AGRICULTURAL
Marketing Authority
Promoting Sustainable Agricultural Development

2022 Annual Report

Building Agricultural Resilience

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Vision, Mission & Core Values

VISION

A sustainable and prosperous agricultural sector driven by effective marketing regulatory services by 2030.

OUR MISSION

To provide a conducive regulatory environment for sustainable production and marketing of agricultural products.

CORE VALUES

Professionalism
Accountability
Teamwork
Integrity
Transparency
Innovativeness

General Information

COUNTRY OF INCORPORATION AND DOMICILE	Zimbabwe	
NATURE OF BUSINESS	Agricultural Marketing Authority is a parastatal under the Ministry of Lands, Agriculture, Fisheries, Water and Rural Development which regulates, supervises, develops and administers the production and marketing of agricultural products.	
PRINCIPAL FUNCTIONS	To regulate, supervise, develop and administer the production and marketing of agricultural products.	
NON-EXECUTIVE DIRECTORS	Chairman	Mr. Allan T. Majuru
	Vice Chairman	Mrs. Tariro Muchena
	Board Member	Mr. Munyaradzi Hwengwere
	Board Member	Mrs. Joylyn Ndoro
	Board Member	Lt.Gen. (Rtd) Dr Engelbert A. Rugeje
	Board Member	Ms Grace N. Nicholas
	Board Member	Maj. Gen Hlanganani T. Dube
	Board Member	Ms. Memory Sibanda
	Board Member	Mrs. Rosemary Kanonge-Nyamweda
	Board Member	Colonel (Rtd) Godfrey Matemachani
EXECUTIVE MANAGEMENT	Chief Executive Officer	Mr. Clever Isaya
	Agribusiness Director	Mr. Jonathan Mukuruba
	Head Finance	Mr. Titshabona Ncube
	Head of Compliance/ Corporate Secretary	Mr. Peter Mudzimiri
REGISTERED OFFICE	8 Leman Road Mt Pleasant Harare Zimbabwe	
AUDITORS	Nolands Auditors 7 Glenara Avenue South Corner Samora Machel Avenue Eastlea Harare	
PRINCIPAL BANKERS	CBZ Bank NMB Bank AFC Bank	
LEGAL REPRESENTATIVES	Matsikidze Attorneys – At- Law	

Letter of Remittal

The Honourable Dr A J Masuka
Minister of Lands, Agriculture, Fisheries,
Water and Rural Development
P Bag 7701
Causeway
HARARE

Dear Honourable Minister

In terms of Section 49 of the Public Finance Management Act (Chapter 22:19), I have the pleasure of submitting for your consideration, the Agricultural Marketing Authority's 2022 Annual Report and Audited Accounts for the financial year ended 31 December 2022.

Yours faithfully

Allan T. Majuru
Board Chairman

The Board

Allan Majuru
Board Chairperson

Mrs Tariro Muchena
Vice-Board Chairperson

Dr Engelbert A Rugeje
Lt Gen (RTD)

Major General
Hlanganani T Dube

Colonel (Rtd) Godfrey
Matemachani

Mr Munyaradzi
Hwengwere

Mrs Joylyn Ndoro

Ms Grace N Nicholas

Mrs Rosemary
Kanonge Nyamweda

Ms Memory Sibanda

Management Team

Clever Isaya
(Chief Executive Officer)

Jonathan Mukuruba
(Agribusiness Director)

Mr Titshabona Ncube
(Head Finance)

Mr Peter Mudzimiri
(Head Compliance/
Corporate Secretary)

Chairman's Report

"The Agricultural Marketing Authority continues to regulate for growth by providing an enabling agricultural regulatory environment which is critical for the growth of the sector."

Chairman's Report

OVERVIEW

High inflation levels in 2022 saw the Government coming up with tight monetary policies as interest rates were hiked to over 200% per annum. This was coupled with the introduction of gold coins and a foreign currency auction system; all designed to tame inflation and stabilize the exchange rate.

In the agricultural sector, the 2021/22 season was characterized by cumulative rainfall which was in the normal to below-normal category for most parts of the country. Whilst tropical storm Ana brought a lot of rain during the early part of the season, this was regrettably followed by a dry spell which affected crop development and resulted in reduced cereal and horticulture production. However, the country remained food secure owing to the strategic grain reserve under the Grain Marketing Board.
The Agricultural Marketing Authority continues to regulate for growth by providing an enabling agricultural regulatory environment which is critical for the growth of the sector.

CONTRIBUTION TO AGRICULTURE AND FOOD SYSTEMS TRANSFORMATION STRATEGY (AFSTS)

The Government remained resolute in implementing the Agriculture and Food Systems Transformation Strategy, among other key policy initiatives, with the principal objective being the attainment of food and nutrition security, in addition to providing essential raw materials for the manufacturing industry. The transformation strategy seeks to develop a robust agriculture sector with a gross value of US$8.2 billion by 2023 – a feat which was achieved in 2022 - and capable of turning around and steering Zimbabwe towards Vision 2030 by providing strategic responses to increasing population; low agriculture production and productivity; and climate change.

The transformation strategy has four key pillars. The first one involves the Creation of An Enabling Agriculture Policy and Regulatory Environment to facilitate the flow of investment into the agriculture sector. Under this pillar, the Authority reviewed seed cotton regulations through the promulgation of the Agricultural Marketing Authority (Seed Cotton and Seed Cotton Products) (Amendment) Regulations, 2022 (Statutory Instrument 118 of 2022). The effect of the amendments was to improve efficiencies and strengthen the regulatory capacity of the Authority. The Authority also played a key role in promoting contract farming, especially for major grains and oilseeds such as maize, wheat and soyabeans, with the wheat subsector recording its highest-ever production level since 1980. Further, the Authority also enhanced its information communication technology by putting in a framework for farmer registration, as part of the agriculture digitisation policy. Commercialization of industrial hemp was on course through the development of locally adaptive varieties while concurrently having an importation policy for seed in place.

In terms of the second pillar, which is Appropriate Agriculture Investment for Productivity, Food Security and Resilience guided by a National Agriculture Investment Plan, the Authority managed to kickstart the rehabilitation of Marondera Cattle Sales pen as part of improving livestock production facilities and the market infrastructure. Efforts to rope in development partners such as ADRA were also initiated during the year as part of measures to ensure that the domestic market infrastructure was attended to.

The Efficient Agricultural Knowledge and Technology Innovation System is the third critical pillar under the transformation strategy which the Authority was mandated to adhere to. Farmers were trained in climate-smart and precision agriculture as well as farming as a business. Partnerships with key stakeholders were also forged to address the knowledge gap.

Concerning the fourth and last pillar of Agriculture Sector Coordination for Responsive Planning, Implementation Monitoring and Evaluation, several national and local level stakeholder coordination was done coupled with consultations with industry associations under the different value chains and farmer organizations.

MARKET LINKAGES

Central to AMA's mandate is the provision of market linkages to farmers for both crops and animals. The launch of the cattle auction sales by the Authority during the year was a game changer for smallholder farmers as it magnificently improved market access. Development partners, such as SAT, were roped in the rehabilitation of cattle sales pens in Matabeleland North, Masvingo, Mashonaland Central, Manicaland and Midlands Provinces, from which the Authority coordinated its livestock marketing activities. Additionally, the provision of market linkages to farmers especially those in smallholder irrigation schemes and community gardens was amplified by the Authority. Market intelligence gathering on the local, regional and international scenes continued to be gathered, with participation at the 2020 Dubai Expo heralding international marketing initiatives.

HUMAN RESOURCES AND FINANCIAL PERFORMANCE

Key positions such as Director of Agribusiness and Head of Compliance were filled during the year while a human resources strategy was designed and implemented. While the Authority faced challenges with fluctuating prices of goods and services, it reported inflation-adjusted growth in income and had a net surplus for the year under review.

OUTLOOK

The engagements and re-engagement efforts by the Government are expected to bear fruit in terms of the provision of the necessary machinery and equipment critical for the agricultural sector while the opening up of markets will provide a boon for economic growth. Infrastructural development projects such as dam construction and irrigation rehabilitation are all expected to boost agricultural production, while the whole of government approach, coupled with the expected good rainfall season in the 2022/23 season will catapult the performance of the sector. Further, the payment of 75% in forex for cotton farmers in 2022 which was well received is expected to act as a stimulant for increased production during the 2022/23 season.

APPRECIATION

Lastly, I would like to express my sincere gratitude to all our stakeholders and partners with whom we collaborate in the agricultural transformation agenda. Special thanks are also reserved for my fellow board members, management, and staff for their unwavering commitment to the cause of the Authority. It is my singular honour to thank the Ministry of Lands, Agriculture, Fisheries, Water and Rural Development for its continued support and guidance during the year.

Allan T. Majuru
Board Chairman

Chief Executive Officer's Report

OPERATING ENVIRONMENT

In 2022, the global economic outlook continued to be weighed down by elevated inflationary pressures, tightening global financial conditions associated with high interest rate hikes by most central banks and the negative spillover effects from the geopolitical tensions. Furthermore, the turmoil of new waves of the COVID-19 pandemic continued to disrupt economic activity in some countries. In 2022, global economic activity slowed down to 3.2% from 6% in 2021.

Growth for advanced economies slowed down from 5.2% in 2021, to 2.4% in 2022 mainly due to contractions in the US and European Union. Growth in the United States declined from 5.7% in 2021, to 1.6% in 2022. For emerging markets and developing economies, growth was moderate at 3.7% for 2022 after a robust growth of 6.6% in 2021. The slowdown in China's growth in 2022 to 3.2% was as a result of COVID-19 outbreaks and the resultant strict lockdowns, as well as the worsening property market crisis.

Chief Executive Officer's Report

On the local front, the Gross Domestic Product (GDP) growth stood at 4.0% in 2022. The current account balance stood at a surplus of US$305 million while total forex receipts stood at US$11.6 billion against payments of US$8.6 billion. The cumulative auction allotments stood at US$3.7 billion as at 31 December 2022 which the Reserve Bank of Zimbabwe settled in full. The foreign currency retention on domestic sales in foreign currency was maintained at 75%.

The country continued to use interest rates to regulate the cost of money and aggregate demand conditions to achieve the inflation objective. Gold coins and the auction system were also used as part of open market operations to stabilize the exchange rate so as to minimize the exchange rate pass through to domestic prices. The tight monetary policy stance implemented by the Reserve Bank of Zimbabwe since the second half of 2022 anchored inflation expectations in the economy. As such, the year-on-year inflation rate for the month of December 2022 as measured by the all items Consumer Price Index (CPI) stood at 243.8 percent compared to 255.0 percent in November 2022.

SECTORAL PERFORMANCE

The 2021/22 season was characterized by cumulative rainfall in the normal to below normal category for most parts of the country. The onset of the rains in the southern parts of the country was earlier from late October to early November though this proved to be a false start of the season. This was followed by a long dry spell which led to poor crop stand with some farmers replanting. The northern parts of Mashonaland and some parts of Manicaland received their first effective rainfall very late, well into December. However, this was followed by incessant rains in most parts of the country during the month of January, which was associated with tropical storm Ana. A prolonged dry spell starting from the first week of February in most areas which persisted to the end of March, however resultantly affected most areas across the country to give a normal to below normal rainfall season.

A. Cereal Production

Maize is Zimbabwe's staple food and so continues to receive the utmost attention from Government. During the 2021/22 season, maize production was anchored by four programmes namely the Presidential Input Support Scheme; National Enhanced Agricultural Productivity Scheme; Contract farming schemes by private sector agro-value chain players and Self-Financed farmers. The Presidential Input Scheme targeted vulnerable smallholder farmers under the Pfumvudza/Intwasa programme, while the National Enhanced Agriculture Productivity Scheme (NEAPS) provided support for large-scale farmers. The Agricultural Marketing Authority played a pivotal role in ensuring that production of contracted crops was achieved in full compliance with the set regulatory frameworks.

Owing to climatic variability, maize production for the 2021/2022 season stood at 1 557 914 mt which was a 43% decrease from the 2 717 171 mt produced in the 2020/2021 season. Traditional grains production was also down 44% from 347 968 mt in 2020/2021 to 194 100 mt in 2021/2022 season. Other cereals such as sorghum, peal millet and finger millet also went down which culminated in total cereal production of 1 752 014 mt against a national cereal requirement of 2 267 599 mt which comprises of 1 817 599 mt for human consumption and 450 000 mt for livestock. However, considering a strategic reserve which was sitting within the Grain Marketing Board, the nation ultimately had a surplus of 7 328 mt.

B. Cash Crop Production

Cotton and tobacco production registered a decrease in production. Cotton production went down from 137768 mt in 2020/21 to 56043 mt in 2021/22 owing to market related and climate induced challenges. However, during the season, in addition to AMA having opened 743 buying points comprising of 353 permanent and 390 temporary, farmer payments were then effected in foreign currency to a level of 75% with the balance being made in local currency, after the recognition that cotton was a foreign currency earner. Tobacco went down from over 200 000mt in 2020/21 to 183 725mt in 2021/22 primarily due to pricing issues at the auction floors. Soyabeans registered a marginal increase of 15% from 71 296mt in 2020/21 to 82 028mt in 2021/22 as more contractors were encouraged to go into its production.

C. Horticulture Production

The horticulture sector plays an import role in foreign currency earnings for Zimbabwe. At its peak, in the 90s, it brought into the country over US$140million per annum. There was an overall increase in production of horticultural crops in the 2021/2022 season. Blueberries production increased by 73% from 1 140mt in the 2020/2021 season to 1 968mt in the 2021/2022 season. Pecan nuts production increased significantly by 348% to 374mt. Sugarcane production was estimated at 6 049 404 mt which represented a 3% increase from 5 886 527mt obtained in 2020/2021 season. Other horticultural crops which recoded increases were coffee, apples, and Irish potatoes while macadamia nuts and tea production recorded some decreases. The Agricultural Marketing Authority continued to create market linkages across the domestic, regional and international fronts.

The year 2022 witnessed an accelerated implementation of the Presidential Rural Development Programme that is set to establish 35,000 village gardens across the country's ten provinces. The Presidential Rural Development Programme is a complete package that will address food security, import substitution, poverty alleviation and eradication, access to safe and clean water by rural communities and employment creation. AMA has been instrumental in the establishment of village gardens as it is driving market led production.

D. National Beef Herd

Despite incidences of Theileriosis, commonly known as January disease, the national beef herd increased from 5 478 648 cattle in 2020 to 5 509 983 in 2021. The average national cattle mortality rate declined from 11.1% in 2020 to 8.86% in 2021. The national average calving rates however remained very low ranging from 35% in communal areas to 48% in large scale commercial farmers 2022, against a national target of above 60%. The national average beef cattle off-take increased from 9% in 2020 to 10% in 2022.In an effort to increase access to markets by the smallholder farmers, AMA launched cattle auction sales in Mpalawani, Insiza District, in September 2022. Over 12 auction sales were eventually conducted by December 2022 and live weight sale prices increased from US$0.60-US$0.80 to US$1.20 – US$1.80 per kg due to the opening of structured markets.

E. Milk Production

Total milk production increased by 4%, from 76 469 310 litres in 2021 to 79 607 573 litres in 2022 while the dairy milking herd increased by 33% from 19 000 cows in 2020 to 25 212 cows in 2021.

Chief Executive Officer's Report (continued)

F. Fisheries And Aquatic Resources

The total number of fish ponds increased by 18% from 5,634 in 2021 to 6,988 fish ponds in April 2022. Production in the fish farming sub-sector was dominated by Nile Tilapia (99%) followed by Rainbow Trout (0.28%), while the other farmed species contributed a very small proportion (0.04% each) of the production levels.

G. Farmer Training

AMA being cognisant of the need for farmers to be trained in good agricultural practises as well as farming as a business, training programmes were conducted to further capacitate farmers. Out of a targeted 10,000 farmers, 8631 were trained. Training covered all farmers including those under community gardens and irrigation schemes.

FINANCIAL PERFORMANCE

In inflation-adjusted terms, the Authority achieved a revenue surplus of ZWL818,268,035 which represented a 51.4% increase when compared to same period last year. The operating costs increased by 61.6% as a direct result of the continuous price pegging of goods and services tracking the unofficial exchange rate in 2022. The financial statements have been presented as adjusted for inflation in accordance with applicable financial reporting standards.

Going forward, Management is optimistic that the performance of the Authority will remain satisfactory in 2023 as the Authority continues to pursue new revenue generating initiatives to sustain targeted development programs.

OUTLOOK

The Agricultural Marketing Authority remains optimistic that the economic growth will improve on the back of a forecasted better agricultural season in 2023. The continuous implementation of a tight monetary and fiscal policy is expected to increase macro-economic stability which is expected to ease inflation as shown by progress made towards the end of 2022. As such the Authority is expected to forge ahead with its transformative programmes that are set to drive agriculture growth going into the future. The Authority is also determined to continue creating value for its stakeholders through the introduction of new advanced pro-agriculture marketing transformation systems and market-based regulations. All these interventions should contribute significantly towards achieving national food security and the attainment of Vision 2030.

APPRECIATION

Navigating the complex and challenging economic environment was made possible by the support of our various stakeholders. On behalf of the Authority's management, I'm grateful to the Board of Directors of the Authority for their guidance and support. In the same vein, I also wish to extend my appreciation to the management team and staff for their dedication and commitment in executing the Authority's mandate. To our parent ministry, the Ministry of Lands, Agriculture, Fisheries, Water and Rural Development we fully appreciate your guidance in providing policy direction.

Clever Isaya
Chief Executive Officer

Corporate Governance Report

Corporate Secretary

The Agricultural Marketing Authority ("the Board/Authority/AMA") is committed to and recognizes the importance of strong governance practices to the overall success of the organisation. The Board fully appreciates that a comprehensive corporate governance framework is necessary to support the executive management in the execution of the Authority's strategic goals in line with the country's Vision 2030.

In order to sustain good corporate governance, the Board subscribes to and largely observes the basic tenets of public entities' corporate governance principles, while complying with the legal regime underpinning its operations which include the Agricultural Marketing Authority Act (Chapter 18:24) as the enabling Act, the Public Entities Corporate Governance Act (Chapter 10:31), Income Tax Act (Chapter 23:02) Labour Act (Chapter 28:01), and the Public Finance Management Act (Chapter 22:19). To this end, the Authority is accountable to its stakeholders; the government, farmers, contractors, processors, buyers and the general public. The Board is committed to the principles of fairness, accountability, responsibility and fairness in all its operations.

THE BOARD

The Board is appointed by the Minister of Lands, Agriculture, Fisheries, Water and Rural Development in line with the provisions of the enabling Act. The board's composition reflects the wider constituency that the Authority serves including members from specific agricultural marketing boards. In line with constitutional dictates, the board is gender balanced and comprises 11 members drawn from the stakeholders. The Chief Executive Officer is an ex-officio member of the Board. In 2022, the Board appointed a suitably qualified corporate secretary to provide secretarial and legal advice to the Board as required by the Public Entities Corporate Governance Act. Executive Management attends board meetings on invitation by the Board.

In order to effectively execute its mandate, the board has three committees which report to the main board on specific areas of operation. The Board met four (4) times in 2022 and provided the necessary guidance and leadership to executive management. Individual members of the Board are required to declare interests in each board meeting and annual declarations are done as prescribed.

The Board reported to the line minister twice in the year 2022 on its activities, milestones and challenges. The Board's performance was evaluated in line with the performance contract signed for the year under review.

BOARD COMMITTEES

The Board has functional committees whose reports fit into the agenda of the main board meetings. The Board Chairman does not sit on committees. Individual committee responsibilities are as provided below.

PRODUCTION AND MARKETING COMMITTEE

This is the operations committee for the Authority. The committee is chaired by a Non-Executive Director and it comprises of two other Non-Executive Directors. The main responsibilities of the committee are to review regulations and the marketing conditions of agricultural products and recommend policy positions that enhance the orderly and efficient marketing of agricultural products, including pricing recommendations. The committee also formulates interventions that enhance the image of the Authority. The committee is further tasked with guiding management in resource mobilisation.

HUMAN RESOURCES COMMITTEE

The committee is charged with the responsibility of looking after human capital and administrative matters of the Authority and is also chaired by a Non-Executive Director, with two other Non-Executive Directors as members. Its terms of reference include reviewing staff remuneration, conditions of service and overall staffing policies. The committee meets quarterly or ad hoc if need be.

AUDIT AND RISK COMMITTEE

The committee plays an oversight role in the affairs of the Authority. Three Non-Executive Directors constitute the committee. The committee meets to consider financial statements and risk management frameworks and provides appropriate recommendations to the Board. It further provides oversight over financial reporting and internal audit procedures and considers external audit reports. Among other responsibilities, the committee ensures compliance with prescribed financial reporting standards, public finance management laws, public entities' corporate governance laws and risk management frameworks and policies.

Corporate Governance Report (continued)

BOARD MEETINGS

In line with good corporate governance tenets, the AMA Act and the Public Entities Corporate Governance Act, the Board is required to periodically sit, consider management reports and provide the necessary guidance through board resolutions. In 2022, the board met four times and the minutes were properly produced and filed of record. Individual Board attendance statistics are provided below:

Name of Director	Main Board 4 Meetings	Production & Marketing 2 Meetings	Human Resources 5 Meetings	Audit & Risk 3 Meetings
Mr A. Majuru	4	NM	NM	NM
Mrs T. Muchena	4	2	NM	NM
Mr M. Hwengwere	4	2	NM	NM
Ms G. Nicholas	3	2	NM	NM
Ms M. Sibanda	3	NM	5	NM
Lt Gen (Rtd) E. Rugeje	3	NM	5	NM
Mrs J. Ndoro	3	NM	5	NM
Major Gen. HT Dube	4	NM	NM	3
Mrs R. Kanonge Nyamweda	2	NM	NM	3
Colonel (Rtd) G. Matemachani	1	NM	NM	2
Mr C. Isaya (ED)	4	4	4	3

Key

NM - Not a member of the committee
ED - Executive Director

General Information

COUNTRY OF DOMICILE	Zimbabwe	
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Agricultural Marketing Authority is a public entity established by Agricultural Marketing Authority Act (Chapter18.24). The mandate of the Authority is to regulate, supervise, promote and administer the production and marketing of agricultural products.	
EXECUTIVE DIRECTORS	Chief Executive Officer	Mr. Clever Isaya
	Agribusiness Director	Mr. Jonathan Mukuruba
NON-EXECUTIVE DIRECTORS	Chairman	Mr. A. Majuru
	Vice Chairperson	Mrs. T. Muchena
	Board Member	Mr. M. Hwengwere
	Board Member	Mrs. J. Ndoro
	Board Member	Lt.Gen.(Rtd) Dr E.A. Rugeje
	Board Member	Ms. G.N Nicholas
	Board Member	Maj.Gen HT Dube
	Board Member	Ms. M. Sibanda
	Board Member	Mrs. R. Kanonge-Nyamweda
	Board Member	Colonel (Rtd) G. Matemachani
EXECUTIVE MANAGEMENT	Chief Executive Officer	Mr. Clever Isaya
	Agribusiness Director	Mr. Jonathan Mukuruba
	Head Finance	Mr. Titshabona Ncube
	Head of Compliance/ Corporate Secretary	Mr. Peter Mudzimiri
BUSINESS ADDRESS	Agricultural Marketing Authority 8 Leman Road Mt Pleasant Harare	
BANKERS	CBZ Limited AFC Limited ECOBANK Limited	
AUDITORS	Nolands Harare Chartered Accountants Registered Auditors No.7 Glenara Avenue South Eastlea Harare	
ATTORNEYS	Matsikidze Law Chambers 7 Frank Johnson Avenue Eastlea Harare	
PREPARER OF FINANCIAL STATEMENTS	Mr. Titshabona Ncube (Head of Finance)	

Directors' Responsibilities and Approval

The Directors are responsible for the preparation, presentation and integrity of the financial statements and all the information contained in the report. The information contained in these financial statements has been prepared in accordance with International Financial Reporting Standards and they incorporate full and responsible disclosure to ensure that the information contained therein is both reliable and relevant.

The Directors are also responsible for the systems of internal control. These are designed to provide reasonable, but not absolute assurance as to the reliability of the financial statements and to safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatements and losses. The systems are implemented and monitored by suitably trained personnel, with an appropriate segregation of authority and duties. Nothing has come to the attention of the Directors to indicate that a material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

These financial statements are prepared on the going concern basis. Nothing has come to the attention of the Directors to indicate that the Authority will not remain a going concern for the foreseeable future.

The Directors have reviewed the Authority's cash flow forecast for the year to 31 December 2023 and, in light of this review and the current financial position, they are satisfied that the authority has or had access to adequate resources to continue in operational existence for the foreseeable future.

The Director's independent auditor, Nolands Chartered Accountants (Zimbabwe), has audited the financial statements and their report appears on page 18 to 21.

The financial statements set out on pages 22 to 40, which have been prepared on the going concern basis, were approved by the Directors on 03 / 08 / 2023 and were signed on their behalf by:

Allan Majuru
(Board Chairperson)

Clever Isaya
(Chief Executive Officer)

Nolands
NOT YOUR ORDINARY AUDITORS

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To the members of Agricultural Marketing Authority

Report on the financial statements

Qualified Opinion

We have audited the Financial Statements of Agricultural Marketing Authority set out on pages 22 to 40, which comprise the Statement of Financial Position as at 31 December 2022 and the Statement of Surplus or Deficit and Other Comprehensive Income, Statement of Changes in Reserves and Statement of Cash Flows for the year then ended 31 December 2022, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, except for the matters discussed in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of Agricultural Marketing Authority as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, the requirements of the Agricultural Marketing Authority Act (Chapter 18:24) and Public Finance Management Act (Chapter 22:19).

Basis for Qualified Opinion

a) **Improper Valuation of Investment Properties**

The investment properties presented in 2021 on the financial statements with a balance of $273,969,639 was not revalued annually in line with the accounting policy of the Authority and the requirements of International Accounting Standards (IAS) 40. The investment property was captured at its carrying amount, which does not represent the true market value of the property as at the reporting date. The carrying amount at which the investment property was captured is also emanating from an over depreciated cost (as indicated on part b below) due to depreciation of land value in contravention of IAS 16. Due to this matter, the opening balance for investment property as at 1 January 2022 contain a misstatement that materially affect the current period's financial statements of the Authority, and the effects of the misstatement are not appropriately accounted for. Since the opening balances as at 1 January 2022 entered into the determination of the financial performance, changes in reserves and cash flows for the financial year ended 31 December 2022, adjustments might have been necessary in respect of the current year financial statements of the Authority in line with the requirements of IAS 8 - Accounting Polices, Changes in Accounting Estimates and Errors.

Inflation adjusted amounts in terms of requirements of IAS29 - Financial Reporting in Hyperinflationary Economies ("IAS 29") were arrived at basing on misstated historical amount for the investment property, consequently, corresponding numbers on the inflation adjusted Statement of Surplus or Deficit and Other Comprehensive Income, the inflation adjusted Statement of Financial Position, the inflation adjusted Statement of Changes in Reserves, and the inflation adjusted Statement of Cash Flows remain misstated and this also impacts comparative figures. The comparability and misstatement's effects have not been quantified.

a) **Improper Valuation of Land and Buildings**

The property and equipment amounting to $802,605,924 (2021: $758,757,832) as presented on note 3 of the financial statements consist of land which is not correctly valued at year end. The land values for both 2022 and 2021 are combined with the value of the buildings which is resulting in the land being depreciated as part of buildings in contravention with the requirements of IAS 16. This contravention resulted in understatement of land presented on the financial statements for both 2022 and 2021 years. We could not find any other alternative way of correcting the error except through a separate revaluation of land and buildings.

Independent Auditor's Report (continued)

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Authority in accordance with the International Ethics Standards Board of Accountants Code of Ethics for Professional Accountants {IESBA Code) and other independence requirements applicable to performing audits of financial statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Zimbabwe. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
We summarise below the matters that had the greatest effect on our audit, our key audit procedures and our findings from those procedures in order that the members may better understand the process by which we arrived at our audit opinion. Our findings are the result of procedures undertaken in the context of and solely for the purpose of our audit opinion on the Authority's financial statements.

The key audit matters below relate to the audit of the financial statements.

Kev audit matter	How our audit addressed the key audit matter
Fair value assessment of trade receivables Trade receivables comprise of a significant portion of the liquid assets of the Authority, as indicated in Note 5 on the financial statements. Due to the economic challenges the country is facing, there is risk of non-recoverability of accounts receivable. Accordingly, the estimation of the allowance for trade receivables is a significant judgement area and is therefore considered a key audit matter.	We assessed the validity of material long outstanding receivables by obtaining third-party confirmations of amounts owing. The assessment of the appropriateness of the allowance for trade receivables comprised a variety of audit procedures: • Challenging the appropriateness and reasonableness of the assumptions applied in the directors' assessment of the receivables allowance; • Consideration and concurrence of the agreed payment terms; • Verification of receipts from trade receivables subsequent to year-end; • Verification of sett offs made subsequent to year-end; and • Considered the completeness and accuracy of the disclosures. To address the risk of management bias, we evaluated the results of our procedures against audit procedures on other key balances to assess whether or not there was an indication of bias.
Valuation of investment properties The Authority owns an investment property, comprising of a commercial property in Avondale. As at 31 December 2022, the carrying value of investment properties was ZWL$923,850,765 as indicated in Note 4 to the financial statements, representing 43% of the Authority's total assets as at that date. The fair values of the Authority's investment properties were assessed by management based on independent valuations prepared by external property valuers. We identified the valuation of the investment properties as a key audit matter since the determination of the fair values involves significant judgement and estimation, particularly in selecting the appropriate valuation methodology and in determining the underlying assumptions, which increase the risk of error or potential management bias.	Our audit procedures to assess the valuation of investment properties included the following: • evaluating the qualifications, experience and competence of the external property valuers engaged by management and holding discussions with the external property valuers, without the presence of management, to understand their valuation methods and the assumptions applied; • evaluating the valuation methodology used by the external property valuers by comparison with the valuation methodologies applied by other valuers for similar property types; • assessing the projected cash flows used in the valuations by comparing specific details with underlying leases and externally available industry and economic data; and • assessing the key assumptions adopted in the valuations, taking into consideration comparability and market factors, and considering the possibility of error or management bias in the selection of assumptions adopted.

Other information
The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Agricultural Marketing Authority Act (Chapter 18:24). which we obtained prior to the date of this report. Other information does not include the 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 an audit opinion of any form of assurance conclusion thereon.
In connection with our audit of the 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, 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.

Independent Auditor's Report (continued)

Responsibilities of the Directors for the Financial Statements
The directors are responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards and the requirements of the Agricultural Marketing Authority Act (Chapter 18:24) and for such internal control as the board determine 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, the directors are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

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 International Standards on Auditing 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 the Financial Statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain profession skepticism 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 controls.

- Obtain an understanding of internal controls 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 Authority's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 Authority'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 Authority 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.

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

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

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

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

Independent Auditor's Report (continued)

22/08/2023

Nolands Harare Chartered Accountants
Per Odious Mazoe
PAAB Practising Number:-1081
Partner
Registered Auditor

Date

Statement of Financial Position

	Note(s)	Inflation Adjusted 2022 ZWL	Inflation Adjusted Restated 2021 ZWL	Historical Cost 2022 ZWL	Historical Cost Restated 2021 ZWL
ASSETS					
Non current assets					
Property and equipment	3	802,605,924	758,757,832	111,922,371	106,168,925
Investment property	4	923,850,765	273,969,639	923,850,765	79,697,940
		1,726,456,689	**1,032,727,470**	**1,035,773,136**	**185,866,865**
Current Assets					
Trade and other receivables	5	244,607,259	228,085,152	244,607,259	66,350,113
Cash and cash equivalents	6	185,873,956	170,888,658	185,873,956	49,711,618
		430,481,215	**398,973,810**	**430,481,215**	**116,061,731**
Total Assets		**2,156,937,904**	**1,431,701,280**	**1,466,254,352**	**301,928,596**
RESERVES AND LIABILITIES					
Reserves					
Retained income		1,387,601,262	565,306,362	1,156,866,525	49,456,291
Revaluation reserve		649,254,974	649,254,974	189,306,160	189,306,160
		2,036,856,236	**1,214,561,337**	**1,346,172,684**	**238,762,451**
LIABILITIES					
Current liabilities					
Trade and other payables	7	21,812,286	73,447,854	21,812,286	21,366,027
Advance payments - Registration fees	8	66,053,714	133,964,039	66,053,714	38,970,222
Payroll payables	9	32,215,668	9,728,050	32,215,668	2,829,896
		120,081,668	**217,139,943**	**120,081,668**	**63,166,145**
Total Reserves and Liabilities		**2,156,937,904**	**1,431,701,280**	**1,466,254,352**	**301,928,596**

The financial statements set out on pages 22 to 40, which have been prepared on the going concern basis, were approved by the Directors on 03/08/ 2023 and were signed on their behalf by:

Allan Majuru
(Board Chairperson)

Clever Isaya
(Chief Executive Officer)

Statement of Surplus or Deficit and Other Comprehensive Income

		Inflation Adjusted		Historical Cost	
	Note(s)	2022 ZWL	Restated 2021 ZWL	2022 ZWL	Restated 2021 ZWL
Revenue	10	586,465,250	579,753,168	482,486,501	135,824,660
Operating expenses	12	(729,278,466)	(451,243,367)	(532,258,434)	(105,487,313)
Operating surplus/ (deficit)		**(142,813,216)**	**128,509,801**	**(49,771,933)**	**30,337,347**
Other Income	11	1,094,290,777	44,840,075	1,156,010,749	11,929,658
Net monetary gain/ (loss)		(133,209,526)	365,738,717	-	-
Surplus for the year		**818,268,035**	**539,088,593**	**1,106,238,816**	**42,267,005**
Other comprehensive income					
Revaluation surplus		-	1,503,880	-	437,480
		-	**1,503,880**	**-**	**437,480**
Total comprehensive income for the year		**818,268,035**	**540,592,473**	**1,106,238,816**	**42,704,485**

Statement of Changes in Reserves

		Inflation Adjusted		
	Note(s)	Retained Income	Revaluation Reserve	Total Reserves
Balance as at 1 January 2021		**24,713,890**	**649,254,974**	**673,968,864**
Surplus for the year		540,592,473	-	540,592,473
Balance at 31 December 2021		**565,306,362**	**649,254,974**	**1,214,561,337**
Prior period adjustments	17	4,026,865	-	4,026,865
Balance as at 1 January 2022		**569,333,227**	**649,254,974**	**1,218,588,201**
Surplus for the year		818,268,035	-	818,268,035
Balance at 31 December 2022		**1,387,601,262**	**649,254,974**	**2,036,856,236**

		Historical		
	Note(s)	Retained Income	Revaluation Reserve	Total Reserves
Balance as at 1 January 2021		**7,189,286**	**188,868,680**	**196,057,966**
Surplus for the year		42,267,005	-	42,267,005
Revaluation surplus		-	437,480	437,480
Balance at 31 December 2021		**49,456,291**	**189,306,160**	**238,762,451**
Prior period adjustments	17	1,171,417	-	1,171,417
Restated balance as at 1 January 2022		**50,627,708**	**189,306,160**	**239,933,868**
Surplus for the year		1,106,238,816	-	1,106,238,816
Balance at 31 December 2022		**1,156,866,525**	**189,306,160**	**1,346,172,684**

Statement of Cash Flows

		Inflation Adjusted		Historical Cost	
	Notes	**2022 ZWL**	**Restated 2021 ZWL**	**2022 ZWL**	**Restated 2021 ZWL**
Cash flows from operating activities					
Surplus for the year		**818,268,035**	**540,592,473**	**1,106,238,816**	**42,704,485**
Adjustments for:					
Depreciation and amortisation	3	23,307,641	44,425,607	13,781,378	12,923,437
Interest received	11	(9,582,569)	(12,736,274)	(6,444,794)	(3,896,461)
Rental income	11	(24,201,302)	(16,539,074)	(17,129,904)	(3,967,372)
Profit on disposal		-	15,032,663	-	4,373,011
Revaluation surplus		-	(1,503,880)	-	(437,480)
Fair value measurement gain		(649,881,126)	-	(844,152,825)	-
Foreign exchange gain		-	(7,498,035)	-	(2,181,183)
Prior period adjustment	17	4,026,859	-	1,171,416	-
Changes in working capital:					
Trade and other receivables	5	(16,522,107)	(187,880,914)	(178,257,146)	(54,654,676)
Trade and other payables		(51,635,568)	47,967,480	446,259	13,953,770
Advance payments - Registration fees		(67,910,325)	57,636,964	27,083,492	16,766,629
Payroll related accruals		22,487,617	7,229,362	29,385,772	2,103,026
Net cash flows from operating activities		**48,357,153**	**486,726,372**	**132,122,463**	**27,687,186**
Cash flows from investing activities					
Purchase of property and equipment	3	(67,155,733)	(51,860,723)	(19,534,824)	(15,086,317)
Disposal of property and equipment		-	9,710,141	-	2,824,686
Interest received		9,582,569	3,394,474	6,444,794	3,896,461
Rental income		24,201,302	13,638,238	17,129,904	3,967,372
Net cash from investing activities		**(33,371,861)**	**(15,117,870)**	**4,039,874**	**4,397,798)**
Total cash movement for the year		**14,985,292**	**471,608,502**	**136,162,338**	**23,289,388**
Cash at the beginning of the year	6	170,888,65	90,829,054	49,711,618	26,422,229
Effects of changes in inflation		6	(391,548,898)	-	-
Total cash at end of the year	**6**	**185,873,956**	**170,888,658**	**185,873,956**	**49,711,618**

Accounting Policies

1. NATURE OF BUSINESS

The Authority is a government owned entity under the Ministry of Lands, Agriculture, Water, Fisheries and Rural Development, which was established through the Agricultural Marketing Authority Act [Chapter 18:04]. The mandate of the Authority is to regulate the production, marketing and processing of agricultural products in Zimbabwe.

2 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

2.1 Basis of preparation

The financial statements of the Agricultural Marketing Authority(AMA) have been prepared using the accounting policies that are consistent with International Financial Reporting Standards (IFRS), and in a manner required by the Agricultural Marketing Authority Act [Chapter 18:24].

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Zimbabwean Dollars, which is the Authority's functional currency.

2.2 Change in functional currency

The Directors assessed in consistence with the guidance issued by the Public Accountants and Auditors Board (PAAB), whether use of the US$ in 2019 as functional currency remained appropriate. Based on the assessment, the Directors concluded that the Authority's functional currency became ZWL with effect from 22 February 2019. The same assessment was done during the current year and the Directors concluded that the functional currency remains ZWL$. Items included in the financial statements of the Authority are measured using the currency of primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Zimbabwean Dollars (ZWL$), which was assessed to be the Authority's functional and presentation currency.

2.3 Hyperinflationary economies

The Public Accountants and Auditors Board through its pronouncement 01/2019 provided guidance to all entities which use Zimbabwean Dollars as their functional currency, on the application of Financial Reporting in Hyperinflationary Economies Standard in Zimbabwe. The pronouncement requires that companies that prepare and present financial statements for financial period ended on or after 1 July 2019 apply the requirements of IAS29 "Financial Reporting in Hyperinflationary economies". The functional currency did not change in the current year and the currency was assessed to be still hyper inflationary, hence application of hyperinflation reporting is still necessary in the current year.

The historical amounts were restated at the end of the reporting period to reflect the general change in purchasing power of the reporting currency (ZWL$). Professional judgement was used and appropriate adjustments were made to historical financial statements in preparing financial statements.

Sources of price index

Indices used were obtained from the Zimbabwe Statistical Office for the period from February 2009 to December 2022:

Year Indices	Average	Indices	Conversion Factor
December 2021	3,977.46	3,135.22	3.44
December 2022	13,672.91	9,198.69	1

2.4 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with the Authority's accounting policies, requires management from time to time to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgement made by management in applying accounting policies, apart from those involving estimates, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Key sources of estimation uncertainty

Fair value estimation

Very few assets and liabilities of the Authority are either measured at fair value or disclosure is made of their fair values. Observable market data is used as inputs to the extent that it is available. Qualified external valuers are consulted for the determination of appropriate valuation techniques and inputs.

Impairment testing

The Authority reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives of property and equipment

Management assess the appropriateness of the useful lives of property and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on Authority replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

Accounting Policies (continued)

Provisions

The Authority recognises a provision which it has a present obligation, legal or constructive as a result of past events, when it is probable that it will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions were made and management determined an estimate based on the information that was available at the time of preparing the financial statements. Risks and uncertainties surrounding the obligations were taken into account. In the year under review provisions were made on audit fees, leave pay and retrenchment costs.

Trade Receivables, held to maturity investments, loans and other receivables These are assessed at the end of each reporting period in determining recording possible impairment. Observable data issued to make the judgements pertaining to future cash flows from financial assets. The impairment for trade receivables, held to maturity investments, loans and other receivables is deduced on an individual basis cash flows from financial assets based on historical data, adjusted for national and industry specific conditions and other indicators present at the reporting date.

2.5 Property and equipment

An item of property and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

Item	Depreciation method	Useful life
Buildings	Straight	20 years
Computer Equipment	Straight	3 years
Furniture & Fittings	Straight	5 years
Motor Vehicles	Straight	5 years
Office Equipment	Straight	5 years
Other Assets	Straight	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. All other repairs and maintenance costs are recognised in surplus or deficit as incurred.

The gain or loss arising from the derecognition of an item of property and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

2.6 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably. Investment property is initially recognised at cost. Transaction costs are included in the initial measurement. Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement investment property is measured at fair value. A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

2.7 Financial Instruments

Broadly, the classification possibilities, which are adopted by the Authority ,as applicable, are as follows:

Financial assets which are equity instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Designated at fair value through surplus or deficit. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through surplus or deficit.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through surplus or deficit. (This applies to contingent consideration in a business
combination or to liabilities which are held for trading); or
- Designated at fair value through surplus or deficit. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded

Accounting Policies (continued)

derivative and the entire contract is designated as at fair value through surplus or deficit).

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

Loans receivable at amortised cost

Classification

Loans receivable and loans to directors, managers and employees and are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Authority's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the Authority becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost. The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The Authority recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The Authority measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the Authority considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a loan has increased significantly since initial recognition, the Authority compares the risk of a default occurring on the loan as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The Authority considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a loan is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the Authority has reasonable and supportable information that demonstrates otherwise.

By contrast, if a loan is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the loan has not increased significantly since initial recognition.

Definition of default

For purposes of internal credit risk management purposes, the Authority consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the Authority considers that default has occurred when a loan instalment is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off policy

The Authority writes off a loan when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Loans written off may still be subject to enforcement activities under the Authority recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in surplus or deficit.

Measurement and recognition of expected credit losses

The measurement of expected credit losses (ECL) is a function of the probability of default, loss given default

Accounting Policies (continued)

(i.e. the magnitude of the loss if there is a default) and the exposure at default, taking the time value of money into consideration.
The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Loans are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counterparty etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Authority has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Authority measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and vice versa.

An impairment gain or loss is recognised for all loans in surplus or deficit with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in other operating expenses in surplus or deficit as a movement in credit loss allowance.

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of a loan receivable is included in surplus or deficit in derecognition gains (losses) on financial assets at amortised cost.

Trade and other receivables

Classification

Trade and other receivables, excluding VAT and prepayments are classified as financial assets, initially measured at cost and are subsequently measured at amortised cost.

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Authority's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the Authority becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost. The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in surplus or deficit in investment income.

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The Authority recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The Authority measures the loss allowance for trade and other receivables at an amount equal to lifetime losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality.

An impairment gain or loss is recognised in surplus or deficit with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in surplus or deficit as a movement in credit loss allowance.

Write off policy

The Authority writes off a receivable when there is information indicating that the counter-party is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counter-party has been placed under liquidation or has entered into bankruptcy proceedings.

Accounting Policies (continued)

Receivables written off may still be subject to enforcement activities under the Authority recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in surplus or deficit.

Derecognition
Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in surplus or deficit in the derecognition gains (losses) on financial assets at amortised cost line item.

Trade and other payables

Classification
Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement
They are recognised when the Authority becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at 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 effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in surplus or deficit in finance costs.

Trade and other payables expose the Authority to liquidity risk and possibly to interest rate risk.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Derecognition

Financial assets
The Authority derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Authority neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Authority recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Authority retains substantially all the risks and rewards of ownership of a transferred financial asset, the Authority continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities
The Authority derecognises financial liabilities when, and only when, the Authority obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit.

Reclassification

Financial assets
The Authority only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities
Financial liabilities are not reclassified.

2.8 Leases

The Authority assesses whether a contract is, or contains a lease, at the inception of the contract. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. control over the use of an identified asset only exists when the Authority has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

All leases were short term in nature, for the Authority's regional Offices.

Authority as lessee
A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Authority is a lessee. The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However as an exception to the preceding paragraph, the Authority has elected not to separate the non-lease components for leases of land and buildings.

Lease liability
The lease liability is initially measured at the present value of the lease payments that are not paid at the

Accounting Policies (continued)

commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Authority uses its incremental borrowing rate.

Right-of-use assets

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property and equipment. Refer to the accounting policy for property and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Operating leases

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease, or on another systematic basis if that basis is more representative of the pattern in which the benefits form the use of the underlying asset are diminished. Operating lease income is included in other operating income.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income. Income for leases is disclosed under revenue in surplus or deficit.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset.

This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

2.9 Employee benefits

Short term Employment benefits

The Cost of short term employee benefits are recognised in the period in which service is rendered and are not discounted.

Defined Pension Fund

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state planned retirement benefit schemes are dealt with as defined contribution plans where the Authority's obligation under the scheme is equivalent to those arising in a defined contribution retirement benefit plan.

2.10 Provisions and contingencies

Provisions are recognised when:

- the Authority has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be
- a reliable estimate can be made of the obligation.

2.10 Provisions and contingencies

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses. If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement
  that plan or announcing its main features to those affected by it.

Accounting Policies (continued)

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised.

2.11 Revenue

The Authority's revenue comes from registration fees, levies, fines and penalties.

2.11.1 Registration fees

Registration fees is received from farmers, contractors, traders and merchants for annual registration. Fees are apportioned as deferred on a time basis over the season of cropping and marketing.

2.11.2 Fines and penalties

Fines and penalties relate to errant activities on the field and failure to comply with requirements of stipulated Statutory instruments. These are recognised when it is probable that economic benefits will flow to the Authority.

2.11.3 Levies

Levies are funds allocated and received from the Agricultural Marketing Fund. The Authority gets an allocation as per directive from The Ministry. They are accounted for evenly throughout the year as deferred income.

2.12 Foreign exchange gains and losses

A foreign currency transaction is recorded, on initial recognition in Zimbabwean Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

If there are multiple payments or receipts in advance, Authority determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in surplus or deficit in the period in which they arise.
When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in reserves, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in reserves. When a gain or loss on a non-monetary item is recognised in surplus or deficit, any exchange component of that gain or loss is recognised in surplus or deficit.

Cash flows arising from transactions in a foreign currency are recorded in Zimbabwean Dollars by applying to the foreign currency amount the exchange rate between the Zimbabwean Dollar and the foreign currency at the date of the cash flow.

Transactions that were in foreign currency were recorded at the spot rate. Gains/losses at the end of each reporting period were recognised through surplus/deficit account.

Notes to the Financial Statements

3. PROPERTY AND EQUIPMENT

INFLATION ADJUSTED

	Notes	Equipments	Land & Buildings	Motor Vehicles	Computer Equipment	Furniture & Fittings	Other	Total
		ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Cost/ Valuation								
Balance as at 01 January 2021		**4,022,765**	**866,115,190**	**133,948,490**	**25,075,766**	**23,039,682**	**1,084,865**	**1,053,286,759**
Prior period adjustment	17	-	(282,200,487)	-	1,808,505	(1,808,505)	1,503,878	(280,696,609)
Additions		-	-	32,150,312	19,723,233	-	661,415	52,534,960
Disposals		-	-	(22,768,799)	(1,300,513)	(12,822)	-	(1,313,335)
Balance as at 31 December 2021		**4,022,765**	**583,914,703**	**143,330,003**	**45,306,991**	**21,218,355**	**3,250,15880**	**1,042,976**
Balance as at 01 January 2022		4,022,765	583,914,703	143,330,003	45,306,991	21,218,355	3,250,15880	1,042,976
Additions		-	-	32,338,328	31,290,448	868,465	2,658,492	67,155,733
Derecognised assets		-	-	-	(644,131)	-	-	(644,131)
Balance as at 31 December 2022		**4,022,765**	**583,914,703**	**175,668,331**	**75,953,309**	**22,086,820**	**5,908,650**	**867,554,578**
Accumulated Depreciation								
Balance as at 01 January 2021		**-**	**3,608,817**	**3,627,778**	**1,298,942**	**348,659**	**21,726**	**8,905,921**
Charge for the year		8,381	13,470,985	19,488,703	6,095,999	4,628,780	719,008	44,411,857
Prior period adjustment	17	-	(8,230,848)	-	-	-	-	(8,230,848)
Disposals		-	-	(2,619,750)	(182,035)	-	-	(2,801,785)
Balance as at 31 December 2021		**8,381**	**8,848,953**	**20,496,731**	**7,212,906**	**4,977,439**	**740,7344**	**2,285,144**
Balance as at 01 January 2022		8,381	8,848,953	20,496,731	7,212,906	4,977,439	740,734	42,285,144
Charge for the year		50,943	3,520,748	12,118,213	4,646,211	2,388,076	583,450	23,307,641
Derecognised assets		-	-	-	(644,131)	-	-	(644,131)
Balance as at 31 December 2022		**59,323**	**12,369,701**	**32,614,944**	**11,214,987**	**7,365,514**	**1,324,184**	**64,948,654**
Carrying Amount as at 31 December 2021		**4,014,385**	**575,065,750**	**122,833,272**	**38,094,085**	**16,240,916**	**2,509,424**	**758,757,832**
Carrying Amount as at 31 December 2022		**3,963,442**	**571,545,002**	**143,053,387**	**64,738,322**	**14,721,306**	**4,584,466**	**802,605,924**

Notes to the Financial Statements (continued)

3. PROPERTY AND EQUIPMENT (CONTINUED)

HISTORICAL

	Notes	Equipments	Land & Buildings	Motor Vehicles	Computer Equipment	Furniture & Fittings	Other Assets	Total
		ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Cost/ Valuation								
Balance as at 01 January 2021		**1,170,225**	**156,748,706**	**24,241,871**	**4,538,188**	**4,169,700**	**196,33819**	**1,065,028**
Prior period adjustment	17	-	(82,092,299)	-	526,095	(526,095)	437,479	(81,654,820)
Additions		-	-	9,352,546	5,737,501	-	-	15,090,047
Disposals		-	-	(6,623,458)	(378,320)	(3,730)	-	-
Balance as at 31 December 2021		**1,170,225**	**74,656,407**	**26,970,959**	**10,423,464**	**3,639,875**	**633,817**	**117,494,747**
Balance as at 01 January 2022		**1,170,225**	**74,656,407**	**26,970,959**	**10,423,464**	**3,639,875**	**633,817**	**117,494,747**
Additions		-	-	9,406,419	9,102,411	252,637	773,357	19,534,824
Derecognised assets		-	-	-	(187,378)	-	-	(187,378)
Balance as at 31 December 2022		**1,170,225**	**74,656,407**	**36,377,378**	**18,286,307**	**4,944,702**	**1,407,174**	**136,842,193**
Accumulated Depreciation								
Balance as at 01 January 2021		-	653,120	656,552	235,081	63,100	3,932	1,611,785
Charge for the year		2,438	3,918,718	5,669,276	1,777,330	1,346,515	209,160	12,923,437
Prior period adjustment	17	-	(2,394,359)	-	-	-	-	(2,394,359)
Disposals		-	-	(762,087)	(52,954)	-	-	(815,041)
Balance as at 31 December 2021		**2,438**	**2,177,479**	**5,563,741**	**1,959,457**	**1,409,615**	**213,092**	**11,325,822**
Balance as at 01 January 2022		**2,438**	**2,177,479**	**5,563,741**	**1,959,457**	**1,409,615**	**213,092**	**11,325,821**
Charge for the year		29,256	1,866,410	6,959,419	3,267,606	1,371,458	287,229	13,781,378
Derecognised assets		-	-	-	(187,378)	-	-	(187,378)
Balance as at 31 December 2022		**31,694**	**4,043,889**	**12,523,160**	**5,039,684**	**2,781,073**	**500,321**	**24,919,822**
Carrying Amount as at 31 December 2021		**1,167,787**	**72,478,928**	**21,407,218**	**8,464,007**	**2,230,260**	**420,725**	**106,168,925**
Carrying Amount as at 31 December 2022		**1,138,531**	**70,612,518**	**23,854,218**	**13,246,622**	**2,163,629**	**906,853**	**111,922,371**

Notes to the Financial Statements (continued)

		Inflation Adjusted		Historical Cost	
		Restated 2022 ZWL	**2021 ZWL**	**Restated 2022 ZWL**	**2021 ZWL**
4.	**INVESTMENT PROPERTY**				
	Opening balance	273,969,639	-	79,697,940	-
	Prior period adjustment (note 17)	-	273,969,639	-	79,697,940
	Fair value gain	649,881,126	-	844,152,825	-
		923,850,765	**273,969,639**	**923,850,765**	**79,697,940**
5.	**TRADE AND OTHER RECEIVABLES**				
	Trade receivables	238,576,788	237,186,507	238,576,788	68,997,704
	Expected credit loss	(15,454,073)	(22,386,916)	(15,454,073)	(6,512,368)
	Staff loans	270,546	817,791	270,546	237,896
	Agricultural Marketing Fund	16,991,828	-	16,991,828	-
	Fidelity Life Medical Aid Society	-	428,545	-	124,664
	Manpower development fund	-	355,046	-	103,283
	Prepayments	4,146,559	11,424,255	4,146,559	3,323,322
	Other debtors	75,612	259,924	75,612	75,612
		244,607,259	**228,085,152**	**244,607,259**	**66,350,113**
	Trade and other receivables past due date but not impaired				
	Trade and other receivables which are less than 3 months past due date are not considered to be impaired.				
	3 months past due date and not impaired	9,482,610	30,856,750	9,482,610	8,976,248
	Trade and other receivable impaired				
	The amount of the expected credit loss was $15 454 073 as of 31 December 2022 - (2021 $22 386 916).				
	Reconciliation of provision for impairment of trade and other receivables				
	Opening balance	6,512,368	60,450	6,512,368	17,585
	Movement on ECL	8,941,705	22,326,466	8,941,705	6,494,783
		15,454,073	**22,386,916**	**15,454,073**	**6,512,368**

		Inflation Adjusted		Historical Cost	
		Restated 2022 ZWL	**2021 ZWL**	**Restated 2022 ZWL**	**2021 ZWL**
6.	**CASH AND CASH EQUIVALENTS**				
	Cash and cash equivalents are made up of:				
	Cash on hand	91,016,657	32,876,918	91,016,657	9,563,916
	Bank balances*	88,442,746	57,426,311	88,442,746	16,705,350
	Short term investments	6,414,553	80,585,429	6,414,553	23,442,352
		185,873,956	**170,888,658**	**185,873,956**	**49,711,618**

*There is a CBZ bank overdraft balance of $853,579,834.78 confirmed by the bank under the Authority. The balance was not included under bank balances because it was set off with the corresponding receivable from the Ministry of Finance, since the bank account was opened for and on behalf of the ministry.

Notes to the Financial Statements (continued)

		Inflation Adjusted		Historical Cost	
		Restated 2022 ZWL	2021 ZWL	Restated 2022 ZWL	2021 ZWL
7.	**TRADE AND OTHER PAYABLES**				
	Trade payables	3,562,158	2,802,214.64	3,562,158	815,166
	Accrued audit fees	2,115,495	10,244,333	2,115,495	2,980,083
	Accrued bonus	2,661,056	4,436,563	2,661,056	1,290,599
	Provision for retrenchment costs	-	4,026,863	-	1,171,417
	Accrued board fees	1,861,542	2,966,133	1,861,542	862,850
	Leave pay provision	11,352,231	3,654,922	1,352,231	1,063,219
	Inter company - Agricultural Marketing Fund	-	38,739,958	-	11,269,478
	Other accruals	259,805	6,576,868	259,805	1,913,215
		21,812,286	**73,447,854**	**21,812,286**	**21,366,027**
8.	**ADVANCE PAYMENTS - REGISTRATION FEES**				
	Farmer registration fees	9,235,024	31,806,287	9,235,024	9,252,469
	Contractor registration fees	16,998,492	13,861,919	16,998,492	4,032,441
	Trade and merchants registration fees	19,053,258	57,991,944	19,053,258	16,869,893
	Abattoirs and livestock registration fees	4,422,888	7,699,808	4,422,888	2,239,879
	Horticulture registration fees	8,942,085	16,286,486	8,942,085	4,737,749
	Supplier of agric inputs registration fees	7,401,967	6,317,594	7,401,967	1,837,792
		66,053,714	**133,964,039**	**66,053,714**	**38,970,223**
9.	**PAYROLL RELATED ACCRUALS**				
	National Social Security Authority (NSSA)	-	1,255	-	365
	Fidelity Life Assurance - Group Pension Fund	345,091	571,707	345,091	166,310
	Nyaradzo Funeral Assurance	111,827	274,530	111,827	79,861
	Pay As You Earn	-	1,121	-	326
	Salaries and Wages Control	31,758,750	8,879,438	31,758,750	2,583,034
		32,215,668	**9,728,050**	**32,215,668**	**2,829,896**
10.	**REVENUE**				
	Abattoirs registration fees	18,454,207	14,495,493	12,839,874	3,276,831
	Contractor registration fees	31,317,795	80,104,533	82,836,827	19,772,126
	Farmer registration fees	103,979,636	124,675,090	54,417,508	29,152,387
	Horticulture registration fees	31,730,102	32,804,133	28,469,481	7,264,399
	Levies	103,764,162	37,918,113	82,289,324	10,909,902
	Suppliers of agricultural inputs	23,734,092	15,773,641	19,256,741	3,549,238
	Trade and processors registration fees	160,228,062	125,933,087	117,733,463	28,291,006
	Hemp registration fees	4,980,659	-	4,901,495	-
		478,188,715	**431,704,090**	**402,744,711**	**102,215,889**
11.	**OTHER INCOME**				
	Administration fees	55,969	7,036,692	49,458	1,740,000
	Investment interest	9,582,569	12,736,274	6,444,794	3,896,461
	Fines and penalties	108,276,536	148,049,079	79,741,790	33,608,771
	Rental income	24,201,302	16,539,074	17,129,904	3,967,372
	Tender fees	1,024	158,061	1,000	35,080
	Bank interest	-	208,315	-	52,291
	Exchange gain	410,568,785	7,845,198	288,232,767	2,181,183
	Gain on fair value measurement	649,881,126	-	844,152,825	-
	Bad debt recovered	-	316,462	-	57,271
		1,202,567,313	**192,889,154**	**1,235,752,539**	**45,538,429**

Notes to the Financial Statements (continued)

		Inflation Adjusted		Historical Cost	
		Restated 2022 ZWL	2021 ZWL	Restated 2022 ZWL	2021 ZWL
12.	**OPERATING EXPENSES**				
	Audit fees	2,952,566	17,421,183	2,487,266	4,000,000
	Advertising	46,006,726	25,894,210	29,550,116	6,534,299
	Bad debts	8,924,669	22,326,466	8,941,704	6,494,783
	Bank charges	20,679,765	12,795,404	14,232,016	3,036,164
	Board and sitting allowances	17,298,215	18,617,028	12,654,617	4,771,204
	Cleaning	9,914,846	5,340,164	7,364,829	1,187,291
	Computer expenses	8,137,564	6,721,962	4,745,703	1,415,643
	Consulting and professional fees	3,775,122	8,563,753	2,634,271	2,106,955
	Depreciation, amortisation and impairments	23,307,641	59,093,805	13,781,378	12,923,437
	Donations, promotions & public relations	11,436,480	15,622,857	8,658,247	3,602,961
	Employee costs	199,309,818	115,261,886	139,358,332	26,490,302
	Casual wages	89,199,497	-	81,622,961	-
	General expenses	4,268,493	6,980,745	2,790,582	1,408,508
	Insurance	11,582,182	4,848,828	8,718,892	908,305
	Interest paid	-	665,485	-	183,018
	Internet services	4,232,674	1,657,239	3,205,532	370,226
	Lease rentals on operating lease	5,621,965	4,863,441	4,071,503	1,026,383
	Legal fees	220,445	1,331,341	176,267	295,253
	Licenses	5,328,028	2,116,847	3,990,869	617,047
	Magazines, books and periodicals	-	1,570,884	-	173,220
	Electricity and water expenses	5,253,558	4,356,058	3,120,374	1,150,568
	Fuel and lubricants	51,036,278	18,576,756	39,720,940	4,313,280
	Postage	232,446	39,814	198,812	9,209
	Printing and stationery	13,251,199	13,392,298	9,044,353	3,583,742
	Sundry expenses	12,752,845	6,045,958	11,421,335	1,673,421
	Protective clothing	4,865,820	10,110,102	2,893,696	2,335,297
	Repairs and maintenance	30,652,534	17,024,834	20,472,054	3,967,648
	Security	11,313,799	9,860,096	8,042,603	2,307,181
	Seminars and workshops	3,076,691	1,257,288	2,941,684	233,491
	Subscriptions	5,560,677	983,119	3,140,477	238,885
	Telephone and fax	2,590,949	3,702,147	1,561,290	798,826
	Training and development	1,797,361	1,043,937	904,778	249,301
	Affiliation fees	8,758,491	-	8,143,678	-
	Leasing and hire costs	6,380,995	-	5,177,526	-
	Loss on disposal	-	21,667,609	-	4,373,011
	Travel	93,953,341	11,489,824	61,189,284	2,708,455
	Business development projects	5,604,786	-	5,300,463	-
		729,278,466	**451,243,367**	**532,258,434**	**105,487,313**

13. RELATED PARTIES

13.1 Relationships

Members of key management:	Chief Executive Officer	Mr. Clever Isaya
	Agribusiness Director	Mr. Jonathan Mukuruba
	Head of Finance	Mr. Titshabona Ncube
	Head of Compliance	Mr. Peter Mudzimiri
Those charged with governance:	Non-executives directors (Page 1)	
Entities under common ownership:	Agricultural Marketing Fund	

Notes to the Financial Statements (continued)

	Inflation Adjusted		Historical Cost	
	2022 ZWL	Restated 2021 ZWL	2022 ZWL	Restated 2021 ZWL
13. RELATED PARTIES (CONTINUED)				
13.2 Related party transactions				
Short term employment benefits				
Members of key management	45,843,980	8,548,349	30,767,772	2,486,720
Post employment and medical benefits				
Members of key management	11,274,706	1,826,142	7,566,917	531,226
Board remuneration				
Board monthly allowance	9,353,753	4,084,120	6,277,687	1,188,073
Sitting allowances	1,797,985	1,374,524	1,206,702	399,850
Committee sitting allowance	1,023,034	1,859,085	686,600	540,809
Board communication, travel and subsistence	6,621,156	3,106,288	4,443,729	903,621
	18,795,929	**10,424,017**	**12,614,717**	**3,032,353**
13.3 Related party balances				
Trade receivables				
Agricultural Marketing Fund	16,991,828	-	16,991,828	-
	16,991,828	**-**	**16,991,828**	**-**
Trade payables				
Board fees	1,861,542	2,966,133	1,861,542	862,850
Agricultural Marketing Fund	-	38,739,958	-	11,269,478
	1,861,542	**41,706,091**	**1,861,542**	**12,132,328**

Agricultural Marketing Fund
The Authority had inter-company transactions with Agricultural Marketing Fund during the year. At the end of the current reporting period, $16,991,828 was receivable from Agricultural Marketing Fund. A total of 11 269 478 was payable to the Fund in the previous year.

14. RISK MANAGEMENT

Liquidity risk
Prudent liquidity risk management implies sufficient cash and the availability of funding through an adequate amount of committed credit facilities or working capital reserves. Due to the dynamic nature of the underlying business, the Authority aims to maintain flexibility in funding by keeping adequate cash resources available.

The Authority manages the risk through ongoing review of the future commitments and available credit facilities.

	Inflation Adjusted		Historical Cost	
	Restated 2022 ZWL	2021 ZWL	Restated 2022 ZWL	2021 ZWL
15. COTTON INDUSTRY LEVY				
Value of invoices raised	291,279,229	256,858,304	219,554,573	159,797,377
Collection received from debtors	(178,257,146)	(86,412,516)	(178,257,146)	(53,759,186)
Total cotton industry levy	**113,022,083**	**170,445,788**	**41,297,428**	**106,038,191**
16. PENSION AND RETIREMENT BENEFITS				
National Social Security Authority	3,715,902	687,509	2,493,894	427,715
Group Pension Fund	7,947,945	2,071,243	5,334,191	1,288,567
	11,663,847	**2,758,752**	**7,828,085**	**1,716,282**

The organization operates a defined contribution plan administered by the National Social Security Authority (NSSA). Contributions are limited to legislated rates from time to time and during the year under review, the rate was 4.5% of the pensionable emoluments. Employees contribute the same rate of 4.5%.

Notes to the Financial Statements (continued)

17 PRIOR PERIOD ADJUSTMENT

17.1 Land and buildings

The land and buildings which was being used for rental purposes in 2021 was classified as owner occupied in error. This resulted in the properties recognized as property and equipment instead if investment properties. The error resulted in overstatement of property and equipment value and understatement of investment properties. The net effects of the adjustment are as follows:

	Inflation Adjusted		Historical Cost	
	Restated 2022 ZWL	2021 ZWL	Restated 2022 ZWL	2021 ZWL
(Decrease)/ (increase) in accumulated depreciation	-	8,230,848	-	2,394,359
(Decrease)/ (increase) land and building	-	(282,200,487)	-	(82,092,299)
(Decrease)/ (increase) in Investment property	-	273,969,639	-	79,697,940
Net effect on the statement of financial position	-	-	-	-

17.2 Computer equipment

The computer equipment was classified in 2021 as furniture and fittings in error. The net effects of the adjustment are as follows:

	Inflation Adjusted		Historical Cost	
	Restated 2022 ZWL	2021 ZWL	Restated 2022 ZWL	2021 ZWL
Increase computer equipment	-	(1,808,505)	-	(526,095)
Decrease in furniture and fittings	-	1,808,505	-	526,095
	-	-	-	-

17.3 Retrenchment provision

The prior period error is as a result of the retrenchment provision created in 2020 for retrenchment done in 2021, however the actual retrenchment cost became lower than what was provided for. No adjustment was done in 2021 to account for the overstated provision resulting in overstatement of retrenchment expenses. The effects of the adjustment are as follows:

	Inflation Adjusted		Historical Cost	
	Restated 2022 ZWL	2021 ZWL	Restated 2022 ZWL	2021 ZWL
Decrease/ (increase) in accumulated fund	-	(4,026,865)	-	(1,171,417)
(Decrease) / increase in retrenchment provision	-	4,026,865	-	1,171,417
Net effect on the statement of financial position	-	-	-	-

18. GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

During the year under review, the Authority continued operations albeit under challenges of exchange rate volatility. The fund adjusted operations and was guided by continuous updates by the Ministry of Finance and Economic Development on the management of the negative effects of exchange rates movements on the domestic currency.

The board has a reasonable expectation that the Authority has adequate resources to continue in operational existence for the foreseeable future. It is for such reasons that the Authority has adopted the going concern basis of accounting in preparing the annual financial statements.

19. EVENTS AFTER THE REPORTING PERIOD

There were no reportable events after the reporting period.

Some of the farmers trained on taking farming as a business in Bulawayo in May 2022

General Information

COUNTRY OF DOMICILE	Zimbabwe	
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Agricultural Marketing Fund is a public entity established by Agricultural Marketing Authority Act (Chapter18.24). The mandate of the Fund is to collect levy from crops and livestock buyers, regulate, supervise and promote the development of the Agricultural subsectors including communal and resettlement areas.	
EXECUTIVE DIRECTORS	Chief Executive Officer	Mr. Clever Isaya
	Agribusiness Director	Mr. Jonathan Mukuruba
NON-EXECUTIVE DIRECTORS	Chairman	Mr. A. Majuru
	Vice Chairperson	Mrs. T. Muchena
	Board Member	Mr. M. Hwengwere
	Board Member	Mrs. J. Ndoro
	Board Member	Lt.Gen.(Rtd) Dr E.A. Rugeje
	Board Member	Ms. G.N Nicholas
	Board Member	Maj.Gen HT Dube
	Board Member	Ms. M. Sibanda
	Board Member	Mrs. R. Kanonge-Nyamweda
	Board Member	Colonel (Rtd) G. Matemachani
EXECUTIVE MANAGEMENT	Chief Executive Officer	Mr. Clever Isaya
	Agribusiness Director	Mr. Jonathan Mukuruba
	Head Finance	Mr. Titshabona Ncube
	Head of Compliance/ Corporate Secretary	Mr. Peter Mudzimiri
BUSINESS ADDRESS	Agricultural Marketing Authority 8 Leman Road Mt Pleasant Harare	
BANKERS	CBZ Limited AFC Limited ECOBANK Limited	
AUDITORS	Nolands Harare Chartered Accountants Registered Auditors No.7 Glenara Avenue South Eastlea Harare	
ATTORNEYS	Matsikidze Law Chambers 7 Frank Johnson Avenue Eastlea Harare	
PREPARER OF FINANCIAL STATEMENTS	Mr. Titshabona Ncube (Head of Finance)	

Directors' Responsibilities

The Directors are responsible for the preparation, presentation and integrity of the financial statements and all the information contained in the report. The information contained in these financial statements has been prepared in accordance with the accounting policies described in note 2 of the financial statements and they incorporate full and responsible disclosure to ensure that the information contained therein is both reliable and relevant.

The Directors are also responsible for the systems of internal control. These are designed to provide reasonable, but not absolute assurance as to the reliability of the financial statements and to safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatements and losses. The systems are implemented and monitored by suitably trained personnel, with an appropriate segregation of authority and duties. Nothing has come to the attention of the Directors to indicate that a material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

These financial statements are prepared on the going concern basis. Nothing has come to the attention of the Directors to indicate that the Authority will not remain a going concern for the foreseeable future.

The Directors have reviewed the Fund's cash flow forecast for the year to 31 December 2023 and, in light of this review and the current financial position, they are satisfied that the authority has or had access to adequate resources to continue in operational existence for the foreseeable future.

The Director's independent auditor, Nolands Chartered Accountants (Zimbabwe), has audited the financial statements and their report appears on page 45 to 47.

The financial statements set out on pages 48 to 59, which have been prepared on the going concern basis, were approved by the Directors on 03/08 2023 and were signed on their behalf by:

Allan Majuru
(Board Chairperson)

Clever Isaya
(Chief Executive Officer)

Nolands
NOT YOUR ORDINARY AUDITORS

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Report on the financial statements

Audit Opinion

We have audited the Financial Statements of Agricultural Marketing Fund set out on pages 48 to 59, which comprise the Statement of Financial Position as at 31 December 2022 and the Statement of Surplus or Deficit and Other Comprehensive Income, Statement of Changes in Reserves and Statement of Cash Flows for the year then ended 31 December 2022, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Agricultural Marketing Fund as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board of Accountants Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Zimbabwe. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We summarise below the matters that had the greatest effect on our audit, our key audit procedures and our findings from those procedures in order that the members may better understand the process by which we arrived at our audit opinion. Our findings are the result of procedures undertaken in the context of and solely for the purpose of our audit opinion on the Fund's financial statements.

Independent Auditor's Report (continued)

The key audit matters below relate to the audit of the financial statements.

Key audit matter	How our audit addressed the key audit matter
Fair value assessment of trade receivables Trade and other receivables comprise of a significant portion of the liquid assets of the Fund, as indicated in Note 4 on the financial statements. Due to the economic challenges the country Is facing, there is risk of non-recoverability of accounts receivable. Accordingly, the estimation of the allowance for trade receivables is a significant judgement area and is therefore considered a key audit matter.	We assessed the validity of material long outstanding receivables by obtaining third-party confirmations of amounts owing. The assessment of the appropriateness of the allowance for trade receivables comprised a variety of audit procedures; • Challenging the appropriateness and reasonableness of the assumptions applied in the directors' assessment of the receivables allowance; • Consideration and concurrence of the agreed payment terms; • Verification of receipts from trade receivables subsequent to year-end; • Verification of sett offs made subsequent to year-end; and • Considered the completeness and accuracy of the disclosures. To address the risk of management bias, we evaluated the results of our procedures against audit procedures on other key balances to assess whether or not there was an Indication of bias.

Other information
The directors are responsible for the other information. The other Information comprises the Directors' Report as required by the Public Finance Management Act (Chapter 22: 19) which we obtained prior to the date of this report. Other information does not include the 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 an audit opinion of any form of assurance conclusion thereon.

In connection with our audit of the 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, 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 the Directors for the Financial Statements
The directors are responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards and for such internal control as the board determine 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, the directors are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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 International Standards on Auditing 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 the Financial Statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain profession skepticism 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 controls.
- Obtain an understanding of internal controls 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 Fund's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent Auditor's Report (continued)

- Conclude on the appropriateness of the directors' 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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund 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.

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

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

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

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

22/08/2023

Nolands Harare Chartered Accountants
Per Odious Mazoe
PAAB Practising Number:-1081
Partner Registered Auditor

Date

Statement of Financial Position

Figures in Zimbabwean Dollar	Notes	Inflation Adjusted 2022 ZWL	Inflation Adjusted Restated 2021 ZWL	Historical Cost 2022 ZWL	Historical Cost Restated 2021 ZWL
Assets					
Non current assets					
Property and equipment	3	4,373,222	3,509,439	1,051,413	602,587
		4,373,222	**3,509,439**	**1,051,413**	**602,587**
Current assets					
Trade and other receivables	4	549,731,314	344,398,292	549,731,314	100,185,678
Cash and cash equivalents	5	3,813,062	30,363,369	3,813,062	8,832,723
		553,544,376	**374,761,660**	**553,544,376**	**109,018,401**
Total assets		**557,917,598**	**378,271,099**	**554,595,789**	**109,620,988**
Reserves and liabilities					
Total reserves		467,569,362	336,062,803	464,247,553	97,342,568
Retained income		**467,569,362**	**336,062,803**	**464,247,553**	**97,342,568**
Current liabilities					
		90,348,237	42,208,297	90,348,237	12,278,420
Trade and other payables	6	**90,348,237**	**42,208,297**	**90,348,237**	**12,278,420**
Total reserves and liabilities		**557,917,598**	**378,271,099**	**554,595,789**	**109,620,988**

The financial statements set out on pages 48 to 59, which have been prepared on the going concern basis, were approved by the Directors on __03/08__ 2023 and were signed on its behalf by:

Allan Majuru
(Board Chairperson)

Clever Isaya
(Chief Executive Officer)

Statement of Surplus or Deficit and other Comprehensive Income

		Inflation Adjusted			
	Notes	**2022 ZWL**	**Restated 2021 ZWL**	**2022 ZWL**	**Restated 2021 ZWL**
Revenue	8	307,640,450	385,259,862	230,165,547	86,027,051
Operating expenses	9	(218,633,119)	(241,126,267)	(174,175,135)	(63,605,709)
Operating profit		**89,007,331**	**144,133,595**	**55,990,412**	**22,421,342**
Other income	7	454,584,431	7,582,727	310,914,573	1,734,830
Net monetary loss		(412,085,203)	(219 933 797)	-	-
Surplus/ (Deficit) for the year		**131,506,559**	**(68,217,476)**	**366,904,985**	**24,156,172**
Other comprehensive income		-	-	-	-
Total Comprehensive income for the year		**131,506,559**	**(68,217,476)**	**366,904,985**	**24,156,172**

Statement of Changes in Reserves

	Historical Cost		
	Restated Retained Income	**Revaluation Reserve**	**Total Reserves**
Balance as at January 1, 2021	**397,412,191**	**6,868,088**	**404,280,278**
Deficit for the year	(68,217,476)	-	(68,217,476)
Revaluation reserve	6,868,088	(6,868,088)	-
Balance as at December 31, 2021	**336,062,803**	**-**	**336,062,803**
Balance as at January 1, 2022	**336,062,803**	**-**	**336,062,803**
Surplus for the year	131,506,559	-	131,506,559
	-		
Balance as at December 31, 2022	**467,569,362**	**-**	**467,569,362**
Balance as at January 1, 2021	**72,913,002**	**273,394**	**73,186,396**
Surplus for the year	24,156,172	-	24,156,172
Revaluation reserve	273,394	(273,394)	-
Balance as at December 31, 2021	**97,342,568**	**-**	**97,342,568**
Balance as at January 1, 2022	**97,342,568**	**-**	**97,342,568**
		-	
Surplus for the year	366,904,985	-	366,904,985
Balance as at December 31, 2022	**464,247,553**	**-**	**464,247,553**

Statement of Cash Flows

		Inflation Adjusted		Historical Cost	
	Note(s)	**2022 ZWL**	**Restated 2021 ZWL**	**2022 ZWL**	**Restated 2021 ZWL**
Cash flows from operating activities					
Surplus/ (Deficit) for the year		**131,506,559**	**(68,217,476)**	**366,904,985**	**24,156,172**
Adjustment for:					
Depreciation	3	620,191	468,136	401,174	17,258
Changes in working capital					
(Increase) in trade receivables		(205,333,023)	(205,333,023)	(449,545,636)	(28,797,539)
Increase in other payables		48,139,940	48,139,940	78,069,817	6,543,470
Cash generated from operations		**(25,066,333)**	**(224,942,423)**	**(4,169,661)**	**2,019,361**
Interest earned		-	(244,922)	-	(59,518)
Net cash from operating activities		**(25,066,333)**	**(225,187,345)**	**(4,169,661)**	**1,959,843**
Investing activities					
Purchase of property and equipment		(2,921,960)	(3,977,575)	(850,000)	(719,845)
Interest received		-	244,922	-	59,518
Cash flows from investing activities		**(2,921,960)**	**(3,732,653)**	**(850,000)**	**(660,327)**
(Decrease)/ Increase in cash and cash equivalents		(27,988,293)	(228,919,997)	(5,019,661)	1,299,516
Cash and cash equivalents at the year beginning		30,363,369	25,896,156	8,832,723	7,533,208
Effects of inflation on cash and cash equivalents		1,437,986	233,387,210	-	-
Cash and cash equivalents at year end	**5**	**3,813,062**	**30,363,369**	**3,813,062**	**8,832,723**

Accounting Policies

1. NATURE OF BUSINESS
Agricultural Marketing Fund is a public entity established by Agricultural Marketing Fund Act (Chapter 18.24). The mandate of the fund is to collect levy from crops and livestock buyers, regulate, supervise and promote the development of the Agricultural subsectors including communal and resettlement areas.

2 SIGNIFICANT ACCOUNTING POLICIES
The principal accounting policies applied in the preparation of these financial statements are set out below.

2.1 Basis of preparation
The financial statements of the Agricultural Marketing Fund (AMF) have been prepared using the accounting policies that are consistent with International Financial Reporting Standards (IFRS), and in a manner required by the Agricultural Marketing Fund Act [Chapter 18:24].

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Zimbabwean Dollars (ZWL), which is the Fund's functional currency.

2.2 Change in functional currency
The Directors assessed in consistence with the guidance issued by the Public Accountants and Auditors Board (PAAB), whether use of the US$ in 2019 as functional currency remained appropriate. Based on the assessment, the Director concluded that the Fund's functional currency became ZWL with effect from 22 February 2019. The same assessment was done during the current year and the Directors concluded that the functional currency remains ZWL$. Items included in the financial statements of the Fund are measured using the currency of primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Zimbabwean Dollars (ZWL$), which was assessed to be the Fund's functional and presentation currency.

2.3 Hyperinflationary economies
The Public Accountants and Auditors Board through its pronouncement 01/2019 provided guidance to all entities which use Zimbabwean Dollars as their functional currency, on the application of Financial Reporting in Hyperinflationary Economies Standard in Zimbabwe. The pronouncement requires that companies that prepare and present financial statements for financial period ended on or after 1 July 2019 apply the requirements of IAS29 "Financial Reporting in Hyperinflationary economies". The functional currency did not change in the current year and the currency was assessed to be still hyper inflationary, hence application of hyperinflation reporting is still necessary in the current year.

The historical amounts were restated at the end of the reporting period to reflect the general change in purchasing power of the reporting currency (ZWL$). Professional judgement was used and appropriate adjustments were made to historical financial statements in preparing financial statements.

Sources of price index
Indices used were obtained from the Zimbabwe Statistical Office for the period from February 2009 to December 2022:

Year	Indices	Average indices	Conversion factor
December 2021	3977.46	3135.22	3.44
December 2022	13672.91	9198.69	1

2.4 Significant judgements and sources of estimation uncertainty
The preparation of financial statements in conformity with the Fund's accounting policies, requires management from time to time to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies
The critical judgement made by management in applying accounting policies, apart from those involving estimates, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Key sources of estimation uncertainty

Fair value estimation
Observable market data is used as inputs to the extent that it is available. Qualified external valuers are consulted for the determination of appropriate valuation techniques and inputs.

Impairment testing
The Fund reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives of property and equipment
Management assess the appropriateness of the useful lives of property and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on Fund replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement.

Provisions
The Fund recognises a provision which it has a present

Accounting Policies (continued)

obligation, legal or constructive as a result of past events, when it is probable that it will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions were made and management determined an estimate based on the information that was available at the time of preparing the financial statements. Risks and uncertainties surrounding the obligations were taken into account. In the year under review provisions were made on audit fees.

Trade Receivables, held to maturity investments, loans and other receivables
These are assessed at the end of each reporting period in determining recording possible impairment. Observable data is used to make the judgements pertaining to future cash flows from financial assets. The impairment for trade receivables, held to maturity investments, loans and other receivables is deduced on an individual basis cash flows from financial assets based on historical data, adjusted for national and industry specific conditions and other indicators present at the at the reporting date.

2.5 Property and equipment
An item of property and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The property and equipment is depreciated over the anticipated useful life at the following annual rates:

Item	Useful life	Depreciation rate
Computer equipment	3 years	33.33%

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. All other repairs and maintenance costs are recognised in surplus or deficit as incurred.

The gain or loss arising from the derecognition of an item of property and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

2.6 Financial Instruments
Broadly, the classification possibilities, which are adopted by the Fund, as applicable, are as follows:

Financial assets which are equity instruments:
- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Designated at fair value through surplus or deficit. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:
- Mandatorily at fair value through surplus or deficit.

Financial liabilities:
- Amortised cost; or
- Mandatorily at fair value through surplus or deficit. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through surplus or deficit. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through surplus or deficit).

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

Loans receivable at amortised cost

Classification
Loans receivable and loans to directors, managers and employees and are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Authority's business model is to collect the contractual cash flows on these loans.

Accounting Policies (continued)

Recognition and measurement
Loans receivable are recognised when the Fund becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment
The Fund recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The Fund measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the Authority considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Significant increase in credit risk
In assessing whether the credit risk on a loan has increased significantly since initial recognition, the Fund compares the risk of a default occurring on the loan as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The Fund considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a loan is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the Fund has reasonable and supportable information that demonstrates otherwise.

By contrast, if a loan is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the loan has not increased significantly since initial recognition.

Definition of default
For purposes of internal credit risk management purposes, the Fund consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the Fund considers that default has occurred when a loan instalment is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off policy
The Fund writes off a loan when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Loans written off may still be subject to enforcement activities under the Fund recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in surplus or deficit.

Measurement and recognition of expected credit losses
The measurement of expected credit losses (ECL) is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default, taking the time value of money into consideration.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Loans are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counterparty etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Fund has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Fund measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and vice versa.

Accounting Policies (continued)

Measurement and recognition of expected credit losses
An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance.

Derecognition
Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of a loan receivable is included in surplus or deficit in derecognition gains (losses) on financial assets at amortised cost.

Trade and other receivables

Classification
Trade and other receivables, excluding VAT and prepayments are classified as financial assets, initially measured at cost and are subsequently measured at amortised cost.

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Fund's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement
Trade and other receivables are recognised when the Fund becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost. The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method
For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in surplus or deficit in investment income.

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment
The Fund recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The Fund measures the loss allowance for trade and other receivables at an amount equal to lifetime losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality.

An impairment gain or loss is recognised in surplus or deficit with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in surplus or deficit as a movement in credit loss allowance.

Write off policy
The Fund writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Fund recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in surplus or deficit.

Derecognition
Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in surplus or deficit in the derecognition gains (losses) on financial assets at amortised cost line item.

Trade and other payables

Classification
Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement
They are recognised when the Fund becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost using the effective interest method.

Accounting Policies (continued)

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 effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in surplus or deficit in finance costs. Trade and other payables expose the Fund to liquidity risk and possibly to interest rate risk.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Derecognition

Financial assets
The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities
The Fund derecognises financial liabilities when, and only when, the Fund obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit.

Reclassification

Financial assets
The Fund only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

2.7 Leases
The Fund assesses whether a contract is, or contains a lease, at the inception of the contract. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. control over the use of an identified asset only exists when the Fund has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset. All leases were short term in nature, for the Fund's regional Offices.

Fund as lessee
A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However as an exception to the preceding paragraph, the company has elected not to separate the non-lease components for leases of land and buildings.

Lease liability
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 company uses its incremental borrowing rate.

Right-of-use assets
For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property and equipment. Refer to the accounting policy for property and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Operating leases
Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease, or on another systematic basis if that basis is more representative of the pattern in which the benefits form the use of the underlying asset are diminished. Operating lease income is included in other operating

Accounting Policies (continued)

income. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

Operating leases - lessor
Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income. Income for leases is disclosed under revenue in surplus or deficit.

Operating leases – lessee
Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted. Any contingent rents are expensed in the period they are incurred.

2.8 Employee benefits

Short term Employment benefits
The cost of short term employee benefits are recognised in the period in which service is rendered and are not discounted.

Defined Pension Fund
Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state planned retirement benefit schemes are dealt with as defined contribution plans where the Fund's obligation under the scheme is equivalent to those arising in a defined contribution retirement benefit plan.

2.9 Provisions and contingencies
Provisions are recognised when:
- the Fund has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required
- a reliable estimate can be made of the obligation.

2.10 Revenue
The Fund's revenue comes from levies and interest income. The income is recognised in the period in which it accrues.

2.10.1 Levies
Seed cotton levies are charged at US0.01 per kilogram of seed cotton bought by cotton merchants. During the year, 20% of the intake was invoiced in United States dollars, with 80% invoiced in Zimbabwean dollar at the prevailing interbank rate. The Status of Statutory Instrument 129 of 2017 promulgated to collect levies from the livestock, poultry and dairy sector with effect from 1 November 2017 remained the same. The Sector has remained resistant in the year under review. On the Macadamia sector the levies are charged at USD1.5 per centum of Macadamia nuts purchased.

2.10.2 Interest
Interest is recognised on time in proportion basis using the effective interest method.

2.11 Foreign exchange gains and losses
A foreign currency transaction is recorded, on initial recognition in Zimbabwean Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:
- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the Fund receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the Fund initially recognised the non-monetary item arising on payment or receipt of the advance consideration. If there are multiple payments or receipts in advance, Fund determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in surplus or deficit in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in reserves, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in reserves. When a gain or loss on a non-monetary item is recognised in surplus or deficit, any exchange component of that gain or loss is recognised in surplus or deficit.

Cash flows arising from transactions in a foreign currency are recorded in Zimbabwean Dollars by applying to the foreign currency amount the exchange rate between the Zimbabwean Dollar and the foreign currency at the date of the cash flow.

Transactions that were in foreign currency were recorded at the spot rate. Gains/losses at the end of each reporting period were recognised through surplus/deficit.

Notes to the Financial Statements

		Inflation Adjusted		Historical Cost	
		2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
		Computer equipment		Computer equipment	
3	**PROPERTY AND EQUIPMENT**				
	Cost				
	Balance as at 01 January	2,474,539	6 857 534	719,845	276 658
	Additions	2 921 960	3,977,575	850 000	719,845
	Balance as at 31 December	**5,396,499**	**10 835 109**	**1,569,845**	**996 503**
	Accumulated depreciation				
	Balance as at 01 January	(403,086)	(6,857,534)	(117,258)	(276,658)
	Charge for the year	(620 191)	(468 136)	(401 174)	(117 258)
	As at 31 December	**(1,023,277)**	**(7,325,670)**	**(518,432)**	**(393,916)**
	Carrying amount as at 31 December	**4,373,222**	**3,509,439**	**1,051,413**	**602,587**
4	**TRADE AND OTHER RECEIVABLES**				
	Trade receivables	573,534,689	332,292,436	573,534,689	96,664,077
	Expected credit losses	(23,803,375)	(26,634,102)	(23,803,375)	(7,747,877)
	Related party- AMA	-	38,739,958	-	11,269,478
		549,731,314	**344,398,292**	**549,731,314**	**100,185,678**
5	**CASH AND CASH EQUIVALENTS**	3,813,062	30,363,369	3,813,062	8,832,723
	Bank	**3,813,062**	**30,363,369**	**3,813,062**	**8,832,723**
6	**TRADE AND OTHER PAYABLES**				
	Audit fees	2,102,212	5,999,850	2,102,212	1,745,360
	Trade payables	32,807,559	8,835,955	32,807,559	2,570,385
	Related party-AMA	16,991,828	-	16,991,828	-
	Other accruals	38,446,638	27,372,492	38,446,638	7,962,675
		90,348,237	**42,208,297**	**90,348,237**	**12,278,420**
7	**OTHER INCOME**				
	Sundry	3,025,969	5,209,631	992,151	1,127,646
	Exchange gain	451,558,461	2,128,173	309,922,422	547,666
	Bank interest received	-	244,922	-	59,518
		454,584,431	**7,582,727**	**310,914,573**	**1,734,830**
8	**REVENUE**				
	Cotton Levies	291,279,229	378,137,980	219,554,573	84,381,598
	Macadamia Levies	16,361,221	6,859,060	10,610,974	1,584,013
	Poultry Levies	-	262,822	-	61,440
		307,640,450	**385,259,862**	**230,165,547**	**86,027,051**

Notes to the Financial Statements (continued)

		Inflation Adjusted		Historical Cost	
		Restated 2022 ZWL	2021 ZWL	Restated 2022 ZWL	2021 ZWL
9.	**OPERATING EXPENDITURE**				
	Audit fees	1,973,488	5,156,400	1,340,262	1,500,000
	Advertising and promotions	673,157	31,997	428,688	6,105
	Increase in allowance for credit losses	16,576,712	23,754,084	16,055,498	7,226,663
	Bank charges	4,882,813	3,095,380	2,915,683	723,054
	Casual wages	-	63,539,938	-	17,522,635
	Depreciation charges	620,191	468,136	401,174	117,258
	Affiliation fees	18,616,871	11,278,996	13,518,826	2,570,386
	Legal fees	368,166	-	234,460	-
	Printing and stationery	265,030	168,356	168,780	46,308
	Travel and subsistence	4,363,132	7,124,928	1,347,646	1,726,616
	Levy disbursements-AMA	31,727,124	22,589,189	29,500,000	31,026,684
	Levy disbursements to cotton research	6,452,974	3,918,864	6,000,000	1,140,000
	Levy disbursements to Seed Services	5,377,479	-	5,000,000	-
	Levy disbursements to AGRITEX	3,226,487	-	3,000,000	-
	Levy disbursements to Plant Quarantine	6,990,722	-	6,500,000	-
	Accrued levy disbursements	116,518,773	-	87,764,118	-
		218,633,119	**241,126,267**	**174,175,135**	**63,605,709**

10. RELATED PARTIES

10.1 Relationships

Members of key management:	Chief Executive Officer
	Agribusiness Director
	Head of Finance
	Head of Compliance
Those charged with governance :	Non-executives directors (Page 1)
Entities under common ownership:	Agricultural Marketing Authority

		Inflation Adjusted		Historical Cost	
		Restated 2022 ZWL	2021 ZWL	Restated 2022 ZWL	2021 ZWL
10.2	**Related party transactions**				
	Levy disbursements to Agricultural Marketing Authority	31 727 124	122 589 189	29 500 000	31 026 684
		31,727,124	**122,589,189**	**29,500,000**	**31,026,684**
10.3	**Related party balances**				
	Trade receivables				
	Agricultural Marketing Authority	-	38,739,958	-	11,269,478
		-	**38,739,958**	**-**	**11,269,478**
	Trade payables				
	Agricultural Marketing Authority	16,991,828	-	16,991,828	-
		16,991,828	**-**	**16,991,828**	**-**

11. GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

During the year under review, the Authority continued operations albeit under challenges of exchange rate volatility. The fund adjusted operations and was guided by continuous updates by the Ministry of Finance and Economic Development on the management of the negative effects of exchange rates movements on the domestic currency.

The board has a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future. It is for the following reasons that the Organisation has adopted the going concern basis of accounting in preparing the annual financial statements.

12. EVENTS AFTER THE REPORTING PERIOD

There were no reportable events after the reporting period.

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Marketing Authority

Promoting Sustainable Agricultural Development

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