44 Ridgeway North, Highlands
Harare, Zimbabwe
Telephone: +263 (24) 2886830-5
Email: info@zse.co.zw
Website: www.zse.co.zw

NOTICE OF THE EIGHTH ANNUAL GENERAL MEETING OF THE ZIMBABWE STOCK EXCHANGE LIMITED

Notice is hereby given that the Eighth Annual General Meeting of the Shareholders of Zimbabwe Stock Exchange Limited will now be held virtually on Wednesday 29 June 2022 at 1100hrs for the purpose of transacting the following business;

AGENDA

To consider and if deemed fit, to pass the following resolutions with or without amendments:-

1. Audited Financial Statements
To receive, consider and adopt the Group Financial Statements, the report of the Directors and Auditors for the year ended 31 December 2021.

2. Election of Directors
In terms of Clause 99.2 of the Articles of Association of the Company one third of the directors are supposed to retire from the board but being eligible for re-election. Consequently, Mrs Caroline Sandura and Mrs Maureen Rudo Svova will be retiring and both being eligible, offer themselves for re-election. The Directors will be re-elected by separate resolutions.

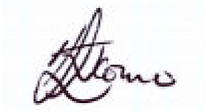
3. Director's Remuneration
To confirm the directors' fees for the year ended 31 December 2021.

4. Audit Fees
To approve the remuneration of auditors for the year ended 31 December 2021.

5. Dividend
To confirm dividend payment for the financial year ended 31 December 2021 in the amount of ZWL$5 020 997 at ZWL$48.88 per share

6. Appointment of Auditors
To appoint of Messrs Grant Thornton Chartered Accountants as the auditors of the Company until the conclusion of the next Annual General Meeting.

By Order of the Board



Lyndon T. Nkomo
Company Secretary
7 June 2022

NOTES:

(a) **A member entitled to attend and vote at the Annual General Meeting of Shareholders may appoint a proxy to attend and speak and, on poll, vote in his stead. A proxy need not to be a member of the Company. Forms of proxy must be lodged at the Registered Office of the Company not less than forty eight (48) hours before the time of holding of the meeting.**

(b) **The link for the virtual meeting will be sent to all the shareholders directly at least seven (7) days ahead of the scheduled date of the meeting.**

PROXY FORM FOR THE ANNUAL GENERAL MEETING

For use at the Eighth Annual General Meeting of the Zimbabwe Stock Exchange to be held virtually on Wednesday 29 June 2022 at 1100hrs

I/We, the undersigned ____ of

____ being registered holder (s) of ________________

ordinary shares, hereby appoint____ or

failing him, ____ to act for me/us or my/our

behalf as indicated below at the Annual General Meeting of the Company to be held on 29 June 2022 at 1100 Hours and at any adjournment thereof.

Signature________________________ Signed this___________day of________________ 2022.

PROXY

(a) In terms of s171 of the Companies and Other Business Entities Act, Chapter 24:31 members are entitled to appoint one or more proxies to act in the alternative, to attend, vote and speak in their place at the meeting. A proxy need not be a member of the Company.

(b) In terms of Article 90 of the Company's Articles of Association instruments of the proxy must be lodged at the registered office of the Company at least forty eight hours before the time appointed for handling the meeting.

(c) Any alteration or correction made to this form of proxy (including the deletion of alternative) must be initialled by the signatory/signatories.

Physical Address

Company Secretary
Zimbabwe Stock Exchange Limited
44 Ridgeway North
Highlands
Harare
Email: LNkomo@zse.co.zw

Grant Thornton

Zimbabwe Stock Exchange Limited and its Subsidiaries

Consolidated Annual Financial Statements

31 December 2021

NATURE OF BUSINESS:

The Zimbabwe Stock Exchange Limited ("ZSE") is a securities exchange regulated in terms of the Securities and Exchange Act (Chapter 24:25) (the "Act") to provide for the listing and trading of securities.

DIRECTORS:

Mrs. C. Sandura	(Non-Executive Director, *Chairperson*)
Mr. B. Mswaka	(Non-Executive Director, *Deputy Chairman*)
Mr. B. Gasura	(Non-Executive Director)
Mr. M. De Klerk	(Non-Executive Director)
Mrs. L Tirivanhu	(Non-Executive Director)
Mrs. M. R. Svova	(Non-Executive Director)
Mr. M. Mudzungayiri	(Non-Executive Director)
Mr. J. Bgoni	(Chief Executive Officer)
Mrs. P. Guchu	(Finance Director) - Appointed 1 September 2021

REGISTERED OFFICE:

44 Ridgeway North
Highlands
HARARE

AUDITORS:

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Camelsa Business Park
135 Enterprise Road
Highlands
HARARE

MAIN BANKERS:

FBC Bank Limited
Stanbic Bank Zimbabwe Limited

LAWYERS:

Messrs Dube Manikai and Hwacha
Legal Practitioners
Commercial Law Chambers
6th Floor Goldbridge
Eastgate
Sam Nujoma Street
Harare

Contents

These consolidated annual financial statements are expressed in Zimbabwe Dollars (ZWL).

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements for the year ended 31 December 2021

It is the Directors' responsibility to ensure that the financial statements fairly present the state of affairs of the Group. The external auditors are responsible for independently reviewing and reporting on the consolidated financial statements.

The Directors have assessed the ability of the Group to continue as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. However, the Directors believe that under the current economic environment a continuous assessment of the ability of the Group to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.

The financial statements are prepared with the aim of complying fully with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), which includes standards and interpretations approved by the IASB and Standing Interpretations Committee (SIC) interpretations issued under previous constitutions.

The Conceptual Framework requires that in applying fair presentation of financial statements, entities should go beyond the consideration of the legal form of transactions and any other factors that could have an impact on them. IAS 21 requires an entity to apply certain parameters in determining the functional currency of an entity for use in the preparation of its financial statements. This standard also requires an entity to make certain judgements, where applicable, regarding appropriate exchange rates between currencies where exchangeability through a legal and market exchange mechanism is not achievable.

The requirement to comply with Statutory Instrument (S.I) 33 of 2019 as enacted by the Finance Act No. 2 of 2019 created inconsistencies with IAS 21, as well as the principles embedded in the IFRS Conceptual Framework for Financial Reporting. This has resulted in the adoption of the accounting treatment in the current year's financial statements, which deviates from that which would have been applied if the Company had been able to fully comply with IFRS.

The Directors carried out an assessment on the effect of Covid-19 on the Group's operations and income streams and came to a conclusion that the impact is not material to affect the ability of the Group's ability to continue as a going concern for the next twelve months.

The Group's accounting and internal control systems are designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of its assets. Such controls are based on established written policies and procedures and all employees are required to maintain the highest ethical standards in ensuring that the Group's business practices are conducted in a manner which in all reasonable circumstances is above reproach. Issues that come to the attention of the Directors have been addressed and the Directors confirm that the system of accounting and internal control is operating in a satisfactory manner.

The Group's financial statements which are set out on pages 9 to 38 were, in accordance with their responsibilities, approved by the Board of Directors on 30 March 2022 and are signed on its behalf by:

…………………………………	…………………………………
Mrs. C. Sandura	Mr. J. Bgoni
Chairperson	**Chief Executive Officer**

These financial statements were prepared under the supervision of:

Guchu

…………………………………
Mrs. P. Guchu
Registered Public Accountant
Chief Finance Officer

Grant Thornton

INDEPENDENT AUDITOR'S REPORT

Grant Thornton
Camelsa Business Park
135 Enterprise Road, Highlands
PO Box CY 2619
Causeway, Harare
Zimbabwe

T +263 0242 442511-4
F +263 0242 442517 / 496985
E info@zw.gt.com
www.grantthornton.co.zw

To the members of Zimbabwe Stock Exchange Limited and its Subsidiaries

Report on the Audit of the Consolidated Financial Statements

Adverse Opinion

We have audited the consolidated financial statements of Zimbabwe Stock Exchange Limited and its subsidiaries set out on pages 9 to 38, which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant Group accounting policies.

In our opinion, because of the significance of the matters described in the *Basis for Adverse Opinion* section of our report, the consolidated financial statements do not present fairly, in all material respects, the financial position of Zimbabwe Stock Exchange Limited and its subsidiaries as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis of Adverse Opinion

Non-compliance with International Accounting Standard (IAS) 21 - The Effect of Changes in Foreign Exchange Rates

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

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

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

Although IAS 29 has been applied correctly, its application was based on prior period and current financial information which was not in compliance with IAS 21 as described above. Had the correct base numbers been used, most elements of the consolidated financial statements (including monetary gain/loss) would have been materially different. The impact of the departure from the requirements of these standards is considered material and pervasive to the consolidated financial statements for the year ended 31 December 2021.

Valuation of property and equipment

The determination of fair values for assets presented in the financial statements is affected by the prevailing economic environment. These financial statements include property and equipment that is carried at revaluation model in accordance with IFRS 13 - Fair value measurement. The valuation of the property and equipment was performed by professional valuers as at 31 December 2021. The property and equipment valuations were determined in USD and then translated to ZWL using the foreign currency auction rate from the foreign currency market.

Although the determined USD values reflected the fair value of the property and equipment in USD, the converted ZWL fair values were not in compliance with IFRS 13 as they may not reflect the assumptions that market participants would apply in valuing similar items of property and equipment in ZWL.

Key Audit Matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition IFRS 15 was applied on revenue 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 the revenue 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 incorporated a combination of tests of the Group's controls relating to revenue recognition and the appropriateness of revenue 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 revenue recognition criteria is appropriate and in line with the requirements of IFRS 15. • Performed cut-off tests on year end balances to ensure revenue is recognised in the correct period. • Tested design, existence and operating effectiveness of internal controls implemented as well as test of details to ensure accurate processing of revenue transactions. • 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). • Analytical procedures and assessed the reasonableness of explanations provided by management. We satisfied ourselves that the revenue recognition is appropriate.

Other information

The Directors are responsible for the other information. The other information comprises the 'Corporate information', 'Directors' responsibility for financial reporting', 'historical cost information' and 'Group statements', which we obtained prior to the date of this auditor's report, and the other reports which are expected to be made available to us after that date.

The other information does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

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

Responsibilities of Directors for the financial statements

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

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

Directors are also responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

In our opinion, except for the effects of the matters described in the *Basis of Adverse Opinion* section of our audit report, the consolidated financial statements have been properly prepared, in all material respects, in accordance with the accounting policies and comply with the disclosure 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)

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors

7 June 2022

HARARE

Consolidated statement of financial position
as at 31 December 2021

		Inflation adjusted		Historical cost	
		2021	2020	2021	2020
	Notes	ZWL	ZWL	ZWL	ZWL
Assets					
Non-current assets					
Property and equipment	4	220 387 841	160 264 203	192 755 797	90 261 537
Intangible assets	5	178 467 809	136 374 694	118 235 118	77 490 014
Unquoted investments	6	18 239 031	17 798 206	18 239 031	11 072 862
Investment in joint venture	8	4 205 764	4 207 807	745 077	817 360
		421 300 445	318 644 910	329 975 023	179 641 773
Current assets					
Financial assets at fair value through profit or loss	9	17 438 356	9 232 081	17 438 356	5 743 588
Financial assets at amortised cost	10	10 542 988	-	10 542 988	-
Trade and other receivables	11	22 705 595	5 806 787	22 705 595	3 612 597
Cash and cash equivalents	12	8 673 505	20 051 809	8 673 505	12 474 904
		59 360 444	35 090 677	59 360 444	21 831 089
Total assets		480 660 889	353 735 587	389 335 467	201 472 862
Equity and liabilities					
Capital and reserves					
Share capital	13	44 777	44 777	1 000	1 000
Share premium	13	3 167 439	3 167 439	70 739	70 739
Non-distributable reserve	14.1	3 493 349	3 493 349	77 981	77 981
Revaluation reserve	14.2	187 265 649	141 527 018	208 597 062	132 931 477
Mark to market reserve	14.3	14 224 992	13 784 167	17 833 742	10 667 573
Retained earnings		119 407 709	110 031 205	18 895 451	7 484 094
Total equity		327 603 915	272 047 955	245 475 975	151 232 864
Non-current liabilities					
Deferred tax liability	7	32 795 779	9 847 825	23 598 297	5 546 041
Current liabilities					
Trade and other payables	16	64 414 830	24 381 259	64 414 830	15 168 400
Bank overdraft	12	-	3 462	-	2 154
Short term borrowings	15	48 500 000	45 810 097	48 500 000	28 500 000
Income tax payable	21	7 346 365	1 644 989	7 346 365	1 023 403
		120 261 195	71 839 807	120 261 195	44 693 957
Total liabilities		153 056 974	81 687 632	143 859 492	50 239 998
Total equity and liabilities		480 660 889	353 735 587	389 335 467	201 472 862

………………………………
Mrs. C. Sandura
Chairperson

………………………………
Mr. J. Bgoni
Chief Executive Officer

Consolidated statement of profit or loss and other comprehensive income
for the year ended 31 December 2021

		Inflation adjusted		Historical cost	
		2021	2020	2021	2020
	Notes	ZWL	ZWL	ZWL	ZWL
Revenue	17	358 005 833	198 391 534	271 720 054	57 415 404
Fair value gain/(loss) on financial instruments	9	50 557 307	(29 035 200)	38 594 768	8 455 660
Interest from advances	10	3 027 774	-	2 962 397	-
Other income	18	1 424 405	3 355 438	1 179 450	1 549 485
Total income		413 015 319	172 711 772	314 456 669	67 420 549
Operating expenses					
Staff costs	19.1	190 021 077	64 375 663	152 980 630	25 915 940
Other operating costs	19.2	148 955 905	77 330 263	120 544 388	32 033 042
Depreciation and amortisation	19.2	16 259 889	18 489 550	12 767 171	2 588 261
Fair value loss on unquoted investment	6	-	11 127 797	-	-
Total expenses		355 236 871	171 323 273	286 292 189	60 537 243
Operating profit		57 778 448	1 388 499	28 164 480	6 883 306
Finance income	20.1	183 803	143 450	145 849	49 088
Finance costs	20.2	(11 152 760)	(1 688 461)	(5 412 489)	(196 528)
Share of loss from associate	8	(1 292 254)	(837 466)	(980 347)	(387 923)
Monetary (loss)/gain		(18 118 882)	10 222 917	-	-
Profit before tax		27 398 355	9 228 939	21 917 493	6 347 943
Income tax expense	21	(18 021 851)	(4 910 800)	(10 506 136)	(1 951 520)
Profit for the year		9 376 504	4 318 139	11 411 357	4 396 423
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss:					
Gain on property revaluation, net of tax		45 738 631	141 527 018	75 665 585	123 840 463
Fair value adjustments on unquoted investment	6	440 825	-	7 166 169	7 061 142
Total comprehensive income for the year		55 555 959	145 845 157	94 243 111	135 298 028
<u>**Earnings per share**</u>					
Number of shares in issue		102 704	102 704	102 704	102 704
Basic and diluted (ZWL cents per share)		9 130	4 204	11 111	4 281

Consolidated statement of changes in equity
for the year ended 31 December 2021

Inflation adjusted

	Share capital ZWL	Share premium ZWL	Revaluation reserve ZWL	Non-distributable reserve ZWL	Mark to market reserve ZWL	Retained earnings ZWL	Total ZWL
Balance at 1 January 2020	44 777	3 167 439	-	3 493 349	13 784 167	105 713 066	126 202 798
Total comprehensive income for the year	-	-	141 527 018	-	-	4 318 139	145 845 157
Balance at 31 December 2020	44 777	3 167 439	141 527 018	3 493 349	13 784 167	110 031 205	272 047 955
Total comprehensive income for the year	-	-	45 738 631	-	440 825	9 376 504	55 555 960
Balance at 31 December 2021	44 777	3 167 439	187 265 649	3 493 349	14 224 992	119 407 709	327 603 915

Historical cost

	Share capital ZWL	Share premium ZWL	Revaluation reserve ZWL	Non-distributable reserve ZWL	Mark to money reserve ZWL	Retained earnings ZWL	Total ZWL
Balance at 1 January 2020	1 000	70 739	9 091 014	77 981	3 606 431	3 087 671	15 934 836
Total comprehensive income for the year	-	-	123 840 463	-	7 061 142	4 396 423	135 298 028
Balance at 31 December 2020	1 000	70 739	132 931 477	77 981	10 667 573	7 484 094	151 232 864
Total comprehensive income for the year	-	-	75 665 585	-	7 166 169	11 411 357	94 243 111
Balance at 31 December 2021	1 000	70 739	208 597 062	77 981	17 833 742	18 895 451	245 475 975

Consolidated statement of cash flows
for the year ended 31 December 2021

	Notes	Inflation adjusted 2021 ZWL	Inflation adjusted 2020 ZWL	Historical cost 2021 ZWL	Historical cost 2020 ZWL
Cash flows from operating activities					
Profit before tax		27 398 355	9 228 939	21 917 493	6 347 943
Adjustments for:					
Depreciation and amortisation	19.2	16 259 889	18 489 550	12 767 171	2 588 261
Loss/(profit) on disposal of property, plant and equipment	18	85 462	(1 368 020)	80 808	(592 875)
Finance income		(183 803)	(143 450)	(145 849)	(49 088)
Finance costs		11 152 760	1 688 461	5 412 489	196 528
Share of loss from associate		1 292 254	837 466	980 347	387 923
Monetary loss		18 118 882	(10 222 917)	-	-
Fair value gain on financial instruments	9	(50 557 307)	29 035 200	(38 594 768)	(8 455 660)
Increase in provision for expected credit losses		227 192	-	227 408	-
Net cash inflows from operations		23 793 684	47 545 229	2 645 099	423 032
Income taxes paid	21	(1 163 285)	(494 879)	(1 163 285)	(307 881)
Changes in working capital					
Increase in trade and other receivables		(16 898 808)	(825 421)	(22 282 803)	(2 921 736)
Increase in trade and other payables		40 033 571	1 341 223	49 246 430	11 972 999
Net cash flows generated from operating activities		45 765 162	47 566 152	28 445 441	9 166 414
Cash flows from investing activities					
Additions to property and equipment	4	(19 067 426)	(29 256 900)	(15 596 096)	(13 931 341)
Invesment in joint ventures	8	(1 290 211)	(5 045 273)	(908 064)	(1 205 283)
Purchase of intangible assets	5	(53 756 047)	(28 353 049)	(49 793 295)	(16 510 232)
Proceeds from disposal of financial instruments		180 923 232	30 804 746	124 126 162	12 702 412
Proceeds from disposal of property and equipment		-	1 383 650	-	604 286
Purchase of financial instruments - FVTPL	9	(112 566 384)	(46 848 443)	(75 000 000)	(6 907 907)
Purchase of armotised cost financial instruments	10	(33 521 030)	-	(29 806 753)	-
Interest income received		183 803	134 905	145 849	49 088
Net cash flows utilised in investing activities		(39 094 063)	(77 180 364)	(46 832 197)	(25 198 977)
Cash flows from financing activities					
Short-term borrowings		2 689 903	45 810 097	20 000 000	28 500 000
Finance costs paid		(11 152 760)	(1 688 461)	(5 412 489)	(207 706)
Net cash flows utilised in financing activities		(8 462 857)	44 121 636	14 587 511	28 292 294
Net increase/(decrease) in cash and cash equivalents		(1 791 758)	14 507 425	(3 799 245)	12 259 731
Cash and cash equivalents at beginning of the year		20 048 347	1 535 947	12 472 750	213 019
Effects of inflation for opening balances of monetary items		(9 583 084)	4 004 976	-	-
Cash and cash equivalents at end of year	12	8 673 505	20 048 347	8 673 505	12 472 750

Group statement of accounting policies
for the year ended 31 December 2021

1 General information

1.1. Nature of business and incorporation

The Zimbabwe Stock Exchange Limited (the "Group") was incorporated on 31 December 2014 (No. 10653/2014) and domiciled in Zimbabwe and is registered under the Companies and Other Business Entities Act (Chapter 24:31). The principal nature of business of the Group is to operate a Stock Exchange. The address of its registered office is 44 Ridgeway North, Highlands, Harare. The Companies Act and Other Business Entities Act (Chapter 24:31) provides the governance framework, capital structure and financial reporting requirements and obligations.

2 Significant accounting policies

2.1 Basis of preparation

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31), except for non-compliance with International Accounting Standard ("IAS") 21 - Effects of Changes in Foreign Exchange Rates and IAS 29 - Financial Reporting in Hyperinflationary Economies.

The consolidated financial statements have been prepared under the current cost basis as per the provisions of IAS 29 "Financial Reporting in Hyper-inflationary Economies". The local accounting regulatory board, Public Accountants and Auditors Board (PAAB) proclaimed all financial periods after 1 July 2019 to be reported under the hyper-inflation accounting basis. Therefore, the primary financial statements of the Group are inflation adjusted and historical numbers have been provided as supplementary information.

The Consumer Price Indices (CPIs) were obtained from the Reserve Bank of Zimbabwe website, as supplied by the Zimbabwe Central Statistical Office. The Consumer Price Indices adopted are as follows:-

Year ended	Conversion factors	CPI
31 December 2021	1	3 977.46
31 December 2020	1.607	2 474.51
31 December 2019	4.490	551.63

2.2 Functional and presentation currency

These financial statements are presented in Zimbabwe Dollars (ZWL), which is the Group's functional and presentation currency and all values are rounded to the nearest dollar, except when otherwise indicated.

Group statement of accounting policies
for the year ended 31 December 2021

2 Significant accounting policies

2.3 New standards, interpretations and amendments not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of the issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

2.3.1 Amendments to IAS 1: Clssification of Liabilities as Current or Non-Current

In January 2020, the IASB issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right

That only if an embedded derivative in a convertible liability is itself an equity instrument would in terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether exisiting loan agreements may require renegotiation.

2.3.2 Property, Plant and Equipment: Proceeds before intended use - Amendments to IAS 37

In May 2020, the IASB issued Property, Plant and Equipment - Proceeds before intended use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

Group statement of accounting policies
for the year ended 31 December 2021

2 Significant accounting policies (continued)

2.3.3 Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

2.3.4 IFRS 9 Financial Instruments - Fees in the "10%" test for derecognition of financial liabilities

As part of its 2018 - 2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes ehen assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting perods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

2.4 Investment in associates and joint ventures

The investment in Joint Ventures and Associate are measured using equity accounting.

The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consisitency with the accounting policies of the Group.

Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

Group statement of accounting policies
for the year ended 31 December 2021

2 Significant accounting policies (continued)

2.5 Property and equipment

Recognition and measurement

All items of property and equipment are shown at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. Repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred. Land is carried at cost. No depreciation is provided on land or capital work-in-progress. Depreciation commences when the asset is available for use. Depreciation on Buildings and Automated Trading System (ATS) Hardware (Computer Equipment) is calculated using the straight line basis over the estimated useful lives. Other assets are depreciated using the reducing balance method to allocate the cost over the assets' estimated useful lives. The estimated useful lives are as follows:

Buildings	50 years
Furniture, fittings and equipment	10 years
Computer equipment	3 to 5 years
Motor vehicles	4 years

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively if appropriate. The carrying values of equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable in full.

An item of Property and Equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of equipment are determined as the difference between the sales proceeds and the carrying amount of the asset at the date of disposal and taken into account in determining operating profit.

Revaluation policy

The directors also apply significant judgment, estimates and assumptions on carrying out the revaluation of property, plant and equipment and intangible assets in line with the policy on revaluation. The directors engage a professional valuer to perform an independent valuation.

In the current year, due to the distortions in the property market and lack of market trends, the valuers have provided a caveat around the use of the valuation.

2.6 Intangible assets

Intangible assets acquired separately are initially measured and recognised at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged to profit or loss in the year in which the expenditure is incurred.

Group statement of accounting policies
for the year ended 31 December 2021

2 Significant accounting policies (continued)

2.6 Intangible assets (continued)

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and are assessed for impairement whenever there is an indication that the intangible assets are impaired. The amortisation expense and impairment losses on intangible assets are recognised in profit or loss in the period in which they occured.

Intangible assets are amortised over a period of 5 years, but are tested for impairment annually. Gains or losses arising from de-recognition or disposal 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 profit or loss when the asset is derecognised or disposed.

2.7 Provisions

Provisions are recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

2.8 Prepayments

Prepayments are stated at cost less amortised amounts. Prepayments are amortised to income by the straight-line method or according to performance of the underlying transaction.

2.9 Employee benefits

Employee benefits are all forms of consideration given by the Group in exchange for services rendered by employees.

2.9.1 Pension obligations

The Group operates a defined contribution pension plan and it also participates in the National Social Security Authority ("NSSA") statutory defined contribution pension plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the Fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group's contributions to the pension plan are charged to the profit or loss in the period to which the contributions relate.

2.9.2 Other short-term benefits

Other short-term benefits provided include staff membership of various medical aid societies.

Group statement of accounting policies
for the year ended 31 December 2021

2 Significant accounting policies (continued)

2.10 Income tax

Income tax recognised in profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly to equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised for all temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and those for taxation purposes, unless the deferred tax liability arises from:

- Taxable temporary differences arising on initial recognition of Goodwill; or
- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to affect current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax is calculated based on the tax rates that are expected to apply to the temporary difference when the asset or liability is settled. The effect on deferred tax of any changes in tax rates is charged to profit or loss, except to the extent that it relates to items previously charged or credited directly to equity or other comprehensive income.

2.11 Revenue

The Group recognises revenue as and when it satisfies a performance obligation by transferring control of a product or service to a customer. The amount of revenue recognised is the amount the Group expects to receive in accordance with the terms of the contract, and excludes amounts collected on behalf of third parties, such as Value Added Tax.

Transaction levy income is based on a percentage of the value of shares traded and is recognised on the dates of the trasactions.

Initial listing income is recognised in the year in which the listing company makes the floatation. Additional listing income is recognised during the year in which the issuing company makes announcement of the bonus or rights issues.

Annual listing fees.

Annual listing fees are chargeable in terms of Statutory Instrument 134 of 2019, and are charged on all listed securies annualy. The listing fees are computed on the basis of the market capitalisation value of listed securities as at 30 November of every year.

Group statement of accounting policies
for the year ended 31 December 2021

2 Significant accounting policies (continued)

2.11 Revenue (continued)

Interest income.
Interest income from a financial asset asset is recognised on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Market access fees.
Market access fees are fees charged to members based on brokerage commission they would have earned in the preceeding month.

Administration fees.
Administration fees on advances are fees charged to a supplier on advancement of funds.

Commission on advances.

Commission on advances are fees charged to traders whose funds are advanced to suppliers.

Other income

Other income is recognised on the date when all risks and rewards associated with the transaction have been transferred to the buyer.

2.12 Financial Instruments

2.12.1 Classification and measurement of financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet it becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss. If the transaction price differs from fair value at initial recognition, the Group will account for such difference as follows:

- If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);

- In all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

- After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Group statement of accounting policies
for the year ended 31 December 2021

2.12 Financial instruments (continued)

2.12.2 Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL. Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit or loss.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets are classified into the following specified categories:

- Fair value through profit and loss (FVTPL);
- Fair value through other comprehensive income (FVOCI), or
- Amortised cost (AC)

2.12.3 Financial assets at FVTPL

Financial assets

- assets with contractual cash flows that are not Solely Payments of Principal and Interest (SPPI); or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option

Financial assets may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or
- The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance evaluated on a fair value basis, in accordance with the Group's risk management or investment strategy, and information about the Group is provided initially on that basis, or
- It forms part of a contract containing one or more embedded derivatives, and IAS 39.

Financial instruments, recognition and measurement, permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are measured at fair value, with any resultant gain or loss recognised in profit or loss. Interest income from these financial assets is included in interest and related income using the effective interest rate method.

Group statement of accounting policies
for the year ended 31 December 2021

2.12 Financial instruments (continued)

2.12.4 Financial assets at FVOCI

The Group applies the new category under IFRS 9 of debt instruments measured at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset meet the solely payments of principal and interest (SPPI) test.

Gains and losses arising from changes in fair value are recognised directly in other comprehensive income in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest rate method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss.

The Group made an irrevocable election to measure unquoted investments at fair value through other comprehensive income on initial recognition.

2.12.5 Financial assets at amortised cost

This includes amounts due from banks, loans and other receivables, bills of exchange and debentures with fixed or determinable payments and fixed maturity debts that the Group has the positive intent and ability to hold to maturity. Investments are recorded using the effective interest method less any impairments with revenue being recognised on an effective yield basis.

2.12.6

The Group only measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold the financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

2.12.7 Reclassifications

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Group's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and de-recognition of financial assets.

2.12.8 Financial liabilities at FVTPL

Either financial liabilities are classified as at 'FVTPL' where the financial liability is held for trading or it is designated as at FVTPL.

Group statement of accounting policies
for the year ended 31 December 2021

2.12 Financial instruments (continued)

2.12.9 De-recognition

It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

The financial liability forms part of a Group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Group is provided internally on that basis; or

It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire hybrid (combined) contract to be designated as at FVTPL.

2.12.10 Other financial liabilities

Other financial liabilities, including payables and borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

2.12.11 De-recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

Group statement of accounting policies
for the year ended 31 December 2021

2.12 Financial instruments (continued)

2.12.12 Share capital

Ordinary shares are classified as equity.

2.12.13 Foreign currency transactions

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date.

All differences arising on settlement or translation of monetary items are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

3 Significant judgments and estimates

3.1 Useful lives and residual values of property, plant and equipment

The Group assesses useful lives and residual values of property and equipment each year taking into consideration past experience, technology changes and the local operating environment. The useful lives are set out in note 2.9 and no changes to those useful lives have been considered necessary during the year. Residual values will be reassessed each year and where there are any changes adjustments for depreciation will be done in future periods.

3.2 Provision for impairment of receivables

Provision for impairment of receivables is a specific provision made for trade and other receivables which is reviewed on a montly basis. In determining the recoverability of a trade receivables the Group assesses whether there has been a significant evidence of financial difficulty or increase in credit risk from the debtor or issuer from the date the credit was granted up to the end of the reporting period.

Group statement of accounting policies
for the year ended 31 December 2021

3.3 Fair value and impairment of unquoted equities classified as available for sale

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

The Group assesses if there has been a significant or prolonged decline in the fair value of the investment below its cost or there is information about significant changes in the operating environment with adverse effects in which the issuer operates in which may indicate that the carrying amount in the investment may not be recovered.

3.4 Going concern assessment

The Group assesses the appropriateness of the going concern assumption at each statement of financial position date. This involves making judgments about viability of proposed strategies to turn around the Group, as well as estimation of future cash flows. The process is therefore subjective.

Notes to the consolidated financial statements
for the year ended 31 December 2021

Inflation adjusted

4 Property and equipment

	Land and buildings ZWL	Automated Trading System Hardware ZWL	Equipment (including furniture and fittings) ZWL	Vehicles ZWL	Total ZWL
Net carrying amount at 1 January 2020	**74 822 660**	**5 376 069**	**6 923 510**	**10 693 252**	**97 815 491**
Gross carrying amount - cost/valuation	88 310 671	26 495 464	10 990 146	14 695 529	140 491 810
Accumulated depreciation	(13 488 011)	(21 119 395)	(4 066 636)	(4 002 277)	(42 676 319)
Additions	3 267 538	-	24 558 152	1 431 210	29 256 900
Revaluation	38 100 410	-	10 460 530	-	48 560 940
Disposals	-	-	(15 630)	-	(15 630)
Depreciation charge for the year	(2 038 509)	(5 376 069)	(3 937 053)	(4 001 867)	(15 353 498)
Net carrying amount at 31 December 2020	**114 152 099**	-	**37 989 509**	**8 122 595**	**160 264 203**
Gross carrying amount - cost/valuation	129 678 619	26 495 464	46 008 828	16 126 739	218 309 650
Accumulated depreciation	(15 526 520)	(26 495 464)	(8 019 319)	(8 004 144)	(58 045 447)
Additions	-	-	19 067 426	-	19 067 426
Revaluation	38 438 631	-	7 300 000	-	45 738 631
Disposals	-	-	(85 462)	-	(85 462)
Depreciation charge for the year	(321 527)	-	(4 083 272)	(192 158)	(4 596 957)
Net carrying amount at 31 December 2021	**152 269 203**	-	**60 188 201**	**7 930 437**	**220 387 841**
Gross carrying amount - cost/valuation	168 117 250	26 495 464	72 290 792	16 126 739	283 030 245
Accumulated depreciation	(15 848 047)	(26 495 464)	(12 102 591)	(8 196 302)	(62 642 404)

Land and buildings were revalued as at 31 December 2021 by an independent valuer (Amazon Real Estate Agents (Private) Limited using the market values to determine the fair value. The market value estimated amounts for which the property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arms length transaction. The valuation values were done in USD and translated into ZWL using the RBZ auction rate as at date of valuation.

Notes to the consolidated financial statements
for the year ended 31 December 2021

Historical cost

4 Property and equipment (continued)

	Land and buildings ZWL	Automated Trading System Hardware ZWL	Equipment (including furniture and fittings) ZWL	Vehicles ZWL	Total ZWL
Net carrying amount at 1 January 2020	**10 339 320**	**59 173**	**222 242**	**548 922**	**11 169 657**
Gross carrying amount - cost/valuation	10 721 468	591 728	307 895	650 391	12 271 482
Accumulated depreciation	(382 148)	(532 555)	(85 653)	(101 469)	(1 101 825)
Additions	-	-	13 700 992	230 350	13 931 341
Revaluation	58 660 680	-	7 511 044	-	66 171 724
Disposals	-	-	(11 412)	-	(11 412)
Depreciation charge for the year	(14 990)	(59 173)	(735 059)	(190 552)	(999 774)
Net carrying amount at 31 December 2020	**68 985 010**		**20 687 807**	**588 720**	**90 261 537**
Gross carrying amount - cost/valuation	69 382 148	591 728	21 497 056	880 741	92 351 673
Accumulated depreciation	(397 138)	(591 728)	(809 249)	(292 021)	(2 090 136)
	22 420 534	68 277 418			
Additions	-	-	15 596 096		15 596 096
Revaluation	80 265 822	-	10 432 130	-	90 697 952
Disposals	-	-	(80 808)	-	(80 808)
Depreciation charge for the year	(249 167)	-	(3 322 633)	(147 180)	(3 718 980)
Net carrying amount at 31 December 2021	**149 001 665**	-	**43 312 592**	**441 640**	**192 755 797**
Gross carrying amount - cost/valuation	149 647 970	591 728	47 444 474	880 741	198 564 913
Accumulated depreciation	(646 305)	(591 728)	(4 131 882)	(439 201)	(5 809 116)

Land and buildings were revalued as at 31 December 2021 by an independent valuer (Amazon Real Estate Agents (Private) Limited using the market values to determine the fair value. The market value estimated amounts for which the property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arms length transaction. The valuation values were done in USD and translated into ZWL using the RBZ auction rate as at date of valuation.

Notes to the consolidated financial statements
for the year ended 31 December 2021 (continued)

	Inflation adjusted		Historical cost	
	2021	2020	2021	2020
	ZWL	ZWL	ZWL	ZWL
5 Intangible assets				
Net carrying amount at 1 January 2021	**136 374 694**	**12 561 590**	**77 490 014**	**365 480**
Gross carrying amount - Cost	180 035 730	53 086 574	80 108 919	1 152 245
Accumulated amortisation	(43 661 036)	(40 524 984)	(2 618 905)	(786 765)
Additions	53 756 047	28 353 049	49 793 295	16 510 232
Revaluation	-	98 596 107	-	62 381 643
Amortisation charge for the year	(11 662 932)	(3 136 052)	(9 048 191)	(1 588 487)
Net carrying amount at 31 December 2021	**178 467 809**	**136 374 694**	**118 235 118**	**77 490 014**
Gross carrying amount - Cost	233 791 777	180 035 730	129 902 214	80 108 919
Accumulated amortisation	(55 323 968)	(43 661 036)	(11 667 096)	(2 618 905)

Included in intangible assets internally developed online trading platform system, ZSE Direct, which provides retail investors with a smart way to manage their ZSE investments.

6 Unquoted investments

Balance at the beginning of the year	17 798 206	28 926 003	11 072 862	4 011 720
Fair value adjustments through other comprehensive income	440 825	(11 127 797)	7 166 169	7 061 142
Balance at the end of the year	18 239 031	17 798 206	18 239 031	11 072 862

The Group holds 111 945 shares (13.24% interest) in Chengetedzai Depository Company (CDC) an unlisted company. The fair value of the investment has been estimated at ZWL 18 239 031 as at 31 December 2021.

7 Deferred tax

Analysis of deferred tax:				
Property and equipment	28 769 661	9 037 425	19 572 179	5 041 863
Leave pay provision	3 969 903	810 400	3 969 903	504 178
Allowance for credit losses	56 215	-	56 215	-
	32 795 779	9 847 825	23 598 297	5 546 041
Deferred tax reconciliation				
Balance at beginning of the year	9 847 825	12 209 955	5 546 041	235 592
Recognised in statement of profit or loss	10 535 604	2 734 459	3 019 889	597 545
Recognised in other comprehensive income	12 412 350	(5 096 589)	15 032 367	4 712 904
Balance at the end of the year	32 795 779	9 847 825	23 598 297	5 546 041

Notes to the consolidated financial statements
for the year ended 31 December 2021 (continued)

	Inflation adjusted		Historical cost	
	2021	2020	2021	2020
	ZWL	ZWL	ZWL	ZWL
8 Investment in Joint Venture				
Investment in Zimbabwe Receivables Marketplace (Private) Limited				
Balance at the beginning of the year	4 207 807	-	817 360	-
Share of losses	(1 292 254)	(837 466)	(980 347)	(387 923)
Additional investment	1 290 211	5 045 273	908 064	1 205 283
Balance at the end of the year	4 205 764	4 207 807	745 077	817 360

The Company has a 50% interest in Zimbabwe Receivables Markeplace (Private) Limited ("ZRM"), a joint venture involved in receivables discounting and trading. ZRM facilitates the reallocation of capital from institutional investors to corporates or entities looking for working capital.

9 Financial assets at fair value through profit or loss

	Inflation adjusted 2021	Inflation adjusted 2020	Historical cost 2021	Historical cost 2020
Opening balance	9 232 081	22 223 584	5 743 588	3 082 433
Purchase of financial instruments	112 566 384	46 848 443	75 000 000	6 907 907
Withdrawal or disinvestment	(154 917 416)	(30 804 746)	(101 900 000)	(12 702 412)
Fair value adjustments through profit or loss	50 557 307	(29 035 200)	38 594 768	8 455 660
Closing balance	17 438 356	9 232 081	17 438 356	5 743 588

Financial assets at fair value through profit or loss at year end is made up of equities and unit trusts.

10 Financial assets at amortized cost

	Inflation adjusted 2021	Inflation adjusted 2020	Historical cost 2021	Historical cost 2020
Capital advanced	33 521 030	-	29 806 753	-
Withdrawal or disinvestment	(26 005 816)	-	(22 226 162)	-
Interest accrual through profit or loss	3 027 774	-	2 962 397	-
	10 542 988	-	10 542 988	-

Financial assets at armotised cost represent advances to Zimbabwe Receivables Market Place Limited. The advances bear interest at a rate that is determined by market. The rates varies between 4% to 7% on average.

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

	Inflation adjusted		Historical cost	
	2021	2020	2021	2020
11 Trade and other receivables	ZWL	ZWL	ZWL	ZWL
Trade receivables	11 354 596	4 243 285	11 354 596	2 639 890
Allowance for credit losses	(227 897)	-	(227 897)	-
Net trade receivables	11 126 699	4 243 285	11 126 699	2 639 890
Other receivables	11 578 896	1 563 502	11 578 896	972 707
Balance at the end of the year	22 705 595	5 806 787	22 705 595	3 612 597

Trade and other receivables are non-interest bearing and are generally settled between 30 days and 60 days.

12 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes the following:

Cash at bank	8 673 505	20 051 809	8 673 505	12 474 904
Bank overdraft	-	(3 462)	-	(2 154)
	8 673 505	20 048 347	8 673 505	12 472 750

Cash at bank earns interest at floating rates based on daily bank deposit rates.

13 Share capital and premium

Authorised share capital				
6 000 000 ordinary shares of $0.10 each	1 671 415	1 671 415	60 000	60 000
Issued share capital				
102 704 ordinary shares of $0.10 each	44 777	44 777	1 000	1 000
Share premium	3 167 439	3 167 439	70 739	70 739
Balance at the end of the year	3 212 216	3 212 216	71 739	71 739

The total number of authorised ordinary shares is 6 million (2020: 6 million) with a par value of ZWL 0.01 per share. The issued shares are 102 704 (2019: 102 704) which are all fully paid up. Immediately on demutualisation, the ZSE proprietary rights were converted to ZSE shares. The unissued shares are under the control of Directors subject to the limitations imposed by the Companies and Other Business Entities Act (Chapter 24:31) and the Articles and Memorandum of Association of the Company.

Notes to the consolidated financial statements
for the year ended 31 December 2021 (continued)

14 Reserves

	Inflation adjusted		Historical cost	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
14.1 Non-distributable reserves				
Non-distributable reserves	3 493 349	3 493 349	77 981	77 981

This arose as a result of change in functional currency from the Zimbabwe Dollar to the United States Dollar in 2009. It represents the residual equity in existence as at the date of the change over

	Inflation adjusted 2021 ZWL	Inflation adjusted 2020 ZWL	Historical cost 2021 ZWL	Historical cost 2020 ZWL
14.2 Revaluation reserve				
Opening balance	141 527 018	-	132 931 477	9 091 014
Movement during the year	45 738 631	141 527 018	75 665 585	123 840 463
Closing balance	187 265 649	141 527 018	208 597 062	132 931 477
14.3 Mark to market reserve				
Opening balance	13 784 167	24 911 964	10 667 573	3 606 431
Movement during the year	440 825	(11 127 797)	7 166 169	7 061 142
Closing balance	14 224 992	13 784 167	17 833 742	10 667 573

This relates to fair valuation of investment in Chengetedzai Depository Company ("CDC"), an

15 Short-term borrowings

15.1 Short-term borrowings	Balance 2021 ZWL	Balance 2020 ZWL	Balance 2021 ZWL	Balance 2020 ZWL
FBC Facility	48 500 000	45 810 097	48 500 000	28 500 000

The loan was classified as short term borrowings refers to a facility obtained from the Group's bankers FBC bank. The loan is for one year with interest accumulating at a rate of 50% per annum.

Notes to the consolidated financial statements for the year ended 31 December 2021 (continued)

		Inflation adjusted		Historical cost	
		2021	2020	2021	2020
		ZWL	ZWL	ZWL	ZWL
16	**Trade and other payables**				
	Trade creditors	16 432 048	3 182 588	16 432 048	1 979 995
	Payroll liabilities	29 016 105	4 859 971	29 016 105	3 023 551
	Accruals and other payables	18 966 677	16 338 700	18 966 677	10 164 854
		64 414 830	24 381 259	64 414 830	15 168 400

Trade and other payables are non-interest bearing and normally settled between 30 and 60 days.

17	**Revenue**				
	ZSE levy	156 324 411	76 274 972	130 961 318	34 648 537
	ZSE EDS levy	3 207 789	-	3 123 837	-
	VFEX levy	196 154	-	167 840	-
	VFEX EDS levy	52 308	-	44 758	-
	Annual listing fees	144 432 320	94 828 154	95 321 312	13 674 560
	Initial listing fees	425 655	-	425 655	-
	Special trading fees	14 330 978	-	12 041 467	-
	Index fees	198 828	-	198 828	-
	Space advertising	439 483	509 360	304 400	78 000
	Automated trading system market access fees	6 153 378	3 527 516	4 978 473	1 422 554
	Corporate action and document review fees	7 533 730	7 092 687	6 274 490	3 337 718
	Members subscription fees	10 483 091	6 597 479	5 456 853	1 853 189
	Non-member institution subscription fees	3 783 855	3 225 468	4 189 550	495 816
	Data vending	6 562 653	4 707 171	5 064 892	1 381 721
	Operation fees	1 624 269	231 145	1 291 537	114 071
	Training services	710 181	1 397 582	510 955	409 237
	ZSE direct commissions	1 546 749	-	1 363 889	-
		358 005 833	198 391 534	271 720 054	57 415 404
18	**Other income**				
	Reversal on allowance for credit losses	-	527 390	-	81 260
	Miscellaneous income	768 595	364 377	687 041	205 490
	Profit on disposal of assets	-	1 368 020	-	592 875
	Dividend received	655 810	1 095 651	492 409	669 860
		1 424 405	3 355 438	1 179 450	1 549 485

Notes to the consolidated financial statements
for the year ended 31 December 2021 (continued)

	Inflation adjusted		Historical cost	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
19 Operating profit				
Operating profit is stated after taking into account of the following items:				
19.1 Staff costs				
Salaries and allowances	122 064 116	27 423 030	97 050 937	17 833 404
Staff bonus	14 368 296	4 259 539	14 368 296	2 650 002
Other staff costs	10 654 102	19 112 667	7 999 547	142 630
Employer pension contribution	11 460 479	2 869 033	9 225 702	1 366 783
Leave pay expenses	21 094 155	6 510 923	16 059 480	1 977 121
Medical aid	8 124 335	3 588 853	6 485 146	1 658 808
Social security costs	1 375 954	434 098	1 079 658	205 325
Pension fund administration fees	879 640	177 520	711 865	81 867
	190 021 077	64 375 663	152 980 630	25 915 940
19.2 Other operating costs (continued)				
Computer maintenance and systems support	11 001 384	7 048 152	8 852 496	2 701 878
Annual report	189 065	826 557	149 820	490 575
Audit fees	2 431 281	1 311 755	1 822 701	293 693
Bank charges	7 594 617	4 072 124	5 944 039	1 650 866
Board sitting fees	11 746 420	5 406 045	10 757 915	2 227 995
Marketing & business development costs	21 987 842	4 663 646	17 278 006	1 484 306
Teas/cleaning and general office expenses	4 998 026	2 526 719	2 772 163	986 234
Consultancy and professional fees	4 755 142	1 667 507	3 610 226	443 985
Entertainment and gifts	2 684 902	1 777 433	2 457 169	1 162 708
Insurance	3 445 421	2 959 712	2 819 260	1 299 889
Investor education and promotion	-	273 883	-	85 196
Legal fees	1 067 688	-	1 009 547	-
Management fees	-	57 902	-	32 740
Motor vehicle - fuel and oil	2 280 400	1 347 162	1 964 964	465 764
Printing/stationery	665 173	1 460 612	566 975	348 299
Allowance for credit losses	227 192	-	227 408	-
Recruitment expenses	759 415	40 003	575 744	5 671
Premises costs	7 418 117	3 878 243	4 331 693	1 474 832
Security service	1 780 263	970 943	2 844 001	355 327
Staff training/professional development	1 782 798	1 257 875	1 383 983	465 878
Staff protective clothing	-	9 357	-	5 188
Other operating expenses	49 181 198	29 192 626	40 562 277	13 741 612
Staff welfare	1 785 241	957 032	1 380 633	55 147
Statutory levies	5 018 896	2 522 921	3 943 267	873 810
Subscription, membership/publications fees	1 164 541	755 426	983 408	254 297
Telephone and other communication expenses	4 990 882	2 346 628	4 306 692	1 127 152
	148 955 905	77 330 263	120 544 388	32 033 042

Notes to the consolidated financial statements
for the year ended 31 December 2021 (continued)

	Inflation adjusted		Historical cost	
	2021	2020	2021	2020
	ZWL	ZWL	ZWL	ZWL
19 Operating profit (continued)				
19.2 Depreciation and amortisation				
Buildings	321 527	2 038 509	249 167	14 990
Automated trading system - Hardware equipment	-	5 376 069	-	59 173
Equipment (including furniture and fittings)	4 083 272	3 937 053	3 322 633	735 059
Vehicles	192 158	4 001 867	147 180	190 552
Automated trading system - Software licence	11 662 932	3 136 052	9 048 191	1 588 487
	16 259 889	18 489 550	12 767 171	2 588 261
20 Finance costs and interest income				
20.1 Finance income				
Interest on short-term fixed deposits	5 514	4 293	5 237	1 151
Interest on staff loans and advances	178 289	139 157	140 612	47 937
	183 803	143 450	145 849	49 088
20.2 Finance costs				
Interest paid - short term borrowings	11 152 760	1 688 461	5 412 489	196 528

Interest paid relates to short term borrowings from an overdraft facility and short term loan facility of ZWL$48 500 000.

	Inflation adjusted 2021 ZWL	Inflation adjusted 2020 ZWL	Historical cost 2021 ZWL	Historical cost 2020 ZWL
21 Income tax expense				
Current tax	7 486 247	2 176 341	7 486 247	1 353 975
Deferred tax	10 535 604	2 734 459	3 019 889	597 545
	18 021 851	4 910 800	10 506 136	1 951 520
Tax rate reconciliation				
Profit before tax	27 398 355	9 228 939	21 917 493	6 347 943
Income tax charge at 24.72%	6 772 873	2 281 394	5 418 004	1 590 709
Tax effect of:				
Non-deductible expenses	16 522 738	21 939 858	15 229 474	3 837 776
Non-taxable items	(5 273 760)	(19 310 452)	(10 141 342)	(3 476 965)
	18 021 851	4 910 800	10 506 136	1 951 520

Notes to the financial statements
for the year ended 31 December 2021 (continued)

	Inflation adjusted		Historical cost	
	2021	2020	2021	2020
	ZWL	ZWL	ZWL	ZWL
21 Income tax expense (continued)				
Income tax payable/(refundable)				
Balance at beginning of year	1 644 989	6 238 300	1 023 403	(22 691)
Charge to profit or loss	7 486 247	2 176 341	7 486 247	1 353 975
Taxes paid	(1 163 285)	(494 879)	(1 163 285)	(307 881)
Effects on inflation	(621 586)	(6 274 773)	-	-
Balance at the end of the year	7 346 365	1 644 989	7 346 365	1 023 403

22 Related parties

22.1 Investment in joint venture

The company has a 50% interest in Zimbabwe Receivables Marketplace (Private) Limited, a joint venture whose principal activity is invoice discounting. The Company's interest in Zimbabwe Receivables Marketplace is accounted for using the equity method in the financial statements. Summarised financial information of the joint venture, based on its IFRS financial statements, and reconciliation with the carrying amount of the investment in the financial statements are set out below;

Summarised statement of financial position for the of Zimbabwe Receivables Marketplace as at 31 December 2021

	Inflation adjusted		Historical cost	
	2021	2020	2021	2020
	ZWL	ZWL	ZWL	ZWL
Assets				
Property and equipment	1 480 170	1 789 460	802 249	1 041 178
Intangible assets	3 918 941	3 918 941	2 173 302	2 173 302
Deferred tax asset	139 817	274 737	676 306	173 927
Trade and other receivables	1 619 931	117 693	1 619 931	73 238
Cash and cash equivalents	535 809	350 455	535 809	197
Less liabilities	(3 672 935)	(2 656 686)	(3 672 935)	(1 653 196)
Equity	4 021 733	3 794 600	2 134 662	1 808 646
Company' share in equity - 50%	**2 010 867**	**1 897 300**	**1 067 331**	**904 323**

Summarised statement of profit or loss of Zimbabwe Receivables Marketplace (Private) Limited.

Revenue	2 366 142	-	2 075 276	-
Cost of sales	(153 727)	-	(145 394)	-
Administrative expenses	(4 883 811)	(1 430 416)	(3 890 575)	(775 846)
Monetary gain/(loss)	86 888	(244 516)	-	-
(Loss)/profit before tax	(2 584 508)	(1 674 932)	(1 960 693)	(775 846)
Company's share of loss for the year	**(1 292 254)**	**(837 466)**	**(980 347)**	**(387 923)**

Notes to the financial statements
for the year ended 31 December 2021 (continued)

	Inflation adjusted		Historical cost	
	2021	2020	2021	2020
Related parties (continued)	ZWL	ZWL	ZWL	ZWL
22.2 Balances with related parties				
Entity	Value of transactions			
Zimbabwe Receivables Marketplace (joint venturer)	2 442 063	191 467	2 442 063	191 467
23 Key management personnel compensation				
Salaries and other short term employee benefits	95 606 234	16 976 854	77 622 207	9 986 385
Pension contributions	7 449 311	1 257 858	5 996 707	739 916
	103 055 545	18 234 712	83 618 914	10 726 301

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. These include the Chief Executive Officer, Chief Finance Officer, Head of Business Development, Head of Trading, Head of Depository, Internal Audit Manager, Head of ICT and Head of Compliance and Company Secretary.

24 Financial Risk Management

24.1 Risk management framework

Fundamental to the business activities and growth of the Group is a strong risk management pracice which is at the core of achieving the Group's Strategic Objectives. The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Audit and Risk Committee is responsible for developing and monitoring the Group's risk management policies. The Audit and Risk Committee regularly reports to the Board on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate limits and controls and to monitor risks and adherence to the limits. Risk managemet policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group through its training and management standards and procedures, aims to develop a disciplined and risk informed environment in which all employees have a good understanding of inherent risk specific to their departments.

The Audit and Risk Committee oversees how management monitors compliance with the Group's risk managemet policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Committee is assisted in its oversight role by the Finance and Compliance Department which undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Commitee.

The Group is exposed to the following principal risks arising from financial instruments:
- Credit Risk;
- Liquidity risk;
- Market risk;
- Price risk; and
- Interest rate risk.

Notes to the financial statements
for the year ended 31 December 2021 (continued)

24.2 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables and investment securities.

There is no significant concentration of credit risk with respect to cash and cash equivalents as the Group holds cash accounts with large financial institutions with sound financial and capital cover.

The Group limits its exposure to credit risk by ensuring its ratio of trade receivable to total revenue is kept within acceptable threshholds . The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

24.3 Cash and cash equivalents

The Group held cash and cash equivalents of ZWL 8 673 505 at 31 December 2021 (2020 : ZWL 20 048 347) which represents its maximum exposure on these assets. The cash and cash equivalents with maturity profile of less than 3 months are held with local banks with solid financial and capital cover.

24.4 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or anotherfinancial asset. The Group's approach to managing liquidity is to ensure as far possible that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketables securities.
A maturity analysis of financial instruments as at 31 December 2021 is as follows:

Description	Up to 3 months ZWL	3 months - 1 year ZWL	1 year - 5 years ZWL	Total ZWL
Cash and cash equivalents	8 673 505	-	-	8 673 505
Trade and other receivables	22 705 595	-	-	22 705 595
Financial assets at fairvalue through profit or loss	-	38 594 768	-	38 594 768
Total Assets	31 379 100	38 594 768	-	69 973 868
Liabilities				
Interest bearing loans and borrowings	-	48 500 000	-	48 500 000
Trade and other payables	64 414 830	-	-	64 414 830
Total Liabilities	64 414 830	48 500 000	-	112 914 830
Liquidity gap	(33 035 730)	(9 905 232)	-	(42 940 962)
Cumulative liquidity gap	(33 035 730)	(42 940 962)	(42 940 962)	(42 940 962)

Notes to the financial statements
for the year ended 31 December 2021 (continued)

24.5 Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Gropu's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return. The Group uses a range of tools such as sensitivity analysis to manage its exposure to market risk.

24.6 Price risk

Price risk is the risk of a decline in the value of a security or a portfolio.

24.7 Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group manages the risk by maintaining an appropriate mix of fixed and variable instruments. Interest on floating instruments is repriced at intervals of less than 1 year. Interest on fixed interest rate instruments is priced at inception of the financial instruments and is fixed until maturity. The Group's interest rate risk arises from investments in short-term placements and long-term debt obligations with floating interest rates.

24.8 Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholder and benefits to other stakeholders; and to maintain an optimal capital structure to reduce the cost of capital. No changes were made to the objectives, policies or processes during the year ended 31 December 2021. The Group monitors capital on the basis of the capital adequacy directive by the regulator, the Securities and Exchange Commission of Zimbabwe.

24.9 Fair value hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities. This level includes listed equity securities traded on the Zimbabwe Stock Exchange.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This level includes non-quoted equity investments.

The hierarchy requires the use of observable market data when available. The Exchange considers relevant and observable market prices in its valuations where possible.

Notes to the financial statements
for the year ended 31 December 2021 (continued)

25 Retirement Benefits Plans

25.1 Zimbabwe Stock Exchange Pension Fund

Pension funds are provided for employees to a separate fund to which the Group contributes. The fund is independently administered and insured by ZB Life Assurance Limited. The Group's contributions during the year amounted to ZWL11 460 479 (2020: ZWL 2 869 033).

25.2 National Social Security Authority Scheme (NSSA)

All employees are required by law to be members of the National Social Security Scheme which is a defined contribution scheme established under the National Social Security Authority Act (1989). The Group's contributions during the year amounted to ZWL1 375 954 (2020: ZWL 434 098).

26 Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the 31 December 2021 reporting date and the date of authorisation.

27 Approval of financial statements

The consolidated financial statements were approved by the Board of Directors for issue on 3 June 2022.