



AGRICULTURAL Marketing Authority

Promoting Sustainable Agricultural Development



ANNUAL REPORT **2021**



Agricultural Marketing Authority

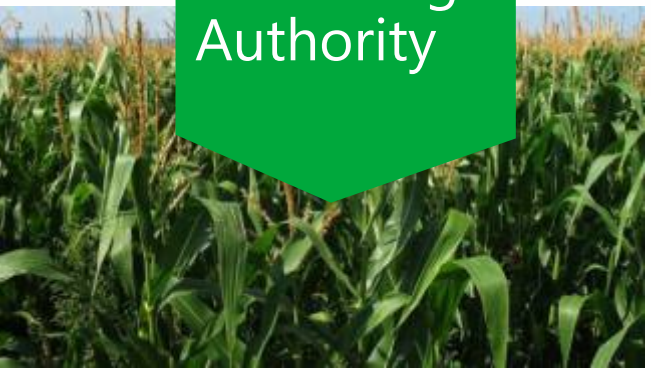


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Vision,
Mission,
Core Values

VISION, Mission, Core Values

About AMA

The Agricultural Marketing Authority was established in terms of an Act of Parliament, the Agricultural Marketing Authority Act (Chapter 18:24). We are a statutory body under the Ministry of Lands, Agriculture, Fisheries, Water, and Rural Development. The broad mandate of the Agricultural Marketing Authority is to effectively, coordinate, supervise and regulate the production and marketing of all agricultural products in Zimbabwe.



Vision

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



Mission

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



Core Values

- Teamwork
- Professionalism
- Integrity
- Transparency
- Accountability
- Innovativeness

AMA 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 Ngoro
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	Mr Godfrey Matemachani

Executive Directorate

Chief Executive Officer	Mr Clever Isaya
Acting Agribusiness Director	Mrs Junior Manduna

Registered Office

8 Leman Road
Mt Pleasant
Harare
Zimbabwe

Auditors

Global Village (formerly STC)
Chartered Certified Accountants (Zimbabwe)
9 John Pragis Avenue, Alexandra Park
Harare
Zimbabwe

Principal Bankers

CBZ Bank
NMB Bank
Agribank

Legal Representatives

Matsikidze Attorneys-At-Law

LETTER of Remittal

LETTER OF REMITTAL

The Honourable Dr A J Masuka

Minister of Lands, Agriculture, Fisheries,
Water and Rural Development

P Bag 7701

Causeway

HARARE

Dear Minister

In terms of Section 49 of the Public Finance Management Act (Chapter 22:19), I have pleasure in submitting for your consideration, the Agricultural Marketing Authority's 2021 Annual Report and Audited Accounts for the financial year ended 31 December 2021.

Yours faithfully



Allan T. Majuru

Board Chairman





The Board

AMA Board Members



ALLAN MAJURU
Board Chairperson



Ms Tariro Muchena
Vice-Board Chairperson



Dr Engelbert A Rugeje
Lt Gen (RTD)



**Major-General
Hlanganani T Dube**



**Mr Godfrey
Matemachani**



**Mr Munyaradzi
Hwengwere**



Mrs Joylyn Ndoro



Ms Grace N Nicholas



**Mrs Rosemary Kanonge
Nyamweda**



Mrs Memory Sibanda



The Management

AMA
Management
Team



Clever Isaya
(Chief Executive Officer)



Junior Manduna
(Acting Agribusiness Director)

A circular collage of agricultural images. The top right section shows a sack of yellow soybeans. The middle left section shows a large green watermelon with dark stripes. The bottom left section shows a field of green crops. The right side of the collage shows several red tomatoes on the vine.

Chairman's Statement

Chairman's Statement



ALLAN MAJURU
Board Chairman

Overview

The year 2021 witnessed a bumper harvest of maize and traditional grains, occasioned by good rains, and ultimately guaranteed food security. The net effect of the bumper harvest was an improved Gross Domestic Product, food security, and national grain stock levels. The country also managed to significantly decrease the import bill, among other major scores for the economy. Key enablers of the good season were the Government's new approach to the sector and its funded input schemes, timely inputs distribution, constant supply of key utilities such as power and fuel, and private sector funding.

The successes recorded in 2021 followed the launch of the Agriculture and Food Systems Strategy in 2020 by His Excellency, President Dr. Emmerson D. Mnangagwa, where the agriculture sector was repositioned as an integral part of the national development

agenda. The Strategy has witnessed a shift in approach, where the focus is now on creating an enabling agriculture policy and the regulatory environment to facilitate the flow of investment into the sector; as well as attract appropriate agricultural investments for productivity, food security and resilience; efficient agricultural knowledge, technology and innovation systems. There has also been an improvement in the sector coordination; responsive planning; and implementation, monitoring, and evaluation. In light of these developments, the Agricultural Marketing Authority remains central to achieving the desired national development through providing an enabling agricultural regulatory environment.

The year was not without challenges in other sub-sectors such as such as cotton and tobacco where some farmers experienced problems related to payments. Throughout the year, there were concerted efforts by the Authority, Government, and related institutions to address challenges affecting the farming business community.

Performance Review

As COVID-19 continued to affect the world and the country, the Authority developed new ways of doing business. To enhance the ease of doing business and as a response to challenges in the movement of people, the Authority introduced the Online Registration Platform for agricultural players as part of the broader Integrated Information Management System. The Authority's website was also revamped to provide real time market information to the stakeholders. An online e-market platform was also developed to improve the linkages between producers and buyers. A mobile application

was developed and will be launched in 2022. The Authority reviewed the Agricultural Marketing Authority (Grain, Oil Seed and Products) By-laws, 2013 (Statutory Instrument 140 of 2013) to address several issues including provision of minimum input packages, registration of farmers and transporters, prevention of side marketing, and other offences meant to bring sanity in the production and marketing of grains and oil seeds. Another key milestone recorded in 2021 was the introduction of the Zimbabwe Mercantile Exchange through Statutory Instrument 184 of 2021. The review of the seed cotton regulations commenced and is set to be completed in 2022.

Another challenge faced by the Authority in the year was price distortions of goods and services, which seemed to follow the unofficial exchange rate and the inflationary pressures. The financial statements have been presented as adjusted for inflation in accordance with applicable financial reporting standards.

The Authority reported growth in revenues by 191.4% to ZWL168.7 million, inflation adjusted in 2021 compared to ZWL57.9 million in 2020. Operating costs were ZWL118.3 million resulting in a net surplus of ZWL37.4 million for the year under review.

Outlook

The Government and private sector investment in the agriculture sector is expected to continue mainly to support livestock, grain and oilseeds production. The economy is expected to marginally grow because of deliberate Government initiatives that are meant to attract foreign direct investment in various sectors of the economy. I invite investors and marketers to grab the great opportunities that are available in the agricultural sector.

Appreciation

I take this opportunity to express my sincere appreciation to all stakeholders who work with the Authority in promoting production and marketing of the country's agricultural produce.

To my fellow board members, management, and staff, thank you for the hard work and winning mentality and commitment to fully discharge the Authority's mandate. Lastly, I would like to warmly thank the Ministry of Lands, Agriculture, Fisheries, Water and Rural Development for the continued support.



Allan T. Majuru
Board Chairman





The Chief Executive Officer's Report

The Chief Executive Officer's Report



CLEVER ISAYA
Chief Executive Officer

Operating Environment

The period under review saw a significant improvement in the business environment, largely due to rapidly declining inflation and improved productivity in many sectors of the economy. Disinflation policies were effective in bringing down inflation in 2021. Month on month inflation slowed from 362.63% in January 2021 to 60.7% in December 2021.

Following a COVID-19 induced contraction in 2020, the domestic economy is estimated to have grown by 7.8% in 2021, bolstered by the excellent 2020/21 agriculture season, higher international mineral commodity prices, as well as reasonable success in the management of the COVID-19 pandemic. The economic stability and improved productivity are steadily translating into

improved consumer demand, which is more encouraging given that this has been achieved in the face of the COVID-19 pandemic.

Operations

The year 2021 marked a period of great transformation for the Agricultural Marketing Authority (AMA) in terms of strategic direction, governance and the overall administration. For Zimbabwe's agriculture to be transformed there is need for a sustainable regulatory framework, one that truly creates an enabling environment for all the stakeholders involved. To achieve this feat, the Authority underwent a successful rebranding exercise in August 2021 that repositioned AMA as an effective partner for the development of agriculture in line with the National Development Strategy 1 (NDS1).

In this new drive, the Authority intends to promote collaborations across various value chains in order to enhance agricultural productivity and profitability and as well as drive adoption of information communication technologies that drive agricultural growth. The new logo design is symbolic of the transformation AMA has undergone. It embodies our commitment to promote sustainable agricultural development and the attainment of the Government's Vision 2030.

Sectorial Performance

The agricultural sector recorded huge gains in 2021 following a good rainfall season and Government support across various value chains. The sector witnessed a record maize

harvest of 2,71 million metric tonnes (mt) ensuring self-food sufficiency for the country. The main foreign currency earners in the sector, namely tobacco and cotton performed well with the support from the Government through provision of inputs under the Presidential Input Programme and export incentives. The Authority continued to play a critical role in contributing to the success of the 2021 agricultural season through several targeted programmes aimed at enhancing the efficient production and marketing of strategic commodities.

Programmes undertaken were in line with the Authority's strategic goals as set out in the mandate. It was not smooth sailing all the way as the livestock sector was plagued by theileriosis which led to loss of livestock in most of the cattle producing provinces. One of the major causes identified was failure to control tick populations in both communal and resettlement areas. Due to lack of knowledge and awareness, farmers have not been adhering to dipping regulations.

1) Grains and Oilseeds

The 2020/21 production season witnessed a record maize bumper harvest of 2,717,171mt against a national cereal requirement of 2,267,599mt for both human and livestock consumption. A good rainfall season and full adoption of the resilient Pfumvudza/Intwasa farming model led to this increase in maize production. This resulted in the country achieving national food self-sufficiency. This was also made possible by the 347,968mt of traditional grains, achieved. The country's sole buyer of grain the Grain Marketing Board (GMB) was also capacitated to pay farmers timeously for grain delivered.

Wheat production increased substantially from an average of 174,000mt (for period 2017-2020) to 330,000mt in 2021. This was attributed to Government support and

deliberate efforts made to increase the hectareage under wheat. This translated to a 47% production increase in this value chain.

During the period under review, a total of 71,290mt of soyabean production was recorded. This is far below the national requirement of 240,000mt. In addition, 14,198mt of sunflower production was recorded. The Authority continues to support soyabean and sunflower production through promoting contract farming in the sector to raise production levels. This effort by the Authority is intended to reduce imports to meet the requirements of the oil expressing industry.

2) Cotton

In an effort to stimulate growth in the cotton sector, the Government continued to support cotton farmers with farming inputs under the Presidential Inputs Support Scheme. The Cotton Company of Zimbabwe distributed the farming inputs to farmers and subsequently purchased this contracted crop under the Government initiative.

The input package was meant to stimulate production of the crop that is facing challenges due to low yields per hectare and high production costs, resulting in poor viability. The total seed cotton output for the 2021 season was 137,7million kgs from a total 386,784 hectares on which cotton was planted. This was a huge increase of about 33,8% from the 2020 marketing season where the total output was 91,2 million kgs.

The Authority continues to implement a raft of measures to curb side marketing and create a level playing field where there is orderly and fair marketing of seed cotton.

3) Horticulture, Fruit and Vegetables

Horticulture is one of the key sub-sectors of the agricultural sector in Zimbabwe, with potential of successful production across all

agro-ecological regions. In the early 2000s, Zimbabwe was one of the top exporters of horticulture products in the world. Currently, the sector is contributing around US\$77 million to national export earnings per annum. The major challenges affecting the sub-sector are availability of competitive markets and affordable value chain financing. Under the Horticulture Recovery and Growth Plan, the Government targets to grow the sector to US\$300 million annually in export earnings by 2030.

The Authority's efforts are aimed at establishing lucrative markets for horticulture products within the region and internationally. AMA participated at the Rwanda/Zimbabwe Trade and Investment Conference in Kigali on 23-30 September 2021. The conference presented AMA with a platform to realise opportunities available for horticulture export markets for Zimbabwe. The Authority also participated at the workshop to develop a National Strategy on the Elimination of Non-Tariff Barriers to Trade (NTBT). Work towards the identification, reporting and resolution of NTBTs will result in enhanced ease of doing business, while increasing market access for agriculture.

The participation at the Intra Africa Trade Fair is part of a new thrust by the Authority to develop linkages with regional and international markets so that local farmers have a wider and broader customer base. Furthermore, the setting up of a Horticulture Revolving Fund worth US\$30 million by the Government will see the Authority being capacitated to accelerate establishment of markets.

4) Tobacco

A total 200,2 million kgs of tobacco were sold at the auction floors. The sector continued on a steady growth path. The tobacco

industry's performance has been buoyed by a number of factors that include attractive producer prices, availability of organised and coordinated contractors and the export incentive.

5) Livestock

The season was characterised by favourable weather conditions that led to rejuvenation of pastures and grazing lands. However, the livestock sector was severely affected by incidences of foot and mouth and theileriosis (January disease) that wiped out whole herds for some households. This has been attributed to failure to adhere to dipping regimes and in some cases shortages of dipping chemicals. On average, the mortality rate recorded was around 9%. This was a marginal decline from the mortality rate of 2020 which stood at 11,1%. Timely dipping is one intervention that was recommended by the Veterinary Services Department and where this was adhered to, progress in containing theileriosis was recorded.

The national beef herd stood at 5,478,648 cattle and the dairy milking herd increased by 33% from 19,000 cows in 2020 to 25,212 in 2021. Overall beef production during this period (from both formal and informal slaughters) was 65,000 (30% increase from 2020) while total milk production stood at 79,607,573 litres. This was an increase in production from the 76,695,156 litres recorded in 2020.

Broiler meat production stood at 111,600 mt for the 2020/21 season. On average, the price of day-old chicks was US\$90 per 100 chicks. This translated to an increase from the prices that prevailed in 2020 where the average price was US\$57 per 100 chicks.

Financial Performance

The Authority was faced with challenges on the continuous pegging of services and

goods tracking the unofficial exchange rate and the inflationary pressures throughout the year 2021. The financial statements have been presented as adjusted for inflation in accordance with applicable financial reporting standards.

The Authority reported growth in revenues by 191.4% to ZWL 168.7 million, inflation adjusted in 2021 compared to ZWL 57.9 million in 2020. Operating costs were ZWL118.3 million resulting in a net surplus of ZWL37.4 million for the year under review.

Outlook

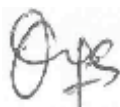
For the country to transform the agriculture sector and forge market development, organised farming is vital in ensuring that producers obtain the desired yields with the right quality. Organised agriculture is possible; however, it requires all industry players such as regulators, producers, banking and financial institutions, input suppliers (seeds, fertilizers, market researchers), electricity and water agencies and many more, to form synergies that will contribute towards driving the ultimate goal of obtaining the desired goals as set out in the National Development Strategy 1.

I fervently believe that the Authority's drive to be a world-class regulator of a vibrant, diversified and sustainable agricultural industry is achievable and as the AMA, we have a vital role to play in driving growth, improved competitiveness and sustainability in the agriculture sector. It is our mission to promote the sector through market regulation and facilitation, and effective partnership with the Government and other stakeholders.

Appreciation

On behalf of the Authority's management, I would like to thank the Board for its contribution and wise counsel for the period under review. I also extend my sincere appreciation to the Ministry of Lands, Agriculture, Fisheries, Water and Rural Development for its invaluable support.

Finally, I would like to thank our employees who demonstrated great fortitude for the period under review, their dedication and commitment is truly appreciated.



Clever Isaya
Chief Executive Officer





CORPORATE Governance **REPORT**

Production and Marketing Committee

This committee is chaired by a Non-Executive Director and it comprises two other Non-Executive Directors. The committee meets quarterly. It is tasked with reviewing regulations and the marketing conditions of agricultural products and recommending policy positions that enhance orderly and efficient marketing of agricultural products, including producer price recommendations. The committee also formulates interventions that enhance the image of the Authority. The committee is tasked with formulating new business ventures and seeks adoption and approval of such new businesses from the Board.

Human Resources Committee

The committee is also chaired by a Non-Executive Director, and two other Non-Executive Directors are members. It reviews and approves all staff remuneration, conditions of service and overall staffing policies, as well as recommending Directors' fees subject to ratification by the Board and the Corporate Governance Unit as the case maybe. The committee meets quarterly or ad hoc if need be.

Audit and Risk Committee

The committee is chaired by a Non-Executive Director. Two other Non-Executive Directors comprise the committee which meets quarterly. The committee examines AMA's financial statements every quarter and year end and recommends for approval to the Board. It is also tasked with the oversight for financial reporting and internal audit procedures and takes an independent view of the Authority's overall accounting practices. The committee's responsibilities include the following:

- Ensuring compliance with International Financial Reporting Standards (IFRS);
- Ensuring compliance with the Public Finance Management Act;
- Ensuring compliance with Government regulations on financial reporting;
- Providing assurance regarding reliability and relevance of the financial statements; and
- Identification, assessment, management and the monitoring of risks which the Authority is exposed to.

Board Attendance

- In 2021, the Board met as prescribed by the AMA Act and the Board Charter. The attendance by directors is shown below:

<i>(From 1 January 2021 to 31 December 2021)</i>				
Name of Director	Main Board 5 Meetings	Production and Marketing 4 Meetings	Human Resources 5 Meetings	Audit and Risk 4 Meetings
Mr A Majuru	5	NM	NM	NM
Mrs T Muchena	4		4	NM
Mr M. Hwengwere	5		4	NM
Ms G Nicholas	5		4	NM
Ms M Sibanda	5	NM		4
Lt Gen. (Rtd) E Rugeje	4	NM		5
Mrs J Ndoro	5	NM		5
Major Gen. HT Dube	3	NM	NM	4
Mrs R Kanonge Nyamweda	5	NM	NM	4
Mr G Matemachani	4	NM	NM	3
Mr C Isaya (ED)	5		4	5
Key				
NM-Not a member of the Committee				
ED-Executive Director				



**DIRECTORS'
RESPONSIBILITY
AND APPROVAL
OF FINANCIAL
STATEMENTS**

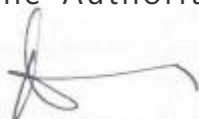
Directors' Responsibility and Approval of Financial Statements

The directors are required in terms of the Agricultural Marketing Authority Act (Chapter 18:24) to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Authority as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and the Agricultural Marketing Authority Act (Chapter 18:24) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Authority and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Authority and all employees are required to maintain the highest ethical standards in ensuring the Authority's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Authority is on

Mr Allan T. Majuru
BOARD CHAIRMAN



identifying, assessing, managing and monitoring all known forms of risk across the Authority. While operating risk cannot be fully eliminated, the Authority endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information 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.

The directors have reviewed the Authority's cash flow forecast for the year to 31 December 2021 and, in the light of this review and the current financial position, they are satisfied that the Authority has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for the independent reviewing and reporting on the Authority's financial statements. The financial statements have been examined by the Authority's external auditors and their report is presented herein. The financial statements were prepared by the Agricultural Marketing Authority's Head of Finance, Titshabona Ncube. He holds a Bachelor of Business Administration Degree in Accounting and MSc Degree in Finance & Investment. The financial statements, set out on pages 15 to 31, which have been prepared on the going concern basis, were approved by the board on 15 November 2022 and were signed on its behalf by:

Approval of financial statements

Mr C. Isaya
CHIEF EXECUTIVE OFFICER





**INDEPENDENT
AUDITOR'S REPORT
TO THE MEMBERS
OF THE AGRICULTURAL
MARKETING
AUTHORITY**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AGRICULTURAL MARKETING AUTHORITY

Adverse opinion

We have audited the financial statements of the Agricultural Marketing Authority set out on pages 15 to 31, which comprise the statement of financial position as at 31 December 2021 and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion section of our report, the accompanying financial statements do not present fairly the financial position of the Agricultural Marketing Authority as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Agricultural Marketing Authority Act [Chapter 18:24] and the Public Finance Management Act [Chapter 22:19].

Basis for adverse opinion

1. Insufficient Evidence for Property Plant and Equipment Disposal (PPE)

During the financial year, there were property, plant and equipment that were disposed amounting to ZWL\$7,126,743.35 as per Asset Register. As per requirement of International Auditing Standard (ISA) 500, supporting evidence was supposed to be availed pertaining to the disposal of these assets, but nothing was provided for the purposes of the audit. Correspondingly no Board minutes were disclosed for the acknowledgement and approval of the disposal of these assets during the year. This therefore presents Non-compliance to Public Procurement and Disposal Act 22:23.

2. Non-compliance with IAS 21 on the accounting of comparatives and transactions for the period

On 1 October 2018, the Reserve Bank of Zimbabwe (RBZ) issued a Monetary Policy Statement which directed banks to separate bank accounts into Real Time Gross Settlement Foreign Currency Accounts (RTGS FCAs) and Nostro FCAs. During the prior financial year up to 22 February 2019, the Authority transacted using a combination of Nostro FCA (USD) and RTGS FCA (electronic payment), including mobile money, bond notes and coins.

In order to comply with SI 33/2019, the RTGS transactions and balances for the prior year were accounted for on the basis of a rate of 1:1 between USD and RTGS. The Authority changed the functional currency on 22 February 2019 in compliance with legislation. This was not consistent with IAS 21, in which compliance would have resulted in the reassessment of the functional currency at a date earlier than 22 February 2019.

In addition, during the period 22 February 2019 to 31 December 2021, the foreign currency denominated transactions and balances were translated into ZWL using the official interbank exchange rate which is not considered an appropriate spot rate for translations as required by IAS 21. The opinion on the prior year financial statements was modified in respect of this matter and the misstatements have not been corrected in the financial statements for the year ended

Had the Authority applied the requirements of IAS 21, many of the elements of the financial statements would have been materially impacted and therefore the departure from the requirements of these standards is considered to be material and pervasive to the financial statements, taken as a whole.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the Public Accountants and Auditors Board (PAAB) Code of Professional Conduct, which is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B), together with other ethical requirements that are relevant to our audit of the financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Key Audit Matters

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

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
During the period under review, the acting Head of Finance Department resigned in October and was subsequently replaced by an accountant who joined in December.	In addressing the matter, the auditors adopted more professional skepticism and placed greater reliance on source documents and externally sourced evidence.
During the period under review, there was an ineffective response for third party confirmations pertaining to Trade Receivables, Trade Payables and Lawyers.	As an alternative procedure, the auditors requested to have physical calls with respective clients to confirm balances and material matters pertaining to the audit.
During the execution of the audit, the Finance Director who works in line with the accountant was temporarily absent	In addressing this matter, the auditors were mainly reliant on consulting and requesting information from the accountant for the temporal period,

Other information

The Directors are responsible for the other information. The other information comprises the Chairman's Statement, Chief Executive's Report, Corporate Governance Report and the Directors' Report, which we obtained prior to the date of the auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the Authority's financial statements does not cover the other information and we do not express any form.

In connection with our audit of the Authority's financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Other Matters

Subsequent to the financial year ending 31 December 2021, during the financial year 2022, the Authority's accounting management software was disrupted by power cuts and subsequently led to a loss of some historical information backdating from June 2022. The loss of this information might to some extent limit the scope of the audit of the financial statements ending 31 December 2022.

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 in the manner required by the Agricultural Marketing Authority Act [Chapter 18:24], Public Finance Management Act [Chapter 22:19] and Statutory Instruments (SI 33/99 and SI 62/96), and for such internal control as the Directors 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

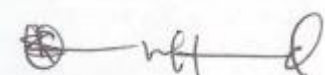
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a

material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional 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 control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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.

Report on other legal and regulatory requirements

In our opinion, the financial statements have been prepared in accordance with the requirements of the Agricultural Marketing Authority Act [Chapter 18:24], the Public Finance Management Act [Chapter 22:19] and the relevant statutory instruments (SI), SI33/99 and SI 62/96.



PAAB Registration Number: 0403
Professional Affiliation: FCCA
Auditor's Name: Shepherd Chimutanda
Designation: Managing Partner

Global Village (formerly STC) (Z10012)
Chartered Certified Accountants (Zimbabwe)
Registered Public Auditors

20 July 2022



9 John Plagis Avenue, Alexandra Park, Harare, Zimbabwe, Tel: +263 242 782223/4

AUDIT. TAX. ADVISORY



**STATEMENT OF
FINANCIAL
POSITION**

For the year
ended
31 December
2021



Statement of Financial Position for the year ended 31 December 2021

	Note(s)	Inflation Adjusted		Historical	
		2021 ZWL\$	2020 ZWL\$	2021 ZWL\$	2020 ZWL\$
ASSETS					
Non Current Assets					
Property, plant and equipment	3	300,224,665	303,194,931	185,866,864	188,283,019
Current Assets					
Trade and other receivables	4	62,798,845	4,269,629	62,798,845	2,656,233
Prepayments	5	3,323,323	14,163,218	3,323,323	8,811,259
Cash & Cash equivalents	6	49,711,618	42,471,089	49,711,618	26,422,229
		115,833,786	60,903,936	115,833,786	37,889,721
Total Assets		416,058,451	364,098,867	301,700,650	226,172,740
RESERVES AND LIABILITIES					
Reserves					
Retained income		49,532,736	12,104,863	49,456,293	7,189,286
Revaluation Reserve		303,587,516	303,587,516	189,306,159	188,868,680
		353,120,252	315,692,379	238,762,452	196,057,966
Liabilities					
Current liabilities					
Trade and other payables	7	21,366,027	11,914,462	21,366,027	7,412,257
Advance payments - Registration fees	8	38,970,222	35,690,055	38,970,222	22,203,593
Payroll related accruals	9	2,601,949	801,970	2,601,949	498,923
Total liabilities		62,938,198	48,406,488	62,938,198	30,114,773
Total equity and liabilities		416,058,451	364,098,867	301,700,650	226,172,740

Mr Allan T. Majuru
Board Chairman

22.11.2021

Mr C Isaya
Chief Executive Officer

22.11.2022



Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2021

	Note(s)	Inflation Adjusted		Historical	
		2021 ZWL\$	2020 ZWL\$	2021 ZWL\$	2020 ZWL\$
Revenue	10	168,650,559	57,949,888	135,824,660	24,742,973
Other Income	11	13,044,005	9,786,304	11,929,658	4,379,215
Operating expenses	12	(118,277,413)	(67,586,976)	(105,487,312)	(29,370,781)
Operating surplus		63,417,151	149,217	42,267,006	(248,593)
Interest revenue				-	-
Surplus for the year		63,417,151	149,217	42,267,006	(248,593)
Other comprehensive income				-	-
Net Non-Monetary Gain/(loss)		(25,989,278)	-	-	-
Total comprehensive income for the year		37,427,873	149,217	42,267,006	(248,593)

Statement of Changes in Equity for the year ended 31 December 2021

	Historical		
	Retained income ZWL\$	Revaluation Reserve ZWL\$	Total Reserves ZWL\$
Balance as at 1 January 2020	7,437,879	72,402,737	79,840,616
Profit for the year	(248,593)	-	(248,593)
Other comprehensive income	-	-	-
Revaluation Gain	-	116,465,943	116,465,943
Total comprehensive income for the year	-	-	-
Balance at 31 December 2020	7,189,286	188,868,680	196,057,966
Balance as at 1 January 2021	7,189,286	188,868,680	196,057,966
Revaluation on Other Assets	-	437,479	437,479
Profit for the year	42,267,007	-	42,267,007
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	-	-
Balance at 31 December 2021	49,456,293	189,306,159	238,762,452

	Inflation Adjusted		
	Retained income ZWL\$	Revaluation Reserve ZWL\$	Total Reserves ZWL\$
Balance as at 1 January 2020	11,955,647	116,380,159	764,014,759
Profit for the year	149,217	-	149,217
Other comprehensive income	-	-	-
Revaluation Gain	-	187,207,357	187,207,357
Total comprehensive income for the year	-	-	-
Balance at 31 December 2020	12,104,863	303,587,516	315,692,379
Balance as at 1 January 2021	12,104,863	303,587,516	315,692,379
Profit for the year	63,417,151	-	63,417,151
Non Monetary Gain/(Loss)	(25,989,278)	-	(25,989,278)
Balance at 31 December 2021	49,532,736	303,587,516	353,120,252



Statement of Cash Flows for the year ended 31 December 2021

	Note(s)	Inflation Adjusted		Historical Cost	
		2021 ZWL\$	2020 ZWL\$	2021 ZWL\$	2020 ZWL\$
Cash flows from operating activities					
Surplus for the year		37,427,873	(399,588)	42,267,006	(248,593)
Adjustments for:					
Depreciation and amortisation	1	17,190,425	8,948,426	12,923,437	5,567,019
Interest received		(3,704,990)	(2,073,207)	(3,896,461)	(1,289,789)
Profit/loss on disposal		6,303,121	(14,973)	4,373,011	(9,315)
Net Monetary Gain		25,989,278		(2,181,183)	-
Changes in working capital:					
Trade and other receivables		(58,529,216)	(3,583,994)	(60,142,612)	(2,229,684)
Prepayments		10,839,895	(13,381,809)	5,487,936	(8,325,127)
Trade and other payables		9,451,565	11,194,686	13,953,770	6,964,468
Advance payments - Registration fees		3,280,167	33,146,027	16,766,629	20,620,895
Payroll related accruals		1,799,979	653,744	2,103,026	406,709
		50,048,097	34,489,312	31,654,561	21,456,583
Interest income		3,704,990	2,073,207	3,896,461	1,289,789
Net cash from operating activities		53,753,087	36,562,518	35,551,021	22,746,372
Cash flows from investing activities					
Purchase of Property, Plant and Equipment	1	(15,086,317)	(4,319,930)	(15,086,317)	(2,420,643)
Disposal of property, plant and equipment		3,262,164	14,973	3,262,164	9,315
Net cash from investing activities		(11,824,153)	(4,304,957)	(11,824,153)	(2,411,328)
Total cash movement for the year		41,928,934	32,257,562	23,289,389	20,068,162
Cash at the beginning of the year	4	26,422,229	10,213,527	26,422,229	6,354,067
Effects of Changes in Inflation:		(18,639,545)			
Total cash at end of the year	4	49,711,618	42,471,089	49,711,618	26,422,229



Notes to the Financial Statements

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. 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].

2.1 IAS 29 Financial Reporting in Hyperinflationary Economies .

The standard applies where an entity's functional currency is that of a hyperinflationary economy. The standard does not prescribe when hyperinflation arises but requires the financial statements (and corresponding figures for previous periods) of an entity with a functional currency that is hyperinflationary to be restated for the changes in the general pricing power of the functional currency. The financial statements of the Authority have been restated and adjusted for inflation using CPI indices by the Reserve Bank of Zimbabwe.

Period	Indices	Conversion Factor
31 December 2021	3977.46	1
31 December 2020	2474.51	1.6073728
31 December 2019	551.63	4.4858148

2.2 Functional & Presentation Currency

The Authority's financial Statements are presented in Zimbabwe Dollars, being the functional and presentation currency.

2.3 Statement of accounting Policy

The accounting policies are consistent with those used in the prior year, except where modified for new International Financial Reporting Standards(IFRS).

2.4 Use of estimates and judgements

IFRS requires that management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which they are revised and future periods affected. Information about the significant areas of accounting judgement, estimates and assumptions in applying accounting policies that have the most significant effect are described in relevant notes..

2.5 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 cashflows from financial assets. The impairment for trade receivables, held to maturity investments, loans and other receivables is deduced on an individual basis cashflows from financial assets based on historical data, adjusted for national and industry specific conditions and other indicators present at the at the reporting date.



Notes to the Financial Statements (Continued)

SIGNIFICANT ACCOUNTING POLICIES

2.6 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. Assets are grouped at the lowest level which identifiable cash flows are largely independent of cash flows of other assets and liabilities..

If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors together with economic factors.

2.7 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.

2.8 Property, plant and equipment

The Property and Equipment was revalued as at 27th of October 2020. This was consistent with Revaluation model which was adopted in the prior year. The Property and Equipment was stated at their fair values at the date of revaluation, less any accumulated depreciation and impairment losses. The revaluation increases were credited to the Revaluation reserve, and where decreases were recognised these were effected through the reserve to the extent of previous revaluation. Depreciation on revalued assets was recognised in profit or loss. On subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings. Depreciation is not provided on freehold land and capital projects under development. Other assets are depreciated on such bases as are deemed appropriate to reduce book values estimated residual values over their useful lives as follows:

Item	Average Useful Life
Buildings	20 years
Computer Equipment	3 years
Furniture & Fittings	5 years
Motor Vehicles	5 years
Office Equipment	5 years
Other Assets	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 profit or loss 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.



Notes to the Financial Statements (Continued)

2.9 Financial Instruments

Classification

The Authority classifies financial assets and liabilities into the following categories:-

- Financial Assets at fair value through surplus or deficit-designated.
- Held-to-Maturity investment
- Loans and receivables
- Financial Liabilities at fair value through surplus or deficit-designated
- Financial Liabilities measured at amortised cost.

Classification depends on the purpose for which the financial instruments were obtained or incurred and takes place at initial recognition. It is reassessed on an annual basis, except financial assets designated at fair value through surplus or deficit, which shall not be classified out of the fair value through surplus or deficit category.

Initial Recognition and measurement

Financial Instruments are recognised when the Authority becomes party to the contractual provisions of the instruments. The authority classifies financial instruments, or their component parts, on initial recognition as a financial asset or liability in accordance with the substance of the contractual agreement. Financial Instruments are measured initially at fair value. Transaction costs on financial instruments at fair value through surplus or deficit are recognised in surplus or deficit. For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Subsequent Measurement

Financial Instruments at fair value through surplus or deficit are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in surplus or deficit for the period.

Derecognition

Financial Assets are derecognised when the right to receive cash flows from the investments have expired or have been transferred and the Authority has transferred substantially all risks and rewards of ownership.

2.10 Loans to directors, managers and employees

These are classified as staff loans under trade receivables.



Notes to the Financial Statements (Continued)

2.11 Cash and Cash Equivalents

These comprise of cash on hand and demand deposits, and other short term highly liquid investments that are readily convertible to cash and are subject to an insignificant risk of changes in value.

2.12 Leases

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

2.13 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.

Provisions and Contingencies

A provision is a liability of uncertain timing or amount. The liability may be legal obligation or a constructive obligation. A constructive obligation arises from the entity's actions, through which it has indicated to others that it will accept certain responsibilities, and as a result has created an expectation that it will discharge those responsibilities.

2.14 Revenue

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

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.

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.

2.15 Foreign Exchange gains and losses

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

2.16 Use of estimates and judgements

IFRS requires that management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which they are revised and future periods affected. Information about the significant areas of accounting judgement, estimates and assumptions in applying accounting policies that have the most significant effect are described in relevant notes.

Notes to the Financial Statements (Continued)

3. Property, plant and equipment

	Historical						TOTAL ZMW'S
	Equipments ZMW'S	Land & Buildings ZMW'S	Motor Vehicles ZMW'S	Computer Equipment ZMW'S	Furniture & Fixings ZMW'S	Other Assets ZMW'S	
Cost Valuation							
Opening Balance	-	29,389,763	8,603,214	4,134,034	3,036,240	91,682	75,310,283
Prior Period Adjustment	-	-	154,134	(667,568)	-	-	(513,434)
Additions	-	59,389,763	8,762,648	3,516,516	3,036,240	91,682	74,796,849
Disposals	-	-	1,306,803	978,780	35,060	-	2,120,643
Revaluation	-	97,358,943	(1,095,216)	(2,892)	1,098,399	104,656	(1,022,795)
As at 31 December 2020	-	156,748,706	24,241,871	4,838,188	4,169,700	196,338	189,894,803
Accumulated Depreciation							
Opening Balance	-	202,615	202,239	111,402	93,750	4,108	613,712
Charge for the year	-	1,890,407	2,227,924	1,113,347	325,217	9,996	3,257,019
Revaluation of Assets	-	(1,439,901)	(1,486,185)	(989,268)	(355,967)	(10,177)	(4,375,493)
Disposals	-	-	(293,455)	-	-	-	(293,455)
As at 31 December 2021	-	653,120	656,552	235,081	63,100	3,932	1,611,784
Cost Valuation							
Opening Balance	1,170,225	156,748,706	24,241,871	4,838,188	4,169,700	196,338	191,065,028
Prior Period Adjustment	-	-	-	-	-	437,479	437,479
Additions	-	-	9,352,546	5,737,501	(5,730)	-	15,086,317
Disposals	-	-	(6,623,158)	(378,320)	-	-	(7,001,778)
As at 31 December 2021	1,170,225	156,748,706	26,970,959	9,897,369	4,165,970	633,817	199,587,016
Accumulated Depreciation							
Opening Balance	-	653,120	656,553	235,481	63,100	3,932	1,611,786
Charge for the year	2,438	4,918,718	5,869,276	1,777,340	1,376,515	209,160	12,923,137
Revaluation of Assets	-	-	(762,087)	(50,954)	-	-	(813,041)
Disposals	-	-	-	-	-	-	-
As at 31 December 2021	2,438	4,571,838	5,563,742	1,959,457	1,409,615	213,092	13,720,182
Carrying Amount as at 31 December 2020	1,170,225	156,095,586	23,585,319	4,403,107	2,930,376	192,406	188,283,019
Carrying Amount as at 31 December 2021	1,167,787	152,176,868	21,407,217	7,937,911	2,756,356	420,725	185,866,864



Notes to the Financial Statements (Continued)

3. Property, plant and equipment	Inflation Adjusted										TOTAL ZWL\$	
	Equipments ZWL\$	Land & Buildings ZWL\$	Motor Vehicles ZWL\$	Computer Equipment ZWL\$	Furniture & Fixings ZWL\$	Other Assets ZWL\$	Inflation Adjusted					
							Equipments ZWL\$	Land & Buildings ZWL\$	Motor Vehicles ZWL\$	Computer Equipment ZWL\$		Furniture & Fixings ZWL\$
Cost/Valuation												
Opening Balance	-	366,413,901	38,616,549	18,769,147	13,620,136	411,272						137,831,056
Prior Period Adjustment		-	601,424	(2,994,642)								(2,393,188)
		266,113,901	39,217,973	15,774,505	13,620,136	411,272						335,527,868
Additions	-	-	1,406,807	978,780	35,060	-						1,420,647
Disposals	-	-	(1,022,795)									(1,022,795)
Revaluation		(109,663,196)	(15,430,110)	(12,113,177)	(9,185,196)	(214,934)						(147,030,913)
Inflation Adjustment		12,137,663	1,888,422	353,147	324,472	15,278						14,770,282
As at 31 December 2020	-	168,946,369	26,128,294	1,891,435	1,191,172	211,616						209,671,282
Accumulated Depreciation												
Opening Balance		968,900	907,313	497,938	120,548	18,427						2,753,025
Change for the year		937,367	2,395,261	1,196,954	349,746	10,746						5,985,074
Revaluation of Assets		(2,288,117)	(2,352,167)	(1,439,840)	(907,194)	(25,212)						(6,832,800)
Deposals			(293,453)									(293,453)
Inflation Adjustments		50,823	51,091	3,293	4,910	306						125,424
As at 31 December 2020		793,943	707,643	253,375	68,010	4,237						1,737,208
Cost/Valuation												
Opening Balance	1,170,125	251,953,153	38,963,710	7,491,556	6,712,258	315,588						306,401,780
Prior Period Adjustment						437,479						
Additions		-	9,352,576	2,737,201	137,300							13,086,317
Deposals		-	(6,623,458)	(178,320)								(7,001,778)
As at 31 December 2021	1,170,225	251,953,453	41,694,788	12,653,736	6,698,529	753,067						314,923,798
Accumulated Depreciation												
Opening Balance		1,049,807	1,053,123	377,863	101,423	6,320						2,390,738
Change for the year	2,438	3,918,718	5,669,276	1,777,330	1,346,515	202,160						12,923,437
Revaluation of Assets												
Deposals		-	(767,087)	(57,954)								(835,041)
As at 31 December 2021	2,438	4,968,525	5,902,512	2,102,239	1,447,940	215,480						14,609,133
Carrying Amount as at 31 December 2020	-	247,430,366	40,861,154	9,455,059	9,114,613	333,359						303,194,937
Carrying Amount as at 31 December 2021	1,167,787	246,984,928	35,732,276	10,551,497	5,250,589	537,587						300,224,665



Notes to the Financial Statements (Continued)

	Inflation Adjusted		Historical	
	2021 ZWL\$	2020 ZWL\$	2021 ZWL\$	2020 ZWL\$
4. Trade and other receivables				
Trade Receivables	68,997,704	4,170,730	68,997,704	2,594,706
Provision for bad debts	(6,512,368)	(28,266)	(6,512,368)	(17,585)
Staff Loans	237,896	5,626	237,896	3,500
Other debtors	75,612	121,539	75,612	75,612
	62,798,845	4,269,629	62,798,845	2,656,233

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	8,976,218	355,397,60	8,976,218	79,223
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Trade and other receivable impaired

The amount of the provision was \$6494415 as of 31 December 2021 - (2020 \$ 17585).

Reconciliation of provision for impairment of trade and other receivables

Opening balance	17,585	147,997	17,585	20,525,00
Provision for impairment (decrease)/increase	6,512,368	28,266	6,512,368	17,585,00
Bad debts written off		(32,992)		(20,525,00)
	6,529,953	143,271	6,529,953	17,585,00

5. Prepayments

Prepayments includes deferred expenses that were made during the year and relate to 2021. It also includes payments to ZESA for electricity.

Deferred Expenses	3,323,323	1,437,712	3,323,323	894,433
Payments for Contract Vehicle		12,725,506	-	7,916,826
	3,323,323	14,163,218	3,323,323	8,811,259

6. Cash and Cash equivalents

Cash and cash equivalents are made up of:

Cash on hand	9,563,916	6,435,004	9,563,916	4,003,362
Bank balances	16,705,350	11,514,322	16,705,350	7,163,321
Short term investments	23,442,352	24,521,763	23,442,352	15,255,545
	49,711,618	42,471,089	49,711,618	26,422,229



Notes to the Financial Statements (Continued)

	Inflation adjusted		Historical	
	2021 ZWL\$	2020 ZWL\$	2021 ZWL\$	2020 ZWL\$
7. Trade and other payables				
Trade Payables	815,166	-	815,166	-
Accrued audit fees	2,980,083	1,030,189	2,980,083	640,904
Accrued bonus	1,290,599	-	1,290,599	-
Provision for Retrenchment Costs	1,171,417	8,055,831	1,171,417	5,011,715
Accrued withholding tax for board fees	862,850	197,373	862,850	122,790
Leave pay provision	1,063,219	630,014	1,063,219	391,946
Intercompany -Agricultural Marketing Fund	11,269,478	1,426,879	11,269,478	887,694
Other accruals	1,913,215	574,176	1,913,215	357,208
	21,366,027	11,914,462	21,366,027	7,412,257

8. Advance payments - Registration fees

Farmer registration fees	9,252,469	2,541,327	9,252,469	1,581,017
Contractor registration fees	4,032,441	11,806,118	4,032,441	7,344,854
Trade and merchants registration fees	16,869,893	11,024,637	16,869,893	6,858,677
Abattoirs and livestock registration fees	2,239,879	1,467,257	2,239,879	912,815
Horticulture registration fees	4,737,749	5,947,642	4,737,749	3,700,163
Supplier of agric inputs registration fees	1,837,792	2,903,074	1,837,792	1,806,068
	38,970,222	35,690,055	38,970,222	22,203,594

9. Payroll related accruals

Manpower development fund	(103,283)	21,385	(103,283)	13,304
National Social Security Authority (NSSA)	365	27,464	365	17,086
Fidelity Life Assurance - Group Pension Fund	166,310	158,265	166,310	98,460
Fidelity Life Medical Aid Society	(124,664)	51,448	(124,664)	32,007
Nyaradzo Funeral Assurance	79,861	65,339	79,861	40,649
Pay As You Earn	326	471,831	326	293,537
Salaries & Wages Control	2,583,034	6,238	2,583,034	3,881
	2,601,949	801,970	2,601,949	498,924

Notes to the Financial Statements (Continued)

	Inflation Adjusted		Historical	
	2021 ZWL\$	2020 ZWL\$	2021 ZWL\$	2020 ZWL\$
10. Revenue				
Abattoirs registration fees	4,216,748	1,372,271	3,276,831	716,323
Contractor registration fees	23,302,459	10,341,814	19,772,126	3,172,122
Farmer registration fees	36,268,062	11,718,459	29,152,387	4,766,369
Fines and penalties	43,067,570	4,568,819	33,608,771	2,197,500
Horticulture registration fees	9,542,743	2,183,894	7,264,399	1,060,534
Levies	11,030,403	5,383,821	10,909,902	2,641,064
Suppliers of agricultural inputs	4,588,562	1,214,873	3,549,238	644,318
Trade and processors registration fees	36,634,014	21,165,938	28,291,006	9,544,743
	168,650,559	57,949,888	135,824,660	24,742,973

	Inflation Adjusted		Historical	
	2021 ZWL\$	2020 ZWL\$	2021 ZWL\$	2020 ZWL\$
11. Other income				
Administration fees	2,046,978	-	1,740,000	-
Investment interest	3,704,990	2,987,671	3,896,461	1,289,789
Rental Income	4,811,227	6,228,688	3,967,372	2,767,433
Tender fees	45,980	103,283	35,080	49,884
Bank interest	60,599	32,887	52,291	12,237
Exchange Gain	2,282,173	199,634	2,181,183	124,177
Profit on disposal of assets		229,415	-	132,755
Decrease in expected credit loss allowance		4,726		2,940
Bad Debt recovered	92,059		57,272	
	13,044,005	9,786,304	11,929,658	4,379,215



Notes to the Financial Statements (Continued)

	Inflation Adjusted		Historical	
	2021 ZWL.S	2020 ZWL.S	2021 ZWL.S	2020 ZWL.S
12. Operating expenses				
Audit fees	5,067,833	2,556,120	4,000,000	993,000
Advertising	7,532,642	1,448,211	6,534,299	795,708
Bad debts	(6,494,783)	32,992	6,494,783	20,525
Bank charges	3,722,191	1,102,040	3,036,164	487,799
Board and sitting allowances	5,415,705	2,050,441	4,771,204	1,123,984
Clearing	1,553,457	834,433	1,187,291	425,663
Computer expenses	1,955,423	3,134,438	1,415,643	592,628
Consulting and professional fees	2,491,201	1,309,645	2,106,955	408,537
Depreciation, amortisation and impairment	17,190,425	16,087,602	12,923,437	5,423,578
Donations, Promotions & Public Relations	4,544,699	776,514	3,602,961	448,098
Employee costs	33,529,755	15,094,248	26,490,302	7,586,259
Retrenchment costs	-	8,055,831	-	5,011,715
General expenses	2,030,703	1,119,453	1,408,508	618,359
Insurance	1,410,527	1,145,166	908,305	380,369
Interest Paid	193,590	5,599	183,018	3,240
Internet services	482,092	483,755	370,226	282,441
Lease rentals on operating lease	1,414,778	608,963	1,026,383	193,316
Legal fees	387,288	405,915	295,253	222,927
Licences	615,792	736,352	617,047	271,506
Magazines, books and periodicals	456,971	181,816	173,220	89,013
Electricity and water expenses	1,267,180	608,963	1,150,568	71,336
Fuel & Lubricants	5,403,990	2,735,166	4,313,280	1,291,982
Postage	11,582	373	9,209	60
Printing and stationery	3,895,828	1,511,760	3,583,742	370,787
Sundry expenses	1,758,773		1,673,421	-
Protective clothing	2,941,035	70,571	2,335,297	21,651
Repairs and maintenance	4,952,535	1,794,286	3,967,648	815,550
Security	2,868,308	679,982	2,307,181	304,200
Seminars and workshops	365,746	352,966	233,491	125,167
Subscriptions	285,990	19,361	238,885	4,340
Telephone and fax	1,076,957	619,195	798,826	241,967
Training and development	303,682	199,875	249,301	63,808
Loss on disposal	6,303,121		4,373,011	
Travel	3,342,397	1,824,944	2,708,455	681,266
	118,277,413	67,586,976	105,487,312	29,370,779

Notes to the Financial Statements (Continued)

	Inflation Adjusted		Historical	
	2021 ZWLS	2020 ZWLS	2021 ZWLS	2020 ZWLS
13. Related parties				
13.1 Relationships				
Members of key management				
Executive Management				
Chief Executive Officer				
Director Agribusiness				
Head of Finance				
Head of Compliance				
13.2 Related party transactions				
Short term employment benefits	2,486,720	2,229,023	2,486,720	1,386,726
Post employment and medical benefits				
Pension-National Social Security Authority, Medical Aid and Group Cover	531,226	238,191	531,226	148,184
Board Remuneration				
Board monthly allowance	1,188,073	413,957	1,188,073	257,532
Sitting allowances	399,850	8,055,831	399,850	5,011,715
Committee sitting allowances	540,809	126,509	540,809	78,704
Board Communication, travel and Subsistence	903,621	208,170	903,621	129,507
	3,032,354	8,804,466	3,032,354	5,477,458

Agricultural Marketing Fund

The Authority had intercompany transactions with Agricultural Marketing Fund during the year. At the end of the current reporting period, S11,269,478 was due and payable to Agricultural Marketing fund.



Notes to the Financial Statements (Continued)

	Inflation Adjusted		Historical	
	2021 ZWL\$	2020 ZWL\$	2021 ZWL\$	2020 ZWL\$

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.

15. Cotton industry levy

Value of invoices raised	159,797,377	129,950,853	159,797,377	80,845,373
Collection received from debtors	(53,759,186)	(8,372,763)	(53,759,186)	(5,208,886)
Total cotton industry levy	106,038,191	121,578,089	106,038,191	75,636,487

The Authority, through the AMA act (Chapter 18:24) is mandated to administer the Agricultural Marketing Fund levy account on behalf of the Minister. The Fund is accounted for separately and is audited by the Office of the Auditor General.

16. Pension and retirement benefits

National Social Security Authority	427,715	177,258	427,715	110,276
Group Pension Fund	1,288,567	604,215	1,288,567	375,896
	1,716,282	781,473	1,716,282	486,172

The Authority 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 up to a maximum of \$700.00. Employees contribute the same rate of 4.5%.



Notes to the Financial Statements (Continued)

17. Agro Bills payable and related balances

One of the Authority's mandate is to raise Agro Bills for marketing boards for use within the Ministry .

The Bills would be under the control of the Government of Zimbabwe, conducted outside of AMA.

During the year under review two Agrobills were issued one valued at ZWL\$100million issued through Agribank and one valued at ZWL\$20billion issued through CBZ Bank.

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.

19. Events after the reporting period

There were no reportable events after the reporting period.

The Report of the Auditor General



The Report of the Auditor General

All communication should be addressed to:
The Auditor-General
P. O. Box CY 143, Causeway, Harare
Telephone 263-242-793611/3/4
Telegrams: AUDITOR
E-mail: oagzimbabwe263@gmail.com
Website: www.auditorgeneral.gov.zw



OFFICE OF THE AUDITOR-GENERAL
5th Floor, Burroughs House,
48 George Silundika Avenue,
Harare

Ref: SB157

**REPORT OF THE AUDITOR-GENERAL
TO
THE MINISTER OF LANDS, AGRICULTURE, FISHERIES, WATER AND RURAL
RESETTLEMENT
AND
THE BOARD OF DIRECTORS
IN RESPECT OF THE FINANCIAL STATEMENTS OF
AGRICULTURAL MARKETING AUTHORITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

Report on the Audit of the Financial Statements

Qualified Opinion

I have audited the financial statements of the Agricultural Marketing Authority Fund as set out on pages 7 to 18, which comprise the statement of financial position as at December 31, 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, which include a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Agricultural Marketing Authority Fund as at December 31, 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**REPORT OF THE AUDITOR GENERAL IN RESPECT OF FINANCIAL
STATEMENTS OF AGRICULTURAL MARKETING AUTHORITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

Basis of Qualified Opinion

Accounts Receivables

The Fund disclosed accounts receivables of ZWL100 185 678. However, the Fund was not performing accounts receivables reconciliations in order to maintain a correct balance of receivables. Upon circularisation, some balances confirmed by the Fund's clients had material differences with those reported in the financial statements. Due to the unavailability of accounts receivables reconciliations, I was not able to perform alternative procedures to confirm the accuracy of the balance reported. Had the Fund been performing reconciliations, the receivables balances could have been materially affected.

I conducted my audit in accordance with International Standards on Auditing (ISAs) and International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of Agricultural Marketing Authority Fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in Zimbabwe, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Key Audit Matter	How my audit addressed the key audit matter
<p>Revenue recognition. Refer to Note 9 of the financial statements</p> <p>The Fund's main sources of revenue are levies collected from livestock, cotton and</p>	<p>The audit procedures to address the risk of material misstatement relating to revenue recognition included:</p> <ul style="list-style-type: none"> • Discussing the revenue cycle and




**STATEMENTS OF AGRICULTURAL MARKETING AUTHORITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

<p>macadamia sectors of the agriculture industry. The total revenue reported for 2021 is ZWL 112 072 336 (2020: ZWL 175 847 215)</p>	<p>pricing models with management and evaluating their appropriateness.</p>
<p>Levies are charged in USD and invoiced in ZWL at the prevailing interbank rate. These streams of revenue with various pricing models would demand close attention in order to have assurance that the revenue so recorded is accurate. In addition, there is rebuttable presumption that the risk of fraud in revenue recognition is high. I therefore considered there to be a risk of misstatement of the financial statements related to transactions of this nature. More attention was involved in establishing the completeness and cut off of revenue due to the nature of these transactions.</p>	<ul style="list-style-type: none"> • Testing controls over the Fund's revenue invoicing system, • Conducting substantive analytical procedures on revenue, • Scrutinising manual journals related to revenue to assess the timing and fair values of revenue recorded, • Evaluating the adequacy of the disclosures regarding the trade receivables and • Discussing with management on their application of the daily interbank rates used to convert USD denominated sales to the reporting currency and evaluating the appropriateness of the rates used.
<p>The area was therefore considered as a key audit matter on this basis.</p>	<p>Based on the evidence gathered, I concluded that revenue was appropriately recognised.</p>

Other Information in the Annual Report

Those charged with governance are responsible for the Other Information. The Other Information comprises the Chief Executive Officer's report as required by the Public Finance Management Act [Chapter 22:19]. My opinion on the Fund's financial statements does not cover the Other Information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the Fund's financial statements, my responsibility is to read the Other Information and, in doing so, consider whether the Other Information is consistent with the Fund's financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information that I obtained prior to the date of this auditors' report, I conclude that there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.



**REPORT OF THE AUDITOR GENERAL IN RESPECT OF FINANCIAL
STATEMENTS OF AGRICULTURAL MARKETING AUTHORITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

Those charged with governance are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Agricultural Marketing Authority Act [Chapter 16:24], and the Public Finance Management Act [Chapter 22:19] and for such internal control as directors 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, those charged with governance 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 management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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 (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISAs), I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



**REPORT OF THE AUDITOR GENERAL IN RESPECT OF FINANCIAL
STATEMENTS OF AGRICULTURAL MARKETING AUTHORITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and 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 Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the 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.

I 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 I identify during my audit.

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

From the matters communicated with those charged with governance, I 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. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



REPORT OF THE AUDITOR GENERAL IN RESPECT OF FINANCIAL
STATEMENTS OF AGRICULTURAL MARKETING AUTHORITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

Report on Other Legal and Regulatory Requirements

In my opinion, the financial statements have, in all material respects, been properly prepared in compliance with the disclosure requirements of the Public Finance Management Act [Chapter 22:19], the Agricultural Marketing Authority Act [Chapter 18:24] and other relevant statutory instruments.

November 24, 2022.

M. Chiri
M. CHIRI,
AUDITOR-GENERAL

AGRICULTURAL MARKETING FUND

STATEMENT OF FINANCIAL POSITION

as at December 31, 2021

	Note	Inflation Adjusted		Historical Cost	
		2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
ASSETS					
Non current assets		1 020 898	-	602 587	-
Property, plant and equipment	4	1 020 898	-	602 587	-
Current assets		109 018 401	126 858 174	109 018 401	78 921 347
Trade and other receivables	5	100 185 678	114 748 295	100 185 678	71 385 439
Cash and cash equivalents	6	8 832 723	12 109 879	8 832 723	7 535 908
Total assets		110 039 299	126 858 174	109 620 988	78 921 347
RESERVE AND LIABILITIES					
Total reserves		97 760 878	117 605 386	97 342 668	73 186 396
Revaluation reserve		-	1 897 001	-	270 394
Retained income		97 760 878	115 607 496	97 342 668	72 915 902
Current liabilities		12 278 420	9 252 788	12 278 420	5 734 951
Trade and other payables	7	12 278 420	9 252 788	12 278 420	5 734 951
Total reserves and liabilities		110 039 299	126 858 174	109 620 988	78 921 347

15 November 2022

21 November 2022

21 November 2022


T Ncube
Head of Finance
(BBA -Accounting)
(MSc Finance & Investment)


C Isaya
Chief Executive Officer


A.T. Mjuru
Board Chairman

AGRICULTURAL MARKETING FUND

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended December 31, 2021

	Note	Inflation Adjusted		Historical Cost	
		2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
Total income		114 278 157	179 140 485	87 761 881	80 620 819
Revenue	9	112 072 336	175 847 215	86 027 051	80 338 101
Other income	8	2 205 820	3 293 270	1 734 830	252 718
Less: Expenditure		70 143 783	42 167 969	63 605 709	16 911 961
Operating expenses	10	70 143 783	42 167 969	63 605 709	16 911 961
Surplus for the year		44 134 373	136 972 515	24 156 172	63 708 858
Net monetary loss		(63 978 880)	(87 697 897)		
Total Comprehensive income for the year		(19 844 507)	49 274 618	24 156 172	63 708 858



STATEMENT OF CHANGES IN RESERVES

for the year ended December 31, 2021

	Inflation Adjusted			Historical Cost		
	Retained Income ZWL	Revaluation Reserve ZWL	Total Reserves ZWL	Retained Income ZWL	Revaluation Reserve ZWL	Total Reserves ZWL
Balance as at January 1, 2020	68 332 836	1 997 931	68 330 767	9 204 144	273 394	9 477 538
Comprehensive Profit for the year	49 274 618	-	49 274 618	83 708 858	-	63 708 858
Balance as at December 31, 2020	115 607 456	1 997 931	117 605 386	72 913 002	273 394	73 186 396
Balance as at January 1, 2021	115 607 456	1 997 931	117 605 387	72 913 002	273 394	73 186 396
Comprehensive Profit for the year	(18 844 507)	-	(18 844 507)	24 156 172	-	24 156 172
Revaluation Reserve	1 997 931	(1 997 931)	-	273 394	(273 394)	-
Balance as at December 31, 2021	97 760 879	-	97 760 879	97 342 568	-	97 342 568

AGRICULTURAL MARKETING FUND
STATEMENT OF CASH FLOW
for the year ended December 31, 2021

Note	Inflation Adjusted		Historical Cost	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
Cash flows generated/(utilised) by operating activities	61 788 654	92 724 330	1 959 844	6 548 235
	44 188 306	138 940 936	24 243 912	63 975 392
Surplus/(Deficit) for the year	(19 644 507)	49 274 618	24 156 172	63 708 859
Adjustment for:				
Interest earned	(77 246)	1 26 438	(58 518)	(10 124)
Depreciation	138 781	1 994 861	117 258	275 658
Net monetary loss	63 078 860	67 697 867	-	-
Changes in operating assets and liabilities	17 589 248	(46 216 606)	(22 254 066)	(57 427 157)
(Increase)/Decrease in trade receivables	14 563 617	(50 674 968)	(28 797 535)	(62 438 937)
Increase in other payables	3 025 632	4 358 351	6 543 470	5 055 940
Cash flows from investing activities	(1 086 831)	26 439	(660 327)	10 124
Purchase of property, and equipment	(1 187 079)	-	(719 845)	-
Interest received	71 248	26 439	59 518	10 124
Decrease/(Increase) in cash and cash equivalents	60 702 723	92 750 759	1 299 515	6 556 350
Cash and cash equivalents at the beginning of the year	12 108 879	12 050 133	7 533 208	674 846
Effects of inflation on cash and cash equivalents	(83 978 979)	(52 695 023)	-	-
Cash and cash equivalents at the end of the year	6 832 723	12 108 879	8 832 723	7 533 208



AGRICULTURAL MARKETING FUND

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2021.

1. NATURE OF BUSINESS

The Agricultural Marketing Fund is a public entity established by Agricultural Marketing Authority 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. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements for the year ended December 31, 2021, have been prepared in conformity with International Financial Reporting Standards (IFRSs), promulgated by the International Accounting Standards Board (IASB), which includes standards and interpretations approved by the IASB as well as International Accounting Standards and Standing Interpretations Committee (SIC).

2.2 Basis of measurement

The financial statements are based on the statutory records that are maintained under the historical cost basis, except for the investments which are measured at fair value. These financial statements have been adjusted for hyperinflation in accordance with IAS 29 "Financial Reporting in Hyperinflation Economies". Comparative figures for prior reporting period have been restated into the same measuring unit.

2.3 Functional and presentation currency

These financial statements are presented in the Zimbabwean RTGS dollar which is the Fund's functional currency. All the financial information presented has been rounded to the nearest dollar.

2.4 Accounting judgments, assumptions, and estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts presented in the financial statements and related disclosures. Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant judgments include the following:

2.5 New and revised standards and interpretations

IAS 1 Disclosure of Accounting Policies(amendments) (IAS 1)

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy.



The amendment was issued on 12 February 2021 and is effective in annual reporting period beginning on or after 1 January 2023.

IAS 8 Definition of Accounting Estimates(amendments) (IAS 8)

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are 'monetary amounts in the financial statements that are subject to measurement uncertainty'. The amendment clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error.

The amendment was issued on 12 February 2021 and is effective in annual reporting period beginning on or after 1 January 2023.

International Financial Reporting Standard (IFRS 17)- Insurance Contracts

The Fund is aware of the developments regarding the implementation and adoption of IFRS 17, Insurance Contracts, which was issued in 2017 and postponement of its effective date to 1 January 2023. The standard supersedes IFRS 4, Insurance Contracts.

2.6 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.

3. ACCOUNTING POLICIES

The accounting policies applied in the preparation of these financial statements are consistent with those applied in the financial statements for the year ended December 31,2020.

3.1 Revenue Recognition

The Fund's revenue from levies and interest income is recognized in the period in it is accrued.

3.1.1 Levies

Seed cotton levies are charged at US\$0.01 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 Dollars 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 as 1.5 per centum of macadamia nuts purchased.

3.1.2 Interest income

Interest is recognized on time proportion basis using the effective interest method.

3.2 Tax

The Fund is exempted from paying tax.



3.3 Financial Instruments

Financial instruments are contracts that give rise to financial assets or financial liabilities. Financial assets and financial liabilities are recognized on the Fund's statement of financial position when the Fund becomes a part to the contractual provision of the instrument.

Non-derivative financial instruments carried in the statement of financial position comprise cash and cash equivalents, trade and other receivables and other payables. These instruments are recognized initially at fair value plus any directly attributable transaction costs.

3.3.1 Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Fund intends to sell in the short-term or that has designated as at fair value through profit or loss or available-for-sale.

3.3.2 Expected Credit Losses.

The Fund estimates the allowance for credit losses based on management's assessment of collection indicators to determine the rate applied. A loss allowance should be recognised for all financial instruments at amortised cost or fair value through other comprehensive income. If credit risk has not increased significantly, the loss allowance should be equal to 12 month expected credit losses. If credit risk has increased significantly, or for trade receivables, the loss allowance should be equal to lifetime expected credit losses. If the asset is credit impaired, the loss allowance should equal the difference between the asset's gross carrying amount and the present value of the expected future cash receipts.

3.3.3 Cash and Cash Equivalents

For statement of cash flows, cash and cash equivalents comprise bank balances 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.

3.4 Nature and extent of risks arising from financial instruments.

The following analysis gives the extent to which the financial instruments held by the Fund exposes it to various forms of risks.

3.4.1 Credit risk

The risk that one party to the financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Fund is primarily on receivables and short-term investments. The finance department manages and controls or limits these risks through independent review of the credit exposures.

3.4.2 Interest rate risk

The Fund's money market instruments are at floating interest rates. Exposure to interest rate risk on investments is monitored on a proactive basis.



The conversion factors have been computed from the consumer price index (CPI) data prepared by the Zimbabwe Central Statistics Office as reported on the Reserve Bank of Zimbabwe website. Non- monetary assets and liabilities have been restated to reflect the change in the general price index. Monetary assets and liabilities and non- monetary assets and liabilities carried at revalued amounts have not been restated as they are presented at the measuring unit current at the end of the reporting period. Items recognised in the statement of comprehensive income have been restated by applying the change in the general price index from the dates when the transactions were initially earned or incurred. The conversion factors used to restate the financial results are as follows:

Indices Conversation factor

Dates	Indices	Conversion Factor
December 2019	551.63	7.2104
December 2020	2474.51	1.6074
December 2021	3977.46	1

AGRICULTURAL MARKETING FUND
NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2021

	Inflation Adjusted	
4. Property, plant and equipment	2021	2020
	ZWL	ZWL
Opening carrying amount	-	1 994 861
Gross Carrying Amount	1 994 861	1 994 861
Accumulated Depreciation	(1 994 861)	-
Additions	1 157 079	-
Depreciation for the year	(136 181)	(1 994 861)
Closing carrying amount	1 020 898	-
Gross Carrying Amount	1 157 079	1 994 861
Accumulated Depreciation	(136 181)	(1 994 861)

The Fund's PPE only consists of computers.

	Historical	
4. Property, plant and equipment	2021	2020
	ZWL	ZWL
Opening carrying amount	-	276 658
Gross Carrying Amount	276 658	276 658
Accumulated Depreciation	(276 658)	-
Additions	719 845	-
Depreciation for the year	(117 258)	(276 658)
Closing carrying amount	602 587	-
Gross Carrying Amount	719 845	276 658
Accumulated Depreciation	(117 258)	(276 658)

The Fund's PPE only consists of computers.

AGRICULTURAL MARKETING FUND
NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2021

	Inflation Adjusted		Historical Cost	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
6 Trade and other receivables	100 185 878	114 749 295	100 186 578	71 388 139
Trade receivables	96 664 077	113 203 248	96 664 077	70 463 634
Allowance for credit losses	(7 747 877)	(837 798)	(7 747 877)	(521 214)
Related Party- AMFA	11 269 470	2 314 035	11 269 478	1 439 614
Other receivables	-	9 819	-	6 105
6 Cash and cash equivalents	8 832 723	12 108 879	8 832 723	7 533 208
Bank	8 832 723	12 108 879	8 832 723	7 533 208
7 Trade and other payables	12 278 420	9 252 788	12 278 420	5 734 951
Audit fees	1 745 360	334 392	1 745 360	245 360
Affiliation Fees	2 570 385	8 638 062	2 570 388	5 373 934
Other Accruals	7 962 675	220 334	7 962 675	115 657
8 Other income	2 205 820	3 293 270	1 734 830	252 718
Sundry	1 515 485	862 667	1 127 646	242 592
Exchange gain	619 087	-	547 686	-
Decrease in allowances for credit losses	-	2404164	-	-
Bank interest received	71 248	26 439	59 518	10 124
9 Revenue	112 072 336	175 847 215	86 027 051	80 368 101
Cotton Levies	110 000 576	172 350 190	84 381 598	79 002 407
Macaomia Levies	1 995 306	3 278 069	1 584 013	1 291 968
Poultry Levies	76 455	200 955	61 440	73 728

AGRICULTURAL MARKETING FUND
NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2021

	Inflation Adjusted		Historical Cost	
	2021	2020	2021	2020
	ZWL	ZWL	ZWL	ZWL
10 Operating expenses	70 143 783	42 167 969	63 605 709	16 911 961
Audit fees	1 500 000	660 125	1 500 000	298 356
Advertising and promotions	9 308	41 151	6 105	20 365
Increase in allowance for credit losses	6 910 078	-	7 226 663	71 601
Bank charges	900 448	373 770	723 054	168 384
Casual wages	18 483 808	-	17 522 635	-
Depreciation charge	136 181	1 994 861	117 258	276 658
Affiliation fees	3 281 667	7 482 865	2 570 386	4 655 260
Exchange loss	-	164 114	-	91 253
Legal Fees	-	142 036	-	43 937
Printing and stationery	- 48 975	-	46 308	-
Travel and subsistence	2 072 646	51 109,00	1 726 616	20,293,00
Sundry expenses	-	552 915	-	181 688
Levy disbursements-Agricultural Marketing Authority	35 661 272	23 192 392	31 026 684	9 146 682
Levy disbursements to research-Seed Services	1 140 000	7 512 637	1 140 000	1 938 204

11 Related party transactions

The fund has related party relationship with the Agricultural Marketing Authority. The Fund had the following transaction with the Authority:

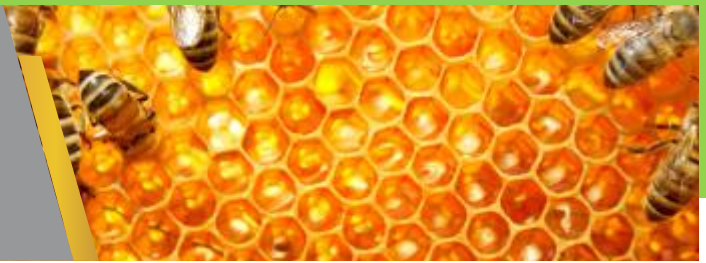
	Inflation Adjusted		Historical Cost	
	2021	2020	2021	2020
	ZWL	ZWL	ZWL	ZWL
Levy disbursements to Agricultural Marketing Authority	35 661 272	23 192 392	31 026 684	9 146 682

12 Going concern

The economic operating environment continues to be affected by shortages of foreign currency to support some of the obligations requiring foreign currency and rise in inflationary pressures. The agricultural sector surpassed growth targets for the season. The Fund made a historical profit of ZWL 24 156 172. Despite the unfavourable operating environment, the Directors are convinced that the Fund will continue to operate as a going concern. Covid 19 remains a challenge in Zimbabwe and the world at large. Whilst the operations of the Fund were affected by national lockdowns in 2021, the effects were not adverse to the going concern assumption of the Fund. In this regard, directors are convinced that Covid 19 has not affected the operations of the Fund as a going concern.



NOTES





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