key management	
S. Mudzengi	Key management	
N. Mupfurutsa	Key management	Resigned 31 December 2022
R. Chihota	Managing Director	Appointed 1 March 2022
M. Gumbo	Key management	Resigned 30 April 2022
K. Dube	Key management	
C. Matongo	Key management	
E. Masvavike	Key management	Resigned 30 June 2022
Z.Zvenyika	Group Chief Finance Officer	

34.2 Related party transactions

The following represent transactions with related parties during the year:-

Related party	Nature of transaction	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Income					
Vanguard Life Assurance Company Limited	Management fee income	-	-	-	-
Fidelity Life Financial Services (Private) Limited	Dividend income	-	-	-	-
Zimbabwe Insurance Brokers Limited	Pension contributions	123 881	425 852	123 881	425 852
Zimre Property Investments Limited	Pension contributions	2 049 254	7 044 513	2 049 254	7 044 513
Emeritus Reinsurance (Private) Limited	Pension contributions	82 501	283 607	82 501	283 607
Expenses					
Fidelity Life Medical Aid Society	Medical aid contributions	(2 212 996)	(7 607 392)	(1 741 140)	(5 985 341)
Zimbabwe Actuarial Consultants (Private) Limited	Actuarial fees	-	-	(1 861 639)	(6 399 569)
Fidelity Life Asset Management Company (Private) Limited	Management fees	-	-	(604 461)	(2 077 894)
Emeritus Reinsurance (Private) Limited	Reassurance premiums	(12 357 223)	(42 479 174)	(12 357 223)	(42 479 174)

34.3 Related party balances

34.3.1 Related party receivables

Included in trade and other receivables are the following balances:-

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Fidelity Life Asset Management Company (Private) Limited	-	-	20 491 279	15 652 791
Langford Estates 1962 (Private) Limited	-	-	21 929 376	43 100 179
Fidelity Life Financial Services (Private) Limited	-	-	236 627 481	92 690 293
Fidelity Funeral Services Company (Private) Limited	-	-	20 436 971	23 361 109
Fidelity Life Medical Aid Society	65 646 736	66 874	302 817	3 682 534
Fidelity Life Medical Services Company (Private) Limited	-	-	(12 830 092)	-
Zimbabwe Actuarial Consultants (Private) Limited	-	-	(58 741 142)	14 415 142
Zimre Holdings Limited	-	-	286 719 577	-
Credsure	-	-	6 297 757	-
Vanguard Life Assurance Company Limited	-	-	5 532	19 016
	65 646 736	66 874	521 239 555	192 921 064

34.3.2 Related party payables

Included in related party payables

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Fidelity Life Medical Aid Society	214 772 611	29 374 378	(6 932 224)	8 510 291
Fidelity Life Medical Services Company (Private) Limited	-	-	559 178	-
Fidelity Funeral Services Company (Private) Limited	-	-	-	-
Fidelity Life Financial Services (Private) Limited	-	-	10 444 949	2 056 167
Fidelity Life Asset Management Company (Private) Limited	-	-	2 541 357	3 278 672
Langford Estates 1962 (Private) Limited	-	-	-	-
Vanguard Life Assurance Company Limited	-	-	14 918 943	10 232 651
WFDR Risk Services	-	-	(5 238 440)	-
Zimre Property Investments	-	-	66 036 536	-
Zimbabwe Actuarial Consultants	-	-	135 966 940	31 753 863
	214 772 611	29 374 378	218 297 239	55 831 645

The related party payables are interest free and have no fixed repayment terms.
Related party payables are unsecured.

34.3.3 Related party loans

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Fidelity Life Financial Services (Private) Limited	-	-	29 664 674	101 975 248

The related party loan accrues interest at 50% and expires on 30 June 2022.

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
34.4 Compensation to key management				
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The compensation to key management was as follows during the year:-				
Short term benefits	103 085 195	354 365 540	5 105 741	17 551 489
Post employment benefits	9 970 972	34 276 202	504 149	1 733 063
Total	113 056 167	388 641 742	5 609 890	19 284 552
The remuneration of directors and key management is determined by the Human Resources and Corporate Governance Committee of the Board having regard to the performance of the individuals and market trends.				
34.5 Loans to key management				
Included in trade and other receivables as at year end are loans to key management as follows:-				
Loans receivable	150 764	518 266	16 892	58 068

The loans are payable over 5 years, attract interest at 15% per annum and are secured against the properties and motor vehicles that were acquired by the employees.

34.6 Directors' shareholding

The following directors have shareholding in the company as follows:-

	Number of shares 2022	Number of shares 2021
F. Ruwende	348	348

35 SUBSIDIARIES

The principal business of each of the subsidiaries of Fidelity Life Assurance of Zimbabwe, all of which have been included in the consolidated financial statements, is as follows:-

Description	Business	Location
Fidelity Life Asset Management Company (Private) Limited	Asset management	Zimbabwe
Fidelity Life Medical Services Company (Private) Limited	Medical aid management	Zimbabwe
Vanguard Life Assurance Company Limited	Life assurance	Malawi
Zimbabwe Actuarial Consultants (Private) Limited	Actuarial consultants	Zimbabwe
Fidelity Life Financial Services (Private) Limited	Micro-lending	Zimbabwe
Fidelity Funeral Services Company (Private) Limited	Funeral services	Zimbabwe
Zambezi Properties (Private) Limited	Property development	Zimbabwe
Langford Estates 1962 (Private) Limited	Property development	Zimbabwe

The shareholding of the company in each of the subsidiaries is as follows:-

Description	Shareholding 2022	Shareholding 2021
Fidelity Life Asset Management Company (Private) Limited	96%	96%
Vanguard Life Assurance Company Limited	62%	62%
Zimbabwe Actuarial Consultants (Private) Limited	100%	100%
Fidelity Life Financial Services (Private) Limited	100%	100%
Fidelity Funeral Services Company (Private) Limited	91%	91%
Zambezi Properties (Private) Limited	65%	-
Fidelity Life Medical Services Company (Private) Limited	100%	100%
Langford Estates 1962 (Private) Limited	81%	81%

36 NON-CONTROLLING INTERESTS

Vanguard Life Assurance Company Limited and Langford Estates1962 (Private) Limited are the only subsidiaries of the Company that have material non-controlling interests ("NCI"). The NCI of all other subsidiaries that are not 100% owned by the Group are considered to be immaterial. Summarised financial information in relation to the NCI of Vanguard Life Assurance Company Limited and Langford Estates (Private)

Limited before intra-group eliminations, is presented below:

	Vanguard Life		Langford Estates	
For the period ended 31 December	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Revenue				
Gross premiums written	1 853 559 247	2 177 828 437	-	-
Outward reinsurance premiums	(48 328 705)	(53 427 794)	-	-
		-		-
Net premiums earned	1 805 230 542	2 124 400 643	-	-
Fees from fund management and investment contracts	25 696 684	26 930 513	-	-
Interest income on money market investments	554 807 010	314 550 367	-	-
Fair value gains on equities at fair value through profit or		-		-
loss	508 709 190	324 007 962	-	-
Fair value gains on investment properties	75 970 031	68 387 433	7 679 989 074	3 317 019 278
Other income	53 732 026	65 738 821	33 109 408	629 482
		-		-
Total income	3 024 145 483	2 924 015 739	7 713 098 483	3 317 648 760
		-		-
Expenses		-		-
Claims and benefits	(835 039 431)	(921 409 260)	-	-
Reinsurance recoveries	7 208 998	78 763 923	-	-
		-		-
Net claims and benefits incurred	(827 830 433)	(842 645 336)	-	-
Change in life assurance policyholder liabilities	(1 582 416 018)	(1 275 725 164)	-	-
Fee and commission expenses, and other acquisition		-		-
costs	(90 801 962)	(113 001 735)	-	-
Other operating and administrative expenses	(570 642 957)	(679 051 640)	(7 055 415)	(39 888 048)
		-		-
Total expenses	(3 071 691 370)	(2 910 423 872)	(7 055 415)	(39 888 048)
		-		-
Profit from operations	(47 545 887)	13 591 867	7 706 043 067	3 277 760 715
Finance costs	(4 772 075)	(11 906 629)	-	-
		-		-
Profit before tax	(52 317 962)	1 685 238	7 706 043 067	3 277 760 715
Income tax expense	(77 707 235)	(42 693 625)	(383 999 454)	(165 850 964)
		-		-
Profit after tax	(130 025 198)	(41 008 387)	7 322 043 613	3 111 909 751
For the year ended 31 December				
Profit attributable to NCI	(49 708 633)	(41 659 527)	1 408 130 773	598 463 504
Other comprehensive income allocated to NCI	61 119 887	(87 293 770)	-	-
		-		-
Total comprehensive income allocated to NCI	11 411 254	(128 953 297)	1 408 130 773	598 463 504
		-		-
Cash flows from operating activities	(155 157 285)	(533 368 494)	-	-
Cash flows from investing activities	54 578 008	187 617 294	-	-
Cash flows generated from/ utilised from financing activities	(14 191 836)	(48 785 838)	-	-
		-		-
Net cash flows attributable to NCI	(114 771 113)	(394 537 035)	-	-
		-		-
Assets:		-		-
Property and equipment	168 818 683	117 386 892	-	-
Investment property	1 713 538 081	1 058 978 098	22 307 900 000	14 627 910 926
Intangible assets	204 085 557	178 655 584	-	-
Right of use assets	90 912 300	95 188 208	-	-
Trade and other receivables	2 306 211 844	1 149 685 093	-	-
Financial assets at fair value through profit or loss	4 712 681 239	2 018 858 115	-	-
Debt securities at armotised cost	4 667 037 781	2 147 637 381	-	-
Cash and cash equivalents	1 009 772 609	1 032 356 488	-	-
		-		-
	14 873 058 093	7 798 745 855	22 307 900 000	14 627 910 926

36 NON-CONTROLLING INTERESTS (Continued)

	Vanguard Life		Langford Estates	
	2022	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
		-		-
Liabilities:		-		-
Life assurance policyholder liabilities	13 203 598 681	6 633 475 020	-	-
Deferred tax	304 176 231	171 537 490	-	-
Trade and other payables	605 235 260	230 923 857	18 294 995	44 348 986
Lease obligation	24 319 337	64 264 529	-	-
Income tax liability	-	-	-	-
		-		-
	14 137 329 509	7 100 200 892	18 294 995	44 348 986
		-		-
		-		-
	614 930 643	243 417 490	4 179 863 618	2 771 732 845

37 SEGMENT REPORTING

Segment information

The Group has three main reportable segments as follows:

Insurance

This segment is involved in life assurance and pensions. The segment accounts for 82% (2021: 38%) of the Group's external income.

Microlending

This segment is involved in consumer loans, business loans and loans to farmers. It accounts for 5% (2021: 2%) of the Group's external income. The segment has experienced steady growth since its formation in 2010.

Property investment

This segment holds a land bank as investment property and the total income in this segment arises from fair value adjustments on property held.

Other

Included in this segment are the actuarial, asset management and funeral services units. These are individually immaterial and reported as other income.

Factors that management used to identify the Group's reportable segments

The Group's reportable segments are strategic business units that offer more or less similar services. The segment described as other comprises business units that have combined income significantly less than 10% of the combined revenue of all operating segments. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the executive management team including the Managing Director and the Chief Finance Officer.

Measurement of operating segment profit or loss, assets and liabilities

"The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The Group evaluates performance on the basis of profit or loss from operations but excluding non-recurring losses, such as goodwill impairment."

Inter-segment sales are priced along the same lines as sales to external customers, with an appropriate discount being applied to encourage use of Group resources at a rate acceptable to local tax authorities. This policy was applied consistently throughout the current and prior year.

The Group has no transactions with a single external customer that exceeds 10% of its total revenue.

37 SEGMENT REPORTING (continued)

2022	Insurance ZWL	Microlending ZWL	Property Investment ZWL	Other ZWL	Consolidation adjustments ZWL	Group ZWL
IFRS 4 income	4,082,780,792	-	-	-	-	4,082,780,792
IFRS 9 income	626,288,944	250,324,016	1,076,182	8,414,250		886,103,392
IFRS 15 Revenue at a point in time	40,346,518	-	-	942,495,969	(78 266 887)	904,575,600
IFRS 15 Revenue -over time	39,438,298	-	-	363,916,852	(289 101 259)	114,253,891
Other revenue	8,674,554,044	566,076,310	8 591 230 785	339,708,160	(7 644 356 121)	10,527,213,177
Total income	13 463 408 596	816 400 326	8 592 306 967	1 654 535 231	(8 011 724 268)	16 514 926 852
Total benefits, claims and other expenses	(14 195 182 481)	(787 432 723)	(21 428 679)	(628 554 266)	(45 996 754)	(15 678 594 903)
Profit before income tax	(731 773 885)	28 967 603	8 570 878 288	1 025 980 965	(8 057 721 022)	836 331 949
Depreciation of property and equipment	46 755 214	3 011 640	-	203 937	-	49 970 791
Amortisation of intangible assets	30 203 391	8 868 775	-	309 845	-	39 382 011
Finance costs	19 577 574	171 850 924	-	-	-	191 428 499
Fair value gains on equities	(744 308 496)	10 083 251	-	(100 151 679)	-	(834 376 924)
Fair value gains on investment property	3 264 215 341	55 487 520	8 591 230 784	130 318 093	(1 120 322 808)	10 920 928 930
Income tax expense	79 647 403	-	-	547 170 108	-	626 817 511
Additions to non-current assets	71 750 127	2 136 073	-	434 799	-	74 320 999
Reportable segment non-current assets	16 304 869 613	173 679 289	26 995 587 147	1 161 986 748	-	44 636 122 797
Reportable segment current assets	8 743 057 342	732 337 277	-	315 553 525	-	9 790 948 143
Reportable segment liabilities	45 540 014 254	724 927 332	2 297 747 627	297 483 197	-	48 860 172 411
Cash flows from operating activities	615 795 929	(58 053 011)	-	(97 104 275)	-	460 638 644
Cash flows from investing activities	117 240 245	15 229 057	-	(623 772 216)	-	(491 302 914)
Cash flows from financing activities	(28 997 335)	74 420 532	-	(121 983 239)	-	(76 560 042)
2021						
IFRS 4 income	3 678 634 800	-	-	-	-	3 678 634 800
IFRS 9 income	375 060 572	492 306 203	-	-	-	867 366 775
IFRS 15 Revenue at a point in time	551 277 976	-	-	150 538 806	(224 030 966)	477 785 816
IFRS 15 Revenue -over time	53 122 245	-	-	105 193 685	(128 549 938)	29 765 992
Other revenue	5 488 509 566	66 632 582	3 317 019 278	413 762 387	(2 980 296 717)	6 305 627 096
Total income	10 146 605 159	558 938 785	3 317 019 278	669 494 878	(3 332 877 621)	11 359 180 479
Total benefits claims and other expenses	(9 544 797 977)	(452 749 624)	(39 258 566)	(441 281 093)	417 158 425	(10 060 928 843)
Profit before income tax	601 807 250	106 189 162	3 277 760 712	228 213 717	(2 915 719 204)	1 298 251 636
Depreciation of property and equipment	81 398 655	4 431 829	-	5 465 591	-	91 296 075
Amortisation of intangible assets	142 997	6 260 427	-	1 065 061	-	7 468 485
Finance costs	36 600 652	118 552 878	-	-	-	155 153 530
Fair value gains on equities	903 551 258	42 118 505	-	149 335 289	-	1 095 005 052
Fair value gains on investment property	1 194 095 170	24 514 078	3 317 019 278	55 902 687	(142 266 845)	4 449 264 369
Income tax expense	120 434 462	45 896 041	-	186 906 684	-	353 237 187
	-	-	-	-	-	-
Additions to non-current assets	48 910 203	3 243 866	-	1 494 665	-	53 648 734
Reportable segment non-current assets	10 957 668 828	162 613 610	14 627 910 926	506 927 287	-	26 255 120 650
Reportable segment current assets	5 022 870 550	416 869 916	-	182 753 283	-	5 622 493 750
Reportable segment liabilities	29 161 653 316	427 871 786	44 348 986	206 469 857	-	29 840 343 946
	-	-	-	-	-	-
Cash flows from operating activities	(956 282 881)	(97 895 084)	-	(435 473 410)	-	(1 489 651 375)
Cash flows from investing activities	328 268 852	(7 960 031)	-	(474 860 748)	-	(154 551 927)
Cash flows from financing activities	(152 098 928)	86 341 926	-	322 629 377	-	256 872 375

37 SEGMENT REPORTING (Continued)

GEOGRAPHICAL INFORMATION	Zimbabwe ZWL	Malawi ZWL	Consolidation adjustments	Total ZWL
2022				
Income				
IFRS 4 income	1 998 378 859	1 805 230 540	-	3 803 609 399
IFRS 9 income	530 042 865	-	-	530 042 865
IFRS 15 Revenue- at a point in time	1 089 167 451	79 428 709	(161 398 071)	1 007 198 089
IFRS 15Revenue-over time	363 916 852	-	(205 970 076)	157 946 776
Other revenue	17 422 973 821	1 139 486 232	(7 546 330 331)	11 016 129 722
Total income	21 404 479 848	3 024 145 481	(7 913 698 478)	16 514 926 852
Depreciation of property and equipment	13 597 153	36 373 638		49 970 791
Amortisation of intangible assets	9 178 620	30 203 391		39 382 011
Finance costs	186 656 423	4 772 075		191 428 499
Fair value adjustments on equities	(1 343 086 114)	508 709 190		(834 376 924)
Fair value adjustments on investment property	10 844 958 899	75 970 031		10 920 928 930
Income tax expense	549 110 276	77 707 235		626 817 511
Segment profit before income tax	888 649 911	(52 317 962)		836 331 949
Cash flows from operating activities	615 795 929	(155 157 285)		460 638 644
Cash flows from investing activities	(545 880 924)	54 578 010		(491 302 914)
Cash flows from financing activities	(62 368 206)	(14 191 836)		(76 560 042)
Additions to non-current assets	58 802 275	15 518 724		74 320 999
Reportable segment non current assets	37 746 086 940	6 890 035 856		44 636 122 797
Reportable segment current assets	1 848 523 353	7 942 424 790		9 790 948 143
Reportable segment liabilities	34 722 842 900	14 137 329 511		48 860 172 411
2021				
Income				
IFRS 4 income	1 554 234 162	2 124 400 637	-	3 678 634 800
IFRS 9 income	552 816 408	314 550 367	-	867 366 775
IFRS 15 Revenue- at a point in time	674 886 338	26 930 513	(224 030 966)	477 785 886
IFRS 15 Revenue-over time	158 315 934	-	(128 549 938)	29 765 996
Other revenue	8 827 789 517	458 134 223	(2 980 296 718)	6 305 627 023
Total income	11 768 042 360	2 924 015 740	(3 332 877 621)	11 359 180 479
Depreciation of property and equipment	66 476 227	24 819 848		91 296 075
Amortisation of intangible assets	7 325 485	143 000		7 468 485
Finance costs	143 246 901	11 906 629		155 153 530
Fair value adjustments on equities	770 997 090	324 007 962		1 095 005 052
Fair value adjustments on investment property	4 380 876 936	68 387 433		4 449 264 370
Income tax expense	310 543 562	42 693 625	-	353 237 187
Segment profit before income tax	1 296 566 398	1 685 238	-	1 298 251 636
Cash flows from operating activities	(956 282 881)	(533 368 494)		(1 489 651 375)
Cash flows from investing activities	(342 169 228)	187 617 301		(154 551 927)
Cash flows from financing activities	305 658 213	(48 785 838)		256 872 375
Additions to non-current assets	35 630 942	18 017 792		53 648 734
Reportable segment non current assets	22 786 053 763	3 469 066 888		26 255 120 650
Reportable segment current assets	1 315 378 815	4 307 114 935		5 622 493 749
Reportable segment liabilities	22 740 143 047	7 100 200 899		29 840 343 946

38 PRESCRIBED ASSETS

The Pension and Provident Funds Act (Chapter 24:09) as amended by the Government of Zimbabwe Statutory Instrument 206 of 2019 requires companies in the life assurance industry to hold 15% of their assets as investments in prescribed stocks and bonds. The Company's investment in such assets is summarised below:-

	2022	2021
Counterparty	**ZWL**	**ZWL**
Inventories-South View Stands	1 756 608	6 038 455
Residential Stand Debtors	1 520 773	8 357 940
Development Bonds	52 323	179 874
Other non current assets	46 589 762	-
Investment Properties	4 688 400 000	3 080 858 357
	4 738 319 466	**3 095 434 625**
Total assets	**34 007 606 805**	**22 755 659 989**
Percentage of total assets	14%	14%

The Company is not fully compliant with the prescribed assets requirements in the current year.
The business intends to invest more in the prescribed assets in 2023 to ensure compliance.

39 Statutory Instrument 95 of 2017, Insurance (Amendment) Regulations 2017 (19)

The financial statements of the Company must comply with the provisions of Insurance Regulations 1989, promulgated as Statutory Instrument 95 of 2017 read with Instrument 59 of 2020, section (3).

The following are the details on compliance with the said provisions of the statute:

Section 3 (1) (a)
The minimum unencumbered capital requirement for an insurer for registration or ongoing operations shall be the equivalent of Seventy Five Million Zimbabwe Dollars in the case of an insurer which carries on life assurance business including funeral assurance.

	2022 ZWL	2021 ZWL
Investments	33 553 413 000	23 074 816 441
Allowance for inadmissible assets	(20 112 454 000)	(13 394 232 354)
		-
Value of Assets	13 440 959 000	9 680 584 088
		-
Actuarial values of policy liabilities	11 128 560 000	8 150 801 070
Other liabilities	768 708 000	837 388 748
		-
Total	11 897 268 000	8 988 189 818
		-
FLA statutory capital per SI95 requirement	1 543 691 000	692 394 269
		-
SI95 minimum statutory capital requirement	75 000 000	257 819 908
		-
Statutory capital surplus	1 468 691 000	434 574 362

The Company is fully compliant with the minimum capital requirements. Although this solvency position is healthy by international standards in a normal economy, the economic instability in Zimbabwe demands even higher solvency levels. To improve underwriting capacity and strengthen financial soundness of the Company, Management are still pursuing balance sheet restructuring initiatives of the equity and property portfolios to unlock value.

40 CONTINGENCIES

40.1 Litigations against the Company

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.

41 EVENTS AFTER THE REPORTING DATE

41.1 Dividend

At a board meeting held on 28 March 2023, the directors recommended not to declare a dividend for the year ended 31 December 2022. This decision was reached due to a need to preserve internal resources to fund the Group's growth strategy. No dividend was declared for the year ended 31 December 2022.

41.2 Approval of the consolidated financial Statements

The consolidated financial statements were approved by the Board of Directors for issue on 28 March 2023 and the directors have power to amend and/or reissue the financial statements should circumstances requiring that arise.

REGULATORY DISCLOSURES

1 Policyholder and shareholder funds

Fidelity Life Assurance of Zimbabwe conducted an asset separation between policyholders and shareholders in compliance with the requirements of the Insurance Act (Chapter 24:07) and the Pension and Provident funds Act (Chapter 24:09). Investments returns and assets allocation are disclosed as shown below representing policyholder and shareholder funds separately.

2022 1.1 Assets and liabilities allocation	2022 ZWL Policyholder	2022 ZWL Shareholder	2022 ZWL Total
Assets			
Land and buildings	-	39 765 576	39 765 576
Intangible assets	-	134 361 375	134 361 375
Investment property	10 485 909 997	-	10 485 909 997
Inventories	331 287 702	-	331 287 702
Investments in subsidiaries	19 405 626 163	1 626 509 391	21 032 135 554
Other assets	905 952 456	-	905 952 456
Equities at fair value through profit or loss	722 849 687	-	722 849 687
Debt securities at amortised cost	52 323	-	52 323
Cash and deposits with banks	348 489 965	6 802 170	355 292 135
Total assets	32 200 168 293	1 807 438 512	34 007 606 805
Liabilities			
Borrowings	-	-	-
Trade and other payables	2 846 228 027	181 674 129	3 027 902 157
Total liabilities	2 846 228 027	181 674 129	3 027 902 157
Net assets value			30 979 704 648
Allocated closing fund balance	29 353 940 265	1 625 764 382	30 979 704 648

2021 Assets and liabilities allocation	2022 ZWL Policyholder	2022 ZWL Shareholder	2022 ZWL Total
Assets			
Land and buildings	-	55 322 877	55 322 877
Intangible assets	-	120 059 878	120 059 878
Investment property	7 320 727 708	-	7 320 727 708
Inventories	331 287 702	-	331 287 702
Investments in subsidiaries	11 464 075 595	731 749 506	12 195 825 101
Other assets	530 376 788	-	530 376 788
Equities at fair value through profit or loss	1 756 888 891	-	1 756 888 891
Debt securities at amortised cost	179 874	-	179 874
Cash and deposits with banks	334 850 349	110 140 828	444 991 178
	-	-	-
Total assets	21 738 386 907	1 017 273 089	22 755 659 989
	-	-	-
Liabilities	-	-	-
Borrowings	-	-	-
Trade and other payables	1 293 195 159	82 544 372	1 375 739 531
	-	-	-
Total liabilities	1 293 195 159	82 544 372	1 375 739 531
	-	-	-
Net assets value	-	-	21 379 920 458
	-	-	-
Allocated closing fund balance	20 445 191 748	934 728 717	21 379 920 465

1.2 Investment returns allocation

	2022 ZWL	2021 ZWL
Direct revenue		
Net premiums earned	1 998 378 857	1 554 234 156
Brokerage commissions and management fees	54 088 133	65 092 720
Other operating income	150 703 614	(1 130 293 219)
Net claims and benefits incurred	(513 516 906)	(729 209 346)
Fees and commission expenses and other acquisition costs	(263 935 984)	(74 825 364)
Other operating and administrative expenses	(2 569 918 783)	(1 303 719 470)
Net direct growth in fund	(1 144 201 068)	(1 618 720 523)
Fair value gains	1 943 254 739	1 700 624 956
Share of profit subsidiaries	6 681 129 365	2 860 285 090
Other investment income	71 820 900	187 090 700
Southview project operating expenses	(43 792 820)	(151 742 451)
Finance costs	(14 805 499)	(24 694 027)
Income tax expense	(1 940 167)	(26 941 144)
Gains on property and equipment revaluations	-	595 888 879
Share of revaluation gains on property	2 070 926	7 168 754
Exchange differences arising on translation of foreign operations	708 941 338	(148 213 383)
Net investment returns	9 346 678 782	4 999 467 373
Net profit before change in policyholder liability	8 202 477 714	3 380 746 850
Allocation of profit (94:6)		
Policyholder	7 710 329 052	3 177 902 039
Shareholder	492 148 663	202 844 811

2 IPEC Currency reform guideline compliance

The Insurance and Pensions Commission (IPEC) issued currency reform guidelines in 2020 to compensate policyholders for the loss of value due to the change in currency from USD to ZWL. The following describe the steps taken by the Company to comply with the guideline for each product class and the split of assets and operating profits per each sub account thereof.

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

Policyholders who were present as at the determination date were identified and the policies have been made paid up as at the determination date. The paid-up values become the Sum Assured of the member as at 31 December 2018. Assets were split into Sub Account 1 and Sub Account 2 in compliance with the IPEC Guideline. The paid-up members participate in Sub Account 1 and benefit from bonuses allocated to participants in Sub Account 1. Contributions that were remitted post the Determination Date went towards purchasing a new policy at the policyholders' current age and the remaining term. The policyholders will benefit from bonuses allocated to Sub Account 2. Policyholders who bought policies before the Determination Date will participate in both Sub Accounts whilst those who bought policies after the Determination Date participates only in Sub Account 2.

2.2 Insurance contract liabilities and investment contract liabilities without discretionary participation features

The investment products have been split between Sub Account 1 and Sub Account 2. The members who were participating in the Fund before the determination date participate in Sub Account 1 and benefit from interest awarded to Sub Account 1. Contributions that were remitted post the Determination Date went invested in a separate Fund that is in Sub Account 2. The policyholders will benefit from interest awarded to Sub Account 2.

2.3 Below is the split of assets into the respective sub-accounts

2022	Sub- Account 1 ZWL	Sub- Account 2 ZWL	Sub- Account 3 ZWL	Total ZWL
Assets				
Prescribed assets	52 322	-	46 589 762	46 642 084
Land and buildings	-	-	-	-
Investment property	10 485 909 997	-	-	10 485 909 997
Listed equities	517 872 839	204 976 848	-	722 849 687
Unlisted equities	15 914 940 879	-	948 217 562	16 863 158 441
Money market investments	313 092 182	434 409	41 765 544	355 292 135
Inventories(Land and projects)	1 541 608	215 000	-	1 756 608
Loans and receivables	-	-	829 978 499	829 978 499
Non current trade receivables	-	-	-	-
Other	-	-	-	-
Total	27 233 409 827	205 626 257	1 866 551 367	29 305 587 451
2021				
Assets				
Prescribed assets	1 003 085	24 316	24 316	1 027 401
Land and buildings	995 663 703	23 431 472	23 431 472	1 019 095 175
Investment property	2 494 015 723	395 710 951	395 710 951	2 889 726 674
Listed equities	366 592 408	8 624 935	8 624 935	375 217 344
Unlisted equities	5 039 351 357	603 247 020	603 247 020	5 642 598 378
Money market investments	96 025 884	11 375 014	11 375 014	107 400 898
Inventories(Land and projects)	6 167 052	739 084	739 084	6 906 136
Loans and receivables	5 586 098	670 332	670 332	6 256 430
Non current trade receivables	56 850 772	6 805 417	6 805 417	63 656 189
Other	-	-	-	-
Total	9 061 256 082	1 050 628 541	1 050 628 541	10 111 884 624

2.4 Below is the split of profit into the respective sub-accounts

2022	Sub- Account 1 ZWL	Sub- Account 2 ZWL	Sub- Account 2 ZWL	Total ZWL
Operating profit				
Premiums net of reinsurance	-	1,199,027,314	799,351,543	1 998 378 857
Fee and commission income	-	54 088 133	-	54 088 133
Interest income from residential stands receivables	338 968	-	-	338 968
Investment income	66,427,495	501,562	4,552,876	71 481 933
Fair value gains/(losses)	(1,156,958,157)	(8,735,629)	(79,296,784)	(1 244 990 571)
Income from sale of stands	-	-	-	-
Gains/losses on property revaluation	3 188 245 310	-	-	3 188 245 310
Other income	6,367,329,391	48,076,613	436,410,551	6 851 816 554
Income	8 465 383 006	1 292 957 993	1 161 018 185	10 919 359 185
Benefits and claims after reinsurance	(477,206,484)	(3,603,155)	(32,707,267)	(513 516 906)
Change in liabilities	(7 148 815 395)	(53 977 235)	(489 972 840)	(7 692 765 469)
Policyholder benefits	(7 626 021 879)	(57 580 389)	(522 680 107)	(8 206 282 375)
Cost of sales of stands	-	-	-	-
Fee, commission and acquisition costs	-	(158,361,590)	(105,574,394)	(263 935 984)
Finance costs	-	(8,883,300)	(5,922,200)	(14 805 499)
Projects development	(43 792 820)	-	-	(43 792 820)
Operating expenses	-	(1,553,941,415)	(1,035,960,943)	(2 589 902 358)
Non-operating income	-	-	-	-
Other expenses	(43 792 820)	(1 721 186 304)	(1 147 457 536)	(2 912 436 661)
Profit before tax	795 568 307	(485 808 700)	(509 119 458)	(199 359 851)
Income tax	-	(9 760 000)	(9 760 000)	(1 940 167)
Profit after tax	795 568 307	(495 568 700)	(518 879 458)	(201 300 018)

Below is the split of profit into the respective sub-accounts (continued)

2021 **Operating profit**	**Sub- Account 1** ZWL	**Sub- Account 2** ZWL	**Total** ZWL
Premiums net of reinsurance	-	416 331 025	416 331 025
Fee and commission income	80 419 186	8 669 624	89 088 810
Interest income from residential stands receivables	28 171 122	-	28 171 122
Investment income	2 275 690	244 070	2 519 760
Fair value gains/(losses)	805 618 460	86 854 371	892 472 831
Income from sale of stands	15 342 003	-	15 342 003
Gains/losses on property revaluation	1 776 403 229	191 518 940	1 967 922 169
Other income	4 406 730 055	383 192 573	4 789 922 628
	-	-	-
Income	7 114 959 745	1 086 810 602	8 201 770 347
	-	-	-
Benefits and claims after reinsurance	(79 944 862)	(8 501 182)	(88 446 044)
Change in liabilities	(5 786 572 613)	(623 865 738)	(6 410 438 351)
	-	-	-
Policyholder benefits	(5 866 517 476)	(632 366 920)	(6 498 884 395)
	-	-	-
Cost of sales of stands	(471 551)	-	(471 551)
Fee, commission and acquisition costs	(10 441 340)	(1 124 095)	(11 565 434)
Finance costs	(20 451 828)	(2 203 501)	(22 655 329)
Projects development	(933 057 358)	(100 594 453)	(1 033 651 810)
Operating expenses	(316 125 364)	(135 482 643)	(451 608 007)
Non-operating income	307 676 101	34 186 920	341 863 020
	-	-	-
Other expenses	(972 871 340)	(205 217 771)	(1 178 089 112)
	-	-	-
Profit before tax	275 570 929	249 225 911	524 796 840
Income tax	-	(33 550 964)	(33 550 964)
	-	-	-
Profit after tax	275 570 929	215 674 947	491 245 876

HISTORICAL FIGURES


Isn't it amazing to sit back and enjoy in your old age knowing that you have made smart decisions
FIDELITY LIFE
MEDICAL AID SOCIETY
FIDELITY LIFE
FINANCIAL SERVICES
FIDELITY
FUNERAL SERVICES
FIDELITY LIFE
ASSET MANAGEMENT
ZIMBABWE ACTUARIAL
CONSULTANTS
FIDELITY LIFE
ASSURANCE OF ZIMBABWE
A Member of the ZHL Group

Consolidated
Statement of Financial Position
FOR THE YEAR ENDED 31 DECEMBER 2022

HISTORICAL

		GROUP	
		31-Dec-22	31-Dec-21
ASSETS	**Notes**	ZWL	ZWL
Property and equipment	5	3 897 472 350	774 216 149
Right of use asset	7	90 912 297	27 690 317
Investment property	6	36 096 715 231	6 066 289 056
Intangible assets	4	236 804 436	70 405 507
Other non current assets	4.1	47 940 190	-
Inventories	10	4 881 663	2 759 402
Trade and other receivables	9	3 654 064 843	560 732 635
Equities at fair value through profit or loss	11.4	5 586 326 587	1 180 137 666
Debt securities at amortised cost	11.5	4 667 090 105	624 801 606
Cash and deposits with banks	12	1 470 210 710	449 923 714
Total assets		55 752 418 412	9 756 956 052
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Issued share capital	13	1 089 233	1 089 233
Share premium		671 409	671 409
Treasury shares		(10 037)	(10 037)
Retained earnings		(2 484 826 299)	157 627 445
Revaluation reserve		3 030 637 023	100 464 382
Foreign currency translation reserve		1 132 049 077	125 436 207
Total ordinary shareholder's equity		1 679 610 405	385 278 639
Non-controlling interests		5 699 360 494	852 750 657
Total equity		7 378 970 899	1 238 029 296
Liabilities			
Insurance contract liabilities with discretionary participation features	14.1	24 458 354 615	5 993 684 045
Investment contract liabilities with discretionary participation features	14.2	12 461 018 797	866 203 666
Investment contracts without discretionary participation features	14.3	5 589 813 223	951 149 833
Borrowings	15	201 545 556	66 534 852
Deferred tax liabilities	17.1	1 665 264 442	270 868 738
Lease obligations	16	24 319 337	18 694 598
Trade and other payables	18	3 949 646 197	318 097 585
Income tax liability	17.3	23 485 346	33 693 439
Total liabilities		48 373 447 513	8 518 926 756
Total equity and liabilities		55 752 418 412	9 756 956 052

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

L. T Gwata
Chairman

R. Chihota
Managing Director

Separate
Statement of Financial Position

FOR THE YEAR ENDED 31 DECEMBER 2022

HISTORICAL

COMPANY

			Restated	Restated
		31-Dec-22	31-Dec-21	31-Dec-20
ASSETS	**Notes**	ZWL	ZWL	ZWL
Investment in subsidiaries	8	21 044 637 535	3 595 812 170	1,750,967,112
Property and equipment	5	33 068 554	1 596 768	280,277,788
Investment property	6	10 485 909 997	2 122 895 999	836,988,191
Intangible assets	4	32 705 034	18 403 533	18,403,533
Other non current assets	4.1	46 589 762	-	-
Deferred tax assets		572 971	-	-
Income tax asset		29 384 195	-	-
Inventories	10	1 756 608	1 756 608	2,008,966
Trade and other receivables	9	829 978 499	124 967 043	25,786,628
Equities at fair value through profit or loss	11.1	722 849 687	507 519 229	209,187,512
Debt securities at amortised cost	11.2	52 323	52 323	298,872
Cash and deposits with banks	12	355 292 135	125 509 495	233,934,160
Total assets		33 582 797 300	6 498 513 168	3 357 852 762
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Issued share capital	13	1 089 233	1 089 233	1,089,233
Share premium		671 409	671 409	671,409
Treasury shares		(10 037)	(10 037)	(10,037)
Retained earnings		667 562 063	259 601 199	62,644,615
Revaluation reserve		18 224 596	16 153 670	14,068,266
Foreign currency translation reserve		1 135 950 250	128 055 666	101,923,517
Total ordinary shareholder's equity		1 823 487 515	405 561 140	180 387 003
Non-controlling interests		-	-	-
Total equity		1 823 487 515	405 561 140	180 387 003
Liabilities				
Insurance contract liabilities with discretionary participation features	14.1	11 254 755 431	4 064 000 946	1 915 743 433
Investment contract liabilities with discretionary participation features	14.2	12 461 018 797	866 203 666	456 886 102
Investment contracts without discretionary participation features	14.3	5 589 813 223	951 149 833	397 468 982
Borrowings	15	-	-	16 859 568
Deferred tax liabilities	17.1	-	377 607	-
Trade and other payables	18	2 453 722 335	190 612 733	381 822 070
Income tax liability	17.3	-	20 607 243	8 685 604
Total liabilities		31 759 309 786	6 092 952 028	3 177 465 759
Total equity and liabilities		33 582 797 300	6 498 513 168	3 357 852 762

The above separate statement of financial position should be read in conjunction with the accompanying notes. Further information on the restatement is included in Note 11 to the financial statements.

L. T Gwata
Chairman

R. Chihota
Managing Director

Consolidated

Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2022

HISTORICAL		COMPANY		GROUP	
		2022	2021	2022	2021
	Notes	ZWL	ZWL	ZWL	ZWL
Gross premiums	19	1,549,847,174	433,404,029	3 403 406 422	1 066 935 975
Premiums ceded to reinsurers		(109,969,865)	(69,301,028)	(158 298 570)	(84 843 213)
Net premium written		1,439,877,309	364,103,001	3 245 107 852	982 092 762
Fees and commission income	20	38,242,443	14,670,468	63 939 126	92 480 664
Investment income	21	65,971,786	17,895,894	629 050 823	109 486 493
Interest income from residential stands receivables		338,968	5,702,277	338 968	5 702 277
Fair value (loss)/gains from equities		313,791,542	306,605,225	925 824 402	468 430 775
Fair value gains and losses investment property	32	8,363,013,998	790,918,828	24 956 413 046	3 005 523 574
Fair value gains losses from other non current assets	4.1	9,053,425	-	9 478 822	-
Interest income from microlending		-	-	346 712 607	102 314 597
Non insurance income	22	57,487,801	174,205,853	839 712 991	213 145 790
		15,031,895,653	1,841,300,050		
Total Income		25,319,672,925	3,515,401,596	31 016 578 637	4 979 176 932
Gross benefits and claims paid		(399,264,294)	(233,140,652)	(1 172 842 851)	(489 423 884)
Claims ceded to reinsurers		50,568,336	49,841,930	57 777 335	72 754 414
Net benefits and claims		(348,695,958)	(183,298,722)	(1 115 065 516)	(416 669 470)
Gross change in insurance contract liabilities with DPF	14.1	(7,190,754,484)	(1,809,159,826)	(8 773 170 399)	(2 180 269 106)
Gross change in investment contract liabilities with DPF		(11,594,815,131)	(409,317,564)	(11 594 815 131)	(409 317 564)
Gross change in investment contract liabilities without DPF		(3,429,299,258)	(553,507,748)	(3 429 299 258)	(553 507 748)
Fee and commission expenses, and other acquisition costs	23	(213,407,317)	(17,766,619)	(309 884 987)	(54 084 459)
Operating and administration expenses	24	(1,850,368,236)	(310,196,778)	(3 317 390 810)	(622 205 345)
Allowance for expected credit losses on receivables		(1,184,854)	8,875,549	(26 248 760)	(12 958 413)
Cost of sales of residential stands	10	-	(252,375)	-	(252 375)
Project development costs	24.1	(268,222,414)	(30,625,763)	(268 222 414)	(30 625 763)
Finance costs	25	(12,872,917)	(5,680,813)	(155 872 503)	(38 063 023)
Gain/(loss) on net monetary position		-	-	-	-
Total benefits, claims and other expenses		(24,909,620,571)	(3,310,930,659)	(28 989 969 778)	(4 317 953 266)
Profit before income tax		410,052,354	204,470,937	2 026 608 859	661 223 666
Income tax expense	26	(2,091,490)	(7,514,353)	(1 162 769 555)	(166 069 670)
Profit for the year		407,960,864	196,956,584	863 839 305	495 153 996
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Gross gains on property revaluation		-	339,097,687	2 931 609 487	416 599 249
Share of revaluation gains on property		2,070,926	2,085,403		
Income tax related to items that will not be reclassified to profit or loss		-	-	(1 436 846)	(1 446 885)
Gross change in insurance liabilities through OCI		-	(339,097,687)	-	(339 097 687)
Gains on property revaluation, net of income tax		2,070,926	2,085,403	2 930 172 641	76 054 677
Items that will or may be reclassified to profit or loss:					
Exchange differences arising on translation of foreign operations		1,007,894,584	26,132,149	1 582 434 954	42 305 568
Other comprehensive income for the year, net of income tax		1,009,965,510	28,217,552	4 512 607 595	118 360 245
Comprehensive income for the year		1,417,926,374	225,174,136	5 376 446 900	613 514 241
Profit for the year attributable to:					
Owners of the parent		407,960,864	196,956,584	(2 642 453 745)	105 126 654
Non-controlling interests		-	-	3 506 293 049	390 027 342
Profit for the year		407,960,864	196,956,584	863 839 305	495 153 996
Comprehensive profit attributable to:					
Owners of the parent		1,417,926,374	225,174,136	1 294 331 766	206 022 806
Non-controlling interests		-	-	4 082 115 134	407 491 435
Comprehensive profit for the year		1,417,926,374	225,174,136	5 376 446 900	613 514 241
Earnings per share attributable to the ordinary equity holders of the parent					
Basic and diluted earnings per share (cents)	27.1	378.02	182.51	(2,448.54)	97.41

The above consolidated and separate statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated
Statement of Changes in Equity
FOR THE YEAR ENDED 31 DECEMBER 2022

GROUP

	Share capital ZWL	Share premium ZWL	Treasury shares ZWL	Retained earnings ZWL	Revaluation reserve ZWL	Foreign currency translation reserve ZWL	Attributable to shareholders of parent ZWL	Non-controlling interest ZWL	"Total equity" ZWL
Year ended 31 December 2021									
Balance at 1 January 2021	1,089,233	671,409	(10,037)	52,500,791	24,409,705	100,594,732	179,255,833	445,259,222	624,515,055
Profit for the year	-	-	-	105,126,654	-	-	105,126,654	390,027,342	495,153,996
Other comprehensive income for the year	-	-	-	-	76,054,677	24,841,475	100,896,152	17,464,093	118,360,245
Comprehensive income for the year	-	-	-	105,126,654	76,054,677	24,841,475	206,022,806	407,491,435	613,514,241
Balance at 31 December 2021	1,089,233	671,409	(10,037)	157,627,445	100,464,382	125,436,207	385,278,639	852,750,657	1,238,029,296
Year ended 31 December 2022									
Balance at 1 January 2022	1,089,233	671,409	(10,037)	157,627,445	100,464,382	125,436,207	385,278,639	852,750,657	1,238,029,296
Profit for the year	-	-	-	(2,642,453,745)	-	-	(2,642,453,745)	3,506,293,049	863,839,305
Non controlling interest on acquisition of subsidiary								764,494,703	764,494,703
Other comprehensive income for the year	-	-	-	-	2,930,172,641	1,006,612,870	3,936,785,510	575,822,085	4,512,607,595
Comprehensive income for the year	-	-	-	(2,642,453,745)	2,930,172,641	1,006,612,870	1,294,331,766	4,846,609,837	6,140,941,603
Balance at 31 December 2022	1,089,233	671,409	(10,037)	(2,484,826,299)	3,030,637,023	1,132,049,077	1,679,610,405	5,699,360,494	7,378,970,899

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Separate
Statement of Changes in Equity
FOR THE YEAR ENDED 31 DECEMBER 2022

COMPANY

	Share capital ZWL	Treasury shares ZWL	Share premium ZWL	Retained earnings ZWL	Revaluation reserve ZWL	Foreign currency translation reserve ZWL	"Total equity" ZWL
Balance at 1 January 2021	1,089,233	(10,037)	671,409	62,635,962	14,068,267	101,923,517	180,378,350
Prior period error	-	-	-	8,653		-	8,653
Restated balance at 1 January 2021	1,089,233	(10,037)	671,409	62,644,615	14,068,267	101,923,517	180,387,003
Profit for the year	-	-	-	196,956,584		-	196,956,584
Other comprehensive income for the year	-	-	-	-	2,085,403	26,132,149	28,217,552
Comprehensive income for the year	-	-	-	196,956,584	2,085,403	26,132,149	225,174,136
Balance at 31 December 2021	1,089,233	(10,037)	671,409	259,601,199	16,153,670	128,055,666	405,561,140
Year ended 31 December 2022							
Balance at 1 January 2022	1,089,233	(10,037)	671,409	259,601,199	16,153,670	128,055,666	405,561,140
Profit for the year	-	-	-	407,960,864	-	-	407,960,864
Other comprehensive income for the year	-	-	-	-	2,070,926	1,007,894,584	1,009,965,510
Comprehensive income for the year	-	-	-	407,960,864	2,070,926	1,007,894,584	1,417,926,374
Balance at 31 December 2022	1,089,233	(10,037)	671,409	667,562,063	18,224,596	1,135,950,250	1,823,487,514

The above separate statement of changes in equity should be read in conjunction with the accompanying notes.

The following describes the nature and purpose of each reserve within equity

Reserve	**Description and purpose**
Share premium	Amount subscribed for share capital in excess of nominal value
Treasury shares	Cost of own shares held in treasury
Revaluation reserve	Gains/losses arising on the revaluation of property (other than investment property)
Foreign currency translation reserve	Gains/losses arising on retranslating the net assets of foreign operations into Zimbabwe Dollars.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

Consolidated
Statement of Cash Flows
FOR THE YEAR ENDED 31 DECEMBER 2022

		COMPANY		GROUP	
		2022	2021	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INCOME TAX	**Notes**	ZWL	ZWL	ZWL	ZWL
Profit before income tax		410 052 354	204 470 937	2 026 608 859	661 223 666
Adjustments:		(743 953 822)	20 814 749	(2 189 624 861)	(285 170 311)
Fair value gains on equities at fair value through profit or loss	11.1	(313 791 542)	(306 605 225)	(925 824 402)	(468 430 775)
Additions to financial assets at fair value through profit or loss	11.1	(12 356 470)	32 603 438	(317 705 234)	(87 467 628)
Disposals of financial assets at fair value through profit or loss	11.1	110 817 554	40 876 946	170 112 655	70 116 580
Fair value gains on investment property	7	(8 363 013 998)	(790 918 828)	(24 956 413 046)	(3 005 523 574)
Fair value gains from other non current assets		(9 053 425)	-	(9 478 822)	-
Amortisation of intangible assets	4		-	30 220 478	89 184
Depreciation of right of use asset			-	21 445 699	7 959 826
Finance costs		12 872 917	5 680 813	155 872 503	38 063 023
Depreciation of property and equipment	5	3 807 589	5 703 562	22 814 948	13 512 104
Gross change in insurance contract liabilities with DPF		7 190 754 484	1 809 159 826	8 773 170 399	2 180 269 106
Gross change in insurance contract liabilities with DPF		11 594 815 131	409 317 564	11 594 815 131	409 317 564
Gross change in investment contract liabilities without DPF		4 638 663 391	553 680 851	4 638 663 391	553 680 850
Interest income		(27 128 137)	(10 814 419)	(519 150 489)	(90 217 366)
Dividend income		(38 843 649)	(31 300 578)	(109 900 335)	(19 269 127)
Effects of inflation		(15 031 895 653)	(1 816 627 507)	-	-
Unrealised exchange gains/ (losses)		-	170 235 594	(1 024 838 176)	162 907 210
Projects development costs		(766 172 453)	30 625 763	268 222 414	30 625 763
Profit on disposal of investment property		268 222 414	(65 218 089)	-	(65 218 089)
Profit/(loss) on disposal of property, plant and equipment		- (1 651 975)	(15 584 962)	(1 651 975)	(15 584 962)
Changes in working capital		1 288 690 877	(311 887 607)	241 622 969	(507 270 849)
Decrease/ (increase) in inventories		-	252 358	(2 122 261)	(637 136)
Increase/(decrease) in trade and other receivables		(706 196 310)	(90 304 865)	(3 119 580 967)	(280 673 304)
Increase/(decrease) in trade and other payables		1 994 887 187	(221 835 100)	3 363 326 197	(225 960 409)
Cash (utilised)/ generated from operations		954 789 409	(86 601 920)	78 606 967	(131 217 494)
Income taxes paid		(52 082 928)	3 999 051	(124 515 186)	(31 395 413)
Net cash (utilised)/ generated from operations		902 706 481	(82 602 869)	(45 908 219)	(162 612 907)
Cash flows from investing activities					
Additions to and replacement of property and equipment	5	(35 279 375)	(1 185 876)	(79 377 250)	(6 593 981)
Additions to intangible assets	4		-	(19 242 202)	(7 252 030)
Acquisition of subsidiary		(14 301 501)		(638 905 496)	-
Additions to other non current assets		(638 905 496)		(38 461 368)	-
Proceeds from sale of other non current assets		(37 536 337)		7 918 683	-
Interest income				519 150 489	90 217 366
Dividend income		27 128 137	10 814 419	109 900 335	19 269 127
Proceeds from sale of investment property		38 843 649	(31 300 578)	-	19 035 806
Proceeds from sale of property and equipment		-	19 035 806	759 072	670 446
Additions to debt securities held at amortised cost		-		(441 713 350)	(284 355 222)
Maturities debt securities held at amortised cost			246 549	121 485 647	112 265 372
Net cash generated from in investing activities		(660 050 923)	(2 389 680)	(458 485 440)	(56 743 116)
Cash flows from financing activities					
Finance costs		(12 872 917)	(5 680 813)	(155 872 503)	(38 063 023)
Repayments lease obligations		-	(16 942 046)	(35 852 966)	(14 193 565)
Repayments of borrowings	15.3			(204 351 342)	(3 708 652)
Proceeds from borrowings	15.3	(12 872 917)	(22 622 859)	339 362 046	88 857 012
Net cash generated/ (utilised) from financing activities				(56 714 765)	32 891 772
Net (decrease)/increase in cash equivalents for the year		229 782 640	(107 615 408)	(561 108 426)	(186 464 251)
Cash and cash equivalents at the beginning of the year		125 509 495	233 124 904	398 763 439	542 922 122
Exchange differences on translation of a foreign operation				1 582 434 954	42 305 568
Cash and cash equivalents at the end of the year	12	355 292 135	125 509 495	1 420 089 967	398 763 439

The above consolidated and separate statements of cash flows should be read in conjunction with the accompanying notes.

4. INTANGIBLE ASSETS

	GROUP COMPUTER SOFTWARE 2022 ZWL	GROUP COMPUTER SOFTWARE 2021 ZWL	COMPANY COMPUTER SOFTWARE 2022 ZWL	COMPANY COMPUTER SOFTWARE 2021 ZWL
Net carrying amount at the beginning of the year	70,405,507	52,865,342	18,403,533	18,403,533
Gross carrying amount - Cost	71,210,741	53,581,392	18,457,809	18,457,809
Accumulated amortisation	(805,234)	(716,050)	(54,276)	(54,276)
Additions	19,242,202	7,252,030	14,301,501	-
Exchange rate movement on foreign operations	177,377,205	10,377,320	-	-
Impairment	-	-	-	-
Amortisation charge for the year	(30,220,478)	(89,184)	-	-
Net carrying amount at the end of the year	236,804,436	70,405,507	32,705,034	18,403,533
Gross carrying amount - Cost	267,830,148	71,210,741	32,759,310	18,457,809
Accumulated amortisation/impairment	(31,025,712)	(805,234)	(54,276)	(54,276)

A software with a cost of ZWL 19,242,203 and 2021 ZWL24,929,573 was acquired during the year, it has an estimated useful life of 4 years.

4.1 OTHER NON CURRENT ASSETS

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Balance at the beginning of the year	-	-	-	-
Additions	55,858,873	-	37,536,337	-
Disposals	(17,397,505)	-	-	-
Fair value gains through profit or loss	9,478,822	-	9,053,425	-
Balance at the end of the year	47,940,190	-	46,589,762	-

Gold coins with a cost of ZWL55,858,873 were purchased during the year

5 PROPERTY AND EQUIPMENT

GROUP

	Land and buildings ZWL	Motor vehicles ZWL	Equipment and computers ZWL	Furniture and fittings ZWL	Total ZWL
Net carrying amount at 1 January 2021	343,627,557	3,989,764	8,968,377	2,270,064	358,855,762
Gross carrying amount - cost/valuation	343,795,804	5,101,636	12,438,662	3,158,978	364,495,080
Accumulated depreciation	(168,247)	(1,111,872)	(3,470,285)	(888,914)	(5,639,317)
Additions	-	868,606	5,089,928	635,447	6,593,981
Exchange rate movement on foreign operations	4,520,302	642,441	1,524,786	316,970	7,004,499
Disposals	-	(1,059,723)	(54,154)	(211,350)	(1,325,227)
Gross carrying amount - cost/valuation	-	(3,672,162)	(279,838)	(211,350)	(4,163,351)
Accumulated depreciation	-	2,612,439	225,684	-	2,838,122
Depreciation charge for the year	(5,237,257)	(1,539,986)	(5,560,745)	(1,174,116)	(13,512,104)
Revaluation surplus	416,599,238	-	-	-	416,599,238
Gross carrying amount - cost/valuation	411,449,551	-	-	-	411,449,551
Accumulated depreciation	5,149,687	-	-	-	5,149,687
Net carrying amount at 31 December 2021	759,509,840	2,901,102	9,968,192	1,837,015	774,216,149
Gross carrying amount - cost/valuation	759,765,657	2,940,521	18,773,538	3,900,045	785,379,761
Accumulated depreciation	(255,817)	(39,419)	(8,805,346)	(2,063,030)	(11,163,612)
Additions	-	15,732,827	57,060,594	6,583,829	79,377,250
Exchange rate movement on foreign operations	97,910,010	10,974,989	23,450,075	3,378,830	135,713,904
Disposals	-	-	(629,491)	-	(629,490)
Gross carrying amount - cost/valuation	-	(1,646,901)	(984,582)	-	(2,631,482)
Accumulated depreciation	-	1,646,901	355,091	-	2,001,992
Depreciation charge for the year	(235,939)	(4,282,700)	(15,701,044)	(2,595,265)	(22,814,948)
Revaluation surplus	2,931,609,487	-	-	-	2,931,609,487
Gross carrying amount - cost/valuation	2,931,609,487	-	-	-	2,931,609,487
Accumulated depreciation	-	-	-	-	-
Net carrying amount at 31 December 2022	3,788,793,398	25,326,217	74,148,326	9,204,409	3,897,472,350
Gross carrying amount - cost/valuation	3,789,285,154	28,001,435	98,299,625	13,862,704	3,929,448,918
Accumulated depreciation	(491,756)	(2,675,218)	(24,151,299)	(4,658,295)	(31,976,568)

Land and buildings are carried at fair value determined on an open market value basis by independent professional valuers. The latest fair value was estimated as at 31 December 2022. There were no buildings pledged as collateral as at 31 December 2022.The value of land and buildings is categorised as a level 3 recurring fair value measurement, as disclosed in Note 32. The carrying amount of land and buildings had the assets been measured at cost as at 31 December 2022 ZWL514,668,701 and ZWL559,312,721 in 2021.

5 PROPERTY AND EQUIPMENT

COMPANY

	Land and buildings ZWL	Motor vehicles ZWL	Equipment and computers ZWL	Furniture and fittings ZWL	Total ZWL
Net carrying amount at 1 January 2021	278,052,000	1,179,281	688,192	358,315	280,277,788
Gross carrying amount - cost/valuation	278,052,000	2,361,115	1,408,138	464,873	60,496,962
Accumulated depreciation	-	(1,181,834)	(719,946)	(106,558)	(1,868,587)
Additions	-	-	1,095,766	90,110	1,185,876
Disposals	-	(1,049,669)	-	(211,350)	(1,261,019)
Gross carrying amount - cost/valuation	-	(1,858,711)	-	(211,350)	(2,070,061)
Accumulated depreciation	-	809,042	-	-	809,042
Depreciation charge for the year	(5,149,687)	(112,282)	(405,466)	(36,128)	(5,703,562)
Transfer to investment property	(612,000,000)				(612,000,000)
Revaluation surplus	339,097,687	-	-	-	339,097,687
Gross carrying amount - cost/valuation	333,948,000	-	-	-	221,034,000
Accumulated depreciation	5,149,687	-	-	-	9,205,638
		-		-	
Net carrying amount at 31 December 2021	-	17,329	1,378,491	200,948	1,596,768
Gross carrying amount - cost/valuation	-	502,403	2,503,903	343,633	3,349,940
Accumulated depreciation	-	(485,074)	(1,125,412)	(142,685)	(1,753,172)
Additions	-	-	31,810,965	3,468,409	35,279,375
Disposals	-	-	-	-	-
Gross carrying amount - cost/valuation	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-
Depreciation charge for the year	-	(9,900)	(3,666,992)	(130,697)	(3,807,589)
Transfer to investment property	-				-
Revaluation surplus	-	-	-	-	-
Gross carrying amount - cost/valuation	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-
Net carrying amount at 31 December 2022	-	7,428	29,522,465	3,538,661	33,068,554
Gross carrying amount - cost/valuation	-	502,403	34,314,869	3,812,042	38,629,314
Accumulated depreciation	-	(494,974)	(4,792,404)	(273,382)	(5,560,760)

Land and buildings are carried at fair value determined on an open market value basis by independent professional valuers. The latest fair value was estimated as at 31 December 2022. There were no buildings pledged as collateral as at 31 December 2022.The value of land and buildings is categorised as a level 3 recurring fair value measurement, as disclosed in Note 32.
The carrying amount of land and buildings had the assets been measured at cost as at 31 December 2022 ZWL 2,899,659 and ZWL3,141,670 in 2021.

6 INVESTMENT PROPERTY

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Balance at the beginning of the year	6,066,289,056	3,117,751,895	2,122,895,999	836,988,191
Additions	1,819,072,282	-	-	-
Improvements	-	-	-	-
Transfer from inventory	-	-	-	-
Reclassification from property plant and equipment	-	-	-	612,000,000
Disposals	(31,942,857)	(119,585,256)	-	(117,011,020)
Exchange rate movement on foreign operations	3,286,883,704	62,598,843	-	-
Fair value gains through profit or loss	24,956,413,046	3,005,523,574	8,363,013,998	790,918,828
Balance at the end of the year	36,096,715,231	6,066,289,056	10,485,909,997	2,122,895,999

Management determined that the investment properties consist of four classes of property – office and retail buildings, residential houses, and land investment properties are held for long term rental yields and capital appreciation. The property fair values are as shown below:

	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Class of property				
CBD retail	79 600 000	15 300 000	-	-
CBD offices	726 798 359	886 789 795	3 728 120 000	762 550 000
Residential properties	3 582 169 476	445 656 415	2 667 540 000	470 831 100
Land	31 708 147 396	4 718 542 846	4 090 249 997	889 514 899
	36,096,715,231	6,066,289,056	10,485,909,997	2,122,895,999

“As at 31 December 2022, the fair values of the properties are based on valuations performed by Homelux Real Estate an accredited independent valuer. Homelux Real Estate is a specialist in valuing these types of investment properties and has recent experience in the location and category of the investment properties being valued. 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. The fair value of investment properties is categorised as level 3 Refer to Note 32 for relevant fair values. Significant judgements and assumptions were applied for the Group’s Investment property portfolio. Land banks and residential properties were valued in Zimbabwe dollar using the market comparison method and the income capitalisation method was used to value commercial properties .During the year ZWL$13,086,709 (2021: ZWL$45,292,887) was recognised in the consolidated statement of profit or loss and other comprehensive income in relation to rental income from the investment properties. For the Company, rental income arising from investment properties amounted ZWL$69,140,670 (2021: ZWL$30,200,284). Direct operating expenses, including repairs and maintenance, arising from investment property that generated rental income amounted to ZWL$4,859,265 (2021: ZWL$914,344). Direct operating expenses, including repairs and maintenance, arising from investment property that did not generate rental income during the year amounted to ZWL$Nil(2021: ZWL$Nil). These expenses were mostly incurred on properties held by the Company.

7 RIGHT OF USE ASSET

The Group leases several offices in major towns and cities in Zimbabwe and Malawi and motor vehicles. Each lease is negotiated separately and will have terms and conditions that vary widely from those agreed for other lease arrangements. The lease agreements do not impose any covenants, and leased assets may not be used as security for borrowings. Lease contracts are usually signed for fixed periods of 1 to 5 years. The Group disclosed the office building under lease separately from property and equipment. In the 2020 year of assessement the Subsidiary in Malawi negotiated the lease from the five year period to one year resulting in the derecognition of the right of use asset as the lease is now being accounted as a short term lease.The motor vehicles lease periods approximated the estimated useful economic lives of the motor vehicles and the Group has a right to purchase the motor vehicles outright at the end of the minimum lease term by paying a nominal amount.The lease liability is disclosed on note 16.

	GROUP		
	Office buildings ZWL	Motor Vehicles ZWL	Total ZWL
Net carrying amount at 1 January 2021	-	27,690,317	27,690,317
Cost	-	30,300,754	30,300,754
Accumulated armotisation	-	(2,610,437)	(2,610,437)
Additions	-	-	-
Exchange rate movement on foreign operations	-	7,959,826	7,959,826
Derecognition of right of use asset	-	-	-
Cost	-		-
Amortisation	-		-
Amortisation for the year	-	(7,959,826)	(7,959,826)
Net carrying amount at 31 December 2021	-	27,690,317	27,690,317
Cost	-	38,260,580	38,260,580
Accumulated amortization	-	(10,570,263)	(10,570,263)
Additions	-	-	-
Exchange rate movement on foreign operations	-	84,667,679	84,667,679
	-		
Amortisation	-	(21,445,699)	(21,445,699)
	-		
Net carrying amount at 31 December 2022		90,912,297	90,912,297
Cost	-	122,928,260	122,928,260
Accumulated amortization		(32,015,962)	(32,015,962)
	-		

Set out below are the carrying amounts of lease liabilities and the movements during the period:

7.1 Movement analysis to 31 December 2022

Movements in right of use assets and lease liabilities as included in **note 7.1 and 16** during the year were as follows:

	GROUP	
	2022 Right-Of-Use Asset ZWL	2021 Right-Of-Use Asset ZWL
Balance as at 1 January 2021	27,690,317	27,690,317
Additions	-	-
Amortization	(21,445,699)	7,959,826
Derecognition of right of use asset	-	-
Exchange rate movement on foreign operations	84,667,679	(7,959,826)
Balance at 31 December 2021	90,912,297	27,690,317

7.2 The following amounts are recognised in profit and loss

	GROUP		COMPANY	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Armotisation of right of use assets	21 445 693	7,959,826	-	-
Interest expense on lease liabilities	4 772 075	3,463,647	-	-
Expense relating to short term leases	146 095 806	34,176,193	44,829,237	19,324,457

The Group had total cash outflows for leases amounted to ZWL$135,688,271 in 2022 and ZWL$37,639,840 in 2021.

8 INVESTMENT IN SUBSIDIARIES

The Company accounts for Investment in subsidiaries applying the equity method. The share of losses in Fidelity Funeral Services Company (Private) Limited exceeded the Company's interest in the subsidiary resulting in the accounting of share of losses to the extent of profit made in the current year.

	COMPANY	
	2022 ZWL	2022 ZWL
Fidelity Life Asset Management Company (Private) Limited	357,772,482	108,693,253
Fidelity Funeral Services Company (Private) Limited	-	-
Fidelity Life Medical Services Company (Private) Limited	182,659,687	17,706,115
Fidelity Life Financial Services (Private) Limited	179,844,672	41,518,288
Zimbabwe Actuarial Consultants (Private) Limited	270,333,940	51,085,916
Zambezi properties (Private) Limited	2,512,129,953	-
Langford Estates 1962 (Private) Limited	17,101,973,829	3,254,276,646
Vanguard Life Assurance Company Limited	439,922,972	122,531,952
	21,044,637,535	3,595,812,170

8.1 RECONCILIATION OF CARRYING AMOUNT

Opening balance	3,595,812,170	1,750,967,112
Equity accounted earnings	15,031,895,653	1,841,300,050
Share of revaluation gains on property	2,070,926	2,085,403
Share of exchange differences arising on translation of foreign operations	1,007,894,584	26,132,149
Acquisition of subsidiary	1,419,775,878	-
Dividends	(12,811,676)	(24,672,544)
Closing balance	21,044,637,535	3,595,812,170

9 TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Residential stand sales debtors	1,520,773	2,431,331	1,520,773	2,431,331
Micro-finance loans receivable	628,967,395	111,648,680	-	-
Insurance debtors	1,560,852,154	250,920,787	84,132,381	24,359,039
Other trade debtors	259,049,417	57,936,790	(3,328,692)	1,579,754
Trade receivables - gross	2,450,389,739	422,937,588	82,324,462	28,370,124
	(234,752,598)	(42,181,136)	(3,246,507)	(2,061,654)
Allowance for impairement- insurance debtors	(202,711,691)	(35,207,737)	(2,287,886)	(1,103,032)
Expected credit loss on trade receivables- other debtors	(32,040,907)	(6,973,399)	(958,622)	(958,622)
Trade receivables - net	2,215,637,141	380,756,452	79,077,954	26,308,471
Receivables from related parties, net of expected credit loss (''ECL'') (note 34.3.1)	65,646,736	2,759,644	521,239,555	58,883,760
Loans to employees, net of ECL	123,035,134	23,424	123,035,134	-
Total receivables classified as financial assets at amortised cost	2,404,319,011	383,539,520	723,352,643	85,192,231
Prepayments	1,038,369,320	137,511,285	46,362,431	9,245,791
Other receivables, net of ECL	211,376,512	39,681,830	60,263,425	30,529,021
Total trade and other receivables	3,654,064,843	560,732,635	829,978,499	124,967,043
Non-current portion	-	-	-	-
Current portion	3,654,064,843	560,732,635	829,978,499	124,967,043
Total trade and other receivables	3,654,064,843	560,732,635	829,978,499	124,967,043

9 TRADE AND OTHER RECEIVABLES (Continued)

There was a significant decline in stand debtors in the current period as most of the debtors settled their accounts and no new debtors were recognised as the Southview development project has reached its tail end. Included in other receivables balance are debtors arising from non core business activities such as rental debtors and debtors arising from disposal of non core assets from the Southview development project. Receivables from related parties , loans to employees and other receivables are shown net of expected credit losses. The amount of expected credit losses for these receivables are shown in the table below.

	GROUP		COMPANY	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Expected credit loss on trade receivables	234 752 598	42,181,136	3,246,508	2,061,654
Expected credit loss on loans to employees	-	-	-	-
Expected credit loss on other receivables	47 614	47,614	47,614	47,614
Expected credit loss on related party receivables	-	-	-	-
	234 800 212	42,228,750	3,294,122	2,109,268
Movements in expected credit losses were as follows:				
Opening credit loss allowance as at 1 January 2021	42,228,750	13,224,175	2,109,268	2,434,327
Receivables written off during the year as uncollectable	-	-	-	-
Net (decrease)/ increase during the year through profit or loss	26,248,760	12,958,413	1,184,854	(8,875,549)
Impact on year end ECL exposures transferred between stages during the year	166,322,702	16,046,162	-	8,550,490
Balance at the end of the year	234,800,212	42,228,750	3,294,122	2,109,268

The increase in expected credit losses has been disclosed separately on the face of the statement of profit or loss and other comprehensive income. Reversal of unutilised amounts is included in other operating income.

9.1 Impairment - Expected Credit Loss Models

With the adoption of IFRS 9, the Group revised its impairment methodology for each class of assets held at amortised cost that bear similar credit risk characteristics. The IFRS 9 methodology requires the use of forward looking probability weighted expected credit loss models to determine the impairment allowance on the financial assets held at amortised cost. The impairment methodology applied for each material class of financial assets is indicated below.

(i) Trade receivables: micro-finance loans receivable

In determining impairment allowances for micro-finance loans and advances, the Group applies the full expected credit loss model under IFRS 9. This model starts with establishing a 3 stage loan grading model, which grades each loan based on whether there has been a significant increase in the credit risk and/or a default event observed since the initial recognition of that loan. Under the current model, credit risk of each loan is tracked using the ageing of the receivable. The loan is graded into stage 1, stage 2 or stage 3 based on the age of the oldest outstanding instalment. The grade into which the loan is categorised determines how the impairment loss on the loan is calculated.
The stages are as defined below:

Stage 1 - Performing loans - all micro-finance loans advanced by the Group start off in this stage. In the absence of a significant deterioration in credit risk, the loans remain in Stage 1. For loans in Stage 1, ECL is estimated based on the loan's risk of default in the twelve months after the year end (12-month ECL).

Stage 2 - Non-performing loans - a micro-finance loan advances into Stage 2 if it experiences a significant increase in credit risk. For the Group, a micro-finance loan is assessed as having experienced a significant increase in credit risk when one or more instalment is overdue at the point of measuring the ECL. This is consistent with the rebuttable presumption in IFRS 9 that suggests that a debtor has experienced a significant increase in credit risk when it carries a balances that is 30 days overdue. For Stage 2 loans, the ECL represents losses expected over the remaining contractual life of the loan (lifetime expected credit loss). Interest is earned on gross value

Stage 3 - Loans in default - the loan reaches default when it carries an instalment older than 90days. IFRS 9 carries a rebuttable presumption that default does not occur later than when a financial asset is 90 days past due. For Stage 3 loans, the ECL represents losses expected over the remaining contractual life of the loan (lifetime expected credit loss).
Penalty interest is charged on the overdue amounts and interest is recognised of the net carrying amounts.

(i) Trade receivables: micro-finance loans receivable (continued)

After staging, the model then calculates the expected credit loss as a product of Probability of Default ("PD"), Loss Given Default ("LGD"), and Exposure At Default ("EAD"). The methods applied by the Group to determine these inputs are described below:

PD - Probability of default is the estimation of the likelihood of a loan reaching default state over a given time horizon. The determination of PD considers all reasonable and supportable information relating to the loan book that the Group can obtain without undue cost or effort. This includes information about past performance of the loan portfolio, current conditions and forecasts of future conditions that may affect the loans. This information is a combination of information that is internal and external to the Group. PDs were calculated for the 3 stages using Markov Chains. Regression analysis was done for unemployment risk against factors such gender, marital status, age. The linear coefficient and the intercept were used to estimate the percentage change in PD over the year. An adjustment of 0.28% was applied on the estimated PD to incorporate changes in the PD.

LGD - Loss given default is the financial loss that the Group could suffer when a borrower defaults on their loan. The Group used run-off triangles to model the progression of loans in default state from the year they were disbursed. The run-off triangles were tabulated starting with loans disbursed from 2012 through to 2022 as part of the determination of loss given default. A weighted average LGD ratio was calculated for the entire portfolio, adjusted for macro-economic factors and discounted at the original effective interest rate applicable to the micro-finance loans.

A small percentage of the micro-finance loan book is secured. LGD for the secured loans was estimated separately for each loan, rather than at portfolio level. For secured loans, the LGD is defined as the expected ultimate loss on the loan expressed as a proportion of the outstanding loan balance at the point of default. The ultimate loss is the difference between outstanding loan balance at default and the amount recovered from sale of the security held. The fair value of the assets held as security is determined through management estimates. Where the estimated fair value of the asset equals or exceeds the outstanding loan amount, LGD is estimated as zero. The calculated LGDs were adjusted for inflation based on the correlation that was established between LGD and inflation indices. EAD - Exposure at default is an estimation of the expected financial exposure to the Group at the point a loan reaches default state. EAD has been calculated as the amortised cost of each loan at the end of the minimum number of months that would be required for the loan to reach default state from its current state, assuming no collections are made on the loan. ECL is then calculated as a probability weighted average of a range of possible loss outcomes, with the key variables being PD and LGD.

The ECL calculated on the loans in the 3 stages is as follows:

	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
As at 31 December 2022				
Micro-finance loans receivable				
Performing	354,893,854	-	-	354,893,854
Overdue	-	142,585,813	-	142,585,813
Default	-	-	131,487,728	131,487,728
Gross carrying amount	354,893,854	142,585,813	131,487,728	628,967,395
Expected credit loss on micro-finance loans receivable	(791,977)	(5,623,314)	(24,666,993)	(31,082,284)
Net carrying amount	354,101,877	136,962,499	106,820,735	597,885,111
As at 31 December 2021				
Micro-finance loans receivable				
Performing	86,907,562	-	-	86,907,562
Overdue	-	7,372,590	-	7,372,590
Default	-	-	17,368,527	17,368,527
Gross carrying amount	86,907,562	7,372,590	17,368,527	111,648,680
Expected credit loss on micro-finance loans receivable	(248,744)	(642,166)	(4,732,865)	(5,623,775)
Net carrying amount	86,658,818	6,730,424	12,635,662	106,024,904

Analysis of changes in the gross carrying amount in relation to micro-finance loans receivable is as follows:

	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
As at 31 December 2022				
Gross carrying amount at beginning of the year	93,280,710	9,908,229	8,459,741	111,648,680
New receivables originated	560,428,597	169,236,941	87,863,690	817,529,228
Receivables derecognised or matured (excluding written off)	(280,259,979)	(4,670,897)	(11,446,176)	(296,377,052)
Receivables written off				-
Receivables transferred between stages during the year	(18,555,474)	(31,888,460)	46,610,473	(3,833,461)
Gross loan and advances to customers at year end	354,893,854	142,585,813	131,487,728	628,967,395

(i) Trade receivables: micro-finance loans receivable (Continued)

	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
As at 31 December 2021				
Gross carrying amount at beginning of the year	18,365,238	3,507,218	2,267,107	24,139,563
New receivables originated	72,592,634	6,685,236	11,237,369	90,515,239
Receivables derecognised or matured (excluding written off)	(1,524,667)	(687,124)	(5,382,233)	(7,594,024)
Receivables written off	-	-	-	-
Receivables transferred between stages during the year	3,847,505	402,899	337,498	4,587,902
Gross loan and advances to customers at year end	93,280,710	9,908,229	8,459,741	111,648,680

Movements in expected credit losses for micro-finance loans receivable were as follows:

	Stage 1 12-month ECL ZWL	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
As at 31 December 2022				
Balance at the beginning of the year	266,336	2,614,978	2,742,461	5,623,775
Allowances written off on uncollectable receivables	-	-	-	-
New allowances originated	871,394	860,444	546,589	2,278,427
Allowances derecognised or matured (excluding written off)	(743,375)	(402,289)	(5,408,864)	(6,554,528)
Impact on year end ECL of exposures transferred between stages during the year	397,622	2,550,181	26,786,807	29,734,610
Balance at the end of the year	791,977	5,623,314	24,666,993	31,082,284
As at 31 December 2021				
Balance at the beginning of the year	390,427	2,158,428	1,402,265	3,951,120
Allowances written off on uncollectable receivables	-	-	-	-
New allowances originated	215,262	113,447	2,845,415	3,174,124
Allowances derecognised or matured (excluding written off)	(13,866)	(11,727)	(129,460)	(155,053)
Impact on year end ECL of exposures transferred between stages during the year	(325,487)	354,830	(1,375,759)	(1,346,416)
Balance at the end of the year	266,336	2,614,978	2,742,461	5,623,775

(ii) Trade receivables: residential stand sales

The stand sales debtors represent trade debtors with a significant financing component. The IFRS 9 practical expedient for trade debtors requires that for such debtors, a policy choice be taken to either apply the simplified approach under the practical expedient, or the full three-stage approach under the general model. The Group elected to apply the simplified approach on its stands sales debtors. Under this approach, lifetime expected credit losses are recognised from initial recognition of the receivables, on a portfolio basis. The residential stand debtors are secured by the respective residential stands sold, significantly reducing the risk of outright loss. Credit loss is however expected from delayed payment of instalments by these debtors.

The expected loss rate is a significant estimate and has been calculated as a probability weighted average of a range of possible loss outcomes estimated based on historic, current and forward looking internal and macro-economic information that is readily available without undue cost or effort. Each scenario was adjusted to factor in time value of money at the original effective interest rate of the debtors, and inflation based on its correlation with the performance of the debtors' book. There was no material change in the impairment allowances on these debtors from prior year . However, due to significant increases in inflation rates at the end of the year, there was a significant reduction in the expected loss rate due to the inverse relationship established between inflation and expected losses on the stand sales debtors' book. The residential stand sales debtors are analysed below:

As at 31 December 2022	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Residential stand sales debtors			
Performing	-	-	-
Overdue	365 258	-	365 258
Default	-	1 155 515	1 155 515
Gross carrying amount	365 258	1 155 515	1 520 773
Expected credit loss on residential stand sales debtors	(68 273)	(890 349)	(958 622)
Net carrying amount	296 985	265 166	562 151

(ii) Trade receivables: residential stand sales (Continued)

As at 31 December 2021	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Residential stand sales debtors			
Performing	964,243	-	964,243
Overdue	339,231	-	339,231
Default	-	1,127,857	1,127,857
Gross carrying amount	1,303,474	1,127,857	2,431,331
Expected credit loss on residential stand sales debtors	(68,273)	(890,349)	(958,622)
Net carrying amount	1,235,201	237,508	1,472,709

Analysis of changes in the gross carrying amount in relation to stand sales receivables is as follows:

As at 31 December 2022	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Balance at the beginning of the year	2,384,221	47,110	2,431,331
New receivables originated	-	-	-
Receivables derecognised or matured (excluding written off)	(2,018,963)	1,108,405	(910,558)
Receivables written off	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-
Balance at the end of the year	365,258	1,155,515	1,520,773

As at 31 December 2021	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Balance at the beginning of the year	16,475,645	414,099	16,889,744
New receivables	-	-	-
Receivables derecognised or matured (excluding written off)	(15,337,287)	(398,475)	(15,735,762)
Receivables written off	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	1,245,862	31,486	1,277,348
Balance at the end of the year	2,384,221	47,110	2,431,331

Movements in expected credit losses for stand sales receivables are as follows:

As at 31 December 2022	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Opening loss allowance as at 1 January 2021	68,273	890,349	958,622
Allowances written off on uncollectable receivables	-	-	-
New allowances originated	-	-	-
Allowances derecognised or matured (excluding written off)	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-
Balance at the end of the year	68,273	890,349	958,622

As at 31 December 2021	Stage 2 Lifetime ECL ZWL	Stage 3 Lifetime ECL ZWL	Total ZWL
Opening loss allowance as at 1 January 2021	989,889	157,190	1,147,079
Allowances written off on uncollectable receivables	-	-	-
New allowances originated	-	-	-
Allowances derecognised or matured (excluding written off)	(977,414)	(198,582)	(1,175,996)
Impact on year end ECL of exposures transferred between stages during the year	55,798	931,741	987,539
Balance at the end of the year	68,273	890,349	958,622

There were no loans that were credit impaired at origination , however there were loans that originated and became impaired during the year.

(iii) Cash and short term deposits

The expected credit loss model under the IFRS 9 also applies to the Group's cash and short term deposits. Credit risk associated with counterparties hold the Group and Company's short term and demand deposits is assessed based on credit ratings determined by the Global Credit Rating Company, which ratings are external to the Group. Were these ratings are not available, counterparty credit risk is assessed through internal mechanisms designed to assess the strength of the counterparty's capacity to meet their contractual cash obligations in the near term.

As the deposits are for periods less than 3 months, no significant increases in credit risk was noted as at 1 January 2022 and over the course of the year. As such, the cash and short term deposits were classified within Stage 1, prompting a 12 month expected credit loss assessment per IFRS 9. The probability of default on these instruments was assessed as insignificant due to their short tenure, resulting in an immaterial ECL which has not been recognised.

(iv) Debt securities at amortised cost

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

(v) Insurance debtors

Insurance debtors were assessed to be outside the scope of IFRS 9's requirements. As such, the impairment allowance for insurance debtors continues to be measured on an incurred loss model. The Group has elected to provide in full all insurance debtors in the 120+ days and 10% on all insurance debtors in the 60 to 90+ days category.

(vi) Related party receivables

Expected credit losses on related party receivables were assessed as immaterial.There has been no indication of lack of capacity by the related parties to settle the balances when they fall due. As such the PD is estimated to approximate zero. No ECL has been recognised on these balancies

10 INVENTORIES

	GROUP		COMPANY	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Projects under development	1,736,115	1,736,115	1,736,115	1,736,115
Land inventory	-	-	-	-
Residential stands	20,493	20,493	20,493	20,493
Consumables	3,125,055	1,002,794	-	-
Closing balance	4,881,663	2,759,402	1,756,608	1,756,608

Inventories recognised as an expense during the year ended 31 December 2022 amounted to ZWLNil (2021: ZWL252,375). A balance of ZWL268,222,414 million of the project development costs relates to exchange lossess on the underlying liability. These are shown in the statement of profit or loss and other comprehensive income as project development costs.

There were no borrowing costs capitalised during the current financial year.

11 RESTATEMENTS

Prior period error consolidating Fidelity Life Medical Services Company (Private) Limited ("FLIMESCO") under Separate Financial Statements of the Company

Fidelity Life Assurance of Zimbabwe the Company restated financial statements following an error that resulted in the Company consolidating Fidelity Life Medical Services Company (Private) Limited ("FLIMESCO") as a subsidiary under FLA Company. The balances and transactions of Fidelity Life Medical Services Company (Private) Limited ("FLIMESCO") were inappropriately recognised in the Company's separate financial statements instead of accounting for it as an investment in subsidiary using the equity method, as required in accordance with the requirements of International Reporting Standards and accounting policy adopted by the Company. The restatement to correct this error is shown in the note below

IMPACT OF RESTATEMENTS

The tables below summarise the impact of the prior period error on the affected financial statement line items:

	COMPANY		
	As previously stated 2021 ZWL	Effect of restatement 2021 ZWL	Restated 2021 ZWL
Impact on statement of profit or loss and other comprehensive income - year ended 31 December 2021			
Fees and commission income	84,646,558	(69,976,090)	14,670,468
Investment income	17,781,732	24,786,706	42,568,438
Fair value gains and losses from equities	307,546,740	(941,515)	306,605,225
Fair value gains and losses from investment property	793,992,464	(3,073,636)	790,918,828
Non insurance revenue	174,848,341	(642,488)	174,205,853
Equity accounted earnings	1,803,303,675	13,323,831	1,816,627,507
Operating and administration expenses	(331,997,371)	21,800,593	(310,196,779)
Income tax expense	(22,228,300)	14,713,947	(7,514,353)
Impact on statement of cash flow			
Profit before income tax	219,193,536	(28,037,775)	204,470,937
Fair value gains on equities at fair value through profit or loss	(307,546,740)	941,515	(306,605,225)
Fair value gains on investment property	(793,992,464)	3,073,636	(790,918,828)
Depreciation of property and equipment	5,874,734	(171,172)	5,703,562
Interest income	(11,130,489)	316,070	(10,814,419)
Dividend income	(6,651,243)	(24,649,336)	(31,300,578)
Unrealised exchange gains/ (losses)	172,165,251	189,044	172,354,295
Increase/(decrease) in trade and other receivables	(115,414,297)	25,109,432	(90,304,865)
Increase/(decrease) in trade and other payables	(201,156,335)	(20,678,765)	(221,835,100)
Income taxes paid	(10,306,662)	14,305,713	3,999,051
Additions to and replacement of property and equipment	(1,565,446)	379,570	(1,185,876)

	COMPANY			COMPANY		
	As previously stated 2021 ZWL	Effect of restatement 2021 ZWL	Restated 2021 ZWL	As previously stated 2020 ZWL	Effect of restatement 2020 ZWL	Restated 2020 ZWL
Impact on statement of financial position						
Investment in subsidiaries	3,578,106,055	17,706,115	3,595,812,170	1,746,584,828	4,382,284	1,750,967,112
Property and equipment	2,091,882	(495,114)	1,596,768	280,564,504	(286,716)	280,277,788
Investment property	2,129,605,049	(6,709,050)	2,122,895,999	840,623,605	(3,635,414)	836,988,191
Trade and other receivables	156,042,127	(31,075,085)	124,967,042	31,752,281	(5,965,653)	25,786,628
Equities at fair value through profit or loss	511,080,261	(3,561,032)	507,519,229	209,192,588	(5,076)	209,187,512
Cash and deposits with banks	129,447,077	(3,937,582)	125,509,495	235,266,489	(1,332,329)	233,934,160
Retained earnings	259,601,198	(17,706,114)	241,895,084	62,635,962	8,653	62,644,615
Trade and other payables	218,143,055	(27,530,322)	190,612,733	388,673,627	(6,851,557)	381,822,070
Deferred tax liabilities	919,034	(541,427)	377,607	-	-	-

	GROUP		COMPANY	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 Restated ZWL
11.1 Financial assets at fair value through profit or loss				
Balance at the beginning of the year	1,180,137,666	578,987,988	507,519,229	209,187,512
Additions	317,705,234	87,467,628	12,356,470	32,603,438
Fair value adjustments - through profit or loss	925,824,402	468,430,775	313,791,542	306,605,225
Exchange gains/ loss	3,332,771,939	115,367,855	-	-
Disposals	(170,112,655)	(70,116,580)	(110,817,554)	(40,876,946)
Balance at the end of the year	5,586,326,587	1,180,137,666	722,849,687	507,519,229

Financial assets at fair value through profit or loss relate to shares held in various listed companies in Zimbabwe and Malawi. Refer to **note 30** for relevant fair value hierarchy disclosures.

	GROUP		COMPANY	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 Restated ZWL
11.2 Debt securities at amortised cost				
Balance at the beginning of the year	624,801,606	316,923,519	52,323	298,872
Additions	441,713,350	284,355,222	-	-
Interest	367,830,703	54,773,130		
Exchange (loss)/gain	3,354,230,092	81,015,107	-	-
Maturities	(121,485,647)	(112,265,372)	-	(246,549)
Balance at the end of the year	4,667,090,105	624,801,606	52,323	52,323

Debt securities at amortised cost include development bonds and treasury bills that carry prescribed asset status. Interest rates on these instruments range from 5% to 16%. 99% of the bonds will have matured by 31 December 2022, and the remaining 1% extend as far as 2026. Further disclosure on prescribed assets is provided in Note 38.

12 CASH AND DEPOSITS WITH BANKS

	GROUP		COMPANY	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Money market investments	938 862 435	282,811,181	158,638,386	30,676,058
Bank and cash	531 348 275	167,112,533	196,653,749	94,833,437
Restricted cash	-	-	-	-
Cash and deposits with banks	1 470 210 710	449,923,714	355,292,135	125,509,495
Bank overdraft	(50 120 743)	(51,160,275)	-	-
Cash and cash equivalents	1 420 089 967	398,763,439	355,292,135	125,509,495

13 SHARE CAPITAL

Authorised share capital				
200,000,000 ordinary shares with a nornimal value of ZWL0.01 each	2,000,000	2,000,000	2,000,000	2,000,000
Issued and fully paid share capital				
108,923,291 ordinary shares with a nornimal value of ZWL0.01 each	1,089,233	1,089,233	1,089,233	1,089,233

91 076 709 unissued shares and 1 003 743 treasury shares are under the control of the Directors subject to the limitations imposed by the Articles and Memorandum of Association of the Company, the Zimbabwe Companies and Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange Listing Requirements.

14 INSURANCE AND INVESTMENT CONTRACT LIABILITIES

14.1 Insurance contract liabilities with discretionary participation features

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Balance at the beginning of the year	5,993,684,045	3,093,928,925	4,064,000,946	1,915,743,433
Split out of investment contract liabilities without DPF	-	-	-	-
Change in life assurance policyholder liabilities for the year	18,464,670,570	2,899,755,120	7,190,754,484	2,148,257,513
Movement through profit or loss-Insurance contracts with DPF	8,773,170,399	2,180,269,106	7,190,754,484	1,809,159,826
Movement through other comprehensive income	-	339,097,687	-	339,097,687
Exchange rate movement on foreign operations	9,691,500,171	380,388,327	-	-
Balance at the end of the year	24,458,354,615	5,993,684,045	11,254,755,431	4,064,000,946

14.2 Investment contract liabilities with discretionary participation features

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Balance at the beginning of the year	866,203,666	456,886,102	866,203,666	456,886,102
Movement through profit or loss-Investment contract liabilities with DPF	11,594,815,131	409,317,564	11,594,815,131	409,317,564
Balance at the end of the year	12,461,018,797	866,203,666	12,461,018,797	866,203,666

14.3 Investment contracts without discretionary participation features

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Balance at the beginning of the year	951,149,833	397,468,983	951,149,833	397,468,982
Other investment income	47,100,164	29,348	47,100,164	29,349
Gross premium income	1,166,481,538	3,391,219	1,166,481,538	3,391,219
Gross benefits and claims paid	(4,217,570)	(3,247,465)	(4,217,570)	(3,247,465)
Movement through profit or loss	3,429,299,258	553,507,748	3,429,299,258	553,507,748
Fair value gains from equities	(459,678)	118,305,592	(459,678)	118,305,592
Fair value gains from investment properties	4,497,379,302	445,474,762	4,497,379,302	445,474,762
Investment expenses	(1,067,620,366)	(10,272,606)	(1,067,620,366)	(10,272,606)
Balance at the end of the year	5,589,813,223	951,149,833	5,589,813,223	951,149,833

15 BORROWINGS

15.1 Current borrowings

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
ZB Bank Limited	201 545 556	51,160,275	-	-
Ecobank Zimbabwe Limited		15,374,577	-	-
Current portion of non-current borrowings	-	-	-	-
	201 545 556	66,534,852	-	-

ZB Bank Limited Loan

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.

15.2 Movement in borrowings

Movements in borrowings during the year were as follows for both the Group and the Company:

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Balance at the beginning of the year	66,534,852	32,464,290	-	93 157 538
Net cash out flow on borrowings	135,010,704	33,988,085	-	(78 619 064)
Proceeds from borrowings	339,362,046	88,857,012	-	-
Repayment of borrowings	(204,351,342)	(54,868,927)	-	(78 619 064)
Finance costs capitalised	138,227,511	32,925,645	-	24 694 027
Finance costs paid	(138,227,511)	(32,925,645)	-	(24 694 027)
Exchange differences on foreign currency denominated loans	-	82,477		
			-	(9 333 616)
Balance at the end of the year	201,545,556	66,534,852	-	(5 204 858)
Current borrowings	201,545,556	66,534,852	-	-
Non-current borrowings	-	-		
			-	-
Borrowings as at 31 December	201,545,556	66,534,852	-	-

16 LEASE OBLIGATIONS

The Group leased motor vehicles with a net carrying value of ZWL$90,912,297 (2021: ZWL$27,690,297). The transaction was generally classified as a lease liability in accordance with IFRS 16. The lease periods approximated the estimated useful economic lives of the motor vehicles and the Group has a right to purchase the motor vehicles outright at the end of the minimum lease term by paying a nominal amount.

Set out below are the carrying amounts of the lease liability and the movements during the year

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Balance as at 1 January	18,694,598	25,057,474	-	-
additions	-	-	-	-
Derecognition of right of use asset	-	-	-	-
Interest	4,772,075	3,463,647	-	-
Payments	(35,852,966)	(14,193,565)	-	-
Exchange rate movement on foreign operations	36,705,629	4,367,042	-	-
Balance as at 31 December	24,319,337	18,694,598	-	-

16 LEASE OBLIGATIONS (Continued)

	Minimum lease payments	Interest payments	Present value
	ZWL	ZWL	ZWL
2022			
Not later than one year	25 241 712	922 375	24,319,337
Between one year and five years	-	-	-
Later than five years	-	-	-
	25,241,713	922,375	24,319,337
Current liabilities			24,319,337
Non-current liabilities			-
			24,319,337
2021			
Not later than one year	15,903,098	2,041,933	13,861,164
Between one year and five years	4,999,319	165,884	4,833,434
Later than five years	-	-	-
	20,902,417	2,207,817	18,694,598
Current liabilities			13,861,164
Non-current liabilities			4,833,434
			18,694,598

17 DEFERRED INCOME TAX

17.1 Deferred tax liability

	GROUP		COMPANY	
	2022	2021	2022	2021
	ZWL	ZWL	ZWL	ZWL
Property and equipment	19,800,857	4,774,711	(11,282)	5,564
Investment property	1,627,203,749	267,366,524	-	-
Provisions	18,259,835	(1,272,497)	(561,689)	372,043
Total	1,665,264,442	270,868,738	(572,971)	377,607
Reconciliation				
Balance at the beginning of the year	270,868,738	147,457,165	377,607	-
Movement through profit or loss	1,065,377,768	111,414,313	(950,577)	377,607
Movement through other comprehensive income	1,436,846	1,446,885	-	-
Other temporary differences	-	-	-	-
IFRS 9 adjustment	-	-	-	-
Exchange rate movements	327,581,090	10,550,375	-	-
Balance at the end of the year	1,665,264,442	270,868,738	(572,971)	377,607

17.2 Deferred income tax impact on profit or loss

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Decrease/(increase) in deferred tax asset through profit or loss	-	-	-	-
Increase in deferred tax liability through profit or loss	1,065,377,768	111,414,313	950,577	377,607
Deferred income tax charge/(credit) included in profit or loss	1,065,377,768	111,414,313	950,577	377,607

17.3 Income tax liability / (asset)

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Balance as at 1 January 2022	33,693,439	9,430,923	20,607,243	8,685,604
Charge for the year	1,162,769,555	166,069,670	2,091,490	22,228,300
Paid during the year	(124,515,186)	(31,395,413)	(52,082,928)	(10,306,662)
Monetary gain/loss adjustment	(1,048,462,463)	(110,411,741)	-	-
Balance as at 31 December 2022	23,485,346	33,693,439	(29,384,195)	20,607,243

18 TRADE AND OTHER PAYABLES

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Trade payables	2,539,754,545	121,525,222	13,481,005	72,454,758
South View offsite works liability	359,236,020	52,273,724	359,236,020	52,273,724
Related party payables (note 34.3.2)	214,772,611	11,285,218	218,297,239	18,981,656
Deferred income from sale of residential stands	4,399,338	4,533,864	4,399,338	4,533,864
Statutory liabilities	1,278,329	17,998,305	1,278,329	17,998,305
Accrued expenses	90,024,708	51,379,212	84,870,118	4,420,769
Other payables	740,180,646	59,102,040	1,772,160,286	19,949,657
	3,949,646,197	318,097,585	2,453,722,335	190,612,733

18.1 Deferred income reconciliation

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Balance at the beginning of the year	4,533,864	4,533,864	4,533,864	4,533,864
Capitalised	-	-	-	-
Movement through profit or loss	(134,526)	-	(134,526)	-
Balance at the end of the year	4,399,338	4,533,864	4,399,338	4,533,864

Trade payables represent liabilities for goods and services provided to the Group and Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually due within 30 days of invoice or statement date. Other payables mainly relate to accrued finance costs, accrued value added tax, accrued staff expenses and accrued audit fees. Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method. As these are mostly payable within twelve months of provision of the goods or services, the impact of discounting is not expected to be material. Their carrying amounts are considered to be the same as their fair values, due to their short-term nature.

19 GROSS PREMIUMS WRITTEN

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Employee benefits income				
Annuity consideration	190,226,338	116,054,085	-	42,192,753
Recurring premiums	1,165,409,688	392,065,459	645,340,979	194,899,307
New business premiums	257,196,672	14,377,653	187,535,619	1,197,295
Single premiums	378,175,063	108,291,187	-	27,706,479
	1,991,007,761	630,788,384	832,876,598	265,995,834
Individual life income				
Life premiums	262,655,744	133,728,269	88,580,702	85,843,497
Funeral premiums	628,389,873	81,564,696	628,389,874	81,564,697
Single premiums	521,353,044	220,854,626	-	-
	1,412,398,661	436,147,591	716,970,576	167,408,195
Gross premiums	3,403,406,422	1,066,935,975	1,549,847,174	433,404,029

20 FEES AND COMMISSION INCOME

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Brokerage fees-recognised at a point in time	8,987,977	3,190,847	8,987,977	3,190,847
Reinsurance commission- recognised over time	29,254,466	11,933,065	29,254,466	11,479,621
Management fees-recognised at a point in time	25,696,684	77,356,752	-	-
	63,939,126	92,480,664	38,242,443	14,670,468

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL

21 INVESTMENT INCOME

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Interest income	519,150,489	90,217,366	27,128,137	11,583,929
Dividend income	109,900,335	19,269,127	38,843,649	6,311,965
Other investment income	-	-	-	-
	629,050,823	109,486,493	65,971,786	17,895,894

22 NON INSURANCE INCOME

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Actuarial fees-recognised over time	122,875,099	23,675,220	-	-
Management fees-recognised at a point in time	343,667,984	9,669,549	22,024,489	47,831,988
Sale of funeral services- recognised at a point in time	115,156,030	18,254,855	-	-
Income recognised under IFRS 15	581,699,113	51,599,624	22,024,489	47,831,988
Rental and other property income	13,086,709	45,292,887	69,140,670	30,200,284
Profit on disposal of property and equipment	1,651,975	15,584,962	1,651,975	15,584,962
Profit on disposal of investment property	-	65,218,089	-	65,218,089
Bad debts recovered	-	-	-	-
Debtors impairment allowance reduction	-	1,780,091	-	1,780,091
Loan establishment and administration fee income	19,608,698	9,663,365	-	-
Sundry	223,666,494	24,006,772	(35,329,334)	13,590,439
	839,712,991	213,145,790	57,487,801	174,205,853

Sundry income includes land sale agreement withdrawal charges, charges for funeral services provided to parties not insured by the Group and other miscellaneous income.

23 FEE AND COMMISSION EXPENSES AND OTHER ACQUISITION COSTS

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Fee and commission expenses	309,626,627	54,084,459	213,148,957	17,766,618
Other acquisition costs	258,360	-	258,360	-
	309,884,987	54,084,459	213,407,317	17,766,619

24 OPERATING AND ADMINISTRATIVE EXPENSES

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Staff costs	1,124,117,560	306,994,261	458,550,181	170,468,490
Auditors' remuneration	158,258,683	21,931,736	129,007,157	14,562,621
Directors' remuneration - fees	52,041,030	10,692,668	38,443,155	7,084,193
- other services	1,557,746	257,779	-	-
Depreciation of property and equipment	22,833,622	13,512,103	3,807,589	5,703,561
Computer and data expenses	34,841,359	8,109,826	26,527,213	3,584,705
Marketing expenses	78,884,024	15,935,090	44,217,046	4,652,945
Actuarial, legal and other professional fees	139,356,133	36,055,498	171,552,905	35,644,944
Motor vehicle maintenance costs	85,293,540	12,009,359	45,206,629	5,979,104
Amortisation and impairement of intangibles	30,220,478	89,152	-	-
Depreciation right of use asset	21,445,699	7,959,826	-	-
Allowance for credit losses	-	-	-	-
Bad debts written off	14,007,670	1,347,565	-	
Net exchange (losses)/gains on foreign translations	598,793,033	7,865,099	598,793,033	6,596,571
Rental from short term leases	130,916,196	34,176,193	44,829,237	17,251,800
Other operating expenses	824,824,040	145,269,190	289,434,093	38,667,843
	3,317,390,810	622,205,345	1,850,368,236	310,196,778

Other operating expenses comprise mainly of electricity charges, rates, telephone expenses, printing and stationery costs.

Net exchange losses on foreign translations arose from exchange differences on foreign denominated assets and liabilities held by the Group. Refer to Note 30(d).

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
24.1 PROJECT DEVELOPMENT COSTS				
Direct development costs	-	-	-	-
Foreign exchange loss	268,222,414	30,625,763	268,222,414	30,625,763
	268,222,414	30,625,763	268,222,414	30,625,763

25 FINANCE COSTS

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Interest expense - debt assumed on Langford acquisition (Note 15.3)	-	-	-	-
Interest expense - debt related to Southview project (Note 15.3)	-	3,120,538	-	3,120,538
Loan drawdown fees	-	-	-	-
Interest on lease liabilities	-	-	-	
Other interest expenses	155,872,504	34,942,485	12,872,917	2,560,275
Total finance costs	155,872,503	38,063,023	12,872,917	5,680,813

Included in the other interest expenses are finance costs relating to the company's foreign loan obligation from Malawi amounting to ZWL$886,543.81, Micro lending subsidiary ZWL$28,918,563 and the Malawi subsidiary interest on lease liabilities ZWL$3,463,647.

26 INCOME TAX EXPENSE/(CREDIT)

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Current	97,391,787	54,655,357	1,140,913	7,136,746
Deferred	1,065,377,768	111,414,313	950,577	377,607
	1,162,769,555	166,069,670	2,091,490	7,514,353
Tax rate reconciliation				
Profit for the year	2,026,608,859	661,223,666	410,052,354	166,483,218
Tax at Zimbabwe statutory rate of 24.72%	500,977,710	163,454,490	101,364,942	41,154,651
Tax effect of amounts not deductible/(taxable) in calculating taxable income:				
Items not deductible for tax:				
Allowance for credit losses	-	(945,120)	-	(1,455,256)
Asset write-offs not allowable for tax	-	-	-	-
Other disallowable expenses	816,110,182	142,729,547	-	2,950,977
Non-taxable items:	-	-	-	-
Differences arising from movements in unrealised fair value (gains)/losses	-	(54,505,465)	-	-
Dividend income	-	-	-	-
Other non-taxable income	(52,282,504)	(102,978,768)	-	(979,222)
Other adjustments:	-	-	-	-
Impairment of Section 17 allowances not claimed	-	-	-	-
Differences arising from 8th schedule tax for life assurance	(99,273,451)	(34,156,797)	(99,273,451)	(34,156,797)
Deferral of unutilised tax losses	-	53,489,766	-	-
Difference in tax rate applied in foreign jurisdiction	(2,762,382)	(1,017,983)	-	-
Income tax penalties provisions	-	-	-	-
	1,162,769,555	166,069,670	2,091,490	7,514,353

27 EARNINGS PER SHARE (EPS)

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Reconciliation of total earnings to headline earnings attributable to shareholders Numerator				
Profit/ (loss) for the year attributable to owners of the parent and profit used in EPS	(2,642,453,745)	105,126,654	407,960,864	196,965,236
Add/(deduct) non recurring items				
Impairment of intangible assets	-	89,152	-	-
Profit on disposal of property	(1,651,975)	(15,584,962)	(15,584,962)	(15,584,962)
Profit on disposal of investment property	-	-65,218,088.58	(65,218,089)	(65,218,089)
Taxation on headline earnings adjustable items	408,368	19,952,476	19,974,514	19,974,514
Headline earnings attributable to ordinary shareholders	(2,643,697,351)	44,365,231	347,132,327	136,136,699
Denominator				
Weighted number of ordinary shares in issue	108,923,291	108,923,291	108,923,291	108,923,291
Less: Shares purchased for the Employee Share Ownership Plan	(1,003,743)	(1,003,743)	(1,003,743)	(1,003,743)
Weighted average number of shares used in basic EPS	107,919,548	107,919,548	107,919,548	107,919,548
Less: Dilutive adjusting effects	-	-	-	-
Weighted average number of shares used in diluted EPS	107,919,548	107,919,548	107,919,548	107,919,548
27.1 Basic and diluted earnings per share (cents)	(2,448.54)	97.41	378.02	182.51
27.2 Headline earnings per share (cents)	(2,449.69)	41.11	321.66	126.15

Basic earnings per share
Basic earnings per share is basic earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year.

Headline earnings per share
Headline earnings per share is a disclosure requirement in terms of Statutory Instrument 134 of 2019 of the Zimbabwe Stock Exchange ("ZSE") listing requirements for companies listed on the ZSE. Headline earnings per share is calculated by dividing the headline earnings by the weighted average number of shares in issue during the year. Disclosure of headline earnings is not a requirement of International Financial Reporting Standards (IFRS).

28 CAPITAL EXPENDITURE COMMITMENTS

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Authorised and contracted for	-	-	-	-
Authorised but not contracted for	559 758 441	37,856,180	332,107,242	29,034,469
	559 758 441	37,856,180	332,107,242	29,034,469

Capital expenditure will be financed from the Group and Company's own resources and borrowings.

29 MANAGEMENT OF CAPITAL

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits to other stakeholders. The capital of the Group comprise reserves and share capital. The Group's strategy has been to maintain capital that is higher than the minimum required by the regulatory authorities. The Group's compliance with the capital requirements as set out by the regulatory authorities is as follows :

29 MANAGEMENT OF CAPITAL (Continued)

31 December 2022	Capital	Minimum capital requirement	Surplus/ (deficit)
Fidelity Life Assurance of Zimbabwe Limited	1,823,487,515	75,000,000	1,748,487,515
Vanguard Life Assurance Company Limited	735,728,581	534,705,745	201,022,837
Fidelity Life Asset Management Company (Private) Limited	371,701,477	110,000,000	261,701,477
Fidelity Life Financial Services (Private) Limited	179,877,681	17,108,348	162,769,334
31 December 2021			
Fidelity Life Assurance of Zimbabwe Limited	148,013,000	75,000,000	73,013,000
Vanguard Life Assurance Company Limited	159,221,188	106,686,581	52,534,607
Fidelity Life Asset Management Company (Private) Limited	199,592,464	42,025,667	157,566,797
Fidelity Life Financial Services (Private) Limited	40,946,718	2,716,650	38,230,068

The regulatory capital position for Fidelity Life Assurance of Zimbabwe Limited, as defined in Section 24 of the Insurance Act (Chapter 24:07) (the "Insurance Act"), amended by Statutory Instrument 95 of 2017, Insurance (Amendment) Regulations, 2017 (No. 19) ("SI 95 of 2017") read with Instrument 59 of 2020, section (3) requires a provider of life and funeral assurance in Zimbabwe to maintain a minimum unencumbered statutory capital (as defined in the Statutory Instrument) of ZWL75million. Further disclosure on the Company's capital position is included in Note 39.

The Company is fully compliant with the minimum capital requirements.The Company continues to pursue plans disclosed in Note 39 to improve its solvency position. The Group endeavours to preserve a strong cash base and achieve a debt to capital ratio of less than 100%. The objective of this strategy is to secure access to finance at reasonable cost by maintaining a high credit rating. The Group also constantly scouts for opportunities that enable it to acquire strategic assets such as land banks. Such opportunities may entail an increase in the debt to capital ratio.

Under such circumstances, the Group's cap on the debt to capital ratio will be 200%. The debt to capital ratios at 31 December were as follows:-

	GROUP		COMPANY	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Debt				
Borrowings	201 545 556	66,534,852	-	-
Equity				
Capital	7 547 517 977	1,238,029,296	1,823,487,515	405,561,140
Debt to capital ratio (%)	3%	5%	0%	0%

30 FINANCIAL INSTRUMENTS - RISK MANAGEMENT

The Group is exposed through its operations to the following financial risks:-

a. Credit risk
b. Fair value or cash flow interest rate risk
c. Liquidity risk
d. Foreign exchange risk
e. Equity price risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated and separate financial statements. There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from the previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments held by the Group, from which financial instrument risk arises, are as follows:-

i) Trade and other receivables (excluding prepayments and statutory assets)
ii) Debt securities at amortised cost
iii) Bank and cash
iv) Money market investments
v) Equities at fair value through profit or loss
vi) Trade and other payables (excluding deferred income and statutory liabilities)
vii) Borrowings

i) Financial instruments by category

A summary of the financial instruments held by category is provided below:-

30 FINANCIAL INSTRUMENTS - RISK MANAGEMENT (Continued)

Financial assets	GROUP Financial assets at fair value through profit or loss ZWL	GROUP Financial assets at amortised cost ZWL	COMPANY Financial assets at fair value through profit or loss ZWL	COMPANY Financial assets at amortised cost ZWL
2022				
Trade and other receivables (excluding prepayments and statutory assets)	-	2,404,319,011	-	723,352,643
Equities at fair value through profit or loss	5,586,326,587	-	722,849,687	-
Debt securities at amortised cost	-	4,667,090,105	-	52,323
Cash and deposits with banks	-	1,470,210,710	-	355,292,135
	5,586,326,587	8,541,619,826	722,849,687	1,078,697,101
2021				
Trade and other receivables (excluding prepayments and statutory assets)	-	383,539,520	-	116,235,796
Equities at fair value through profit or loss	1,180,137,666	-	511,080,261	-
Debt securities at amortised cost	-	624,801,606	-	52,323
Cash and deposits with banks	-	449,923,714	-	125,509,495
	1,180,137,666	1,458,264,841	511,080,261	241,797,614

Financial liabilities	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Trade and other payables (excluding statutory liabilities and deferred income)	3,943,968,529	295,565,417	2,448,044,668	195,610,886
Borrowings	201,545,556	66,534,852	-	-
	4,145,514,085	362,100,268	2,448,044,668	195,610,886

(ii) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, debt securities at amortised cost , trade and other receivables (excluding prepayments and statutory assets), trade and other payables (excluding deferred income and statutory liabilities), borrowings and investment contract liabilities without discretionary participation features. that compare to the market, their carrying values.

(iii) Financial instruments measured at fair value

Financial instruments were measured at fair value at 31 December using:-

	LEVEL 1 2022 ZWL	LEVEL 1 2021 ZWL	LEVEL 2 2022 ZWL	LEVEL 2 2021 ZWL	LEVEL 3 2022 ZWL	LEVEL 3 2021 ZWL
Group						
Financial assets						
Equities at fair value through profit or loss	5 586 326 587	1,180,137,666	-	-	-	-
Company						
Financial assets						
Equities at fair value through profit or loss	722 849 687	507,519,229	-	-	-	-

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the 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.

FINANCIAL INSTRUMENTS - RISK MANAGEMENT (Continued)

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to Management. The Board receives quarterly reports from the Chief Executive Officer ("CEO") through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The Group's internal audit and risk and compliance departments also review the risk management policies and processes and report their findings to the Audit, Risk and Compliance Committee. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:-

(a) Credit risk

Credit risk is the risk of financial loss to the Group and Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Group and Company are mainly exposed to credit risk from trade and other receivables , debt securities at amortised cost and cash and deposits with banks. Credit risk from trade and other receivables mainly emanates from residential stand sales debtors and microfinance loans receivable. The residential stand debtors are secured by the properties sold on credit by the Group to the respective customers. The microfinance loan book is predominantly comprised of customers in formal employment. A pre-condition of extending such loans is the establishment of an agreement with the employer wherein the employer is obliged to deduct the loans repayments through their monthly payroll process from any of their employees to whom such loans are extended. Further disclosures regarding the credit quality of trade and other receivables are provided in Note 9.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. Credit quality of cash and cash equivalents is reflected in the table below, based on credit ratings determined by the Global Credit Rating Company:

The financial institutions holding the cash and cash equivalents of the Group and Company have the following external credit ratings:

	GROUP		COMPANY	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
A	10 105 123	-	10,105,123	-
A+	20 898 266	-	7,846,140	-
A-	3 401 063	-	3,401,063	-
AA	41 686 741	6,557,505	37,601,003	4,261,234
AA-	(70 552 844)	8,843,947	69,745,826	7,841,390
B+	-	-	-	-
BB	-	-	-	-
BB-	-	-	-	-
BB+	-	-	-	-
BBB	764 074	11,015,015	11,383	10,786,681
BBB-	-	-	-	-
BBB+	33 412 454	4,371,219	318,981	4,371,219
Cash	91 066 058	31,634,827	45,402,130	19,247,093
Unrated	1 339 429 775	387,501,202	180,860,485	82,939,460
	1 470 210 710	449,923,714	355,292,135	129,447,077

Included in the unrated balance of ZWL1,339,429,775 is ZWL938,862,435 money market investments deposited with asset managers that are not rated.

The Group only trades with and receives service from financial institutions that meet regulatory requirements including minimum regulatory capital. Key considerations include:-

- compliance with minimum capital requirements as set by the Reserve Bank of Zimbabwe ("RBZ"), and the Reserve Bank of Malawi ("RBM").
- RBZ and RBM periodic capital adequacy, asset quality, management, earnings, liquidity, and sensitivity ("CAMELS") ratings,
- total shareholder equity,
- total assets,
- ratios such as loan to deposit ratio, cost to income and non-performing loans ("NPLs") to total loans ratio,
- overall profitability and cash generation,
- historical performance and outlook,
- ability of the bank to provide financial support,

Quantitative disclosures of the risk exposure in relation to financial assets are set out below:-

(a) Credit risk (continued)

	GROUP		COMPANY	
	Carrying value ZWL	Maximum exposure ZWL	Carrying value ZWL	Maximum exposure ZWL
At 31 December 2022				
Trade and other receivables (excluding prepayments and statutory assets)	2,615,695,523	2,615,695,523	776,911,069	776,911,069
Debt securities at amortised cost	4,667,090,105	4,667,090,105	52,323	52,323
Cash and cash equivalents	1,470,210,710	1,470,210,710	355,292,135	355,292,135
	8,752,996,338	8,752,996,338	1,132,255,527	1,132,255,527
At 31 December 2021				
Trade and other receivables (excluding prepayments and statutory assets)	423,221,350	423,221,350	146,910,854	146,910,854
Debt securities at amortised cost	624,801,606	624,801,606	52,323	52,323
Cash and cash equivalents	449,923,714	449,923,714	125,509,495	125,509,495
	1,497,946,671	1,497,946,671	272,472,672	272,472,672

(b) Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its borrowings. It is the risk that the Group will encounter difficulties in meeting its financial obligations as they fall due. In order to mitigate any liquidity risk that the Group faces, the Group's policy has been throughout the year ended 31 December 2021, to maintain substantial facilities and reserves as well as significant liquid resources. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:-

GROUP	Up to 3 months ZWL	Between 3 and 12 months ZWL	Between 1 and 2 years ZWL	Over 2 years ZWL	Total ZWL
At 31 December 2022					
Trade and other payables (excluding deferred income and statutory liabilities)	3,943,968,529	-	-	-	3,943,968,529
Borrowings	-	-	-	-	-
	3,943,968,529	-	-	-	3,943,968,529
At 31 December 2021					
Trade and other payables (excluding deferred income and statutory liabilities)	295,565,416	-	-	-	295,565,416
Borrowings	-	84,438,587	-	-	84,438,587
	295,565,416	84,438,587	-	-	380,004,003

b) Liquidity risk (continued)

GROUP

At 31 December 2022	Between 1 and 12 months ZWL	Over 1 year ZWL	Total ZWL
Assets			
Inventories	3,125,055	1,756,608	4,881,663
Trade and other receivables	3,654,064,843	-	3,654,064,843
Equities at fair value through profit or loss	-	5,586,326,587	5,586,326,587
Debt securities at amortised cost	4,620,419,204	46,670,901	4,667,090,105
Cash and deposits with banks	1,470,210,710	-	1,470,210,710
	9,747,819,812	5,634,754,095	15,382,573,907
Liabilities			
Insurance contract liabilities and investment contract liabilities with discretionary participation features	-	24,458,354,615	24,458,354,615
Investment contract liabilities with discretionary participation features	-	12,461,018,797	12,461,018,797
Investment contracts without discretionary participation features	-	5,589,813,223	5,589,813,223
Borrowings	-	-	-
Deferred tax liabilities	-	1,665,264,442	1,665,264,442
Lease obligations	25,241,712	-	25,241,713
Trade and other payables	3,949,646,197	-	3,949,646,197
Income tax liability	23,485,346	-	23,485,346
	3,998,373,254	44,174,451,078	48,172,824,333
At 31 December 2021			
Assets			
Inventories	1,002,794	1,756,608	2,759,402
Trade and other receivables	560,732,635	-	560,732,635
Income tax asset	-	-	-
Deferred tax assets	-	-	-
Deferred acquisition costs	-	-	-
Equities at fair value through profit or loss	-	1,180,137,666	1,180,137,666
Debt securities at amortised cost	618,553,590	6,248,016	624,801,606
Cash and deposits with banks	449,923,714	-	449,923,714
	1,630,212,734	1,188,142,290	2,818,355,023
Liabilities			
Insurance contract liabilities and investment contract liabilities with discretionary participation features	-	5,993,684,045	5,993,684,045
Investment contract liabilities with discretionary participation features	-	866,203,666	866,203,666
Investment contracts without discretionary participation features	-	951,149,833	951,149,833
Borrowings	66,534,852	-	66,534,852
Deferred tax liabilities	-	270,868,738	270,868,738
Lease obligations	15,903,098	4,999,319	20,902,417
Trade and other payables	318,097,585	-	318,097,585
Income tax liability	33,693,439	-	33,693,439
	434,228,973	8,086,905,600	8,521,134,574

COMPANY

At 31 December 2022	Up to 3 months ZWL	Between 3 and 12 months ZWL	Between 1 and 2 years ZWL	Over 2 years ZWL	Total ZWL
Trade and other payables (excluding deferred income and statutory liabilities)	2,448,044,667	-	-	-	2,448,044,667
Insurance contract liabilities with discretionary participation features	-	-	-	11,254,755,431	11,254,755,431
Investment contract liabilities with discretionary participation features				12,461,018,797	
Investment contracts without discretionary participation features	-	-	-	5,589,813,223	5,589,813,223
Borrowings	-	-	-	-	-
	2,448,044,667	-	-	29,305,587,451	19,292,613,322

(b) Liquidity risk (Continued)

At 31 December 2021	Up to 3 months ZWL	Between 3 and 12 months ZWL	Between 1 and 2 years ZWL	Over 2 years ZWL	Total ZWL
Trade and other payables (excluding deferred income and statutory liabilities)	195,610,886	-	-	-	195,610,886
Insurance contract liabilities with discretionary participation features	-	-	-	4,064,000,946	4,064,000,946
Investment contract liabilities with discretionary participation features				866,203,666	866,203,666
Investment contracts without discretionary participation features	-	-	-	951,149,833	951,149,833
Borrowings	-	-	-	-	-
	195,610,886	-	-	5,881,354,445	7,140,444,764

(c) Market risk

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

Equity price risk

The Group holds some strategic equity investments in other companies these include development bonds and treasury bills that carry prescribed asset status. Directors believe that the exposure to market price risk from this activity is acceptable in the Group's circumstances. A 10% increase in value of the equity instruments held at the reporting date would, all other variables held constant, have resulted in an increase in profit before tax and net assets of ZWL$118,013,767 (2020: ZWL$66,274,589) for the Group and ZWL$51,108,026 (2020: ZWL$29,295,043) for the Company. A 10% decrease in their value would on the same basis have decreased retained earnings and assets by the same amount.

(ci) Fair value or cash flow interest rate risk

The fair value risk is the risk of changes in the fair value assets and liabilities that are sensitive to changes in market interest rates. Cashflow interest risk is a risk that results when the cash flow timing or amount is altered due to interest rate changes. The Group seeks to manage this risk through the monitoring of adherence to established set of investment guidelines, which are reviewed and updated periodically by the Investments Committee. The Group's borrowings are at fixed interest rates.

(d) Foreign exchange risk

The risk that the fair value of the cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. Foreign exchange risks arise from recognised monetary financial assets and liabilities future commercial transactions, that are not denominated in the functional currency of the Group and Company. The Group also operates in Malawi and is exposed to foreign exchange risk arising from exposure to the fluctuation of the Malawi Kwacha (''MWK''), with respect to the Zimbabwe dollar (''ZWL''). Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

The following table details the Group's sensitivity to a 10% increase or decrease in the Zimbabwe dollar ZWL against the Malawian Kwacha with all other variables held constant. 10% represents management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and is calculated by adjusting the translation of foreign currency amounts at the period end for a 10% change in foreign currency rates.

Consolidated foreign exchange gap analysis

as at 31 December 2022

Base Currency	2022 USD ZWL equivalent	2021 USD ZWL equivalent	2022 ZWL equivalent	2021 ZWL equivalent
Assets				
Cash and deposits with banks	1,475,555	2,763,789	1,009,772,621	300,313,326
Loans and receivables	3,370,010	3,077,897	2,306,211,844	334,444,310
Total assets	4,845,565	5,841,686	3,315,984,465	634,757,636
Liabilities				
Trade and other payables	884,415	618,198	605,235,260	67,173,385
Total liabilities	884,415	618,198	605,235,260	67,173,385
Net currency position	3,961,150	5,223,488	2,710,749,205	567,584,251
Exchange rates as at 31 December	684.3339	108.66	1.50	7.50
Impact of 10% increase in exchange rates				
Assets	440,506	531,062.39	301,453,133	57,705,240
Liabilities	(80,401)	(56,200)	(55,021,387)	(6,106,671)
Net position	360,104	474,862	246,431,746	51,598,569

Impact of change in exchange rates	2022 10% increase ZWL	2022 10% decrease ZWL	2021 10% increase ZWL	10% decrease ZWL
Impact of profit before tax	1,740,678,450	(1,424,191,459)	46,536,124	(38,075,011)
Impact on equity	5,183,949,363	(4,241,413,115)	646,016,034	(528,558,574)

This method used for deriving sensitivity information and significant variables did not change from previous period.

31 ASSURANCE RISK MANAGEMENT

31.1 Insurance Risk

Insurance risk is the risk that actual future underwriting, policyholder behaviour and expense experience will differ from that assumed in measuring policyholder liabilities and assets and in pricing products. Insurance risk arises due to uncertainty regarding the timing and amount of future cash flows from insurance contracts. This could be due to variations in mortality, morbidity, policyholder behaviour or expense experience in the case of life products, and claims incidence, claim severity or expense experience in the case of short-term insurance products. These could have adverse impacts on the Group and Company's earnings and capital if different from those assumed. The Group and Company are exposed to insurance risk arising from its insurance contracts with policyholders and other beneficiaries. The main risk that the Group faces is that the actual claims and benefits payments or the timing thereof differ from expectations. The risk exposure is mitigated by the use of careful selection "procedures and implementation of underwriting procedures, use of actuarial models which calculate premiums and monitor claims patterns, as well as the use of reinsurance arrangements." The insurance risks that the Group and Company is exposed to that have the greatest impact on the financial position and comprehensive income are covered below.

31.2 General mangement of insurance risk

The insurance subsidiaries are responsible for the day to day identification, monitoring and assessment of insurance risk. In addition to the management of risk by the subsidiary companies, the Group has the following insurance risk management controls:

31.3 Group Risk and Compliance Committee

The Committee advises Group's overall risk strategy, current risk exposures, and risk governance. The Committee considers and approves the remit of the risk management function and reviews reports on material breaches of risk limits, as well as the adequacy of remedial action. The Committee also advises the Board on the risks aspects of proposed strategic transactions.

31 ASSURANCE RISK MANAGEMENT(continued)

31.4 Audit Committee
The Audit Committee deals with insurance companies within the Group. The committee serves to satisfy the Group and operational boards of directors that adequate internal and financial controls are in place and that material risks are managed appropriately. More specifically, this committee is responsible for reviewing the financial statements and accounting policies, the effectiveness of the management information and systems of internal control, compliance with statutory and regulatory requirements, including actuarial input thereon, interim and final reports, the effectiveness of the internal audit function, external audit plans and findings on their respective reports. This committee reports directly to the board of directors of the Company. The committee meetings are attended by the external and internal auditors and are held at least quarterly.

31.5 Statutory actuary
The statutory actuary of the insurance subsidiaries reports on the capital adequacy and the financial soundness at the year-end date and for the foreseeable future. All new premium rates or premium rates where changes are required are reviewed by the statutory actuary. Dividend declarations are recommended to the Audit Committee for approval by the statutory actuary prior to payment to ensure that the insurance subsidiaries remain financially sound thereafter.

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

The main risks that the Group is exposed to are as follows:
- "Mortality risk – risk of loss arising due to policyholder death experience being different than expected"
- Morbidity risk – risk of loss arising due to policyholder health experience being different than expected
- Longevity risk – risk of loss arising due to the annuitant living longer than expected
- Investment return risk – risk of loss arising from actual returns being different than expected
- Expense risk – risk of loss arising from expense experience being different than expected
- Policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

31.7 Mortality and morbidity risk
Mortality risk is the risk of adverse financial impact due to actual mortality (death) claims being higher than anticipated. Morbidity risk is the risk of adverse financial impact due to policyholder health related (disablement and dread disease) claims being higher than expected. The Group and Company have the following processes and procedures in place to manage mortality and morbidity risk:

31.8 Pricing
Premium rates are differentiated by factors which historical experience has shown are significant determinants of mortality and morbidity claim experience. Prior to taking on individual risk policies, appropriate underwriting processes are conducted, which influence pricing on the policy prior to acceptance. The actual claims experience is monitored on a monthly basis so that deteriorating experience can be timeously identified. At the point of issuing new policies, consideration is given to update product pricing if the change in the experience, as evidenced by the commissioned periodic investigations, has become sustained and cannot be mitigated. Further, the valuation of liabilities is periodically updated with the new parameters arising from the periodic investigations. Detailed mortality and morbidity investigations are conducted on a bi-annual basis for key products. Allowance for special effects of specified medical conditions is made in product pricing as well as in the measurement of policyholder liabilities and assets.

31.9 Terms and conditions
The policy terms and conditions contain exclusions for nonstandard and unpredictable risks that may result in severe financial loss. Terms are built into the policy contracts that permit risk premiums to be reviewed on expiry of a guarantee period. In particular:
- for individual risk business, most in-force risk premiums are subject to review; and
- for institutional risk business, the risk premiums can be reviewed annually.

31.10 Underwriting
Underwriting guidelines concerning authority limits and procedures to be followed in accepting new business are in place. For individual and institutional business, larger sums assured in excess of specified limits are subjected to underwriting and evaluated against established guidelines for accepting new business. The annually reviewable terms on institutional business enable premiums to keep pace with emerging claims experience. Part of the underwriting process involves assessing the health condition and family medical history of applicants. Terms and conditions are varied accordingly. Non-standard risks such as hazardous pursuits and medical conditions are assessed at underwriting stage. The expertise of reinsurers is used in the rating of non-standard risks. Financial underwriting is used where necessary to determine insurable interest.

31.11 Claims management
For mortality, claims are validated against policy terms and conditions. For morbidity, experienced claims assessors determine the merits of the claim in relation to the policy terms and conditions. In the case of disability annuitants, claim management ensures the continued eligibility for monthly income and includes interventions that may result in the full or partial medical recovery of the claimant. The actual disability experience is highly dependent on the quality of the claim assessment

31.12 Reinsurance
Reinsurance is used by the Group to reduce exposure to a particular line of business, a particular individual, a single event, and to benefit from the risk management support services and technical expertise offered by reinsurers. Regular reviews, which consider risk appetite, are conducted on reinsurance arrangements for new business. Given that large proportions of the Group's business is long term individual risk business, where the proportion of the risk that is reinsured is fixed for life at the inception of the policy, the Group's overall reinsurance result is heavily influenced by historical reinsurance arrangements. In some instances where underlying policyholder benefits are annually renewable,

31 ASSURANCE RISK MANAGEMENT(continued)

31.13 Longevity risks

Longevity risk is the risk of adverse financial impact due to actual annuitant mortality being lower than anticipated, that is annuitants living longer than expected. For life annuities, the loss arises as a result of the Group having undertaken to make regular payments to policyholders for their remaining lives, and possibly to the policyholders' spouses for their remaining lives. The most significant risks on these liabilities are continued medical advances and improvements in social conditions that lead to longevity improvements being better than expected. The Group manages the longevity risk by:

- annually monitoring the actual longevity experience and identifying trends over time;
- making allowance for future mortality rates falling in the pricing of new business and the measurement of policyholder liabilities. This allowance will be based on the trends identified in experience investigations and external data; and
- regularly verifying annuitants are still alive

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

31.14 Life insurance contract liability sensitivity analysis

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before income tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options and guarantees. When options and guarantees exist, they are the main reason for the asymmetry of sensitivities. The method used for deriving sensitivity information and significant assumptions made did not change from the previous period.

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

Base	Change in "assumptions (increase) (decrease)	Impact on liabilities	Impact on profit before tax	Impact on profit after tax
2022				
Mortality	+10%	(203 223 699)	203 223 699	1 036 552
Morbidity	-10%	(179 561 336)	179 561 336	915 861
Lapse	-10%	319 037 985	(319 037 985)	(1 627 268)
Expense	+10%	563 128 316	(563 128 316)	(2 872 261)
Discount rate	+1%	1 445 206 252	(1 445 206 252)	(7 371 339)
Investment return	+5%	(5 015 515 654)	5 015 515 654	25 581 863
2021				
Mortality	+10%	(13 271 410)	13 271 410	566 433
Morbidity	-10%	(13 672 373)	13 672 373	583 546
Lapse	-10%	21 427 475	(21 427 475)	(914 539)
Expense	+10%	4 369 249	(4 369 249)	(186 483)
Discount rate	+1%	35 192 610	(35 192 610)	(1 502 045)
Investment return	+1%	(1 086 053)	1 086 053	46 353

The above risk exposure is mitigated by the following strategies:

(i) Underwriting strategy

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

(ii) Pricing strategy

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

(iii) Valuation process

The Group and Company engaged an independent Actuary for the valuation of actuarial liabilities as at 31 December 2022. Management provides the independent Actuary with the following information for the current valuation:

-In force policy data as at 31 December 2022
-Product descriptions
-Audited financial statements as at 31 December 2022
-Written and oral communication from management regarding queries that arose on the information provided.

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

31 ASSURANCE RISK MANAGEMENT(continued)

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

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

Mortality rates
Assumptions are based on standard tables, according to the type of contract written. An investigation into the actual mortality experience of the Group and Company is used to compare the experience to the standard table. Adjustment to the standard table may be made where justified by the experience. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type. The valuation basis carries an extra mortality loading of 10% which is in line with the 10% Covid loading being used in the region. An increase in rates will lead to a larger number of claims (and claims could occur sooner than anticipated) which will increase the expenditure and reduce profits for the shareholders.

Longevity
Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Group and Company's own risk experience. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type. An increase in longevity rates will lead to an increase in the number on annuity payments to be made, which will increase the expenditure and reduce profits for the shareholders.

Investment return and inflation
Economic assumptions are based on the existing investment portfolio, and take account of the expected future medium to long-term economic environment. These estimates are based on current market returns as well as expectations about future economic and financial developments. An increase in investment return would lead to an increase in profits for the shareholders.

Expenses
Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate. An increase in the level of expenses would result in an increase in expenditure, thereby reducing profits for the shareholders.

31.15 Concentration risk
The Group and Company's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and number of contracts written per product type. The following tables show the concentration of life insurance liabilities and investment contract liabilities by type of contract.

	Insurance contract liabilities ZWL	Investment contract liabilities without DPF ZWL	Investment contract liabilities with DPF ZWL
As at 31 December 2022			
Individual life business			
Conventional	8 587 391 906		
Investments		3 153 147 361	
Funeral	2 667 363 525		
Group Life business			
Funeral			
Risk business			
Deposit administration		2 436 665 862	12 461 018 797
Annuity business			
Total	11 254 755 431	5 589 813 223	12 461 018 797
As at 31 December 2021			
Individual life business			
Conventional	683 265 000		
Investments		342 032 591	
Funeral	404 000 000		
Group Life business			
Funeral	69 000		
Risk business	28 790 000		
Deposit administration		609 126 334	898 938 666
Annuity business	74 300 000		
Total	1 190 424 000	951 158 924	898 938 666

31 ASSURANCE RISK MANAGEMENT(continued)

(ii) Pricing strategy (continued)

Lapse and surrender rates

Lapse relates rates to the termination of policies on premiums not paid up. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Group and Company's experience and vary by product type, policy duration and sales trends. For lapses, the Group and Company's actual lapse experience is investigated. The lapse assumption is set based on this assumption but at a level that is expected to be consistent from year to year. An increase in lapse rates early in the life of the policy would tend to reduce profits for shareholders, but later increases are broadly neutral in effect.

Discount rate

Life insurance liabilities are determined as the sum of the discounted value of the expected benefits and future administration expenses directly linked to the contract, less the discounted value of the theoretical premiums that would be required to meet these future cash outflows. Discount rates are based on current industry risk rates, adjusted for the Group and Company's own risk exposure. A decrease in the discount rate will increase the value of the insurance liability and therefore reduce profits for the shareholders.

32 FAIR VALUE DISCLOSURES

The Group and Company measures investment property, land and buildings, which are disclosed as part of property and equipment, and investments in listed equities at fair value.

Valuation process - listed equities

The Group and Company obtains values of listed equities based on the prices quoted on the Zimbabwe Stock Exchange for counters listed in Zimbabwe and the Malawi Stock Exchange for counters listed in Malawi.

Valuation process - properties

The Group and Company's properties (investment property, land and buildings) are valued by independent external valuers in order to determine their fair values. Valuations were performed by Homelux Real Estate, an accredited independent property valuer, as at 31 December 2022.

Valuations of the Group and Company's commercial and industrial properties were based on comparative and investment methods .The investment method involves the capitalization of expected rental income by an appropriate yield. The comparative approach seeks to ascribe to the subject property a value similar to that achieved in transactions for comparable properties. The comparative method makes use of assessed rental value rates and capitalization rates for similar properties sold and after appropriate adjustments, such rates are applied to each property to determine its value. The valuation is based on market evidence. Residential stands and small pieces of undeveloped stands were valued based on sales evidence on similar properties situated in comparable residential suburbs as those of the subject properties. For large tranches of undeveloped land, the valuer adopted the development/residual value method. The assessment was based on the assumption that it is subdivided into smaller stands and fully serviced. The total estimated costs of development and disposal, which include servicing costs, agency fees, interest on servicing costs, contingency costs and the developer's profit, were then deducted from the value determined.

Depending on the valuation method applied, valuations are based upon assumptions that include transaction prices on similar properties, market related rental income and market yields.

Fair value hierarchy - Group	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL	Total ZWL	Total gain/(loss) for the period in statement of profit or loss and other comprehensive income ZWL	Total gain/(loss) for the period in through investment contract liabilities ZWL
31 December 2022						
Commercial	-	-	806 398 359	806 398 359	9 593 183 812	-
Residential	-	-	3 582 169 476	3 582 169 476	243 972 869	-
Land	-	-	31 708 147 396	31 708 147 396	1 083 772 249	2 864 791 479
Total investment properties	-	-	36 096 715 231	36 096 715 231	10 920 928 930	2 864 791 479
Equities at fair value through profit or loss	5 586 326 587	-	-	5 586 326 587	(834 376 924)	-
Land and buildings	-	-	3,788,793,398	3,788,793,398	2,931,609,487	-
31 December 2021						
Commercial	-	-				
Residential	-	-	856,677,596	856,677,596	424,438,184	-
Land	-	-	491,068,614	491,068,614	243,298,380	-
			4,718,542,846	4,718,542,846	2,337,787,010	445,474,762
Total investment properties	-	-	6,066,289,056	6,066,289,056	3,005,523,574	445,474,762
Equities at fair value through profit or loss	1,180,137,666	-	-	1,180,137,666	468,430,775	-
	-	-	759,509,840	759,509,840	416,599,238	-

32 FAIR VALUE DISCLOSURES (Cont'd)

Gains recorded in the statement of profit or loss and other comprehensive income for recurring fair value measurements categorised within level 3 of the fair value hierarchy amount to ZWL24,956,413,046 (December 2021: ZWL3,005,523,574). Fair value gains of ZWL4,497,379,302(ZWL445,474,762 were recorded directly in investment contract liabilities.

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

Valuation techniques and key unobservable inputs used to derive level 3 fair values
The table below presents the following for each class of the investment property:

- The fair value measurements at the end of the reporting period;
- The level of the fair value hierarchy (in this case level 3) within which the fair value measurements are categorised in their entirety;
- A description of the valuation techniques applied;
- The inputs used in the fair value measurement

Valuation technique	Key unobservable inputs	Class of property valued using this technique	Fair value 31-Dec-2022 ZWL	Fair value 31-Dec-2021 ZWL	Inter-relationship between unobservable inputs and key fair value measurement
Income capitalisation	- Rental per square metre -Capitalisation rate - Void rate	CBD retail	79 600 000	15,300,000	Increase or decrease in fair value would result from the following movements in these inputs respectively: - decrease or increase in void rates "
		CBD offices	726 798 359	886,789,795	
Market comparison method	- Rate per square metre	Residential properties	3 582 169 476	445,656,415	The estimated fair value would increase if prices for comparable properties increased, and decrease if prices for comparable properties decreased.
		Land	31 708 147 396	4,718,542,846	
Total			36 096 715 231	6,066,289,056	

Descriptions and definitions

The table above includes the following descriptions and definitions relating to valuation techniques and key unobservable inputs made in determining the fair values:

i. Income capitalisation method

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

ii. Market comparison method

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

iii. Rent per square metre

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

iv. Void rate

The Group determines the void rate which can be experienced based on the percentage of estimated vacant space divided by the total lettable area.

v. Capitalisation rate

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

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

The significant unobservable inputs used in the fair value measurement categorised within level 3 of the value hierarchy of the Group's portfolio of investment properties and land and buildings were as follows:

- Capitalisation rate;
- Void rate;
- Rental per square metre; and
- Comparable transacted properties.

32 FAIR VALUE DISCLOSURES (Cont'd)

Sensitivity analysis

	Impact on property value 10% increase ZWL	Impact on property value 10% decrease ZWL	Impact on profit for the year 10% increase ZWL	Impact on profit for the year 10% decrease ZWL	Impact on equity 10% increase ZWL	Impact on equity 10% decrease ZWL
Rental per square metre	3 609 671 523	(3 609 671 523)	541 450 728	(541 450 728)	541 450 728	(541 450 728)
Capitalisation rate	(3 281 519 566)	4 010 746 137	(492 227 935)	601 611 921	(492 227 935)	601 611 921

Increases/(decreases) in the transaction prices on comparable properties and rental per square metre in isolation would result in a higher/(lower) fair value measurement.

Increases/(decreases) in the long-term void rate and prime yield in isolation would result in a lower/(higher) fair value measurement.

Analysis of property portfolio	Lettable space m2 December 2022	Lettable space m2 December 2021	% of portfolio December 2022	% of portfolio December 2021
Sector				
CBD retail and offices	9,031	9,031	100.00%	100.00%
Total	**9,031**	**9,031**	100.00%	100.00%

33 RETIREMENT BENEFITS

33.1 Fidelity Life Pension Fund

All eligible employees are members of the Fidelity Life Defined Contribution Pension Scheme which is administered by the Company. Employees in the subsidiary in Malawi are members of the Vanguard Life Assurance Pension Scheme which is administered by the Company.The fund is financed by Group and employee contributions.

Contributions were made as follows during the year:

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Employer's contribution	394,025,889	22,916,500	24,812,649	13,652,589

33.2 National Social Security Scheme

The Group employees in Zimbabwe contribute to the National Social Security Scheme, a Defined Contribution Pension Scheme promulgated under the National Social Security Act of 1989. The obligation under the scheme is limited to specific contributions legislated from time to time.The contribution rates were reviewed following the gazetting of Statutory Instrument 108 and 109 of 2020 on 15 May 2020 increasing the contributions from 3.5% to 4.5% of basic salary per employee per month limited to ZWL$225.

Contributions were made as follows during the year:

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Employer's contribution	9,998,213	1,075,107	4,968,519	714,335

34 RELATED PARTY INFORMATION

34.1 Related parties

The following are the related parties of the Company:

Related party	Nature of relationship	
Fidelity Life Financial Services (Private) Limited	Wholly owned subsidiary	
Zimbabwe Actuarial Consultants (Private) Limited	Wholly owned subsidiary	
Vanguard Life Assurance Company Limited	Subsidiary	
Fidelity Funeral Assurance (Private) Limited	Subsidiary	
Fidelity Life Asset Management Company (Private) Limited	Subsidiary	
Fidelity Life Medical Services Company (Private) Limited	Subsidiary	
Langford Estates 1962 (Private) Limited	Subsidiary	
Zambezi Properties (Private) Limited	Subsidiary	
Fidelity Life Medical Aid Society	Society managed by Fidelity Life Medical Services Company (Private) Limited	
Zimre Holdings Limited	Shareholder	
Turismo Investments (Private) Limited	Shareholder	
Credsure	Common shareholder	
Zimre Property Investments Limited	Common shareholder	
Emeritus Reinsurance (Private) Limited	Common shareholder	
WFDR Risk Services	Common shareholder	
Zimre Property Investments	Common shareholder	
Zimbabwe Insurance Brokers Limited	Common shareholder	
F. Ruwende	Non Executive Chairman	Retired 31 January 2022
L.T Gwata	Non Executive Chairman	Appointed 1 February 2022
Langton Mabhanga	Independent Non Executive Director	Appointed 1 February 2022
Takudzwa Chitsike	Independent Non Executive Director	Appointed 1 February 2022
S. Kudenga	Non Executive Director	
I. Mvere	Non Executive Director	
F. Dzanya	Non Executive Director	
G. Dhombo	Independent Non Executive Director	
H. Nemaire	Independent Non Executive Director	
B. Wesley	Key management	
S. Mudzengi	Key management	
N. Mupfurutsa	Key management	Resigned 31 December 2022
R. Chihota	Managing Director	Appointed 1 March 2022
M. Gumbo	Key management	Resigned 30 April 2022
K. Dube	Key management	
C. Matongo	Key management	
E. Masvavike	Key management	Resigned 30 June 2022
Z.Zvenyika	Group Chief Finance Officer	

34.2 Related party transactions

The following represent transactions with related parties during the year:-

Related party	Nature of transaction	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Income					
Vanguard Life Assurance Company Limited	Management fee income	-	-	-	-
Fidelity Life Financial Services (Private) Limited	Dividend income	-	-	-	-
Fidelity Life Medical Services Company (Private) Limited	Dividend income	-	-	12,811,676	24,672,544
Zimbabwe Insurance Brokers Limited	Pension contributions	-	1,001,072	-	1,001,072
Zimre Property Investments Limited	Pension contributions	6,565,266	6,061,119	6,565,266.34	6,061,119
Credisure	Pension contributions	1,652,351	-	1,652,351	-
WFDR	Pension contributions	2,729,161		2,729,161	
Emeritus Reinsurance (Private) Limited	Pension contributions	11,948,652	9,176,025	11,948,652.20	9,176,025
Expenses					
Fidelity Life Medical Aid Society	Medical aid contributions	(63,836,302)	(6,602,978)	(26,254,962)	(5,169,374)
Zimbabwe Actuarial Consultants (Private) Limited	Actuarial fees	-	-	(130,631,686)	(22,209,174)
Fidelity Life Asset Management Company (Private) Limited	Management fees	-	-	(4,826,238)	(2,665,749)
Emeritus Reinsurance (Private) Limited	Reassurance premiums	(75,975,999)	(67,707,876)	(75,975,999)	(67,707,876)

34.3 Related party balances

34.3.1 Related party receivables

Included in trade and other receivables are the following balances:-

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Fidelity Life Asset Management Company (Private) Limited	-	-	20,491,279	4,553,408
Langford Estates 1962 (Private) Limited	-	-	21,929,376	12,537,874
Fidelity Life Financial Services (Private) Limited	-	-	236,627,481	29,726,555
Fidelity Funeral Services Company (Private) Limited	-	-	20,436,971	6,795,764
Fidelity Life Medical Aid Society	(227,370,598)	2,759,644	302,817	1,071,252
Fidelity Life Medical Services Company (Private) Limited	-	-	(12,830,092)	-
Zimbabwe Actuarial Consultants (Private) Limited	-	-	(58,741,142)	4,193,375
Zimre Holdings Limited	286,719,577		286,719,577	-
Credsure	6,297,757	-	6,297,757	-
Vanguard Life Assurance Company Limited	-	-	5,532	5,532
	65,646,736	2,759,644	521,239,555	58,883,760

34.3.2 Related party payables

Included in related party payables

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Fidelity Life Medical Aid Society	153,974,515	11,285,218	(6,932,224)	2,475,575
Fidelity Life Medical Services Company (Private) Limited	-	-	559,178	-
Fidelity Funeral Services Company (Private) Limited	-	-	-	-
Fidelity Life Financial Services (Private) Limited	-	-	10,444,949	598,141
Fidelity Life Asset Management Company (Private) Limited	-	-	2,541,357	953,768
Langford Estates 1962 (Private) Limited	-	-	-	-
Vanguard Life Assurance Company Limited	-	-	14,918,943	2,976,686
WFDR Risk Services	(5,238,440)	-	(5,238,440)	
Zimre Property Investments	66,036,536	-	66,036,536	
Zimbabwe Actuarial Consultants	-	-	135,966,940	11,977,486
	214,772,611	11,285,218	218,297,239	18,981,656

The related party payables are interest free and have no fixed repayment terms.
Related party payables are unsecured.

34.3.3 Related party loans

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
Fidelity Life Financial Services (Private) Limited	-	-	-	29 664 674

The related party loan accrues interest at 50% and expires on 30 June 2022.

	GROUP 2022 ZWL	GROUP 2021 ZWL	COMPANY 2022 ZWL	COMPANY 2021 ZWL
34.4 Compensation to key management				
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The compensation to key management was as follows during the year:-				
Short term benefits	101,567,278	83,034,203	9,389,301	42,799,745
Post employment benefits	8,921,382	8,067,337	464,064	4,170,068
Total	110,488,660	91,101,540	9,853,365	46,969,813
The remuneration of directors and key management is determined by the Human Resources and Corporate Governance Committee of the Board having regard to the performance of the individuals and market trends.				
34.5 Loans to key management				
Included in trade and other receivables as at year end are loans to key management as follows:-				
Loans receivable	107,113,602	129,638	55,783,572	115,404

The loans are payable over 5 years, attract interest at 15% per annum and are secured against the properties and motor vehicles that were acquired by the employees.

34.6 Directors' shareholding

The following directors have shareholding in the company as follows:-

	Number of shares 2022	Number of shares 2021
F. Ruwende	348	348

35 SUBSIDIARIES

The principal business of each of the subsidiaries of Fidelity Life Assurance of Zimbabwe, all of which have been included in the consolidated financial statements, is as follows:-

Description	Business	Location
Fidelity Life Asset Management Company (Private) Limited	Asset management	Zimbabwe
Fidelity Life Medical Services Company (Private) Limited	Medical aid management	Zimbabwe
Vanguard Life Assurance Company Limited	Life assurance	Malawi
Zimbabwe Actuarial Consultants (Private) Limited	Actuarial consultants	Zimbabwe
Fidelity Life Financial Services (Private) Limited	Micro-lending	Zimbabwe
Fidelity Funeral Services Company (Private) Limited	Funeral services	Zimbabwe
Fidelity Life Medical Services Company (Private) Limited	Medical Management Services	Zimbabwe
Zambezi Properties (Private) Limited	Property development	Zimbabwe
Langford Estates 1962 (Private) Limited	Property development	Zimbabwe

The shareholding of the company in each of the subsidiaries is as follows:-

Description	Shareholding 2022	Shareholding 2021
Fidelity Life Asset Management Company (Private) Limited	96%	96%
Vanguard Life Assurance Company Limited	62%	62%
Zimbabwe Actuarial Consultants (Private) Limited	100%	100%
Fidelity Life Financial Services (Private) Limited	100%	100%
Fidelity Funeral Services Company (Private) Limited	91%	91%
Zambezi Properties (Private) Limited	65%	100%
Fidelity Life Medical Services Company (Private) Limited	100%	-
Langford Estates 1962 (Private) Limited	81%	81%

36 NON-CONTROLLING INTERESTS

Vanguard Life Assurance Company Limited and Langford Estates1962 (Private) Limited are the only subsidiaries of the Company that have material non-controlling interests (''NCI''). The NCI of all other subsidiaries that are not 100% owned by the Group are considered to be immaterial. Summarised financial information in relation to the NCI of Vanguard Life Assurance Company Limited and Langford Estates (Private)

Limited before intra-group eliminations, is presented below:

	Vanguard Life		Langford Estates	
	2022	2021	2022	2021
For the period ended 31 December	ZWL	ZWL	ZWL	ZWL
Revenue				
Gross premiums written	1,853,559,247	633,531,946	-	-
Outward reinsurance premiums	(48,328,705)	(15,542,184)	-	-
Net premiums earned	1,805,230,542	617,989,762	-	-
Fees from fund management and investment contracts	25,696,684	7,834,106	-	-
Interest income on money market investments	554,807,030	91,502,978	-	-
Fair value gains on equities at fair value through profit or loss	508,709,190	94,254,216	-	-
Fair value gains on investment properties	75,970,031	19,893,954	18,052,630,000	2,208,234,820
Other income	53,732,026	19,123,471	-	-
Total income	3,024,145,503	850,598,487	18,052,630,000	2,208,234,820
Expenses				
Claims and benefits	(835,039,431)	(268,038,628)	-	-
Reinsurance recoveries	7,208,998	22,912,483	-	-
				-
Net claims and benefits incurred	(827,830,433)	(245,126,145)	-	-
Change in life assurance policyholder liabilities	(1,582,415,915)	(371,109,281)	-	-
Fee and commission expenses, and other acquisition costs	(90,801,962)	(32,872,288)	-	
Other operating and administrative expenses	(570,642,957)	(217,307,106)	(5,393,841)	(11,040,172)
Total expenses	(3,071,691,267)	(866,414,820)	(5,393,841)	(11,040,172)
Profit from operations	(47,545,763)	(15,816,333)	18,047,236,159	2,197,194,648
Finance costs	(4,772,075)	(3,463,647)	-	
Profit before tax	(52,317,839)	(19,279,980)	18,047,236,159	2,197,194,648
Income tax expense	(77,707,235)	(12,419,609)	-	-
Profit after tax	(130,025,074)	(31,699,589)	18,047,236,159	2,197,194,648
For the year ended 31 December				
Profit attributable to NCI	(49,708,586)	(12,118,753)	3,297,145,809	401,317,362
Other comprehensive income allocated to NCI	246,144,699	17,464,093	-	-
Total comprehensive income allocated to NCI	196,436,113	5,345,340	3,297,145,809	401,317,362
Cash flows from operating activities	740,316,283	(155,157,285)	-	-
Cash flows from investing activities	(933,600,003)	54,578,008	-	-
Cash flows generated from/ utilised from financing activities	(80,028,602)	(14,191,836)	-	-
Net cash flows attributable to NCI	(273,312,321)	(114,771,113)	-	-
Assets:				
Property and equipment	168,818,682	34,148,239	-	-
Investment property	1,713,538,081	308,057,504	22,307,900,000	4,255,270,000
Intangible assets	204,085,557	51,971,040	-	-
Right of use assets	90,912,297	27,690,317		
Trade and other receivables	2,306,211,844	334,444,310	-	-
Financial assets at fair value through profit or loss	4,712,681,239	587,287,304		
Debt securities at armotised cost	4,667,038,427	624,749,328	-	-
Cash and cash equivalents	1,009,772,621	300,313,326		
	14,873,058,748	2,268,661,368	22,307,900,000	4,255,270,000

36 NON-CONTROLLING INTERESTS (Continued)

	Vanguard Life 2022 ZWL	Vanguard Life 2021 ZWL	Langford Estates 2022 ZWL	Langford Estates 2021 ZWL
Liabilities:				
Life assurance policyholder liabilities	13,203,598,681	1,929,682,595		
Deferred tax	304,176,231	49,900,405		
Trade and other payables	605,235,260	67,173,385	1,133,689,995	225,664,653
Lease obligation	24,319,337	18,694,598		
Income tax liability	-	-		
	14,137,329,509	2,065,450,983	1,133,689,995	225,664,653
Accumulated non-controlling interests	209,809,705	18,718,929	4,091,759,994	794,614,185

37 SEGMENT REPORTING

Segment information
The Group has three main reportable segments as follows:

Insurance
This segment is involved in life assurance and pensions. The segment accounts for 23% (2021: 61%) of the Group's external revenue.

Microlending
This segment is involved in consumer loans, business loans and loans to farmers. It accounts for 2% (2021: 1%) of the Group's external income. The segment has experienced steady growth since its formation in 2010.

Property investment
This segment holds a land bank as investment property and the total income in this segment arises from fair value adjustments on property held.

Other
Included in this segment are the actuarial, asset management and funeral services units. These are individually immaterial and reported as other income.

Factors that management used to identify the Group's reportable segments
The Group's reportable segments are strategic business units that offer more or less similar services. The segment described as other comprises business units that have combined income significantly less than 10% of the combined revenue of all operating segments. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the executive management team including the Managing Director and the Chief Finance Officer.

Measurement of operating segment profit or loss, assets and liabilities

"The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The Group evaluates performance on the basis of profit or loss from operations but excluding non-recurring losses, such as goodwill impairment."

Inter-segment sales are priced along the same lines as sales to external customers, with an appropriate discount being applied to encourage use of Group resources at a rate acceptable to local tax authorities. This policy was applied consistently throughout the current and prior year.

The Group has no transactions with a single external customer that exceeds 10% of its total revenue.

37 SEGMENT REPORTING (continued)

2022	Insurance ZWL	Microlending ZWL	Property Investment ZWL	Other ZWL	Consolidation adjustments ZWL	Group ZWL
IFRS 4 income	3 245 107 851	-	-	-	-	3 245 107 851
IFRS 9 income	629 050 823	551 707 357	-	-	-	1 180 758 180
IFRS 15 Revenue at a point in time	31 012 466	-	-	458 824 014	(5 339 606)	484 496 874
IFRS 15 Revenue -over time	25 696 684	-	-	122 875 099	(122 875 099)	25 696 685
Other revenue	3 105 207 677	142 233 251	18 964 947 892	139 197 965	3 728 932 262	26 080 519 047
Total income	7,036,075,501	693,940,608	18,964,947,892	720,897,078	3,600,717,557	31 016 578 637
Total benefits, claims and other expenses	(27,986,083,908)	(510,570,738)	(52,876,513)	(572,297,460)	131,858,841	(28,989,969,778)
Profit before income tax	(20,950,008,407)	183,369,870	18,912,071,379	148,599,618	3,732,576,398	2,026,608,859
Depreciation of property and equipment	19,377,618	656,902	-	2,780,428	-	22,814,948
Amortisation of intangible assets	30,203,391	10,164	-	6,923	-	30,220,478
Finance costs	17,644,992	138,227,511	-	-	-	155,872,503
Fair value gains on equities	834,606,153	10,083,251	-	81,134,998	-	925,824,402
Fair value gains on investment property	8,438,984,029	132,150,000	18,963,871,710	348,227,307	(2,926,820,000)	24,956,413,046
Income tax expense	79,798,727	45,043,485	902,631,500	135,295,843	-	1,162,769,555
Additions to non-current assets	69,870,515	1,708,500	-	27,750,998	-	99,330,013
Reportable segment non-current assets	15,260,654,171	172,069,897	26,995,587,147	3,485,218,866	-	45,913,530,081
Reportable segment current assets	8,743,634,024	732,337,275	-	314,976,843	-	9,790,948,142
Reportable segment liabilities	45,047,735,104	724,529,490	1,133,689,995	1,467,492,924	-	48,373,447,513
Cash flows from operating activities	1,643,022,764	(67,892,368)		(1,621,038,615)	-	(45,908,219)
Cash flows from investing activities	(1,593,650,926)	15,656,630	-	1,119,508,856	-	(458,485,440)
Cash flows from financing activities	(92,901,520)	74,420,532	-	(38,233,778)	-	(56,714,765)
2021						
IFRS 4 income	982,092,762	-	-	-	-	982,092,762
IFRS 9 income	109,486,493	102,314,597	-	15,908,273	-	227,709,363
IFRS 15 Revenue at a point in time	128,379,587	-	-	27,924,404	(52,253,837)	104,050,154
IFRS 15 Revenue -over time	-	-	-	101,031,973	(28,207,070)	72,824,903
Other revenue	3,105,207,678	29,885,365	2,208,234,820	139,197,965	(1,890,026,078)	3,592,499,750
Total income	4,325,166,520	132,199,962	2,208,234,820	284,062,615	(1,970,486,985)	4,979,176,932
Total benefits claims and other expenses	(4,202,609,715)	(105,437,192)	(11,040,172)	(93,532,144)	94,665,957	(4,317,953,266)
Profit before income tax	199,913,557	42,671,043	2,197,194,648	97,265,445	(1,875,821,027)	661,223,666
Depreciation of property and equipment	13,094,845	167,142	-	250,117	-	13,512,104
Amortisation of intangible assets	41,599	40,663	-	6,891	-	89,152
Finance costs	9,144,459	28,918,564	-	-	-	11,740,163
Fair value gains on equities	401,800,956	13,564,665	-	53,065,154	-	468,430,775
Fair value gains on investment property	813,886,418	16,320,700	2,208,234,820	39,760,236	(72,678,600)	3,005,523,574
Income tax expense	34,647,910	14,997,287	110,411,741	6,012,732	-	166,069,670
Additions to non-current assets	12,044,574	776,818	-	1,024,619	-	13,846,011
Reportable segment non-current assets	3,457,723,913	46,160,342	4,255,270,000	362,761,359	-	8,121,915,614
Reportable segment current assets	1,462,985,532	118,971,773	-	53,083,135	-	1,635,040,440
Reportable segment liabilities	7,884,183,833	124,185,401	225,664,653	284,892,869	-	8,518,926,756
Cash flows from operating activities	(273,852,478)	37,747,170		73,492,402	-	-162,612,907
Cash flows from investing activities	90,076,650	(1,052,971)	-	(145,766,795)	-	(56,743,116)
Cash flows from financing activities	(36,814,695)	(38,932,354)	-	108,638,821	-	32,891,772

37 SEGMENT REPORTING (Continued)

GEOGRAPHICAL INFORMATION	Zimbabwe ZWL	Malawi ZWL	Consolidation adjustments	Total ZWL
2022				
Income				
IFRS 4 income	1,439,877,309	1,805,230,542	-	3,245,107,851
IFRS 9 income	625,951,150	554,807,030	-	1,180,758,180
IFRS 15 Revenue- at a point in time	458,800,190	25,696,684	-	484,496,874
IFRS 15Revenue-over time	152,129,565	-	(126,432,880)	25,696,685
Other revenue	26,026,787,021	53,732,026	-	26,080,519,047
Total income	28,703,545,235	2,439,466,282	(126,432,880)	31,016,578,637
Group's income per statement of profit or loss and other comprehensive income				31,016,578,637
Depreciation of property and equipment	7,887,008	14,927,940		22,814,948
Amortisation of intangible assets	17,086	30,203,391		30,220,478
Finance costs	151,100,428	4,772,075		155,872,503
Fair value adjustments on equities	417,115,212	508,709,190		925,824,402
Fair value adjustments on investment property	24,880,443,016	75,970,031		24,956,413,046
Income tax expense	1,085,062,319	77,707,235		1,162,769,555
Segment profit before income tax	2,078,926,698	(52,317,839)		2,026,608,859
Cash flows from operating activities	(786,224,502)	740,316,283		(45,908,219)
Cash flows from investing activities	475,114,563	(933,600,003)		(458,485,441)
Cash flows from financing activities	23,313,837	(80,028,602)		(56,714,765)
Additions to non-current assets	64,738,873	28,337,470		93,076,343
Reportable segment non current assets	39,023,494,224	6,890,035,856		45,913,530,081
Reportable segment current assets	1,848,523,352	7,942,424,790		9,790,948,142
Reportable segment liabilities	34,236,118,004	14,137,329,510		48,373,447,513
2021				
Income				
IFRS 4 income	364,103,061	617,989,701	-	982,092,762
IFRS 9 income	136,206,431	91,502,932	-	227,709,363
IFRS 15 Revenue- at a point in time	148,469,885	7,834,106	(52,253,837)	104,050,154
IFRS 15 Revenue-over time	101,031,973		(28,207,070)	72,824,903
Other revenue	5,349,254,246	133,271,581	(1,890,026,077)	3,592,499,750
Total income	6,099,065,596	850,598,320	(1,970,486,984)	4,979,176,932
Total income from external customers	4,128,578,552	850,598,320	(1,970,486,984)	4,979,176,932
Group's income per statement of profit or loss and other Comprehensive income	4,128,578,552	850,598,320		4,979,176,932
Depreciation of property and equipment	6,291,992	7,220,112		13,512,104
Amortisation of intangible assets	47,585	41,599	-	89,184
Finance costs	34,599,376	3,463,647		38,063,024
Fair value adjustments on equities	374,176,559	94,254,216	-	468,430,775
Fair value adjustments on investment property	2,985,629,620	19,893,954		3,005,523,575
Income tax expense	153,650,061	12,419,609		166,069,670
Segment profit before income tax	680,503,647	(19,279,981)		661,223,666
Cash flows from operating activities	(7,455,621)	(155,157,285)		(162,612,907)
Cash flows from investing activities	(111,321,124)	54,578,008		(56,743,116)
Cash flows from financing activities	47,083,608	(14,191,836)		32,891,772
Additions to non-current assets	3,366,883	10,479,128		13,846,011
Reportable segment non current assets	7,112,761,209	1,009,154,405		8,121,915,614
Reportable segment current assets	382,097,478	1,252,942,962		1,635,040,440
Reportable segment liabilities	6,453,475,773	2,065,450,984		8,518,926,757

38 PRESCRIBED ASSETS

The Pension and Provident Funds Act (Chapter 24:09) as amended by the Government of Zimbabwe Statutory Instrument 206 of 2019 requires companies in the life assurance industry to hold 15% of their assets as investments in prescribed stocks and bonds. The Company's investment in such assets is summarised below:-

	2022	2021
Counterparty	**ZWL**	**ZWL**
Inventories-South View Stands	1,756,608	1,756,608
Residential Stand Debtors	1,520,773	2,431,331
Development Bonds	52,323	52,323
Other non current assets	46,589,762	-
Investment Properties	4,688,400,000	896,223,952
	4,738,319,466	900,464,214
Total assets	33,582,797,300	6,526,584,915
Percentage of total assets	14%	14%

The Company is not fully compliant with the prescribed assets requirements in the current year.
The business intends to invest more in the prescribed assets in 2023 to ensure compliance.

39 Statutory Instrument 95 of 2017, Insurance (Amendment) Regulations 2017 (19)

The financial statements of the Company must comply with the provisions of Insurance Regulations 1989, promulgated as Statutory Instrument 95 of 2017 read with Instrument 59 of 2020, section (3).

The following are the details on compliance with the said provisions of the statute:

Section 3 (1) (a)

The minimum unencumbered capital requirement for an insurer for registration or ongoing operations shall be the equivalent of Seventy Five Million Zimbabwe Dollars in the case of an insurer which carries on life assurance business including funeral assurance.

	2022	2021
	ZWL	**ZWL**
Investments	33 553 413 000	6,523,696,000
Allowance for inadmissible assets	(20 112 454 000)	(3,748,781,000)
Value of Assets	13 440 959 000	2,774,915,000
Actuarial values of policy liabilities	11 128 560 000	2,390,121,000
Other liabilities	768 708 000	236,780,000
Total	11 897 268 000	2,626,901,000
FLA statutory capital per SI95 requirement	1 543 691 000	148,014,000
SI95 minimum statutory capital requirement	75 000 000	75,000,000
Statutory capital surplus/deficit	1 468 691 000	73,014,000

The Company is fully compliant with the minimum capital requirements. Although this solvency position is healthy by international standards in a normal economy, the economic instability in Zimbabwe demands even higher solvency levels. To improve underwriting capacity and strengthen financial soundness of the Company, Management are still pursuing balance sheet restructuring initiatives of the equity and property portfolios to unlock value.

40 CONTINGENCIES

40.1 Litigations against the Company

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.

41 EVENTS AFTER THE REPORTING DATE

41.1 Dividend

At a board meeting held on 28 March 2023, the directors recommended not to declare a dividend for the year ended 31 December 2022. This decision was reached due to a need to preserve internal resources to fund the Group's growth strategy. No dividend was declared for the year ended 31 December 2022.

41.2 Approval of the consolidated financial Statements

The consolidated financial statements were approved by the Board of Directors for issue on 28 March 2023 and the directors have power to amend and/or reissue the financial statements should circumstances requiring that arise.

REGULATORY DISCLOSURES

1 Policyholder and shareholder funds

Fidelity Life Assurance of Zimbabwe conducted an asset separation between policyholders and shareholders in compliance with the requirements of the Insurance Act (Chapter 24:07) and the Pension and Provident funds Act (Chapter 24:09). Investments returns and assets allocation are disclosed as shown below representing policyholder and shareholder funds separately.

1.1 Assets and liabilities allocation

2022	2022	2022	2022
	ZWL	ZWL	ZWL
Assets	**Policyholder**	**Shareholder**	**Total**
Land and buildings	-	33,068,554	33,068,554
Intangible assets	32,705,034	-	32,705,034
Investment property	10,485,909,997	-	10,485,909,997
Inventories	1,756,608	-	1,756,608
Investments in subsidiaries	19,130,075,816	1,914,561,719	21,044,637,535
Other assets	906,525,426	-	906,525,426
Equities at fair value through profit or loss	722,849,687	-	722,849,687
Debt securities at amortised cost	52,323	-	52,323
Cash and deposits with banks	333,974,607	21,317,528	355,292,135
Total assets	31,613,849,499	1,968,947,801	33,582,797,300
Liabilities			
Borrowings	-	-	-
Trade and other payables	2,306,498,995	147,223,340	2,453,722,335
Total liabilities	2,306,498,995	147,223,340	2,453,722,335
Net assets value			31,129,074,965
Allocated closing fund balance	29,307,350,504	1,821,724,461	31,129,074,965

2021 **Assets and liabilities allocation**	2021 ZWL Policyholder	2021 ZWL Shareholder	2021 ZWL Total
Assets			
Land and buildings	-	2,091,882	2,091,882
Intangible assets	18,403,533	-	18,403,533
Investment property	2,129,605,049	-	2,129,605,049
Inventories	1,756,608	-	1,756,608
Investments in subsidiaries	3,192,469,443	385,636,612	3,578,106,055
Other assets	156,042,127	-	156,042,127
Equities at fair value through profit or loss	511,080,261	-	511,080,261
Debt securities at amortised cost	52,323	-	52,323
Cash and deposits with banks	97,408,211	32,038,866	129,447,077
Total assets	6,106,817,556	419,767,360	6,526,584,915
Liabilities			
Borrowings	-	-	-
Trade and other payables	224,425,280	14,325,018	238,750,298
Total liabilities	224,425,280	14,325,018	238,750,298
Net assets value			6,287,834,617
Allocated closing fund balance	5,882,392,275	405,442,342	6,287,834,617

1.2 Investment returns allocation

	2022 ZWL	2021 ZWL
Direct revenue		
Net premiums earned	1,439,877,309	364,103,001
Brokerage commissions and management fees	38,242,443	84,646,558
Other operating income	57,487,801	174,848,341
Net claims and benefits incurred	(348,695,958)	(183,298,722)
Fees and commission expenses and other acquisition costs	(213,407,317)	(17,766,619)
Other operating and administrative expenses	(1,851,553,089)	(323,121,822)
Net direct growth in fund	(878,048,812)	99,410,736
Fair value gains	8,685,858,965	1,101,539,204
Share of profit subsidiaries	15,031,895,653	1,803,303,675
Other investment income	66,310,754	23,484,009
Southview project operating expenses	(268,222,414)	(30,878,138)
Finance costs	(12,872,917)	(5,680,813)
Income tax expense	(2,091,490)	(22,228,300)
Gains on property and equipment revaluations	-	339,097,687
Share of revaluation gains on property	2,070,926	2,085,403
Exchange differences arising on translation of foreign operations	1,007,894,584	26,132,149
Net investment returns	24,510,844,060	3,236,854,876
Net profit before change in policyholder liability	23,632,795,248	3,336,265,612
Allocation of profit (94:6)		
Policyholder	22,214,827,534	3,136,089,676
Shareholder	1,417,967,715	200,175,937

2 IPEC Currency reform guideline compliance

The Insurance and Pensions Commission (IPEC) issued currency reform guidelines in 2020 to compensate policyholders for the loss of value due to the change in currency from USD to ZWL. The following describe the steps taken by the Company to comply with the guideline for each product class and the split of assets and operating profits per each sub account thereof.

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

Policyholders who were present as at the determination date were identified and the policies have been made paid up as at the determination date. The paid-up values become the Sum Assured of the member as at 31 December 2018. Assets were split into Sub Account 1 and Sub Account 2 in compliance with the IPEC Guideline. The paid-up members participate in Sub Account 1 and benefit from bonuses allocated to participants in Sub Account 1. Contributions that were remitted post the Determination Date went towards purchasing a new policy at the policyholders' current age and the remaining term. The policyholders will benefit from bonuses allocated to Sub Account 2. Policyholders who bought policies before the Determination Date will participate in both Sub Accounts whilst those who bought policies after the Determination Date participates only in Sub Account 2.

2.2 Insurance contract liabilities and investment contract liabilities without discretionary participation features

The investment products have been split between Sub Account 1 and Sub Account 2. The members who were participating in the Fund before the determination date participate in Sub Account 1 and benefit from interest awarded to Sub Account 1. Contributions that were remitted post the Determination Date went invested in a separate Fund that is in Sub Account 2. The policyholders will benefit from interest awarded to Sub Account 2.

2.3 Below is the split of assets into the respective sub-accounts

	Sub- Account 1	Sub- Account 2	Sub- Account 3	Total
	ZWL	ZWL	ZWL	ZWL
Assets				
Prescribed assets	52,322	-	46,589,762	46,642,084
Land and buildings	-	-	-	-
Investment property	10,485,909,997	-	-	10,485,909,997
Listed equities	517,872,839	204,976,848	-	722,849,687
Unlisted equities	15,914,940,879	-	948,217,562	16,863,158,441
Money market investments	313,092,182	434,409	41,765,544	355,292,135
Inventories(Land and projects)	1,541,608	215,000	-	1,756,608
Loans and receivables	-	-	829,978,499	829,978,499
Non current trade receivables	-	-	-	-
Other	-	-	-	-
Total	27,233,409,827	205,626,257	1,866,551,367	29,305,587,451

2.4 Below is the split of profit into the respective sub-accounts

	Sub- Account 1	Sub- Account 1	Sub- Account 2	Total
Operating profit	ZWL	ZWL	ZWL	ZWL
Premiums net of reinsurance	-	863,926,386	575,950,924	1,439,877,309
Fee and commission income	-	38,242,443	-	38,242,443
Interest income from residential stands receivables	338,968	-	-	338,968
Investment income	61,306,967	462,899	4,201,920	65,971,786
Fair value gains/(losses)	300,016,825	2,265,281	20,562,861	322,844,967
Income from sale of stands	-	-	-	-
Gains/losses on property revaluation	8,363,013,998	-	-	8,363,013,998
Other income	14,022,423,687	105,876,514	961,083,253	15,089,383,454
Income	22,747,100,445	1,010,773,523	1,561,798,957	25,319,672,925
Benefits and claims after reinsurance	(324,039,910)	(2,446,668)	(22,209,380)	(348,695,958)
Change in liabilities	(20,644,071,008)	(155,873,358)	(1,414,924,506)	(22,214,868,873)
Policyholder benefits	(20,968,110,919)	(158,320,026)	(1,437,133,886)	(22,563,564,831)
Cost of sales of stands	-	-	-	-
Fee, commission and acquisition costs	-	(128,044,390)	(85,362,927)	(213,407,317)
Finance costs	-	(7,723,750)	(5,149,167)	(12,872,917)
Projects development	(268,222,414)	-	-	(268,222,414)
Operating expenses	-	(1,110,931,854)	(740,621,236)	(1,851,553,089)
Non-operating income				-
Other expenses	(268,222,414)	(1,246,699,994)	(831,133,330)	(2,346,055,739)
Profit before tax	1,510,767,112	-394,246,498	-706,468,259	410,052,355
Income tax	-	(1,254,894)	(836,596)	(2,091,490)
Profit after tax	1,510,767,112	(395,501,392)	(707,304,855)	407,960,865

TOP 20 SHAREHOLDERS AS AT 31 DECEMBER 2022

HOLDER NO.	SHAREHOLDER NAME	NO OF SHARES	% HOLDING
3857	ZIMRE HOLDINGS LIMITED	72,925,578	66.95
957824	TURISMO INVESTMENTS (PVT) LTD	24,980,900	22.93
959514	MEGA MARKET (PVT) LTD	1,433,566	1.32
960745	SUMMERTON RHYS DRENNAN	1,359,577	1.25
940747	FLAM MANAGEMENT SPECIAL FUND	886,653	0.81
957339	FARID EL-KHOURY PHILLPPE ELIAS	360,000	0.33
959574	MORGAN AND COMPANY (PVT) LTD	304,388	0.28
956762	STANBIC NOMINEES (PVT)LTD-AC 140043470003	238,288	0.22
692948	FIDELITY FINANCIAL SERVICES FUND	235,484	0.22
957423	OLD MUTUAL LIFE ASSURANCE OF ZIMBABWE LIMITED	204,392	0.19
32911	MATAURE CHARLES ALBERT	198,000	0.18
959512	CORPSERVE NOMINEES (PVT) LTD	118,920	0.11
618208	FIDELITY LIFE ASSURANCE NOMINEES (PRIVATE) LTD	113,811	0.10
559812	ENG ASSET MANAGEMENT	112,836	0.10
456757	NATIONAL INVESTMENT TRUST	101,152	0.09
851838	REMO INVESTMENT BROKERS (PVT) LTD	88,317	0.08
667163	MACHIWENYIKA LODY	85,456	0.08
957371	STANBIC NOMINEES (PVT) LTD AC 110008040007	83,829	0.08
957915	KUNYONGANA LOICE	81,673	0.07
402284	ZIMBABWE INSURANCE BROKERS LIMITED	79,438	0.07
	TOTAL HOLDING OF TOP SHAREHOLDERS	103,992,258	95.47
	REMAINING HOLDING	4,931,033	4.53
	TOTAL ISSUED SHARES	108,923,291	100

GRI Content Index

GRI Standard	Disclosure	Page number(s)	Omission		
			Part Omitted	Reason	Explanation
GRI 101: Foundation 2016					
General Disclosures					
GRI 102: General Disclosures 2016	**Organizational profile**				
	102-1 Name of the organization	Front Cover			
	102-2 Activities, brands, products, and services	6			
	102-3 Location of headquarters	188			
	102-4 Location of operations	6			
	102-5 Ownership and legal form	65, 183			
	102-6 Markets served	6			
	102-7 Scale of the organization	7-8			
	102-8 Information on employees and other workers 8	8, 36-41			
	102-9 Supply chain	N/A	To be included in next report.		
	102-10 Significant changes to the organization and its supply chain	N/A	To be included in the next report.		
	102-11 Precautionary Principle or approach	27			
	102-12 External initiatives	45-46			
	102-13 Membership of associations 6				
	102-14 Statement from senior decision-maker 9	9-11			
	102-16 Values, principles, standards, and norms of behaviour	4, 26			
	102-18 Governance structure	15-24			
	102-40 List of stakeholder groups 3	32			
	102-41 Collective bargaining agreements	39			
	102-42 Identifying and selecting stakeholders 3	32			
	102-43 Approach to stakeholder engagement	32			
	102-44 Key topics and concerns raised 3				

	102-45 Entities included in the consolidated financial statements.	6, 119			
	102-46 Defining report content and topic Boundaries	5, 31-32			
	102-47 List of material topics	31			
	102-48 Restatements of information	5, 95			
	102-49 Changes in reporting	5	First Sustainability Report.		
	102-50 Reporting period	5	1 January 2022 to 31 December 2022.		
	102-51 Date of most recent report	-	First Sustainability Report		
	102-52 Reporting cycle	5	1 January to 31 December each year		
	102-53 Contact point for questions regarding the report	5			
	102-54 Claims of reporting in accordance with the GRI Standards	5			
	102-55 GRI content index	184-187			
	102-56 External assurance	5			

GRI Standard	Disclosure	Page number(s)	Omission: Part Omitted	Omission: Reason	Omission: Explanation
Material Topics					
200 series (Economic topics)					
Economic Performance					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	5, 31-32			
	103-2 The management approach and its components	46			
	103-3 Evaluation of the management approach	46			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	56-182			
	201-3 Defined benefit plan obligations and other retirement plans	39			
Tax					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	5, 31-32			
	103-2 The management approach and its components	46-47			
	103-3 Evaluation of the management approach	47			
GRI 207: Country-by-country reporting	207-4 Tax Payments	47, 102			
Indirect Economic Impacts					
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	5, 31-32			
	103-2 The management approach and its components	45			
	103-3 Evaluation of the management approach	46			

GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	45-46	
300 series (Environmental topics)			
Energy			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	5, 31-32	
	103-2 The management approach and its components	42	
	103-3 Evaluation of the management approach	42	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	42	
	302-2 Energy consumption outside of the organization	42	
Waste			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	5, 31-32	
	103-2 The management approach and its components	43	
	103-3 Evaluation of the management approach	44	
Emissions			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	5, 31-32	
	103-2 The management approach and its components	44	
	103-3 Evaluation of the management approach	44	
GRI 305 Emissions 2016	305-1 Direct Scope 1 GHG Emissions	44	
	305-2 Energy Indirect (Scope 2) GHG Emissions.	44	
400 series (Social topics)			
Employment			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	5, 31-32	
	103-2 The management approach and its components	36	
	103-3 Evaluation of the management approach	36	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	37-38	
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	5, 31-32	
	103-2 The management approach and its components	39	
	103-3 Evaluation of the management approach	40	
GRI 403: Occupational Health and Safety 2018	403-2 Hazard Identification, risk assessment, and incident investigation	40	
Diversity and Equal Opportunity			
	103-1 Explanation of the material topic and its Boundary	5, 31-32	

GRI 103: Management Approach 2016	103-2 The management approach and its components	40			
	103-3 Evaluation of the management approach	40			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	15-18; 36			

Corporate Information

REGISTERED OFFICE
Fidelity House, 66 Julius Nyerere Way, Harare

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

MAIN BANKERS

CBZ Bank Limited,
60 Kwame Nkrumah Avenue, Harare

Nedbank Zimbabwe Limited,
99 Jason Moyo Avenue, Harare

Stanbic Bank Limited,
64 Nelson Mandela Avenue, Harare

COMPANY SECRETARY
Ruvimbo Chidora - Paradzai (Appointed 1 February 2022)
Chipo Matongo (Resigned 1 February 2022)

TRANSFER SECRETARIES
ZB Transfer Secretaries (Private) Limited
21 Natal Road, Belgravia, Harare

LAWYERS
Mawere and Sibanda Legal Practitioners
10th Floor Chiedza House,
Corner 1st Street/K. Nkrumah Avenue, Harare

SUSTAINABILITY ADVISORS
Institute for Sustainability Africa (INSAF)
65 Whitewell Road, Borrowdale West, Harare

Notice of Annual General Meeting 2023

FIDELITY LIFE
ASSURANCE OF ZIMBABWE

Notice is hereby given that the 44th Annual General Meeting of the Members of Fidelity Life Assurance Company Limited will be held virtually on Tuesday, 27 June 2023 at 1000hrs on the following link for the purpose of transacting the following business:
https://us06web.zoom.us/j/87634548285?pwd=cS9kdDQ1ZG5wSzhKK2w5Wm5NdzI4UT09

Ordinary Business

1. Financial Statements

To receive and adopt the financial statements and report of the Directors and Auditor for the financial year ended 31 December 2022.

2. Corporate Governance

To receive, consider and approve the Corporate Governance Statement for the period 1 January 2022 to 31 December 2022.

3. Directorate

a) To re-elect Ms. Takudzwa Chitsike who retires by rotation in terms of Article 77 and 78 of the Company's Articles of Association, and being eligible, offers herself for re-election.
(Ms. Chitsike is the Legal Advisor for Meikels Limited. She has over 15 years of corporate experience and is well versed in legal advisory, legal drafting, commercial litigation and legal interpretation. She holds a LLM in International Trade Law.)

b) To re-elect Mr. Ignatius Mvere who retires by rotation in terms of Article 77 and 78 of the Company's Articles of Association, and being eligible, offers himself for re-election.
(Mr. Mvere is the Chief Director responsible for Finance, Administration and Human Resources in the Ministry of Defence and War Veterans Affairs. He has vast experience in Finance particularly Public Sector Finance. He is a holder of a Bachelor of Commerce degree and is a registered Public Accountant.)

c) To re-elect Mr. Henry Nemaire who retires by rotation in terms of Article 77 and 78 of the Company's Articles of Association, and being eligible, offers himself for re-election.
(Mr. Nemaire is a Chartered Certified Accountant with vast experience in auditing, special investigations and review of internal control systems and taxation. He is the Chief Finance Officer of Tanganda Tea Company Limited.)

4. Directors' Remuneration

To approve the remuneration of the Directors for the year ended 31 December 2022 amounting to ZWL72 397 595 (In terms of Practice Note 4 issued by the Zimbabwe Stock Exchange on the 17th of January 2020, the FLA Directors Remuneration Report shall be available for inspection at the Company's registered office during the Annual General Meeting).

5. Auditor's Fees

To approve the remuneration of the External Auditor, Grant Thornton Zimbabwe, for the past audit for the year ended 31 December 2022, amounting to ZWL193 066 104.

6. To appoint Grant Thornton Zimbabwe as the External Auditors for the Company for the ensuing year until the conclusion of the next Annual General Meeting.
(In terms of the Insurance and Pension Commission (IPEC) Guidelines insurers are required to change their audit firm every five years. Grant Thornton Zimbabwe have been the Company's External Auditor since 2022.)

7. To transact any other business that may be transacted at an Annual General Meeting.

Proxies

A member entitled to attend and vote at the meeting may appoint any person or persons to attend and vote on his or her behalf. A proxy need not be a member of the Company. Proxy forms together with a copy of the notice can be obtained at the registered office of the Company or on the Fidelity Life Assurance of Zimbabwe website on the following link www.fidelitylife.co.zw/downloads or at the office of the Transfer Secretaries, ZB Transfer Secretaries (Private) Limited, 21 Natal Road, Avondale, Harare, Zimbabwe. Proxy forms must be lodged with the Company Secretary or Transfer Secretary not less than 48 hours before the meeting.

Meeting Details

Shareholders are advised to contact ZB Transfer Secretaries for meeting ID details. Robert Mutakwa (rmutakwa@zb.co.zw) and (schatitima@zb.co.zw) or phone on 08677002001.

BY ORDER OF THE BOARD
R Chidora
7 June 2023

FIDELITY LIFE

ASSURANCE OF ZIMBABWE

ANNUAL GENERAL MEETING

PROXY FORM

I/ We, ……

being a member of …….

holding ……………………………….... shares, hereby appoint ……………………………………………………………….

……………………………….. of …………………………… …………………………………………………………………….

Or failing him/ her ………………………………………………………….. of ………………………………………….

As my / our proxy to vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on 27th of June 2023 at 10:00 hours electronically via Zoom, and at any adjournment thereof.

Signed this ……………………………………………………day of ………………………………………………………. 2023

Signature of member: ……………………………………………………………………………………………………….

NOTE:

In terms of the Companies and Other Business Entities Act [Chapter 24:31] a member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend, vote a poll and speak in his stead. A proxy need not be a member of the Company.

Notes

Notes


FIDELITY LIFE
ASSURANCE OF ZIMBABWE