



**CELL INSURANCE COMPANY
(PRIVATE) LIMITED**

Consolidated Annual Report for the Year Ended 31 December, 2021



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These financial statements are presented in the Zimbabwe dollar ("ZWL\$"). All amounts have been rounded off to the nearest dollar unless otherwise indicated.

CORPORATE INFORMATION

Cell Insurance Company (Private) Limited is a company domiciled and incorporated in Zimbabwe engaged in short term insurance business. This set presents Cell Insurance Company (Private) Limited, subsidiary Nectacare (Private) Limited formerly "CellMed Health (Private) Limited" and associate company Lidwala Insurance Company Limited, together "the Group".



D. Birch
Board Chairman



E. Chikwenhere
Director



I. Makuzwa
CEO, Cell Insurance



F. Makoni
Vice Board Chairman



M. Mutsau
General Manager - Cell Insurance



V. S. Ramlochun
Director



B. Kahari
Director



Y Gumbo
Company Secretary



B Mutaarwa
Public Officer

Registered office

Finsure House
86 Kwame Nkrumah Avenue
Harare

Auditors

Ernst & Young
Chartered Accountants
(Zimbabwe)
Registered Public Auditors
Angwa City
Cnr Julius Nyerere Way/ Kwame
Nkrumah Avenue
Harare

Principal bankers

FBC Bank Limited
ZB Bank Limited

Company Lawyers

B W Kahari Legal Practitioners
Danziger and Partners Legal
Practitioners

DIRECTORS' REPORT

DIRECTORS' REPORT

The Directors of Cell Insurance Company (Private) Limited, ("the Company"), are pleased to report on the activities of the Company and its subsidiaries and associates ("Group") for the year ended 31 December 2021. These consolidated financial statements comprise the Company and its subsidiaries as well as associate entities (together referred to as the "Group"). The Company has also prepared separate financial statements which are presented separately.

Inflation adjusted financial statements have been issued as the Group's primary financial statements in terms of International Accounting Standard 29 (IAS 29) - Financial Reporting in Hyperinflationary Economies, following the guidance from the Public Accountants and Auditors Board (PAAB) issued through Circular 01/19.

Historical financial statements have been issued as supplementary information only.

Corporate Governance

The Group is committed to the highest standards of corporate governance as embodied in the Zimbabwe Code of Corporate Governance. In keeping with its commitment to Corporate Governance and safeguarding the interests of stakeholders, the Board takes steps to maintain mechanisms and policies appropriate to the Group to ensure compliance with the Code of Corporate Practices and Conduct as contained in the Zimbabwe Code on Corporate Governance.

RISKS AND UNCERTAINTIES

The potential impact of COVID-19 pandemic on our business

As explained in [note 29 Going concern] and [note 30 Subsequent events] in the financial statements, the COVID-19 outbreak and resulting measures taken by various governments to contain the virus did not materially affect our business performance in the first four months of 2021. In addition to the already known effects, the macroeconomic uncertainty causes disruption to economic activity, and it is unknown what the longer-term impact on our business will be. The scale and duration of this pandemic remains uncertain but is expected to impact our business as explained in note 29 to the financial statements.

The main risks that result from the current uncertain situation regarding COVID-19 pandemic are:

Supply chain

We are pleased to report that the supply chain and demand for our products remains strong despite the potential negative impact of the lockdowns that were experienced in 2021. There has been notable pressure, however, on our agents and brokers to effectively generate new business and timely remit premiums due to the lockdowns, reduced disposable income, increasing unemployment and the current economic challenges that Zimbabwe is experiencing.

The work from home model was not conducive enough for the company to activate other marketing activities which would ordinarily have generated business.

Revenues and profitability

The Group remains financially sound from the solvency and liquidity perspectives continuing to generate positive cash flows from its operations. The Covid-19 pandemic

did not impact negatively on the major renewal cycles occurring March 2021 and in June 2021 and these cycles accounted for more than 81% of the gross revenue for 2021. The Group also achieved a cumulative revenue of approximately ZWL\$2.4 billion against ZWL\$933 million in the prior year signifying a 157% growth.

The continued travel restrictions across the globe had a direct impact on the travel covers which generate an annual revenue of approximately ZWL\$10.8 million. The company continues to migrate its systems and processes to conform to the demands of working from home and client interaction in order to minimise person to person contact.

Impairments

The Group does not anticipate incurring credit losses due to the COVID-19 pandemic.

Financing and liquidity

The Group currently does not have any material bank loans or lease arrangements with financial institutions. The greatest risk arising from the lockdown is late remittance of receivables from reinsurers, brokers, agents and claims from medical funders as they take advantage of the prevailing situation. This may result to some extent to cash flow strains on the available resources.

Internal controls

- Ensuring adequate insurance cover for assets
- Activating the various cloud platforms for file back-up and ease of connectivity while working from home.
- Electronic signing and storage of documents has been enabled to ensure ease of access on secure platforms such as E-Dork, Adobe and other cloud based systems.
- Segregation of duties remains in force and system access limits per established authority levels.
- Claims authorizations being conducted as per authority limits.
- A COVID-19 containment policy was crafted to create a safe working environment for both staff and our clients.

Going concern

The Directors have assessed the ability of the Group to continue operating as a going concern and believe that the preparation of financial statements using the going concern assumption is appropriate. In addition, the Directors have assessed the likely impact of COVID-19 on the operations of the company as described in note 29 to the financial statements for additional information. The associated current uncertainties related to the COVID-19 pandemic at this time do not result in material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue operating as a going concern. Note 29 to the financial statements gives users of these financial statements more contextual information.

Outlook

As explained in [note 29 Going concern] and [note 30 Subsequent events] in the financial statements, the COVID-19 outbreak and resulting measures taken by the government to contain the virus have not significantly affected our business in the financial year ended 31 December 2021.

As part of our forward looking plans we endeavour to continue empowering our valuable human assets who have relentlessly continued to steer the Group forward

through trying tough and trying times. Our plans amongst others are to ensure sustained creation of value to our stakeholders through our growth strategies.

Despite the challenges we are currently facing as a nation and as an insurance and medical services industry we are confident that the Group remains on a strong footing. We intend to continue bettering our services for our clients who have unwaveringly supported us throughout the pandemic.

The Group will limit its investments to necessary replacements of assets until it has clarity as to when government measures will end and business activity will improve. Currently the Group does not intend to reduce its workforce.

Board of Directors

The Board comprises nine directors, seven of whom are non-executive directors. The Chairman is an independent non-executive director, while Mr. M. Mutsau by virtue of his office as the Principal Officer of the Company, was appointed as an ex officio director in 2018. As an ex officio director Mr. M. Mutsau does not carry any voting rights at board meetings. The Board meets to review and ratify, as necessary, all management and Board committee activities. Directors are required to declare their interests at each Board meeting. The Board determines overall policies, plans and strategies and ensures that these are implemented through the Chief Executive Officer and management.

The table below shows the composition of the main Board of Directors and each director's attendance at meetings held during the year:

Main Board of Directors

Director's name	Total meetings	Total present
D W Birch (Chairman)	4	100%
F Kapanje	3	75%
E Chikwenhere	1	25%
I Makuzwa	4	100%
J Chirikutsi	Nil	Nil
B W Kahari	4	100%
F Makoni	3	75%
V S Ramlochun	4	100%
M Mutsau	4	100%

Dividends

There was no dividend declared for the current year.

Auditors

Members will be asked to fix the remuneration of the auditor for the past audit and to appoint auditors for the ensuing year.

By order of the Board

Y Gumbo
Company Secretary
29 April 2022

DIRECTORS' RESPONSIBILITY STATEMENT

The Group's directors are responsible for the preparation and fair presentation of the consolidated inflation adjusted financial statements of Cell Insurance Company (Private) Limited, comprising the consolidated statement of financial position as at 31 December 2021, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and other Business Entities Act [Chapter 24:31] and the Insurance Act (Chapter 24:07) of Zimbabwe. In addition, the directors are responsible for preparing the directors' report.

The directors are responsible for such internal controls as the directors determine is necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective risk management system.

The auditor is responsible for reporting on whether the inflation adjusted financial statements are fairly presented in accordance with the applicable financial reporting framework.

In considering the appropriateness of the going concern basis, the Board has reviewed the Group's ongoing commitments for the next 12 months and beyond. The Board's review included the Group's strategic plans and updated forecasts, capital position, liquidity and credit facilities and investments portfolio. Based on this review no material uncertainties that would require disclosure have been identified in relation to the ability of the Group to remain a going concern. For at least the next 12 months, from both the dates of the statement of financial position and the approval of the financial statements. It is therefore, concluded that the going concern basis is appropriate for the preparation of the 2021 full-year financial statements and directors will continually assess going concern due to the prevailing economic environment.

Compliance with IFRSs

IFRSs comprise the interpretations adopted by the International Accounting Standards Board (IASB) and the interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or by the former Standing Interpretations Committee (SIC). Complying with IFRSs ensures comparability of the Financial information of the Company with other organisations locally and globally.

The Group achieved only partial compliance to International Accounting Standard 21, The Effects of Changes in Foreign Exchange Rates, (IAS 21) in 2018. This has had a carry-over effect on the comparative information presented in the 2021 financial statements. The IFRS Conceptual Framework, provides that in applying fair presentation to the financial statements, entities should go beyond the legal form of transactions

but should consider the underlying economic substance as well. IAS 21 requires entities to make judgements on the functional currency to be used for reporting as well as appropriate judgements on the exchange rates to be used where exchangeability through a legal mechanism is not possible. The Government of the Republic of Zimbabwe issued Statutory Instrument 33 of 2019, (SI33) which prescribed parity between the United States Dollars and the new currency the RTGS\$ as at and up to the 22nd of February 2019. SI33 also prescribed how certain balances are supposed to be accounted as a result of recognising the ZWL\$ as the official currency in Zimbabwe as at the date stated above.

With this background which was also taken into account in the guidance received from the Public Auditors and Accounting Board (PAAB) on the 21st of March 2019, the prescribed treatment of the currency change is not consistent with the requirements of IFRSs. Consequently, the financial statements have been finalised on a basis that would be different had full compliance with IAS 21 been adopted. In this regard the presentation of true and fair financial statements has not been fully attained in respect to the matters raised above, the Directors would want to encourage the users of these financial statements to exercise due caution when using these financial statements.

The directors affirm that the Group was in compliance with all laws and regulations in all material respects except for the provisions of Statutory Instrument 206 of 2019 (SI206/19) which requires general insurance companies to hold a minimum of 10% in prescribed assets. As at 31 December 2021, the Group had a ratio of 8.01% which was above the industry average of 1.79%. In order to comply management submitted an application to the Insurance and Pensions Commission (IPEC) to get one of its assets conferred with a prescribed asset status, the application is currently under consideration.

Public Accountants and Auditors Board Requirements


The preparation of the financial statements was done under the supervision of Brian Mutaurwa who is a Registered Public Accountant (RPAcc.Z). Registration number 04932.

Approval of the Group financial statements

The financial statements for the year ended 31 December 2021, as set out on pages 8 to 66, were approved by the Board of Directors and signed by:



 Director



 Director

29 April 2022

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CELL INSURANCE COMPANY (PRIVATE) LIMITED

Adverse Opinion

We have audited the inflation adjusted consolidated financial statements of Cell Insurance Company (Private) Limited set out on pages 8 to 66, which comprise the inflation adjusted consolidated Statements of Financial position as at 31 December 2020, and the inflation adjusted consolidated Statements of Profit or Loss and other Comprehensive income, the inflation adjusted consolidated Statements of Changes in Equity and the inflation adjusted consolidated Statements of Cash flows for the year then ended, and notes to the inflation adjusted consolidated financial statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the inflation adjusted consolidated financial statements do not present fairly, in all material respects, the financial position of the group as at 31 December 2020, and the financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

Basis for Adverse Opinion

Non-compliance with International Financial Reporting Standards IAS 21- The Effects of Changes in Foreign Exchange Rates in Prior Period and Inappropriate Application of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

As explained in note 2(a) to the consolidated inflation adjusted financial statements, the Group changed their functional and reporting currency from United States Dollar (US\$) to Zimbabwe Dollars (ZWL) on 22 February 2019 in compliance with Statutory Instrument 33 of 2019. The predecessor auditor issued an adverse opinion for the year ended 31 December 2019 as the appropriate date of change in functional currency in terms of IAS21 was 1 October 2018 given the significant monetary and exchange control policy changes witnessed in Zimbabwe from 2016 through to 2019.

The errors arising as a result of this matter have not been corrected in terms of IAS 8. Consequently, the matter continues to impact the following amounts on the consolidated inflation adjusted statements of financial position which still comprise of material amounts from opening balances:

Group:

Property and equipment – ZWL231 871 426
Investment in Associate – ZWL69 529 860
Deferred tax liability – ZWL30 664 359
Retained earnings – ZWL186 416 123
Deferred acquisition costs - ZWL15 680 025

Non-compliance with IAS 21 – Exchange rates used in the prior and current year

The Group translated foreign denominated transactions and balances to ZWL using the interbank exchange rates for the period 22 February 2019 to 31 December 2019, and 1 January 2020 to 23 June 2020, prior to introduction of the Foreign Exchange Auction Trading System. This

includes the period between March and June 2020 when the exchange rate was fixed at USD1: ZWL25. We believe that the interbank exchange rates do not meet the definition of a spot exchange rate as per IAS 21 as they were not available for immediate delivery. Consequently, the following financial statement elements are materially impacted:

Group:

Net Premium revenue – ZWL203 115 257 (2019 – ZWL204 567 774)
Operating expenses – ZWL187 294 555 (2019 – ZWL143 941 633)
Retained earnings – ZWL186 416 123 (2019 – ZWL110 127 107)

Valuation of investment property (Non-compliance with IFRS 13)

The Group's Investment Property stated at ZWL113 677 000 was revalued by management experts using historical US\$ denominated inputs which were translated to ZWL using the applicable interbank exchange rates in both current and prior year as described on Notes 10 and 13 to the financial statements.

We have concerns over the appropriateness of using foreign currency inputs for the valuation and then applying a conversion rate to a US\$ valuation to calculate ZWL Investment property value. The translation process adopted by management would not meet the fair value measurement principles of the affected items as set out in IFRS 13 "Fair Value Measurement" due to the following consideration: With respect to the implicit investment approach, the US\$ estimated rentals may not be an appropriate proxy for the ZWL amounts in which rentals are settled. While historical US\$ amounts based on similar transactions have been used as a starting point in determining comparable values on the market comparable approach, it is noted that market participants take into account different risk factors in determining an appropriate value in ZWL terms which are not necessarily limited to the exchange rate.

Consequently, investment property may be materially misstated and owing to lack of information on relevant inputs in ZWL, we are unable to determine what adjustments may be necessary to correctly account for these amounts.

Application of IAS 29 Financial Reporting in Hyperinflationary Economies

Furthermore, notwithstanding that IAS 29 has been applied correctly, it is noted that its application was based on prior and current periods' financial information which was not in compliance with IAS 21 / IAS 8 as described above. Had the correct base numbers been used, the above account balances with the exception of the Investment Property would have been materially affected. Consequently, monetary gains or losses stated at ZWL253 255 907 on the consolidated inflation adjusted statement of profit or loss and other comprehensive income are impacted.

Consolidating the Foreign Associate using inappropriate exchange rates

Further to the issue noted above in respect of



inappropriate spot rates, management have also used the interbank rate to translate the foreign associate, Lidwala Insurance Company Limited to group reporting currency on consolidation.

This impacts Investment in Associates stated at ZWL69 529 860, Share of Profit of Associate stated at ZWL4 155 641 and share of Other Comprehensive Income (FCTR) stated at ZWL3 930 094 on the Group inflation adjusted financial statements.

Overall Consequential Impacts

As no restatements have been recorded in current year per IAS8 to correct the above matters, our audit report on the inflation adjusted consolidated financial statements for the year ended 31 December 2020 is modified for the following reasons;

- Many corresponding numbers remain misstated on the consolidated inflation adjusted financial statements.
- As opening balances enter into the determination of cash flows and performance, our audit report is modified in respect of the impact of these matters on the inflation adjusted consolidated Statements of Cash Flows, Profit or Loss and Changes in Equity.

The effects of the above departures from IFRS are material and pervasive to the inflation adjusted financial statements.

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 Inflation adjusted consolidated Financial Statements section of our report. We are independent of the group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The inflation adjusted financial statements of the prior period ended 31 December 2019 were audited by another auditor and an adverse opinion was expressed on 30 December 2020. The basis of the adverse opinion was that financial statements had not been prepared in conformity with IFRS, and that the requirements of IAS 21 and IAS 8 had not been complied with, consequently impacting the base and start date for IAS 29 adjustments.

Key Audit Matters

Except for the matters described in the Basis for Adverse Opinion section, we have determined that there are no key audit matters to communicate in our report.

Other Information

The directors are responsible for the other information. The other information comprises of historical cost information, Directors' Responsibility Statement and the Report of the Directors but does not include the inflation adjusted financial statements and our auditor's report thereon. Our opinion on the inflation adjusted financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the inflation adjusted financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Adverse Opinion section above, the Group did not comply with the requirements of IAS 21 – Effects of Changes in Foreign Exchange Rates, IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors and IAS 29 - Financial Reporting in Hyperinflationary Economies. Furthermore, we disagree with the valuation of investment properties. We have concluded that the other information is materially misstated for the same reasons.

Responsibilities of the Directors for the Inflation adjusted Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the inflation adjusted consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), and for such internal control as the directors determine is necessary to enable the preparation of the inflation adjusted consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the inflation adjusted consolidated 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 inflation adjusted consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the inflation adjusted consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness

of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the inflation adjusted consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the inflation adjusted consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the

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

The engagement partner on the audit resulting in this independent auditor's report is Mr David Gwande (PAAB Number 132).

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Harare

8 July 2021



CELL INSURANCE COMPANY (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL
POSITION
For the year ended 31 December 2021

	Note	Audited Inflation Adjusted		Unaudited Historical Cost	
		2021	2020 Restated*	2021	2020 Restated*
		ZWL\$	ZWL\$	ZWL\$	ZWL\$
ASSETS					
Current Assets					
Cash and cash equivalents	6	230 139 393	200 531 587	230 139 393	124 757 436
Insurance and other receivables	7	625 537 282	385 014 780	625 405 069	239 530 627
Inventory	7.1	17 935 898	9 563 721	16 424 267	5 456 949
Current income tax asset	18.2	3 428 452	4 305 882	3 428 452	2 678 834
Reinsurers share of insurance liabilities	9	1 907 497 947	541 479 484	1 907 497 947	336 872 575
Financial assets at fair value through profit or loss	10	88 818 394	31 986 151	88 818 394	19 899 659
		2 873 357 366	1 172 881 605	2 871 713 522	729 196 080
Non Current Assets					
Goodwill	28	6 705 814	6 705 814	351 670	351 670
Property and equipment	11	577 938 798	483 122 866	201 824 247	117 968 475
Investment in associate	15	91 698 282	111 760 339	91 698 282	69 529 860
Financial assets at fair value through profit or loss	10	105 738 600	68 318 575	105 738 600	42 503 280
Deferred tax assets	18.3	78 370	-	208 282	19 408 494
Investment in net lease receivable	12.5	8 286 100	2 200 933	8 286 100	1 369 274
		790 445 964	672 108 527	408 107 181	251 131 053
Total Assets		3 663 803 330	1 844 990 132	3 279 820 703	980 327 133
EQUITY AND LIABILITIES					
EQUITY					
Share capital	27.2	719 198	719 198	11 583	11 583
Share premium	27.3	242 932 380	242 932 380	3 912 551	3 912 551
Revaluation reserve		746 706	746 706	31 575	31 575
Foreign currency translation reserve	27.4	28 962 260	55 675 454	79 133 315	63 616 034
Retained earnings		419 870 394	253 431 864	246 935 946	134 512 507
		693 230 938	553 505 602	330 024 970	202 084 250
Non-controlling interest		16 575 514	14 747 721	(4 201 145)	(1 627 435)
Total Equity		709 806 452	568 253 323	325 823 823	200 456 815

LIABILITIES					
Current Liabilities					
Insurance and other payables	16	596 743 317	405 020 023	596 743 317	251 976 561
Insurance liabilities and provisions	9	2 007 654 699	598 397 013	2 007 654 699	372 282 882
Deferred acquisition costs ("DAC")	8	35 453 070	25 203 630	35 453 070	15 680 025
Amounts due to cell owners	17	229 029 758	169 214 632	229 029 758	105 274 106
Lease liability	12.1	15 400 000	9 293 469	15 400 000	5 781 779
		2 884 280 844	1 207 128 767	2 884 280 844	750 995 353
Long term Liabilities					
Deferred tax liabilities	18.3	-	23 195 236	-	-
Lease liability	12.1	21 489 672	15 253 359	21 489 672	9 489 627
Amounts due to cell owners	17	48 226 362	31 159 447	48 226 362	19 385 338
Total Liabilities		69 716 034	69 608 042	69 716 034	28 874 965
Total Equity and Liabilities		3 663 803 330	1 844 990 132	3 279 820 703	980 327 133

* See note 13

The notes on pages 16 to 66 are an integral part of these financial statements.

These financial statements were approved by the Board of directors and authorised for issue on 29 April 2022 and signed on its behalf by:



Isheunesu Makuzwa
(Chief Executive Officer)



Y Gumbo
Company Secretary



David Birch (Chairman)

29 April 2022

CELL CAPTIVES

A SPECIAL PRODUCT FOR CORPORATES TO MANAGE SELF INSURANCE PROGRAMS

FEATURES & BENEFITS



Participate in the **structuring** of their insurance programs for large and complex risks.



Have **control** in the running of insurance and risk management programs of their investment portfolios.



Enjoy **flexibility** in tailor-making their insurance programs, allowing for portfolio restructuring as the environment demands, to provide wider risk coverage.



Influence and benefit financially from the **profitability** of their insurance programs through the adoption of good risk management practices.

#InsureItWithCellInsurance



CELL INSURANCE

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The Honeycomb Customer Service Centre, 84-86 Kwame Nkrumah Ave, Harare
Contact Centre: +263 8677 200 200 | www.cellinsurance.co.zw

CELL INSURANCE COMPANY (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR
LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2021

	Note	Audited Inflation Adjusted		Unaudited Historical Cost	
		2021	2020 Restated*	2021	2020 Restated*
		ZWL\$	ZWL\$	ZWL\$	ZWL\$
Insurance premium revenue		3 198 944 868	2 932 462 046	2 399 830 199	933 090 243
Insurance premium ceded to reinsurers		(2 882 179 133)	(2 605 980 307)	(2 156 756 146)	(837 853 153)
Net insurance premium revenue		316 765 735	326 481 739	243 074 053	95 237 090
Changes in unearned premium reserve	9.2.1	(21 741 598)	(2 556 528)	(34 653 187)	(16 873 765)
Net earned premiums		295 024 137	323 925 211	208 420 866	78 363 325
Net commissions	21	121 942 095	170 451 586	97 798 741	40 039 224
Investment income	19	60 165 585	46 725 524	79 036 565	28 738 535
Other income	20	324 817 082	402 415 797	261 232 480	108 571 006
Net income		801 948 899	943 518 118	646 488 652	255 712 090
Gross claims (including change in insurance contract liabilities)	22	(1 503 231 030)	(679 105 508)	(1 451 738 931)	(180 079 590)
Less: claims ceded to reinsurers (including change in insurance contract liabilities)	22	1 381 562 232	568 065 446	1 345 666 216	141 179 944
Net claims	22	(121 668 798)	(111 040 062)	(106 072 715)	(38 899 646)
Net insurance benefits and claims		680 280 101	832 478 056	540 415 937	216 812 444
Operating expenses	23	(486 094 711)	(301 473 830)	(387 900 584)	(126 968 087)
Finance cost	12.2	(18 499 832)	(11 043 949)	(14 601 475)	(6 870 812)
Net monetary loss		28 579 859	(442 178 418)	-	-
Operating profit		204 265 418	77 781 859	137 913 878	82 973 545
Share of profit of associate	15	5 724 830	6 679 659	5 724 830	2 032 344
Profit before income tax		209 990 248	84 461 518	143 638 708	85 005 889
Income tax expense	18.1	(41 723 925)	(5 106 919)	(33 788 979)	12 463 680
Profit for the year		168 266 323	79 354 599	109 849 729	97 469 569
Profit attributable to:					
Owners of parent		166 438 530	76 416 656	112 423 437	99 545 734
Non-controlling interest		1 827 793	2 937 943	(2 573 710)	(2 076 165)
		168 266 323	79 354 599	109 849 727	97 469 569
Other comprehensive income for the year					
Exchange gain/(loss) on translating foreign operations	27.5	(25 786 885)	6 317 124	16 443 590	53 800 212
Related tax	18.1	(926 309)	(315 857)	(926 309)	(2 052 328)
Other comprehensive income for the period, net of tax		(26 713 194)	6 001 267	15 517 281	51 747 884
Total comprehensive income for the year		141 553 129	85 355 866	125 367 010	149 217 453
Total comprehensive income attributable to:					
Owners of parent		139 725 336	82 417 924	127 940 718	151 293 618
Non-controlling interest		1 827 793	2 937 942	(2 573 710)	(2 076 165)
		141 553 129	85 355 866	125 367 010	149 217 453

*See note 13
The notes on pages 16 to 66 are an integral part of these financial statements.

CELL INSURANCE COMPANY (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN
EQUITY
For the year ended 31 December 2021

Audited Inflation Adjusted								
Attributable to Equity Holders of Parent								
	Share capital	Share premium	Foreign Currency translation reserve	Revaluation reserve	Retained earnings	Total	Non-controlling interest	Total
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	-	ZWL\$	ZWL\$	ZWL\$
Balance as at 1 January 2020	719 198	242 932 380	49 674 187	746 706	177 015 208	471 087 679	11 809 778	482 897 457
Total comprehensive income	-	-	6 001 267	-	76 416 656	82 417 923	2 937 943	85 355 866
*Profit for the year	-	-	-	-	76 416 656	76 416 656	2 937 943	79 354 599
Other comprehensive income	-	-	6 001 267	-	-	6 001 267	-	6 001 267
Balances as at 31 December 2020	719 198	242 932 380	55 675 454	746 706	253 431 864	553 505 602	14 747 721	568 253 323
Balance as at 1 January 2021	719 198	242 932 380	55 675 454	746 706	253 431 864	553 505 602	14 747 721	568 253 323
Total comprehensive income	-	-	(26 713 194)	-	166 438 530	139 725 336	1 827 793	141 553 129
Profit for the year	-	-	-	-	166 438 530	166 438 530	1 827 793	168 266 323
Other comprehensive income (note 27.5)	-	-	(26 713 194)	-	-	(26 713 194)	-	(26 713 194)
Balances as at 31 December 2021	719 198	242 932 380	28 962 260	746 706	419 870 394	693 230 938	16 575 514	709 806 452

Unaudited Historical Cost								
Attributable to Equity Holders of Parent								
	Share capital	Share premium	Foreign Currency translation reserve	Revaluation reserve	Retained earnings	Total	Non-controlling interest	Total
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Balance as at 1 January 2020	11 583	3 912 551	11 868 150	31 575	34 966 773	50 790 632	448 730	51 239 362
Total comprehensive income	-	-	51 747 884	-	99 545 734	151 293 618	(2 076 165)	149 217 453
*Profit for the year	-	-	-	-	99 545 734	99 545 734	(2 076 165)	97 469 569
Other comprehensive income	-	-	51 747 884	-	-	51 747 884	-	51 747 884
Balances as at 31 December 2020	11 583	3 912 551	63 616 034	31 575	134 512 507	202 084 250	(1 627 435)	200 456 815
Balance as at 1 January 2021	11 583	3 912 551	63 616 034	31 575	134 512 507	202 084 250	(1 627 435)	200 456 815
Total comprehensive income	-	-	15 517 281	-	112 423 439	127 940 718	(2 573 710)	125 367 008
Profit for the year	-	-	-	-	112 423 439	112 423 439	(2 573 710)	109 849 729
Other comprehensive income (note 27.5)	-	-	15 517 281	-	-	15 517 281	-	15 517 281
Balances as at 31 December 2021	11 583	3 912 551	79 133 315	31 575	246 935 946	330 024 970	(4 201 145)	325 823 825

*See note 13

The notes on pages 16 to 66 are an integral part of these financial statements.

CELL INSURANCE COMPANY (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2021

	Note	Audited Inflation Adjusted		Unaudited Historical Cost	
		2021	2020 Restated*	2021	2020 Restated*
		ZWL\$	ZWL\$	ZWL\$	ZWL\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(loss) before income tax		209 990 248	84 461 518	143 638 708	85 005 889
Adjusted for:		-	-	-	-
Net monetary loss		(28 579 859)	442 178 418	-	-
Unearned premium reserve movement	9.2.1	21 741 598	2 556 528	34 653 187	16 873 765
Foreign currency exchange gains	20	(51 452 100)	(39 647 559)	(49 184 659)	(24 666 078)
Leave provision	23	20 307 295	14 416 240	15 268 873	4 527 714
Incurred but not yet reported (IBNR) movement	22	6 575 296	6 114 092	12 296 374	8 167 550
Lease rental income	12.2	(5 164 576)	(607 452)	(3 185 232)	(185 253)
Depreciation	11	21 485 683	17 575 315	17 505 796	7 846 708
Profit on disposal of property and equipment	20	(4 282 800)	(985 361)	(4 200 908)	(613 026)
Interest received	20	-	(3 465)	-	(1 394)
Financing on derecognition of right of use asset	12.5	(18 269 933)	(7 426 532)	(13 657 382)	(2 996 235)
Admin fees accrued		-	(29 546 421)	-	(11 091 571)
Share of profit of associate	15	(5 724 830)	(6 679 659)	(5 724 830)	(2 032 344)
Unrealised gains on listed equities- Promoter	19	(35 488 222)	(14 135 072)	(41 164 724)	(8 793 903)
Unrealised gains on unlisted equities- Promoter	19	(20 353 110)	(30 572 239)	(34 394 297)	(19 020 017)
Finance cost	12	18 499 832	11 043 949	14 601 475	6 870 812
		129 284 523	448 742 300	86 452 382	59 892 617
Working capital changes:					
Increase in insurance and other receivables		(240 522 503)	(40 778 014)	(385 874 442)	(192 977 356)
Decrease/(increase) in re-insurer's share of insurance liabilities		(1 366 018 463)	185 108 060	(1 570 625 372)	(236 103 724)
Decrease/(Increase in inventory)		(8 372 177)	3 460 553	(10 967 318)	(5 025 685)
Increase in deferred acquisition costs		10 249 442	8 144 715	19 773 045	13 314 161
(Decrease)/Increase in amounts due to cell owners		59 815 126	(15 407 131)	123 755 652	94 733 216
(Decrease)/Increase in insurance liabilities		1 380 940 792	(184 075 147)	1 588 422 256	239 924 709
Increase in insurance and other payables		171 415 998	67 405 674	329 497 882	202 625 206
Cash generated from operations		136 792 736	472 601 010	180 434 084	176 383 144
Income tax paid	18.2	(19 784 717)	(30 701 024)	(16 264 693)	(14 273 720)
Net cash generated from operating activities		117 008 019	441 899 986	164 169 392	162 109 424

CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	20	-	3 465	-	1 394
Proceeds from disposal of equipment		4 282 800	985 361	4 200 908	613 026
Purchase of equipment	11	(96 306 353)	(263 123 468)	(85 368 037)	(101 411 869)
Receipts from deferred consideration	12.5	5 164 576	607 452	3 185 232	185 253
Interest from deferred consideration	12.5	11 235 839	6 416 148	3 555 324	1 677 200
Net cash utilised in investing activities		(75 623 138)	(255 111 042)	(74 426 574)	(98 934 996)
CASH FLOWS FROM FINANCING ACTIVITIES					
Finance cost arising from lease		(18 499 832)	(11 043 949)	(14 601 475)	(6 870 812)
Finance lease repayments		(9 297 540)	(7 982 598)	(3 483 357)	(4 966 242)
Net cash utilised in financing activities	12.3	(27 797 372)	(19 026 547)	(18 084 832)	(11 837 054)
Net increase in cash and cash equivalents		13 587 508	167 762 397	71 657 986	51 337 374
Cash and cash equivalents at beginning of year		200 531 587	427 477 697	124 757 436	59 285 955
Exchange gain on cash and cash equivalents		33 723 972	12 152 249	33 723 972	14 134 107
Effects of inflation on cash and cash equivalents		(17 703 674)	(407 282 598)	-	-
Cash and cash equivalents at end of year	6	230 139 393	200 531 587	230 139 393	124 757 436

*See note 13

The notes on pages 16 to 66 are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 REPORTING ENTITY

Cell Insurance Company (Private) Limited ("the Company") is a holding company whose primary business interests are in the short-term insurance and health services sectors. The Company is incorporated and domiciled in Zimbabwe and is a limited liability Company. The Company is located at 84-86 Kwame Nkrumah Avenue, 5th and 8th Floor Finsure House, Harare.

The Group financial statements of the Company for the year ended 31 December 2021 comprise the Company and its subsidiary, Nectacare (Private) Limited-a company involved in medical services and an associate namely Lidwala Insurance Company Limited which is involved in short term insurance.

The financial statements of the Company are presented separately from the consolidated financial statements and the separate financial statements have been approved by the directors at the same date as these financial statements.

2 BASIS OF PREPARATION

These Group financial statements for the year 31 December 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and other Business Entities Act [Chapter 24:31], and the Insurance Act (Chapter 24:07).

While full compliance with IFRSs has been possible in previous reporting periods, the comparative financial information for 2018 only achieved partial compliance with IFRSs and there also has been non-compliance in 2019 as explained in detail in note 2(a) below

These Group financial statements were authorised for issue by the Board of directors on 29 April 2022.

2(a) FUNCTIONAL CURRENCY

Based on the considerations in Note 2.1(e), the Group concluded that its functional currency had changed from United States Dollars (\$) to RTGS dollars from 1 October 2018. Statutory Instrument (S.I) 33 commissioned the RTGS dollar as a currency from 22 February 2019 and prescribed that all RTGS assets and liabilities on or before 22 February 2019 must be valued at 1:1 to the United States dollar (\$). Subsequent to S.I 33 of 2019, on 24 June 2019, Statutory Instrument 142 of 2019 (S.I 142/19) was issued which designated the Zimbabwean currency (ZWL\$) as the sole functional and presentation currency.

As a result, the Group could not apply the requirements of IAS21 which requires an exchange rate from an observable official foreign exchange mechanism to be applied when converting balances from functional currency to a reporting currency or use of first subsequent rate when exchange rate is temporarily lacking resulting in non-compliance with that standard. In line with SI 33, the Group therefore, changed its functional and presentation currency with effect from 22 February 2019.

Comparative financial information and that from the period from 1 January 2019 to 22 February 2019, has been prepared on the assumption that the USD and the ZWL\$ were at par.

2(b) HYPERINFLATION

These financials have been prepared in line with the provisions of International Accounting Standard (IAS) 29- "Financial Reporting in Hyperinflationary economies". The Public Accountants and Auditors Board (PAAB) pronounced that the economy is trading under conditions of hyperinflation in line with IAS 29 (Pronouncement 1/2019). The PAAB in October 2019 confirmed the general consensus that the Zimbabwean economy had met the characteristics of a hyperinflationary economy and prescribed the application of hyperinflation accounting for periods ended on or after 1 July 2019. The directors have applied the guidelines provided by the PAAB and made various assumptions to produce the inflation adjusted financials.

The Group adopted the Zimbabwean consumer price index (CPI) as a general price index to restate transactions and balances as appropriate. Non-monetary assets and liabilities carried at cost have been restated to reflect the change in general price index from 1 January 2021 to the end of the reporting period.

The Group used the price index provided by the Zimbabwe Statistical Office as reported on the Reserve Bank of Zimbabwe website.

Below are the indices and adjustment factors used up to 31 December 2021.

	INDEX	CONVERSION FACTOR
➤ 31 Dec 2020	2,474.51	1.6074
➤ 31 Jan 2021	2,608.79	1.5246
➤ 31 Jan 2021	3,977.46	1.0000

The procedure for applying IAS 29 as detailed below as follows:

- All monetary assets and liabilities that were carried at amounts that were current as at 31 December 2020 have been restated by applying the change in index from 31 December 2020 to 31 December 2021.
- Components of shareholder's equity were restated by applying the change in the index from the date of the transaction that gave rise to them.
- Opening balances have been restated by applying the change in index from 31 December 2020 to 31 December 2021.
- Property and equipment were restated by applying the change in the index from the date of the transaction that gave rise to them.
- Deferred tax was calculated on restated carrying amounts,
- Profit or loss items or transactions except for depreciation charges were restated by applying the change in the index from the date of the transaction to 31 December 2021.
- The effect of inflation on the net monetary position of the Company is included in the Statement of Profit or Loss and Other Comprehensive Income.
- All items in the Statement of Cash Flows are expressed in terms of the measuring unit current at the reporting date.

A net monetary loss was recognised in the statement of profit or loss.

2.1 USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed.

Management believes that the underlying assumptions are appropriate and that the Group's financial statements, therefore, present the financial position and results fairly.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered to be reasonable under the circumstance.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition seldom equal the related results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below:

a) Incurred but not yet reported claim reserve (IBNR)

The estimation of the ultimate liability arising from claims incurred but not yet reported at the reporting date under insurance contracts is the Group's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Group will ultimately pay for such claims.

The reserve estimates for IBNR are actuarially determined based on the past claims experience using the Chain Ladder method. The Chain Ladder method makes use of run-off triangles of paid losses and incurred losses, representing the sum of paid losses and case reserves. The future periods for which the reserves are held may turn out to be significantly different from the experience to date.

The establishment of the appropriate level of this reserve is an inherently uncertain process involving estimates and judgements made by management and therefore there can be no assurance that ultimate claims expenses will not exceed the IBNR established. The estimate is annually reviewed for adequacy. Refer to note 9 for disclosures relating to the current and prior year IBNR.

b) Income taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions

and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

c) Provision for credit losses

The Group reviews its debtors in respect of outstanding premiums to establish whether an impairment loss should be recognised in the statement of comprehensive income. Judgement is required by management of the timing and amount of uncertain cash flows in the determination of the impairment loss. In estimating these cash flows, management makes judgements about the debtor's financial position and the likelihood of settlement. These estimates are based on a number of factors where actual results may differ, resulting in future changes to the provision.

d) Impairment of assets

Assets are subject to annual impairment reviews. Impairments are measured as the difference between the carrying amount of a particular asset and the current fair value or recoverable amount. Impairment losses are recorded in the income statement in the period in which they occur. The Group's policy in relation to financial assets is described in note 3.3. The accounting policy for impairment of non-financial assets is disclosed in note 3.8.

(e) Functional currency

Background currency development

Zimbabwe introduced a multi-currency system in 2009 as part of measures to deal with hyperinflation. The United States Dollar gradually became more dominant and adopted as both functional and presentation currency of the Company. In mid-2016 the shortage in foreign currency notes and coins began to be experienced. In order to ease the shortages and to improve exports, the Reserve Bank of Zimbabwe (RBZ) made concerted efforts to encourage use of electronic and mobile platforms and introduced an export incentive scheme which added Bond Notes (surrogate currency only exchangeable in Zimbabwe and pegged at 1:1 to the United States Dollar) as legal tender. In addition, the RBZ introduced other policy measures such as priority listing of foreign payments. Over time the following emerged:

- Continued shortages of foreign currency notes and coins and delays in foreign currency payments;
- Lack of ready exchangeability between Bond Notes, electronic and mobile platforms with other currencies resulting in premiums being reported as being loaded on the local exchange mechanisms in the parallel market as reported in the monetary policy statements issued by the RBZ from time to time;
- Some retailers introduced three tier pricing (different prices for ZWL\$ cash, electronic transfers and mobile money transfers); and
- An informal exchange market emerged as reported in the wider press.

These conditions continued in the current year and the margins of the of the foreign exchange premiums widened.

On the 1st of October 2018 the RBZ and Ministry of Finance and Economic Development jointly issued new policy measures which had the following significant impact:

- All financial institutions were directed to separate existing bank customer accounts into RTGS FCA for all customer balances originating from local transactions and Nostro FCA for all customer balances from transactions emanating from externally sourced foreign currency (i.e. exports and similar which were within fourteen days of having been credited/received);
- Although, the FCA RTGS and FCA Nostro were still pegged at 1:1, FCA RTGS balances were not to be transferable to FCA Nostro;

The foreign currency allocation system by the RBZ was retained where the Reserve Bank would allocate and avail foreign currency to clients with RTGS FCA balances on a 1:1 basis.

Most of the Group's cash and equivalents were allocated to the RTGS FCA accounts. The above separation and the envisaged challenges in meeting foreign payments from the RTGS FCA inevitably created a more distinct difference between the local currency and foreign currency.

Other policy and economic developments pointed to a possible clear separation of locally generated currency from foreign currency. The following are some of the policies and key economic developments which were considered pertinent to this matter:

- In the 2019 budget announcement, government proposed the requirement to remit duty and taxes in foreign currency for specified goods as well as all local transactions and contracts concluded in foreign currency;
- The Zimbabwe National Statistics Agency announced that the official annual inflation rate in Zimbabwe as at 31 December 2021 as 60.7% (2020: 348%).

f) Going concern

The Directors have assessed the ability of the Group to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. Refer to note 29.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New International Financial Reporting Standards and Amendments affecting 2021 Audited financial statements

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

Amendments to IFRS 16 COVID-19 Related Rent Concessions

On 28 May 2020, the IASB issued COVID-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group.

2.2 (a) Standards in issue but not yet effective

Amendments to IAS 16— Property, Plant and Equipment

IAS 16 "Property, Plant and Equipment" outlines the accounting treatment for most types of property, plant and equipment. Property, plant and equipment is initially measured at its cost, subsequently measured either using a cost or revaluation model, and depreciated so that its depreciable amount is allocated on a systematic basis over its useful life. The amendments are effective for annual periods beginning on or after January 1, 2022. The amendment not been early adopted by the Group and will not have impact on the Group.

IFRS 17, 'Insurance contracts'. Effective date 1 January 2023

IFRS 17 — Insurance Contracts IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts.

IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance, and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering

previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts covering all relevant accounting aspects.

The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

The main features of the new accounting model for insurance contracts are as follows:

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cashflows);
- A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts, representing the unearned profit of the insurance contracts to be recognised in profit or loss based on insurance contract services provided over the coverage period. Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining coverage period;
- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice;
- The presentation of insurance revenue and insurance service expenses in the statement of comprehensive income
- Amounts that are paid to a policyholder in all circumstances, regardless of whether an insured event occurs (non-distinct investment components) are not presented in the income statement but are recognised directly on the statement of financial position.
- Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense;
- A loss-recovery component of the asset for the remaining coverage of a group of reinsurance contracts held is determined and recorded in profit or loss when an entity recognises a recovery of a loss on initial recognition of an onerous group of underlying issued contracts as well as for subsequent measurement of the recovery of those losses;
- Entities should present separately in the statement of financial position, the carrying amounts of portfolios of Insurance contracts issued that are assets and those that are liabilities, with the same requirement applying to portfolios of reinsurance contracts held;
- Extensive disclosures to provide Information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts.
- Early application is permitted, provided the entity also applies IFRS 9 Financial Instruments on or before the date it first applies IFRS 17.

The IASB tentatively decided to defer the effective date of IFRS 17, Insurance Contracts to annual periods beginning on or after January 1, 2023. [The IASB has also published 'Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)' to defer the fixed expiry date of the amendment also to annual periods beginning on or after January 1, 2023.] The Group has not yet assessed the impact and method of adoption of IFRS 17. The Group has not early adopted this standard.

3.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have consistently been applied to all the years presented, unless otherwise stated.

3.1 BASIS OF CONSOLIDATION

a. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered in assessing whether the Group controls another entity.

The Group also assesses the existence for control on an on-going basis. De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

b. Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

c. Intercompany transactions

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

d. Associate

An associate is an entity over which the Group has significant influence, but not control or joint control, over the financial and operating policies. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is classified to profit or loss where appropriate.

Subsequent to initial recognition, the Group's financial statements include the associate's share of profit or loss and other comprehensive income (OCI) until the date on which the significant influence or joint control ceases. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise any further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each financial reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of impairment of the asset transferred. Dilution gains and losses arising from investments in associates are recognised in the income statement.

e. Business combinations

The Group applies the acquisition method of accounting for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interest issued by the Group. The consideration transferred includes the fair values of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognised any non-controlling interest in the acquired either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a charge to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, as its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

3.2 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

Management has fully prescribed to the provisions of Statutory Instrument 33 (SI33) of 2019 and Statutory Instrument 42 (SI42) of 2019 items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Zimbabwe Dollars (ZWL\$), which is the Company's functional and presentation currency. All amounts have been rounded to the nearest ZWL\$, unless otherwise stated. Refer to 2.1(e)

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to cash and cash equivalents are recognised in other income. All other foreign exchange gains and losses are recognised in profit or loss within "other income" or "operating expenses".

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Zimbabwe dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Zimbabwe dollars at the exchange rates at the dates of the transactions. Foreign currency differences are recognised in Other Comprehensive Income (OCI) and accumulated in the translation reserve, except to the extent that the translation difference is allocated to Non-Controlling Interest (NCI).

3.2 FINANCIAL INSTRUMENTS**3.3.1 Recognition, measurement and de-recognition**

Regular purchases and sales of financial assets are recognised on the trade-date, which is the date on which the Group commits to purchase or sell the asset.

Financial instruments are initially recognised at fair value plus transaction costs for all financial assets and financial liabilities not carried at fair value through profit or loss.

Financial assets and financial liabilities measured at fair value through profit or losses are initially recognised at fair value and costs are expensed in profit or loss.

Financial assets at fair value through profit or loss are subsequently measured at fair value. Loans and receivables are subsequently measured at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss within "other income" in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of other income when the Group's right to receive payments is established.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

3.3.2 Classification

The Group classifies financial assets into the following categories: financial assets at fair value through profit or loss and loans and receivables. Management determines the classification of its financial instruments at initial recognition.

Financial assets at fair value through profit or loss

This category comprises financial assets classified as held for trading. A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

Financial assets in this category are classified as current assets if expected to be settled within twelve months after the reporting date, otherwise they are classified as non-current. This class of financial assets comprises Zimbabwe Stock Exchange listed equities and other non-listed equities held in a commercial property.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period. These are classified as non-current assets.

Loans and receivables are initially recognised at fair value and measured subsequently at amortised cost using the effective interest method. In the case of impairment, the impairment loss is reported as a deduction from the carrying value of the loan and recognised in profit or loss.

The Group's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the statement of financial position.

3.3.3 Impairment of financial assets

Assets carried at amortised cost

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events have) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial re-organisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio. This includes adverse changes in the payment status of borrowers in the portfolio and national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant.

If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improved credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in profit or loss.

3.3.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring fair value, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Such characteristics include for example:

- a. The condition and location of the asset; and
- b. Restrictions, if any, on the sale or use of the asset.

When available, the Group measures fair values of the instrument using price in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, the Group establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Group calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other observable market data.

The best evidence of the fair value of the financial instrument at initial recognition is the transaction price, i.e., the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market.

When transaction price provides the best evidence of fair value at initial recognition, the financial instrument initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognised in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

3.3.5 Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, minus the cumulative amortisation using the effective interest method, of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

3.3.6 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary

course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or if not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3.3.7 Amounts due to cell owners

The amount due to cell owners represents the cell owner's funds in respect of the insurance business conducted in cell structures. The amount is accounted for as a financial liability in the financial statements.

The premiums and claims payments relating to contracts in first party cells have been excluded from the statement of comprehensive income.

The amount due to cell owners is the cash premiums received plus investment income earned from investing those funds, less administration fees and claims incurred as disclosed in note 17. Fees earned from these contracts are recognised in profit or loss.

3.3.8 Trade and other receivables

Trade and other receivables are amounts due from customers for services rendered in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade and other receivables are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, they are measured at amortised cost using the effective interest method, less allowance for impairment.

3.3.9 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

3.3.10 Off-setting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when, and only when, the Group has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

3.4 INCOME TAXES

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognized in other comprehensive or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly equity, respectively.

Current tax

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is recognised, using the statement of financial position method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

3.5 PROPERTY AND EQUIPMENT

Property and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised with the carrying amount of the component being written off. Other subsequent expenditure is only capitalised when it increases the future economic benefits embodied in the item of property and equipment. All other repairs and maintenance costs are recognised in profit or loss during the period in which they are incurred.

Residual value

The depreciable amount of an asset is determined after deducting its residual value. The residual values of all assets are reviewed at each reporting date and any changes are accounted for as a change in an accounting estimate. If the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation is recognised until the residual value subsequently decreases to an amount below the asset's carrying amount.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Depreciation

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of items of property and equipment for the current and prior period as follows:

Buildings	50 years
Motor vehicles	5 years
Furniture and fittings	6 years
Office equipment	6 years
Computer equipment	4 years
Leaseholds improvements	10 years
Hospital equipment	4 years

Depreciation methods, useful lives and residual values are reassessed at each financial year end and adjusted if appropriate.

Gains or losses on disposal

Gains or losses on disposal are determined by deducting the carrying amount from the net proceeds. Gains or losses are recognised in profit or loss.

3.6 INVESTMENT PROPERTY

Investment property is represented by land and buildings held to earn rental income or for capital appreciation or both. Investment property is initially recognised at cost and subsequently measured at fair value, with fair value gains and losses recognised in profit or loss for the period.

The fair value of the investment property is determined at the reporting date by an independent sworn appraiser based on market evidence of the most recent prices obtained in arm's length transactions of similar properties in the same area.

3.7 LEASE IMPROVEMENTS

Expenditure on lease property is recognised as a separate asset only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. The recognised asset is depreciated over the remaining operating lease term and charged to profit or loss.

3.8 IMPAIRMENT OF NON-FINANCIALS ASSETS

Assets are subject to review for impairment at each reporting date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). The impairment test can also be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

3.9 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

3.10 PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense in profit or loss.

3.11 ACCOUNTING FOR CELL CAPTIVE ARRANGEMENTS

The cell captive arrangement is deemed to meet the definition of a liability as no significant insurance risk is transferred to the Group but is rather retained by the cell owner. The impact of this on the Group's financial statements is that the underwriting and investment results of the insurance contracts underwritten in cell arrangements are not included in the Group's profit for the year. Amounts received from cell shareholders for the cell captive are accounted for as a financial liability.

However, the Group's income statement includes management fees earned from administration activities undertaken by the Group on the cells.

A cell captive is a contractual arrangement entered into between the insurer and the cell owner whereby the risk and rewards associated with certain insurance activities accrue to the latter.

Cell captives allow the owner to set up stand-alone captive funds in the registered insurance company which undertakes the professional insurance and financial management of the cell including underwriting, reinsurance, claims management, actuarial and statistical analysis, and investment and accounting services. The terms and conditions of the cell are governed by the insurance policy and investment mandate agreement. Currently, the Group offers first party cells where the risks that are being insured relate to the cell owner's own direct business operations.

3.12 INVESTMENT PROPERTY

Insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk.

Insurance risk is risk other than financial risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Contracts under which the transfer of insurance risk to the Group from the policyholder is not significant are classified as investment contracts.

3.13 REINSURANCE CONTRACTS HELD

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the classification requirements for insurance contracts, are classified as reinsurance contracts held.

Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the Group under which the contract holder is another insurer ("inwards reinsurance") are included with insurance contracts.

The Group ceded reinsurance in the normal course of business for the purpose of limiting its net loss potential through the diversification of its risks. Reinsurance arrangements do not relieve the Group from its direct obligations to its policyholders.

The benefits to which the Group is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

The Group assesses its reinsurance assets for impairment on an on-going basis. If there is objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in profit or loss.

The Group gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost. The impairment loss is calculated following the same method used for these financial assets.

Premiums ceded and benefits reimbursed are presented in profit or loss. Only contracts that give rise to a significant transfer of insurance risk are accounted for as insurance contracts. Amounts recoverable under such contracts are recognised in the same year as the related claim.

Reinsurance assets include balances due from reinsurance companies for ceded insurance liabilities. Amounts recoverable from the reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsured policy.

3.14 UNEARNED PREMIUM PROVISION

Unearned premium provision represents the proportion of premiums written which relate to the period of insurance subsequent to the reporting date. The amount is calculated using the 1/365th basis.

3.15 LIABILITY ADEQUACY TEST

At each end of the reporting period, liability adequacy tests are performed to ensure the adequacy of the contract liabilities net of related deferred acquisition costs ("DAC") assets. In performing these tests, current best estimates of future contractual cash flows and claims handling and administrative expenses, as well as investment income from the assets backing such liabilities, are used.

Any deficiency is immediately charged to profit or loss initially by writing off DAC asset and by subsequently establishing a provision for losses arising from liability adequacy tests (the "unexpired risk provision").

3.16 DEFERRED ACQUISITION COSTS ("DAC")

Acquisition costs comprise all direct and indirect costs arising from the conclusion of new or renewing existing insurance contracts. Deferred acquisition costs represent a proportion of acquisition costs incurred which corresponds to the unearned premium provision. DAC is amortised over the terms of the policies as premium earned and are capitalised as an intangible asset.

3.17 INCOME

3.17.1 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the estimates on historical results and the specifics of each arrangement.

Premiums

Premiums written comprise the premiums on insurance contracts entered into during the year. Premiums are disclosed gross of commission to intermediaries and exclude taxes and levies based on premiums. Premiums written include adjustments to premiums written in prior accounting periods.

Outward reinsurance premiums are accounted for in the same accounting period as the premiums for the related direct insurance or inwards reinsurance business. An estimate is made at the reporting date to recognise retrospective adjustments to premiums or commissions. The earned portion of premiums received, including unclosed business, is recognised as revenue.

Premiums of unclosed business are brought into account, based upon the pattern of booking of renewals and new business. Premiums are earned from the date of attachment of risk, over the indemnity period, based on the pattern of risk underwritten.

Outward reinsurance premiums are recognised as an expense in accordance with the pattern of reinsurance service received. A portion of outwards reinsurance premiums are treated as prepayments.

3.17.1 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the estimates on historical results and the specifics of each arrangement.

Premiums

Premiums written comprise the premiums on insurance contracts entered into during the year. Premiums are disclosed gross of commission to intermediaries and exclude taxes and levies based on premiums. Premiums written include adjustments to premiums written in prior accounting periods.

Outward reinsurance premiums are accounted for in the same accounting period as the premiums for the related direct insurance or inwards reinsurance business. An estimate is made at the reporting date to recognise retrospective adjustments to premiums or commissions. The earned portion of premiums received, including unclosed business, is recognised as revenue.

Premiums of unclosed business are brought into account, based upon the pattern of booking of renewals and new business. Premiums are earned from the date of attachment of risk, over the indemnity period, based on the pattern of risk underwritten.

Outward reinsurance premiums are recognised as an expense in accordance with the pattern of reinsurance service received. A portion of outwards reinsurance premiums are treated as prepayments.

Re-insurance premiums

Premiums ceded and benefits reimbursed are presented in profit or loss on a gross basis. Only contracts that give rise to a significant transfer of insurance risk are accounted for as insurance. Amounts recoverable under such contracts are recognised in the same year as the related claim.

Reinsurance assets include balances due from reinsurance companies for ceded insurance liabilities. Premiums on reinsurance assumed are recognised as revenue and accounted as if the reinsurance was considered direct business, taking into account the product classification of the reinsured business. Amounts recoverable from the reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsured policy.

3.17.2 Other income

Interest income

Interest income is recognised in profit or loss on the accrual basis using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial

instrument or when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

Dividend income

Dividend income is recognised when the right to receive income is established. Usually, this is the ex-dividend date for securities. Dividends are reflected as a component of other income.

3.17.3 Claims incurred

Claims incurred in respect of general business consist of claims and claims handling expenses paid during the financial year together with the movement in the provision for outstanding claims.

Claims outstanding comprise provision for the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date whether reported or not.

Claims outstanding are assessed by reviewing individual claims and making allowance for claims incurred but not yet reported, the effect of both internal and external foreseeable events, such as changes in claims handling procedure, inflation, judicial trends, legislative changes and past experience and trends. Anticipated reinsurance recoveries are disclosed separately as assets. Reinsurance and other recoveries are assessed in a manner similar to the assessment of claims outstanding. Claim provisions for claims outstanding are discounted where there is a particularly long period from incident to claims settlement and where there exists a suitable claim pattern from which to calculate the discount.

Whilst the directors consider that the gross provisions for claims and the related reinsurance recoveries are fairly stated on the basis of the information currently available to them, the ultimate liability will vary as a result of subsequent information and events and may result in significant adjustments to the amounts provided. Adjustment to the amounts of claims provisions established in prior years are reflected in the financial statements for the period in which the adjustments are made and disclosed separately if material. The methods used, and the estimate made, are reviewed regularly.

3.18 EMPLOYEE BENEFITS

Defined contribution plans

The Group operates a defined contribution plan for all permanent employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity, in this case, a trustee administered fund.

The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions are paid to a separately administered fund on a mandatory basis.

Contributions to this fund are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

National Social Security Authority ("NSSA")

The Group and all employees also contribute to the NSSA statutory pension and benefits scheme, which is a defined contribution scheme. This scheme was promulgated under the National Social Security Authority Act (Chapter 17:04). The Group's obligation under the scheme is limited to specific contributions as legislated from time to time.

Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

Short term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.19 LEASES

Policy applicable from 1 January 2019

At inception of the contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether the contract conveys the right to control the use of an identified asset, the Company used the definition of a lease under IFRS 16.

This policy is applied to contracts entered into, on or after 1 January 2019.

Leases as Lessee (IFRS 16)

The Company recognises a right-of-use-asset and a lease liability at the lease commencement date. The right-of-use asset was initially measured at cost and the lease liability was initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate of 35% from 1 January to 31 October 2021 and 60% per annum from 1 November 2021 to 31 December 2021.

The right-of-use asset was subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

During 2021, the company subsequently remeasured the rights-of-use-asset and the lease liability due to the change in market interest rates and the lease payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or there is a revised in substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has reduced to zero.

The Company presents the right-of-use assets that do not meet the definition of investment property in property and equipment and lease liabilities in non-current liabilities in the statement of financial position.

The interest element of the finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Any investment properties acquired under finance leases are measured subsequently at their fair value.

Leases as Lessor (Intermediate Lessor)

During 2021, the Company has subleased the Finsure and Bulawayo office premises that has been part of a right-of-use-asset on a ratio of 50-50 and 70-30 respectively to Cellmed Health, based on the lease payments to the Head Lessor.

During 2021, the company recognised a Net Investment in Lease Receivable of ZWL\$8 685 102.

3.20 CONTINGENCIES AND COMMITMENTS

Transactions are classified as contingencies where the Group's obligations depend on uncertain future events or if a present obligation arises from past events but the amount of the obligation cannot be measured with sufficient reliability or it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligation. Items are classified as commitments where the Group commits itself to future transactions with external parties.

3.21 DIVIDEND DISTRIBUTION

Dividend distribution to the Group's shareholders is recognised as a liability in the financial statements in the period in which the dividends are declared by the Group's directors.

4. INSURANCE RISK MANAGEMENT

4.1 RISK MANAGEMENT OBJECTIVES AND POLICIES FOR MITIGATING RISK

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim.

By the very nature of an insurance contract, this risk is random and therefore unpredictable. For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities.

This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

The following summarises the strategies and processes that are embedded in the Group's insurance risks management framework:

Underwriting strategy

The underwriting strategy is set out in the Group strategy document that sets out the general underwriting guidelines including profitability, rating, loss ratios etc. Adherence to the underwriting authorities is measured through monitoring of work by the departmental head.

Cell captive arrangements

The investment mandates agreements protect the Group from losses arising from business conducted in cells.

Risk participation of cell shareholders

The Group participates with several of the cell shareholders in the underwriting risks of their business. The Group carefully evaluates all retention of risks in terms of statistical and underwriting disciplines, as well as specific and limited board mandates for each insurance program.

Reinsurance strategy

The Group reinsures all business in excess of its underwriting capacity as determined by the statement of financial position size. The Group utilises facultative and treaty reinsurance programmes with reputable reinsurers.

Terms and conditions of insurance contracts

The terms and conditions of insurance contracts that are underwritten by the Group that have a material effect on the amount, timing and uncertainty of future cash flows arising from insurance contracts are set out below:

- a. The premium must be paid to the insurer before cover commences;
- b. The Group shall not be liable under the contract for any claims which are notified after the expiry of three months from the date of loss; and
- c. Both parties to the contract shall give 30 days' notice of cancellation of the policy.

The Underwriting division underwrites small to large business from companies. Personal division provides insurance to the general public in their personal capacities. The following perils are covered under the different types of business:

- Fire – fire, storm, explosions, riot, malicious and earthquake;
- Accident – all risks of accidental loss or damage to property;
- Personal Accident – death, permanent disablement, total disablement and medical expenses;
- Motor – private and commercial (comprehensive full third-party fire and theft, full third party);
- Engineering – accidental physical loss or damage to machinery on an all risks basis;
- Marine – loss or damage to cargo in transit or vessel;
- Liability – Legal liability following death or injury to third parties or damage to third party property; and
- Bonds and Guarantees – Guarantees that contractual obligations will be met in case of default.

4.2 INSURANCE RISK CONCENTRATION

As at the reporting date, the Group's insurance risk concentration, measured on the basis of the gross premium income contribution of each risk class to the total gross premium, was as follows:

	2021	2020
Fire	40.40%	37.76%
Motor	14.29%	7.21%
Engineering	36.25%	39.98%
Marine	0.31%	0.46%
Personal accident	1.39%	1.63%
Personal liability	1.73%	1.77%
Miscellaneous accident	4.84%	4.04%
Bonds and guarantees	0.14%	0.04%
Travel	0.07%	0.05%
Farming	0.59%	0.05%

The risk on any policy will vary according to many factors such as type of occupation, safety measures in place, age of policyholder etc.

Calculating a premium commensurate with the risk for these policies will be subjective and hence risky. The risk is managed primarily through sensible pricing, product design, risk selection, appropriate investment strategy, rating and reinsurance.

Sensitivities

The Incurred but not Reported provision (IBNR) is sensitive to the assumptions and parameters used in the reserving exercise. It has not possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process. The calculated IBNR has been determined using a combination of methodologies such as factor based and chain ladder methods as shown in the Actuarial Valuation report. The major assumption is that the calculated IBNR will be borne out of experience with all things held constant. The analysis below shows the impact of a 10% deviation of the IBNR on the claims liability, profit before tax and equity.

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020	2021	2020
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Gross IBNR	72 299 971	63 518 094	104 354 493	49 820 037
Reinsurer's share on IBNR	(65 724 675)	(57 404 002)	(92 058 119)	(41 652 487)
Net IBNR	6 575 296	6 114 092	12 296 374	8 167 550

At 31 December 2021, if the emerging IBNR had (increased) /decreased by 10% with all other variables held constant, claims liabilities, profit before income tax and equity for the year would have been affected as shown in the table below:

Assumption	Change in assumption	Net change in claims liabilities	Change in profit before income tax	Change in equity
Inflation adjusted 31 December 2021				
Increase in IBNR	10%	657,530	657,530	657,530
Decrease in IBNR	10%	(657,530)	(657,530)	(657,530)
Inflation adjusted 31 December 2021				
Increase in IBNR	10%	1,229,637	1,229,637	1,229,637
Decrease in IBNR	10%	(1,229,637)	(1,229,637)	(1,229,637)
Historical Cost 31 December 2021				
Increase in IBNR	10%	611,409	611,409	611,409
Decrease in IBNR	10%	(611,409)	(611,409)	(611,409)
Historical Cost 31 December 2021				
Increase in IBNR	10%	816,755	816,755	816,755
Decrease in IBNR	10%	(816,755)	(816,755)	(816,755)

Claims development

The Group is liable for all insured events that occur during the term of the contract, even if the loss is discovered after the end of the contract term, subject to predetermined time scales dependent on the nature of the insurance contract. The Group is therefore exposed to the risk that claims reserves will not be adequate to fund the historical claims ("run off risk"). To manage run off risk the Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures and adopts sound reserving practices. The reserves created over time proved to be sufficient to fund the actual claims paid.

Further the Group does not participate on any policies with unlimited liability. The Group is liable for all insured events in terms of the contract. All underlying policies have reporting conditions. The Group's insurance contracts are classified as short term, meaning that any claim is settled within a year after the loss date.

In terms of IFRS 4, 'Insurance contracts', an insurer needs only disclose claims run off information where uncertainty exists about the amount and timing of claim payments not resolved within one year.

The table below indicates the claims development of the Group for the period 2016 to date. The presentation of the claims development is based on the actual date of the event that caused the claim (accident year basis).

Property and casualty claims development table

Gross Incurred claims							
Net	Reporting Delay						
Accident_Year	0	1	2	3	4	5	Total
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
2016	4 531 760	280 150	250	2800			
2017	1 999 729	671 959	25 065	224			
2018	5 566 251	792 622	-	50 172			
2019	71 498 951	4 999 571	620 112				
2020	112 836 352	29 587 446					
2021	1 359 118 017						
Current estimate of cumulative claims incurred Net Paid Triangle	1 359 118 017	29 587 446	620 112	50 172			1 389 375 747

Reporting Delay							
Accident_Year	0	1	2	3	4	5	Total
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
2016	(4 531 760)	(280 150)	(250)	(2 800)			
2017	(1 999 729)	(671 959)	(25 065)	(224)			
2018	(5 350 055)	(792 622)	-	(39 172)			
2019	(71 479 161)	(4 237 567)	(620 112)				
2020	(111 635 569)	(26 190 184)					
2021	(251 128 911)						
Cumulative payments to date	(251 128 911)	(26 190 184)	(620 112)	(39 172)			(277 978 379)
Net non-life insurance contract outstanding claims provisions as at 31 December, 2021	1 107 989 106	3 397 262	-	11 000			1 111 397 368

Net Incurred claims							
Net	Reporting Delay						
Accident_Year	0	1	2	3	4	5	Total
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
2016	1 601 839	183 965	250	2800			
2017	1 387 336	214 710	15 039	93			
2018	4 373 220	594 168	0	24 000			
2019	7 511 374	1 728 597	38 566				
2020	25 449 025	10 940 185					
2021	87 506 367						
Current estimate of cumulative claims incurred Net Paid Triangle	87 506 367	10 940 185	38 566	24 000			98 509 118

Reporting Delay							
Accident_Year	0	1	2	3	4	5	Total
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
2016	(1 601 839)	(183 965)	(250)	(2 800)			
2017	(1 387 336)	(214 710)	(15 039)	(93)			
2018	(4 157 024)	(594 168)	-	(13 000)			
2019	(7 515 126)	(1 715 334)	(38 566)				
2020	(25 119 294)	(7 544 770)					
2021	(68 383 121)						
Cumulative payments to date	(68 383 121)	(7 544 770)	(38 566)	(13 000)			(75 979 457)
Net non-life insurance contract outstanding claims provisions as at 31 December, 2021	19 123 247	3 395 414		11 000			22 529 661

5. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks and these activities involve the analysis, valuation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the insurance business, and the operational risks are an inevitable consequence of being in business.

The Group's aim is, therefore, to achieve an appropriate balance between risk and return and minimise potential adverse effect on the Group's financial performance. The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and control, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems.

The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice. Risk management is carried out by management under the policies approved by the Board of Directors (the Board).

The most important types of risk are credit risk, liquidity risk and market risk. Market risk includes currency risk, interest rate risk and price risk.

5.1 MARKET RISK

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices. Market risks arise from open positions in interest rates, currency and equity securities, all of which are exposed to general and specific market movement and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices. Regular reports are submitted to the Board.

5.1.1 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to an individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group is exposed to equity securities price risk because of investments held by the Group and classified.

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices. Market risks arise from open positions in interest rates, currency and equity securities, all of which are exposed to general and specific market movement and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices. Regular reports are submitted to the Board.

5.1.1 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to an individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the statement of financial position as at fair value through profit or loss. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Board of Directors ("the Board").

The portfolio of listed equities which are carried at reporting date at fair value has exposure to price risk being the potential loss in market value resulting from an adverse change in prices. The Group's objective is to earn competitive relative returns by investing in a diverse portfolio of high quality securities.

The equity investment portfolio is diversified across industries, and concentrations in any one group or industry are limited by parameters established by the Board.

Sensitivity analysis

At 31 December 2021, the Company's equity investments were recorded at their fair value of ZWL\$ 194 556 994 (2020: ZWL\$62 402 938). A reasonably possible increase or decrease of 10% in equity prices would result in a pre-tax change in shareholder's equity of ZWL\$ 19 455 699 (2020: ZWL\$6 240 294).

5.1.2 Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Other than ensuring optimum money market rates for deposits, the Group does not use financial instruments to manage this risk.

The Group did not have variable interest investments or borrowings at the reporting date.

5.1.3 Foreign exchange risk

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

Foreign exchange risk arises from mainly future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency.

	Audited Inflation adjusted		Unaudited Historical Cost	
	2021	2020	2021	2020
	ZAR - ZWL\$ Equivalent	ZAR - ZWL\$ Equivalent	ZAR - ZWL\$ Equivalent	ZAR - ZWL\$ Equivalent
Cash and cash equivalents	2 248 857	2 959 726	2 248 857	1 841 345
	2 248 857	2 959 726	2 248 857	1 841 345

	Audited Inflation adjusted		Unaudited Historical Cost	
	2021	2020	2021	2020
	US\$ - ZWL\$ Equivalent	US\$ - ZWL\$ Equivalent	US\$ - ZWL\$ Equivalent	US\$ - ZWL\$ Equivalent
Cash and cash equivalents	48 117 401	159 627 459	48 117 401	99 309 604
	48 117 401	159 627 459	48 117 401	99 309 604

Sensitivity analysis

At 31 December 2021, if the South African Rand ("ZAR") had weakened/(strengthened) by 10% against the ZWL\$ with all other variables held constant, profit for the year would have been ZWL\$224 886 (2020: ZWL\$184 134) higher/lower, mainly as a result of foreign exchange gains/losses due to financial instruments denominated in ZAR. The spot rate used in making the above analysis as at 31 December 2021 was ZAR 1: ZWL\$6.831 (2020: ZAR 1: ZWL\$5.593).

At 31 December 2021, if the United States Dollar ("US\$") had weakened/(strengthened) by 10% against the ZWL\$ with all other variables held constant, profit for the year would have been ZWL\$4 811 740 (2020: ZWL\$9 930 960) higher/lower, mainly as a result of foreign exchange gains/losses due to financial instruments denominated in ZAR. The spot rate used in making the above analysis as at 31 December 2021 was 1US\$: ZWL\$ 108.666 (2020: 1USD: ZWL\$81.79).

5.2 CREDIT RISK

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge the contract. Credit risk arises from cash and cash equivalents, credit exposures in trade and other receivables and reinsurers' share of insurance liabilities. Only approved financial institutions with sound capital bases are utilised to invest surplus funds. The Group's maximum exposure to credit risk is as follows:

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020	2021	2020
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Cash and cash equivalents	230 139 393	200 531 587	230 139 393	124 757 436
Insurance and other receivables (excluding prepayments)	621 943 791	380 181 530	621 943 790	236 523 700
Reinsurers' share of insurance liabilities	1 907 497 947	541 479 484	1 907 497 947	336 872 575
	2 759 581 131	1 122 192 601	2 759 581 130	698 153 711

The Group limits the levels of credit risk that it accepts by placing limits on its exposure to a single counterparty or groups of counterparties. The levels are subject to annual or more frequent reviews by the Board.

5.2.1 Insurance premium and other receivables

Exposures to both individual and corporate policyholders are monitored as part of the credit control process. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors.

Cumulative impairment allowance of ZWL\$520 288 was recognised at the reporting date. This entirely relates to amounts due from premium debtors, the harsh economic conditions have seen the Group and the industry generally experiencing significant difficulties in recovering amounts due. The full impairment allowance relates to amounts which arose prior to the current financial reporting period.

The age analysis in respect of insurance premium receivables at the reporting date was as follows:

Audited Inflation Adjusted						
	2021			2020		
	Gross	Impairment allowance	Net	Gross	Impairment allowance	Net
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Not past due	119 705 420	-	119 705 420	10 422 778	-	10 422 778
Past due 31 - 90 days	178 576 986	-	178 576 986	81 628 994	-	81 628 994
Over 90 days	370 564 616	(687 958)	369 876 658	293 799 306	(836 298)	292 963 008
	668 847 022	(687 958)	668 159 064	385 851 078	(836 298)	385 014 780

Unaudited Historical Cost						
	2021			2020		
	Gross	Impairment allowance	Net	Gross	Impairment allowance	Net
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Not past due	119 705 420	-	119 705 420	6 484 360	-	6 484 360
Past due 31 - 90 days	178 576 986	-	178 576 986	50 784 139	-	50 784 139
Over 90 days	370 564 616	(687 958)	369 876 658	182 782 417	(520 289)	182 262 128
	668 847 022	(687 958)	668 159 064	240 050 916	(520 289)	239 530 627

The Group believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customer credit ratings if they are available.

5.2.2 Cash and cash equivalents

Only approved financial institutions considered to have sound capital bases are utilised to invest surplus funds.

5.2.3 Reinsurance

Under the terms of reinsurance agreements, reinsurers agree to reimburse the ceded amount in the event that the claim is paid. However, the Group remains liable to policyholders regardless of whether the reinsurer meets the obligations it has assumed. Consequently, the Group is exposed to credit risk.

The Group monitors the financial condition of reinsurers on an on-going basis and reviews its reinsurance arrangements periodically.

When selecting a reinsurer, the Group evaluates the profile of the potential reinsurer based on public information about the reinsurers and other internal investigations.

5.3 LIQUIDITY RISK

This is the risk that cash flows may not be available to pay obligations when due. The Group sets limits on the minimum proportions of maturing funds available to meet such calls and unexpected levels of demand.

The Group identifies this risk through periodic liquidity gap analysis on the maturity profile of assets and liabilities. Where major gaps appear, action is taken in advance to close or minimise the gaps.

Cash flow forecasting is performed by the Finance Executive. The Audit Committee monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs. Surplus cash held by the Group over and above the balance required for working capital management is invested

The table below analyses the maturity profile of the Group's liabilities based on the remaining period at 31 December 2021 to the contractual maturity date:

Contractual obligations

	Audited Inflation adjusted					
	Demand	Up to 1 month	1 to 6 months	6 months to 1 year	1 to 5 years	Total
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
31-Dec-21						
Insurance and other payables (excluding statutory payments)	-	576 849 323	-	-	-	576 849 323
Insurance liabilities and provisions	739 127 057	1 268 527 642	-	-	-	2 007 654 699
Lease liabilities	-	923 560	5 541 360	8 935 080	31 804 714	47 204 714
Amounts due to cell owners	229 029 758	-	-	-	48 226 362	277 256 120
Total contractual obligations	968 156 815	1 846 300 525	5 541 360	8 935 080	80 031 076	2 908 964 856

31-Dec-20						
Insurance and other payables (excluding statutory payments)	-	373 042 978	-	-	-	373 042 978
Insurance liabilities and provisions	446 071 065	152 325 948	-	-	-	598 397 013
Lease liabilities	-	479 466	2 876 803	5 937 200	21 507 236	30 800 705
Amounts due to cell owners	169 214 632	-	-	-	31 159 447	200 374 079
Total contractual obligations	615 285 697	525 848 392	2 876 803	5 937 200	52 666 683	1 202 614 775

	Unaudited Historical Cost					
	Demand	Up to 1 month	1 to 6 months	6 months to 1 year	1 to 5 years	Total
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
31-Dec-21						
Insurance and other payables (excluding statutory payments)	-	576 849 323	-	-	-	576 849 323
Insurance liabilities and provisions	739 127 057	1 268 527 642	-	-	-	2 007 654 699
Lease liabilities	-	923 560	5 541 360	8 935 080	31 804 714	47 204 714
Amounts due to cell owners	229 029 758	-	-	-	48 226 362	277 256 120
Total contractual obligations	968 156 815	1 846 300 525	5 541 360	8 935 080	80 031 076	2 908 964 856

31-Dec-20						
Insurance and other payables (excluding statutory payments)	-	232 082 567	-	-	-	232 082 567
Insurance liabilities and provisions	277 515 793	94 767 089	-	-	-	372 282 882
Lease liabilities	-	298 292	1 789 756	3 693 731	13 380 374	19 162 153
Amounts due to cell owners	105 274 106	-	-	-	19 385 338	124 659 444
Total contractual obligations	382 789 899	327 147 948	1 789 756	3 693 731	32 765 712	748 187 046

5.4 CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Capital is actively managed by the Group, to ensure that the Group is properly capitalised and funded at all times, having regard to the regulatory needs, prudent management and the needs of all stakeholders. The Group has a business planning process that runs on an annual cycle with regular updates to the forecasts made.

It is through this process, which includes risk and sensitivity analysis of forecasts, that the Group's capital is managed. Specifically, the Group has adopted the maintenance of an appropriate level of liquidity at all times as the key capital management policy. The Group further ensures that it can meet its expected capital and financing needs at all times, having regard to the business plans, forecast and any strategic initiatives.

Sensitivities

The Group has both qualitative and quantitative risk management procedures to monitor the key risks and sensitivities of the business. This is achieved through stress tests, scenario analysis and risk assessments from an understanding of principal risks, appropriate risk limits and controls are defined.

Capital adequacy

The Insurance and Pensions Commissions (IPEC) sets and monitors the regulatory capital requirement of Cell Insurance Company (Private) Limited.

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020	2021	2020
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Minimum capital requirement	232 875 000	232 875 000	37 500 000	37 500 000
Equity as at 31 December	620 000 940	569 228 836	450 513 696	270 071 119

Refer to note 29 for further disclosure on the impact of the regulatory capital surplus on going concern.

5.4.1 Solvency margin

	Audited Inflation adjusted			
	Group		Company	
	2021	2020	2021	2020
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
A Total assets	3 663 803 332	1 844 990 132	3 486 645 069	1 766 213 638
B Total current liabilities	(2 884 280 846)	(1 207 128 767)	(2 864 981 588)	(1 196 984 801)
C Excess of assets over liabilities (A-B)	779 522 486	637 861 365	621 663 481	569 228 838
D Gross premium written	3 198 944 868	2 932 462 046	3 198 944 868	2 932 462 047
E Premium ceded	(2 882 179 133)	(2 605 980 307)	(2 882 179 133)	(2 605 980 306)
F Net premium income (D-E)	316 765 735	326 481 739	316 765 735	326 481 741
G 25% of net premium written	79 191 434	81 620 435	79 191 434	81 620 435
H Shareholders funds	709 806 453	568 253 323	620 000 942	569 228 838
I Safety margin (H-G)	630 615 019	486 632 888	540 809 508	487 608 402
J Solvency margin% (H/Fx100)	224%	174%	198%	174%

		Unaudited Historical Cost			
		Group		Company	
		2021	2020	2021	2020
		ZWL\$	ZWL\$	ZWL\$	ZWL\$
A	Total assets	3 279 820 702	980 327 133	3 283 422 202	1 003 079 937
B	Total current liabilities	(2 884 280 844)	(750 995 353)	(2 832 908 505)	(733 008 818)
C	Excess of assets over liabilities (A-B)	395 539 858	229 331 780	450 513 698	270 071 118
D	Gross premium written	2 399 830 199	933 090 243	2 399 830 199	933 090 243
E	Premium ceded	(2 156 756 146)	(837 853 153)	(2 156 756 146)	(837 853 153)
F	Net premium income (D-E)	243 074 053	95 237 090	243 074 053	95 237 090
G	25% of net premium written	60 768 513	23 809 273	60 768 513	23 809 273
H	Shareholders funds	325 823 824	200 456 815	450 513 697	270 071 119
I	Safety margin (H-G)	265 055 309	176 647 542	389 745 183	246 261 846
J	Solvency margin% (H/Fx100)	134%	210%	185%	284%

The Group's solvency margin on a global basis and as monitored by its regulator Insurance Pensions Commission (IPEC) represents shareholders' funds as a percentage of net premium income. The minimum regulated solvency ratio is 25%.

5.5 FINANCIAL INSTRUMENTS

5.5.1 Fair value hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable.

Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

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

5.5.2 Financial instruments by category

Audited Inflation Adjusted						
	2021			2020		
	Loans and receivables	Financial assets at fair value through profit or loss	Total	Loans and receivables	Financial assets at fair value through profit or loss	Total
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
As at 31 December						
Assets						
Cash and cash equivalents	230 139 393	-	230 139 393	200 531 587	-	200 531 587
Insurance and other receivables (excluding prepayments)	621 943 790	-	621 943 790	380 181 530	-	380 181 530
Financial assets at fair value through profit or loss	-	194 556 994	194 556 994	-	100 304 725	100 304 725
	852 083 183	194 556 994	1 046 640 177	580 713 117	100 304 725	681 017 842
			Other financial liabilities at amortised cost			Other financial liabilities at amortised cost
			ZWL\$			ZWL\$
Liabilities						
Insurance and other payables(excluding statutory payments)			576 849 323			373 042 978
Lease liabilities			36 889 672			24 546 828
Amounts due to cell owners			277 256 120			200 374 079
			890 995 115			597 963 885
Unaudited Historical Cost						
	2021			2020		
	Loans and receivables	Financial assets at fair value through profit or loss	Total	Loans and receivables	Financial assets at fair value through profit or loss	Total
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
As at 31 December						
Assets						
Cash and cash equivalents	230 139 393	-	230 139 393	124 757 436	-	124 757 436
Insurance and other receivables (excluding prepayments)	621 943 790	-	621 943 790	236 523 700	-	236 523 700
Financial assets at fair value through profit or loss	-	194 556 994	194 556 994	-	62 402 939	62 402 939
	852 083 183	194 556 994	1 046 640 177	361 281 136	62 402 939	423 684 075
			Other financial liabilities at amortised cost			Other financial liabilities at amortised cost
			ZWL\$			ZWL\$
Liabilities						
Insurance and other payables(excluding statutory payments)			576 849 323			232 082 567
Lease liabilities			36 889 672			15 271 406
Amounts due to cell owners			277 256 120			124 659 444
			890 995 115			372 013 417

Financial Asset through profit and loss comprise Zimbabwe Stock Exchange listed equities and unlisted equities in property. Financial Asset through profit and loss comprise Zimbabwe Stock Exchange listed equities and unlisted equities in property. The unlisted equities held by the company are shares in a property holding company with no other operating activities.

The value of these shares was achieved through determination of the company's share in the fair value of the underlying property. The valuation techniques and inputs used in determining the fair value of the property are as follows:

Valuation techniques and significant unobservable inputs

Valuation technique	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair value measurement
The Implicit Investment Method was applied in valuing the property. Market capitalization rates were derived from sales achieved or on the market, of similar properties in the commercial area.	Average rentals per square metre – ZWL\$394.82 (ZWL\$297.17) Average investment yield – 11%.	The estimated fair value would increase / (decrease) if: <ul style="list-style-type: none"> ● expected market rental growth were higher (lower); ● Void period were shorter (longer); ● Occupancy rate was higher (lower); and yield rates were higher (lower).

5.5.3 IFRS 9 Deferral disclosure

The activities of Cell Insurance (Private) Limited are predominantly connected in short term insurance. In this regard management has assessed the following:

- Cell Insurance has not previously applied the provisions of IFRS9
- The total carrying amount of insurance liabilities arising from contracts within the scope of IFRS 4 for the year ended December 2021 represents 90% of total liabilities, which is considered significant.

Cell Insurance has assessed that the following financial assets have contractual cashflows that meet the Solely Payments of Principal and Interest (SPPI) test criteria:

- Government bond backing term insurance liabilities.
- Fixed term deposits backing term insurance liabilities.

	Financial Instruments with Contractual Cashflow that meet the SPPI criteria, excluding those held for trading			
	Armortised cost	FVOCI	FVTPL	TOTAL
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Government Bonds				
Opening Amortised Cost	5 140 606	-	-	5 140 606
Additions	-	-	-	-
Increase in Fair Value	78 529	-	-	78 529
Disposals	(5 219 135)	-	-	(5 219 135)
Closing Amortised Cost	-	-	-	-
Fixed Term Deposits				
Opening Amortised Cost	103 688	-	-	103 688
Additions	38 467 310	-	-	38 467 310
Increase in Fair Value	2 861 450	-	-	2 861 450
Disposals	(2 000 000)	-	-	(2 000 000)
Closing Amortised Cost	39 432 448	-	-	39 432 448
Total amortised cost financial assets (note 6)	39 432 448	-	-	39 432 448
Insurance accounts receivables and other short term receivables				
Opening Amortised Cost	234 596 691	-	-	234 596 691
Additions	578 495 375	-	-	578 495 375
(Decrease) in Fair Value	(188 636)	-	-	(188 636)
Disposals	(234 596 691)	-	-	(234 596 691)
Closing Amortised Cost	578 306 739	-	-	578 306 739

Note: The Amounts disclosed for financial assets held at amortised cost include ZWL\$525 140 662 of short term premium debtors and reinsurance recoverables that are recorded at their IAS39 carrying value.

Credit Risk exposure for assets that pass the SPPI Test

The following table represents that entity's exposure to credit risk on financial assets that meet the SPPI criteria:

Exposure to Credit Risk	Credit Rating						Total
	AAA	AA	A	BBB	Below BBB	Unrated	
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	
Fixed Term Deposits	-	-	-	-	-	39 432 449	39 432 449
Insurance accounts receivables and other short term receivables	-	-	-	-	-	578 306 739	578 306 739
TOTAL	-	-	-	-	-	617 739 188	617 739 188

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020	2021	2020
6 Cash and cash equivalents				
Cash on hand	13 213 014	10 310 305	13 213 014	6 414 387
*Bank balances	177 493 931	181 791 752	177 493 931	113 098 755
*Fixed placements	39 432 448	8 429 530	39 432 448	5 244 294
	230 139 393	200 531 587	230 139 393	124 757 436
Current	230 139 393	200 531 587	230 139 393	124 757 436
* The above balances includes Cell owners' funds, refer to note 17.				
Fixed placements comprise Treasury Bills and other fixed term deposits purchased on the secondary market and have varying tenures of between 30 days and 45 days.				
7 Insurance receivables				
Insurance debtors	433 767 917	328 095 145	433 767 917	204 119 010
Gross	433 956 553	328 398 353	433 956 553	204 307 646
Impairment allowance	(188 636)	(303 208)	(188 636)	(188 636)
	(499 322)	485 660	(499 322)	302 146
Due from related parties (note 25.4)	-	1 018 750	-	633 799
Impairment provisions	(499 322)	(533 090)	(499 322)	(331 653)
Prepayments	3 593 492	4 833 250	3 461 279	3 006 927
*Other receivables	188 675 195	51 600 725	188 675 195	32 102 544
	625 537 282	385 014 780	625 405 069	239 530 627
Current	625 537 286	385 014 780	625 405 069	239 530 627
*Other receivables mainly comprise reinsurance claims receivables.				
"All receivables above are due within twelve months from the reporting date except for a portion of the amounts due from related parties as more fully explained in note 25.4. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. The impairment allowance arises mainly from premium debtors."				
7.1 Inventories				
*Hospital consumables and Pharmacy stocks	17 935 898	9 563 721	16 424 267	5 456 949
	17 935 898	9 563 721	16 424 267	5 456 949
* Hospital consumables and Pharmacy stocks are items held for sale in the ordinary course of business (hospital and pharmaceutical) in the form of drugs, materials or supplies to be consumed in the production or rendering of services.				

9.1.4 Reinsurance assets				
As at 1 January	541 479 484	726 587 544	336 872 575	100 768 851
Total reinsurance assets recognised during the year	1 652 876 627	(25 806 020)	1 772 624 293	355 481 081
On claims incurred during the year	1 381 562 233	326 043 936	1 345 666 216	99 314 329
On unearned premiums	271 314 394	110 913 166	426 958 077	214 514 265
On incurred but not reported reserve	-	57 404 004	-	41 652 487
Effects of monetary movements	-	(520 167 126)	-	-
Cash received from reinsurers	(286 858 164)	(159 302 040)	(201 998 921)	(119 377 357)
As at 31 December	1 907 497 947	541 479 484	1 907 497 947	336 872 575
Net insurance liabilities and provisions	100 156 752	56 917 529	100 156 752	35 410 307

9.2 ASSUMPTIONS AND SENSITIVES FOR GENERAL INSURANCE

Process used to determine the assumptions

The process used to determine the assumptions is intended to result in neutral estimates of the most likely of expected outcome. The sources of data used as inputs for the assumptions are internal, using detailed studies that are carried out annually. The assumptions are checked to ensure that they are consistent with observable market variables or other published information. There is more emphasis on current trends, and where in earlier years there is insufficient information to make a reliable best estimate of claims development, prudent assumptions are used. The nature of the business makes it very difficult to predict with certainty the likely outcome of any particular claim and the ultimate cost of notified claims.

Each notified claim is assessed on a separate, case by case basis with due regard to the claim circumstances, information available from loss adjusters and historical evidence of the size of similar claims. Case estimates are reviewed regularly and are updated as and when new information arises. The provisions are based on information currently available. However, the ultimate liabilities may vary as a result of subsequent developments. The impact of many of the items affecting the ultimate costs of the loss is difficult to estimate. The provision estimation difficulties also differ by class of business due to differences in the underlying insurance contract, claim complexity, the volume of claims and the individual severity of claims, determining the occurrence date of a claim and reporting lags.

To the extent that these methods use historical claims development information they assume that the historical claims development pattern will occur again in the future. There are reasons why this may not be the case, which if identified, can be allowed for by modifying the methods. Such reasons include:

- changes in processes that affect the development/recording of claims paid and incurred;
- economic, legal, political and social trends;
- changes in mix of business; and
- random fluctuations, including the impact of large losses.

Incurred but not yet reported ("IBNR") provisions are initially estimated at a gross level and a separate calculation is carried out to estimate the size of reinsurance recoveries. The Company is covered by a variety of excess of loss reinsurance programs with sufficiently high retentions for only relatively few, large claims to be recoverable. The method used by the Company takes historical data, gross IBNR estimates and details of the reinsurance program, to assess the expected size of reinsurance recoveries.

The Company believes that the liability for claims reported in the statement of financial position is adequate. However, it recognises that the process of estimation is based upon certain variables and assumptions which could differ when claims arise.

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020	2021	2020
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
9.2.1 Analysis of movement in unearned premium reserves				
Unearned premium provision at beginning of year	34 169 719	31 613 191	21 258 130	4 384 365
Net increase during the year	21 741 598	2 556 528	34 653 187	16 873 765
Unearned premium provision at end of the year	55 911 317	34 169 719	55 911 317	21 258 130

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020	2021	2020
10 Financial assets at fair value through profit or loss	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Balance at the beginning of the year	100 304 726	16 226 824	62 402 939	10 095 252
Acquisitions	3 288 545	-	2 548 452	-
Disposals	(2 669 129)	-	(2 068 438)	-
Fair value gain/(losses)	93 632 852	84 077 902	131 674 041	52 307 687
Promoter	55 841 332	44 707 311	75 559 020	27 813 920
Cell captive arrangements	37 791 520	39 370 591	56 115 021	24 493 767
Balance at the end of the year	194 556 994	100 304 726	194 556 994	62 402 939
Financial assets at fair value through profit or loss are categorized as follows:				
Those designated as such on initial recognition				
Current				
Promoter (Zimbabwe Stock Exchange Listed Equities)	52 400 477	16 292 840	51 781 061	10 136 323
Cell captive arrangements (Zimbabwe Stock Exchange Listed Equities)	36 417 917	15 693 311	37 037 333	9 763 336
	88 818 394	31 986 151	88 818 394	19 899 659
Non Current				
Promoter (Non traded equities)	57 512 238	37 159 128	57 512 238	23 117 942
Cell captive arrangements (Non traded equities)	48 226 362	31 159 447	48 226 362	19 385 338
	105 738 600	68 318 575	105 738 600	42 503 280
	194 556 994	100 304 726	194 556 994	62 402 939

Non-traded equities relate to 25.98% shares in an entity whose sole asset is a commercial property in which Cell Insurance Company (Private) Limited (Promoter) and Cell captive arrangements (see note 3.11) co-own. The property is carried at fair value which is apportioned between Promoter and Cell Captive Arrangements based on proportionate shareholding.

11. PROPERTY AND EQUIPMENT

Audited Inflation Adjusted										
	Buildings	Leasehold improvements	Vehicles	Furniture and fittings	Office equipment	Hospital Equipment	Property Under construction	Right of Use asset	Computer equipment	Total
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
YEAR ENDED 31 DECEMBER 2020										
Opening carrying amount	61 426 312	17 742 948	13 324 940	4 246 206	2 191 982	1 691 178	-	61 849 102	10 594 686	173 067 354
Cost	73 778 860	24 721 123	54 310 713	17 544 208	7 464 959	4 607 253	-	69 873 750	24 716 537	277 017 403
Accumulated depreciation	(12 352 548)	(6 978 175)	(40 985 773)	(13 298 002)	(5 272 977)	(2 916 075)	-	(8 024 648)	(14 121 851)	(103 950 049)
Additions	111 548 644	4 614 535	26 472 022	6 029 116	1 324 778	35 853 881	66 245 466	64 929 201	11 035 026	328 052 669
Disposals	-	-	(88 980)	-	-	-	-	-	-	(88 980)
Depreciation charge	(450 322)	(510 962)	(805 070)	(864 764)	(133 357)	(1 392 569)	-	(12 773 684)	(1 066 429)	(17 997 157)
Depreciation on disposal	-	-	88 980	-	-	-	-	-	-	88 980
Carrying Amount	172 524 634	21 846 521	38 991 892	9 410 558	3 383 403	36 152 490	66 245 466	114 004 619	20 563 283	483 122 866
As at 31 December 2020*										
Cost	185 327 504	29 335 658	80 693 755	23 573 324	8 789 737	40 461 134	66 245 466	134 802 951	35 751 563	604 981 092
Accumulated depreciation	(12 802 870)	(7 489 137)	(41 701 863)	(14 162 766)	(5 406 334)	(4 308 644)	-	(20 798 332)	(15 188 280)	(121 858 226)
Carrying Amount	172 524 634	21 846 521	38 991 892	9 410 558	3 383 403	36 152 490	66 245 466	114 004 619	20 563 283	483 122 866
YEAR ENDED 31 DECEMBER 2021										
Opening carrying amount	172 524 634	21 846 521	38 991 892	9 410 558	3 383 403	36 152 490	66 245 466	114 004 619	20 563 283	483 122 866
Cost	185 327 504	29 335 658	80 693 755	23 573 324	8 789 737	40 461 134	66 245 466	134 802 951	35 751 563	604 981 092
Accumulated depreciation	(12 802 870)	(7 489 137)	(41 701 863)	(14 162 766)	(5 406 334)	(4 308 644)	-	(20 798 332)	(15 188 280)	(121 858 226)
Additions	315 822	2 482 499	5 787 185	3 793 999	1 045 415	7 491 034	69 789 080	20 006 961	5 601 319	116 313 314
Disposals	-	-	(126 135)	(1 000)	-	-	-	-	-	(127 135)
Depreciation charge	(20 696)	(437 105)	(2 895 545)	(955 179)	(399 753)	(3 938 721)	-	(10 773 775)	(2 064 909)	(21 485 683)
Depreciation on disposal	-	-	115 207	229	-	-	-	-	-	115 436
Carrying amount	172 819 760	23 891 915	41 872 604	12 248 607	4 029 065	39 704 803	136 034 546	123 237 805	24 099 693	577 938 798

Unaudited Inflation Adjusted										
	Buildings	Leasehold improvements	Vehicles	Furniture and fittings	Office equipment	Hospital Equipment	Property Under construction	Right of Use asset	Computer equipment	Total
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
As at 31 December 2021										
Cost	1 439 416	589 647	273 721	194 078	100 071	36 637	-	3 602 749	469 978	6 706 297
Accumulated depreciation	1 638 360	742 245	943 218	418 306	176 725	82 214	-	3 965 828	766 501	8 733 397
Carrying Amount	(198 944)	(152 598)	(669 497)	(224 228)	(76 654)	(45 577)	-	(363 079)	(296 523)	(2 027 100)
YEAR ENDED 31 DECEMBER 2020										
Opening carrying amount	1 439 416	589 647	273 721	194 078	100 071	36 637	-	3 602 749	469 978	6 706 297
Cost	1 638 360	742 245	943 218	418 306	176 725	82 214	-	3 965 828	766 501	8 733 397
Accumulated depreciation	(198 944)	(152 598)	(669 497)	(224 228)	(76 654)	(45 577)	-	(363 079)	(296 523)	(2 027 100)
Additions	36 478 762	929 005	10 670 448	2 078 959	297 169	8 711 692	38 256 551	17 697 017	3 989 283	119 108 886
Disposals	-	-	(55 357)	-	-	-	-	-	-	(55 357)
Depreciation charge	(285 040)	(57 128)	(400 577)	(278 431)	80 230	(1 239 278)	-	(5 230 206)	(436 278)	(7 846 708)
Depreciation on disposal	-	-	55 357	-	-	-	-	-	-	55 357
Carrying Amount	37 633 138	1 461 524	10 543 592	1 994 606	477 470	7 509 051	38 256 551	16 069 560	4 022 983	117 968 475
As at 31 December 2020*										
Cost	38 117 122	1 671 250	11 558 309	2 497 265	473 894	8 793 906	38 256 551	21 662 845	4 755 784	127 786 926
Accumulated depreciation	(483 984)	(209 726)	(1 014 717)	(502 659)	3 576	(1 284 855)	-	(5 593 285)	(732 801)	(9 818 451)
Carrying Amount	37 633 138	1 461 524	10 543 592	1 994 606	477 470	7 509 051	38 256 551	16 069 560	4 022 983	117 968 475
YEAR ENDED 31 DECEMBER 2021										
Opening carrying amount	37 633 138	1 461 524	10 543 592	1 994 606	477 470	7 509 051	38 256 551	16 069 560	4 022 983	117 968 475
Cost	38 117 122	1 671 250	11 558 309	2 497 265	473 894	8 793 906	38 256 551	21 662 845	4 755 784	127 786 926
Accumulated depreciation	(483 984)	(209 726)	(1 014 717)	(502 659)	3 576	(1 284 855)	-	(5 593 285)	(732 801)	(9 818 451)
Additions	222 612	2 250 661	5 430 252	3 310 839	1 138 901	7 136 408	61 148 921	16 005 229	4 729 444	101 373 267
Disposals	-	-	(119 899)	(1 000)	-	-	-	-	-	(120 899)
Depreciation charge	(16 051)	(337 122)	(2 444 371)	(792 546)	(380 321)	(3 616 621)	-	(8 266 745)	(1 652 019)	(17 505 796)
Depreciation on disposal	-	-	108 971	229	-	-	-	-	-	109 200
Carrying amount	37 839 699	3 375 063	13 518 545	4 513 128	1 236 050	11 028 838	99 405 472	23 808 044	7 100 408	201 824 247
As at 31 December 2021										
Cost	38 339 734	3 921 911	16 868 662	5 808 104	1 612 795	15 930 314	99 405 472	37 668 074	9 485 228	229 039 294
Accumulated depreciation	(500 035)	(546 848)	(3 350 117)	(1 294 976)	(376 745)	(4 901 476)	-	(13 860 030)	(2 384 820)	(27 215 047)
Carrying Amount	37 839 699	3 375 063	13 518 545	4 513 128	1 236 050	11 028 838	99 405 472	23 808 044	7 100 408	201 824 247

* See note 13

12. LEASE LIABILITIES

	Audited Inflation adjusted		Unaudited Historical Cost	
	2021	2020 Restated*	2021	2020 Restated*
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Lease liabilities				
Opening balance	24 546 827	8 099 121	15 271 406	5 038 735
Lease modifications	42 366 878	24 430 304	25 101 623	15 198 913
Interest	18 499 832	11 043 949	14 601 475	6 870 812
Lease repayments	(27 797 372)	(19 026 547)	(18 084 832)	(11 837 054)
Effects of monetary movements	(20 726 493)	-	-	-
	36 889 672	24 546 827	36 889 672	15 271 406

12.1 LEASE LIABILITY MATURITY ANALYSIS

	Audited Inflation adjusted		Unaudited Historical Cost	
	2021	2020 Restated*	2021	2020 Restated*
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Lease liabilities included in statement of financial position				
Less than one year	15 400 000	9 293 469	15 400 000	5 781 779
One to five years	21 489 672	15 253 359	21 489 672	9 489 627
	36 889 672	24 546 828	36 889 672	15 271 406
Current	15 400 000	9 293 469	15 400 000	5 781 779
Non current	21 489 672	15 253 359	21 489 672	9 489 627
	36 889 672	24 546 828	36 889 672	15 271 406

12.2 AMOUNTS RECOGNISED IN PROFIT OR LOSS

	Audited Inflation adjusted		Unaudited Historical Cost	
	2021	2020	2021	2020
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Amounts recognised in Profit or loss				
Interest on lease liabilities	18 499 832	11 043 949	14 601 475	6 870 812
Depreciation expense right of use asset	10 773 775	12 773 684	8 266 745	5 230 206
Lease income from sublease	(5 164 576)	(607 452)	(3 185 232)	(185 253)
	24 109 031	23 210 181	19 682 988	11 915 765

12.3 AMOUNTS RECOGNISED IN STATEMENT OF CASH FLOWS

	Audited Inflation adjusted		Unaudited Historical Cost	
	2021	2020	2021	2020
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Amounts recognised in statement of cash flows				
Total cash outflow for leases	27 797 372	19 026 547	18 084 832	11 837 054
	27 797 372	19 026 547	18 084 832	11 837 054

12.4 RIGHTS OF USE ASSETS

Right of use assets related to leased properties that do not meet the definition of investment property are presented as property and equipment. A discounting factor of 35% was used for the period of January 2021 to October 2021, and this was subsequently reviewed to 60% for the period November 2021 to 31 December 2021.

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020 Restated*	2021	2020 Restated*
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Right of Use asset				
Balance at 1 January	114 004 619	61 849 102	16 069 560	3 602 749
Modifications to right of use asset	42 366 878	72 355 733	25 101 623	20 693 252
Depreciation charge for the year	(10 773 775)	(12 773 684)	(8 266 745)	(5 230 206)
De-recognition of right of use*	(18 269 933)	(7 426 532)	(13 657 382)	(2 996 235)
Balance at 31 December	127 327 789	114 004 619	19 247 056	16 069 560

12.5 NET RELEASE RECEIVABLE

The Group subleases its Office Premises to CellMed Heath Fund. The lease receivable from this arrangement is as follows:

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020 Restated*	2021	2020 Restated*
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Balance at 1 January	2 200 933	1 698 000	1 369 274	235 492
Modifications	18 269 933	7 426 532	13 657 382	2 996 235
Interest	(11 235 839)	(6 416 148)	(3 555 324)	(1 677 200)
Payments	(5 164 576)	(607 452)	(3 185 232)	(185 253)
Effects of monetary movements	4 215 649	100 000	-	-
Balance at 31 December	8 286 100	2 200 933	8 286 100	1 369 274

13 CORRECTION OF ERROR IN ACCOUNTING FOR INVESTMENT PROPERTY

In 2021 the company undertook a detailed review of its treatment of Investment property and discovered that the effective June 2020 the property had been erroneously treated as investment property when in fact it had been let out to its subsidiary. As a consequence, the property had been incorrectly accounted for investment property rather than property and equipment. The error has been corrected by restating each of the affected financial statement line items for the prior periods as follows:

Statement of financial position (extract)

Impact of correction of error						
Audited Inflation Adjusted			Unaudited Historical Cost			
	31 Dec 2020 as previously stated	Adjustments	31 Dec 2020 restated	31 Dec 2020 as previously stated	Adjustments	31 Dec 2020 restated
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Assets						
Deferred tax asset	-	-	-	3 344 446	16 064 048	19 408 494
Investment property	14	182 721 206	(182 721 206)	-	113 677 000	(113 677 000)
Property and equipment	11	372 703 598	110 419 268	483 122 866	82 174 710	35 793 764
Total		555 424 804	(72 301 938)	483 122 866	199 196 156	(61 819 188)
Equity and Liabilities						
Deferred tax liability		49 289 027	(26 093 790)	23 195 237	-	-
Retained earnings		299 640 011	(46 208 148)	253 431 863	196 331 696	(61 819 188)
Total		348 929 038	(72 301 938)	276 627 100	196 331 696	(61 819 188)

Statement of profit or loss (extract)

Impact of correction of error						
Note	Audited Inflation Adjusted			Unaudited Historical Cost		
	31 Dec 2020 as previously stated	Adjustments	2020 restated	31 Dec 2020 as previously stated	Adjustments	2020 restated
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Other income	474 295 893	(71 880 096)	402 415 797	186 178 678	(77 607 672)	108 571 006
Operating expenses	(301 051 988)	(421 842)	(301 473 830)	(126 692 523)	(275 564)	(126,968 087)
Profit/(loss) before income tax						
Income tax expense	18.1	(31 200 709)	26 093 790	(5 106 919)	(3 600 368)	16 064 048
Profit/(loss) for the year		125 562 747	(46 208 148)	79 354 599	159 288 758	(61 819 188)
Total comprehensive income/(loss) for the year		131 564 013	(46 208 148)	85 355 865	211 036 642	(61 819 188)

Statement of cash flows (extract)

Impact of correction of error						
Note	Audited Inflation Adjusted			Unaudited Historical Cost		
	31 Dec 2020 as previously stated	Adjustments	2020 restated	31 Dec 2020 as previously stated	Adjustments	2020 restated
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit/(loss) before income tax	156 763 456	(72 301 938)	84 461 518	162 889 126	(77 883 236)	85 005 890
Adjusted for:						
Depreciation	17 153 473	421 842	17 575 315	7 571 144	275 564	7 846 708
Fair value gain on investment property	(71 880 096)	71 880 096	-	(77 607 672)	77 607 672	-
	102 036 833	-	102 036 833	92 852 598	-	92 852 598
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investment property	(110 841 111)	110 841 111	-	(36 069 328)	36 069 328	-
Purchase of equipment	(152 282 357)	(110 841 111)	(263 123 468)	(65 342 541)	(36 069 328)	(101 411 869)
	(263 123 468)	-	(263 123 468)	(101 411 869)	-	(101 411 869)

14 INVESTMENT IN SUBSIDIARY

The Company's interest in its principal subsidiary Nectacare (Private) Limited which is incorporated in Zimbabwe and is unlisted was as follows at the reporting date:

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020	2021	2020
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Ownership interest	87.67%	87.67%	87.67%	87.67%
Revenue	274 821 276	175 081 349	218 607 624	73 850 551
Profit after tax	35 973 954	21 589 480	(11 475 182)	(10 102 727)
Other comprehensive income	-	-	-	-
Total comprehensive income	35 973 954	21 589 480	(11 475 182)	(10 102 727)
Attributable to non controlling interest	4 435 589	2 661 983	(1 414 890)	(1 245 666)
Attributable to investee's shareholders	31 538 365	18 927 497	(10 060 292)	(8 857 061)
Current assets	132 156 010	45 250 414	130 776 013	27 658 834
Non-current assets	214 042 256	196 296 029	52 950 665	29 053 600
Current liabilities	(181 625 794)	(78 550 036)	(181 625 794)	(48 868 616)
Non-current liabilities	(5 812 315)	(9 123 958)	(5 812 315)	(5 054 187)
Net Assets	158 760 157	597 648 867	(3 711 432)	2 789 631
Attributable to non controlling interest	19 575 127	73 690 105	(457 620)	343 961
Attributable to investee's shareholders	139 185 029	523 958 761	(3 253 812)	2 445 670
Group's interest in net assets of investee at beginning of the year	109 003 445	98 763 554	(6 140 365)	2 716 696
Total comprehensive income attributable to the group	31 538 365	18 927 497	(10 060 292)	(8 857 061)
Effects of monetary movements	4 863 845	(8 687 606)	-	-
Carrying amount of interest in investee at end of the year	145 405 655	109 003 445	(16 200 657)	(6 140 365)
Summarised Statement of Cash of Cash flows				
Cash flows from operating activities	19 963 273	58 013 442	40 059 340	23 680 699
Cash flows from investing activities	(18 443 075)	(47 587 054)	(17 902 407)	(12 663 702)
Net (decrease)/increase in cash and cash equivalents	(12 050 965)	(9 762 278)	8 300 809	2 100 906

15 INVESTMENT IN ASSOCIATE

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020	2021	2020
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Investment in associate				
Percentage ownership	18.7%	18.7%	18.7%	18.7%
Balance at the beginning of the year	111 760 339	98 763 553	69 529 860	13 697 303
Share of profit of associate	5 724 830	6 679 659	5 724 830	2 032 344
Effects of exchange rate movements	(25 786 887)	6 317 127	16 443 592	53 800 213
Balance at the end of the year	91 698 282	111 760 339	91 698 282	69 529 860

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020	2021	2020
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Ownership interest	18.70%	18.70%	18.70%	18.70%
Revenue	1 748 785 748	1 112 758 721	834 596 429	732 078 106
Profit after tax	29 735 636	35 720 102	29 735 636	10 868 150
Other comprehensive income	88 812 075	33 781 417	88 812 075	287 701 674
Total comprehensive income	118 547 711	69 501 519	118 547 711	298 569 824
Attributable to investee's shareholders				
Current assets	368 840 425	457 032 140	368 840 425	320 730 804
Non-current assets	191 008 979	266 976 043	191 008 979	166 094 764
Current liabilities	(126 447 040)	(186 736 878)	(126 447 040)	(109 953 948)
Non-current liabilities	(5 812 315)	(9 123 958)	(5 812 315)	(5 054 187)
Net Assets	427 590 049	597 648 867	427 590 049	371 817 433
Group's interest in net assets of investee at beginning of the year	111 760 339	98 763 553	69 529 860	13 697 303
Share of profit of associate	5 724 830	6 679 659	5 724 830	2 032 344
Effects of exchange rate movements	(25 786 887)	6 317 127	16 443 592	53 800 213
Carrying amount of interest in investee at end of the year	91 698 282	111 760 339	91 698 282	69 529 860

Nature and activity of the associate

Lidwala Insurance Company Limited is a general insurance company incorporated and domiciled in the Kingdom of Eswatini. The entity's reporting and functional currency is the Swazi lilangeni (E). The investment in associate is accounted for using the equity method of accounting.

The Group holds 18.67% in Lidwala and based on the following facts still believe that the Group has power to participate in the financial and operating policy decisions of the associate through the existence of a management contract. The Group has representation on the board of directors and hence is able to influence the policy-making process. The Group and the associate share the same underwriting and accounting software. The Group through its consultant are currently assisting Lidwala through provision of training and adoption of the IFRS 17 accounting standard.

16 INSURANCE AND OTHER PAYABLES

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020	2021	2020
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Insurance and other payables				
Insurance payables	410 006 316	339 185 523	410 006 316	211 018 707
*Accruals	29 673 448	10 140 885	29 673 448	6 308 985
Due to related parties	94 274 235	-	94 274 235	-
Statutory payments	8 288 234	31 977 045	8 288 234	19 893 994
Sundry creditors	54 501 084	23 716 570	54 501 084	14 754 875
	596 743 317	405 020 023	596 743 317	251 976 561
Current	596 743 317	405 020 023	596 743 317	251 976 561

*Accruals comprise audit fee accrual & other material items that are sitting within this balance.

17 AMOUNT DUE TO CELL OWNERS

This represents funds due to cell owners in terms of captive cell agreements. The movement in funds due to cell owners is as follows:

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020	2021	2020
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Balance as at 1 January	200 374 079	215 781 209	124 659 444	29 926 228
Gross written premiums	239 623 828	56 213 921	181 691 215	33 741 973
Investment income	1 515 810	222 067	1 211 819	56 657
Net gains on financial assets at fair value through profit or loss	56 116 485	13 288 839	56 116 485	24 493 767
Claims incurred	(108 808 301)	(18 392 384)	(83 410 423)	(25 561 481)
Cell liquidations	(2 959 789)	(36 863 411)	(2 417 515)	(17 692 754)
Administration fees	(25 698 220)	(2 831 629)	(19 559 949)	(1 384 746)
Other income	1 034 654	181 381	856 052	202 016
Foreign currency (loss)/gains	(56 070 179)	(11 015 163)	39 564 479	85 508 085
Other expenses	(27 872 247)	(16 210 751)	(21 455 487)	(4 630 301)
Balance as at 31 December	277 256 120	200 374 079	277 256 120	124 659 444
*Current	229 029 758	169 214 632	229 029 758	105 274 106
*Non Current	48 226 362	31 159 447	48 226 362	19 385 338
	277 256 120	200 374 079	277 256 120	124 659 444
Represented by:				
** Cash at bank	166 694 727	152 712 906	166 694 727	95 007 828
** Fixed placements	25 297 704	828 611	25 297 704	515 507
***Listed equities	37 037 328	15 673 112	37 037 328	9 750 769
***Unlisted equities	48 226 361	31 159 450	48 226 361	19 385 340
	277 256 120	200 374 079	277 256 120	124 659 444

* Financial assets through profit or loss for Cell owners previously disclosed as current have been reclassified into current and non-current due to the nature of the financial assets see note 10.

** refer to note 6

*** refer to note 10

18 INCOME TAX**18.1 INCOME TAX**

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020 Restated*	2021	2020 Restated*
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Income tax expense				
Current tax	18 527 570	4 449 416	15 515 075	7 462 001
	18 527 570	4 449 416	15 515 075	7 462 001
Deferred tax expense				
Originating from temporary differences	23 196 355	657 503	18 273 904	(19 925 681)
	41 723 925	5 106 919	33 788 979	(12 463 680)
Income tax relating to the components of other comprehensive income				
Deferred tax relating to foreign associate translation	926 309	315 857	926 309	2 052 328
	926 309	315 857	926 309	2 052 328
Reconciliation of income tax expense				
The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the principal tax rate of 24.72% (2020: 24.72%)				
Profit/(loss) before income tax	209 990 248	84 461 518	143 638 706	85 005 889
Income tax expense based on profit for the year	51 909 589	21 748 841	36 986 967	21 889 017
	(11 400 753)	(16 641 923)	(3 445 197)	(34 352 697)
Effects of expenses not deducted for tax purposes	7 219 089	7 557 621	1 472 656	4 701 850
Non taxable income	(18 619 842)	(24 199 544)	(4 917 853)	(39 054 547)
Tax expense	40 508 837	5 106 918	33 541 770	(12 463 680)

Income tax charged based on profit for the year at 24.72% (2020:24.72%)

*See note 13

18.2 CURRENT INCOME TAX (ASSET/LIABILITY)

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020	2021	2020
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Opening balance	(4 305 882)	22 052 807	(2 678 834)	3 058 456
Current year charge	18 527 570	4 449 416	15 515 075	8 536 430
Amount paid in current year	(19 784 717)	(30 701 024)	(16 264 693)	(14 273 720)
Effects of monetary movements	2 134 577	(1 107 081)	-	-
Current income tax (asset)/ liability	(3 428 452)	(4 305 882)	(3 428 452)	(2 678 834)

Income tax charged based on profit for the year at 24.72% (2020:24.72%)

18.3 DEFERRED TAXES

Deferred taxes are calculated on all temporary differences under the liability method using an effective tax rate of 24.72% (2020: 24.72%). Deferred tax assets are recognised for tax losses carried forward only to the extent that realisation of the related tax benefit is probable.

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020 *Restated	2021	2020 *Restated
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
The net movement on the deferred tax account is as follows:				
Opening deferred tax asset	(23 195 236)	(31 754 415)	19 408 494	458 749
Income statement charge				
Arising from temporary differences	27 948 047	12 721 773	(14 525 770)	21 630 937
Arising from capital gains	(4 674 441)	(4 162 594)	(4 674 442)	(2 681 192)
Closing deferred tax (liability)/ asset	78 370	(23 195 236)	208 282	19 408 494

Deferred tax asset/(liability) represents the amount of income taxes payable in future years in respect of taxable temporary differences	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020 *Restated	2021	2020 *Restated
	ZWL\$	ZWL\$	ZWL\$	ZWL\$

The deferred tax asset/(liability) balances included in the statement of financial position are comprised of:

Provisions	12 893 643	6 545 808	12 893 643	4 072 367
Property and equipment	(14 719 938)	(91 894 647)	(14 963 700)	(20 040 525)
Inventory	(4 433 754)	(2 364 152)	(4 060 079)	(1 348 958)
Investment in associate	(2 675 415)	(5 564 546)	(2 675 415)	(3 461 891)
Arising from financial assets at fair value through profit or loss	(1 999 027)	(3 735 791)	(1 999 027)	(2 324 161)
Other ((schedule 8 Income Tax Act (Chapter 23:06))	11 012 861	73 818 092	11 012 861	42 511 662
Net deferred (liability)/ tax asset	78 370	(23 195 236)	208 282	19 408 494

Other comprises adjustments for insurance receivables and payables movements in the year that are deductible in the current year and taxable in the following year.

19 INVESTMENT INCOME

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020	2021	2020
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Investment income				
Interest income from money market instruments	4 324 254	2 018 213	3 477 544	924 615
Fair value gain on listed equities- Promoter (note 10)	35 488 222	14 135 072	41 164 724	8 793 903
Fair value gain on unlisted equities- Promoter (note 10)	20 353 110	30 572 239	34 394 297	19 020 017
	60 165 586	46 725 524	79 036 565	28 738 535

20 OTHER INCOME

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020 Restated*	2021	2020 Restated*
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Other income				
Administration fees	85 912 956	90 376 041	66 034 226	33 979 107
Profit on sale of property plant and equipment	4 282 800	985 361	4 200 908	613 026
Unrealised foreign currency exchange gains	51 452 100	39 647 559	49 184 659	24 666 078
Net income from clinic operations	147 946 756	97 070 128	117 581 128	40 048 357
Finance income	-	3 465	-	1 394
Lease rental income	5 164 576	607 452	3 185 232	185 253
**Other	30 057 894	173 725 791	21 046 327	9 077 791
	324 817 082	402 415 797	261 232 480	108 571 006

21 NET COMMISSIONS

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020 Restated*	2021	2020 Restated*
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Reinsurance commissions	665 294 172	657 538 040	495 546 545	200 884 819
Brokerage commissions	(505 690 184)	(478 941 740)	(377 974 760)	(147 531 434)
Net movement in deferred acquisition costs during the year	(37 661 893)	(8 144 714)	(19 773 044)	(13 314 161)
	121 942 095	170 451 586	97 798 741	40 039 224

22 CLAIMS INCURRED NET OF RE-INSURANCE

Claims incurred net of re-insurance	Audited Inflation adjusted		
	Gross	Re-insurance	Net
	ZWL\$	ZWL\$	ZWL\$
Year ended 31 December 2021			
Claims paid	387 029 338	(286 858 165)	100 171 173
Incurring but not yet reported	72 299 971	(65 724 675)	6 575 296
Change in provision for outstanding claims	1 043 901 721	(1 028 979 392)	14 922 329
	1 503 231 030	(1 381 562 232)	121 668 798
Year ended 31 December 2020			
Claims paid	263 195 098	(159 302 040)	103 893 058
Incurring but not yet reported	63 518 094	(57 404 002)	6 114 092
Change in provision for outstanding claims	352 392 316	(351 359 404)	1 032 912
	679 105 508	(568 065 446)	111 040 062
Claims incurred net of re-insurance	Unaudited Historical Cost		
	Gross	Re-insurance	Net
	ZWL\$	ZWL\$	ZWL\$
Year ended 31 December 2021			
Claims paid	277 978 378	(201 998 921)	75 979 457
Incurring but not yet reported	104,354,493	(92,058,119)	12,296,374
Change in provision for outstanding claims	1 069 406 060	(1 051 609 176)	17 796 884
	1 451 738 931	(1 345 666 216)	106 072 715
Year ended 31 December 2020			
Claims paid	146 501 596	(119 377 357)	27 124 239
Incurring but not yet reported	49 820 037	(41 652 487)	8 167 550
Change in provision for outstanding claims	(16 242 043)	19 849 900	3 607 857
	180 079 590	(141 179 944)	38 899 646

23 OPERATING EXPENSES

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020*Restated	2021	2020*Restated
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Operating expenses				
Staff costs	257 250 300	186 706 376	208 716 123	100 673 971
Wages and salaries	205 499 959	131 203 891	162 270 355	72 095 780
Social security costs	5 216 486	18 485 701	4 117 322	10 384 454
Leave pay accrual	20 307 295	14 416 240	15 268 873	4 527 714
Pension costs (defined contribution scheme)	13 335 413	3 259 313	10 763 412	1 689 003
Other staff costs	12 891 147	19 341 231	16 296 161	11 977 020
Directors emoluments	3 966 590	3 587 490	2 971 527	1 993 916
- directors' fees	3 966 590	3 587 490	2 971 527	1 993 916
Audit fees:	13,922,143	2,400,631	11,119,061	1,202,232
- current year	13 922 143	2 400 631	11 119 061	1 202 232
Depreciation on property and equipment	21 485 682	17 997 157	17 505 797	7 846 708
Marketing expenses	26 338 730	7 902 388	21 723 539	3 222 659
Rates and electricity expenses	14 518 931	10 952 074	9 647 906	6 063 908
Motor vehicle expenses	7 809 492	6 709 053	6 149 050	3 929 207
Insurance expenses	4 424 644	2 577 983	3 459 364	926 531
** Other administrative expenses	136 378 198	62 640 678	106 608 217	1 108 955
	486 094 710	301 473 830	387 900 584	126 968 087

*See note 13

**Other administrative expenses includes information technology costs, bank charges and repairs and maintenance costs.

24 RETIREMENT BENEFIT INFORMATION

The Cell Insurance Staff Pension Fund, which is governed by the Pension and Provident Funds Act 1976 as amended by Statutory Instrument 323 of 1991, is a defined contribution plan, administered by ZB Life Assurance Limited. All permanent employees under the normal retirement age are members of the Fund.

In addition, contributions to the National Social Security Authority ("NSSA") are made in terms of statutory regulations and are charged to income as incurred.

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020	2021	2020
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Total contributions to these funds were as follows:				
NSSA	5 216 486	275 582	4 117 322	73 359
Pension fund	13 335 413	814 323	10 763 412	202 238
	18 551 899	1 089 905	14 880 734	275 597

25 RELATED PARTY DISCLOSURES

Cell Insurance Company (Private) Limited holds a controlling stake in Nectacare (Private) Limited formerly "CellMed (Private) Limited", and has an 18.7% in an associate, namely Lidwala Insurance Company Limited (Lidwala).

Related party relationships also exist between the Cell Insurance (Private) Limited and its shareholders, who are the following:

	% Holding	% Holding
ZB Financial Holdings Limited;	34.49%	34.49%
ZESA Holdings Limited;	16.50%	16.50%
Zimbabwe Power Company Limited;	27.78%	27.78%
Baobab Reinsurance Company (Private) Limited;	11.23%	11.23%
NRZ Corporate Pension Fund;	4.35%	4.35%
Mr J.L. Sibanda;	3.85%	3.85%
Matabeleland Zambezi Water Trust and	0.98%	0.98%
Management	0.82%	0.82%
	100.00%	100.00%

A number of transactions were entered into with related parties in the normal course of business. The related party transactions and outstanding balances for the year are as follows:

25.1 INCOME

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020	2021	2020
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Income				
Insurance premiums received from:				
ZESA Holdings	48 496 595	91 627 740	33 650 249	18 669 032
ZB Financial Holdings	127 350 751	8 878 726	88 364 648	1 809 029
ZESA Enterprises (Private) Limited	13 319 732	53 140 394	9 242 140	10 827 286
ZESA Powertel (Private) Limited	8 278 060	6 630 113	5 743 883	1 350 877
Zimbabwe Electricity Transmission and Distribution Company	245 781 626	585 228 943	170 540 077	119 239 631
Zimbabwe Power Company Limited	411 809 473	735 246 323	285 741 535	149 805 476
NRZ Corporate Pension Fund	35 414 725	45 841 472	24 573 155	9 340 140
Subsidiary and group companies	40 437 561	23 018 338	28 058 341	4 689 956
	930 888 523	1 549 612 049	645 914 028	315 731 427

Transactions with the above related parties were conducted on an arm's length basis.

25.2 EXPENSES

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020	2021	2020
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Expenses				
Claims paid to shareholders and shareholder related entities:				
- Zimbabwe Electricity Transmission and Distribution Company	20 826 853	32 019 894	17 291 225	3 027 553
- ZB Financial Holdings Limited	2 713 991	8 559 192	1 752 399	1 206 066
- ZESA Enterprises Limited	-	-	-	-
- ZESA Financial Holdings Limited	-	-	-	-
- Zimbabwe Power Company Limited	-	-	-	-
- NRZ Corporate Pension Fund	1 643 067	357 146	1 594 978	43 820
Reinsurance premiums paid to shareholders and shareholder related entities:				
- ZB Reinsurance Company (Private) Limited	74 899 647	55 736 931	36 715 514	6 715 221
- Baobab Reinsurance Company (Private) Limited	29 034 969	34 772 989	14 232 828	4 032 428
Medical aid contributions paid to CellMed Health Medical Fund	4 766 196	2 151 892	4 015 015	190 596
Management fees paid to the parent company	1 679 664	1 628 576	1 206 414	123 055
	135 564 387	135 226 620	76 808 373	15 338 739

25.3 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

For the purposes of IAS 24 - Related Party Disclosures, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly including any director (whether executive or otherwise) of the company. No director had material interest in any contract of significance with the Company during the current and prior year.

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020	2021	2020
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Key management personnel remuneration				
Short term employee benefits	62 925 648	56 518 694	34 525 132	17 196 299
Post employment benefits (contributions to defined contribution plan)	9 438 847	1 174 859	4 616 132	357 461
	72 364 495	57 693 553	39 141 264	17 553 760

25.4 YEAR END BALANCES ARISING FROM TRANSACTIONS WITH RELATED PARTIES

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020	2021	2020
Year end balances arising from transactions with related parties	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Amounts due (to)/from related parties:				
CellMed Health Medical Fund	(94 274 235)	1 018 750	(94 274 235)	633 799
	(94 274 235)	1 018 750	(94 274 235)	633 799

CellMed was owed ZWL\$ 6 061 119 by Cell Insurance and ZWL\$ 88 213 116 as at the reporting date. The amounts arose from cost recoveries from shared services.

26 CONTINGENT LIABILITIES AND COMMITMENTS

26.1 COMMITMENTS FOR CAPITAL EXPENDITURE

There were no capital commitments at the reporting date (2020: ZWL\$Nil).

26.2 OTHER CONTINGENT LIABILITIES

There were no contingent liabilities at the reporting date (2020: ZWL\$Nil)

27 SHARE CAPITAL AND RESERVES

27.1 AUTHORISED

Authorised	Audited Inflation Adjusted		Unaudited Historical Cost	
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
- 99 900 000 ordinary shares of ZWL\$0.01 each	999 000	999 000	999 000	999 000
- 100 000 preference shares of ZWL\$0.01 each	1 000	1 000	1 000	1 000
	1 000 000	1 000 000	1 000 000	1 000 000

27.2 ISSUED

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020	2021	2020
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Issued				
Balance as at 1 January	719 198	719 198	11 583	11 583
Balance as at 31 December	719 198	719 198	11 583	11 583

27.3 SHARE PREMIUM

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020	2021	2020
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Share premium of ZWL\$1.138357 per share	242 932 380	242 932 380	3 912 551	3 912 551
	242 932 380	242 932 380	3 912 551	3 912 551

Share premium comprises additional paid-in capital in excess of the par value. This reserve is not available for distribution.

27.4 FOREIGN CURRENCY TRANSLATION RESERVE

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020	2021	2020
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Balance as at January	55 675 454	49 674 187	63 616 034	11 868 150
Equity accounted investee - foreign currency translation	(25 786 885)	6 317 124	16 443 590	53 800 212
Income tax	(926 309)	(315 857)	(926 309)	(2 052 328)
Balance as at 31 December	28 962 260	55 675 454	79 133 315	63 616 034

Foreign currency translation reserve comprises amounts arising from an associate company (Lidwala Insurance Company Limited) due to the effects of changes in functional currency.

27.5 OTHER COMPREHENSIVE INCOME

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020	2021	2020
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Equity accounted investee - foreign currency translation	(25 951 150)	6 317 124	16 279 325	53 800 212
Equity accounted investee - foreign currency translation	(926 309)	(315 857)	(926 309)	(2 052 328)
Income tax	164 265	-	164 265	-
Balance as at 31 December	(26 713 194)	6 001 267	15 517 281	51 747 884

28 GOODWILL

	Audited Inflation Adjusted		Unaudited Historical Cost	
	2021	2020	2021	2020
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Reconciliation of carrying amount				
Cost				
Balance at 1 January	6 705 814	6 004 767	351 670	96 709
Acquisition of Chinotimba Medical Centre	-	701 047	-	254 961
Balance at 31 December	6 705 814	6 705 814	351 670	351 670

29 GOING CONCERN

The Group and Company generated a total comprehensive income after tax of ZWL\$141 553 528 (2020: ZWL\$85 355 866) and ZWL\$ 50 772 105 (2020: ZWL\$ 104 767 831) respectively.

The Group has managed to achieve a net current liability position of ZWL\$ 10 923 480 (2020: ZWL\$34 247 163) at year end. The Group and Company had capital positions from an IFRS perspective of ZWL\$709 806 451 (2020: ZWL\$568 253 322) and ZWL\$620 000 942 (2020: ZWL\$569 228 836) respectively.

In order to calculate the company's statutory capital requirements from an Insurance and Pension Commission (IPEC) solvency capital perspective, the company is required to apply Statutory Instrument 59 of 2019 which became effective on 31 August 2019 and requires certain types of assets to be excluded in performing the statutory capital calculation. Applying these requirements, the company's statutory capital is ZWL\$ 197 564 014 (2020: ZWL\$125 783 139) against a regulated minimum requirement of ZWL\$37 500 000 (2020: ZWL\$37 500 000).

Based on management's assessment, including the impact of the COVID-19 pandemic provided below (note 30), management is confident of the entity's ability to continue as a going concern and have accordingly prepared the financial statements on a going concern basis. This basis assumes that the entity will realise its assets and settle its liabilities in the ordinary course of business.

30 SUBSEQUENT EVENTS

The COVID-19 pandemic continued to impact world economies negatively particularly in 2021 as the more virulent Delta variant of the Covid 19 ravaged 179 countries across the globe, with a significant number of infections and increasing number of deaths being recorded worldwide. This was characterised by increased lock-downs, travel restrictions and a greater drive towards vaccinations with the aim of containing the pandemic through achieving herd immunity. Governments continued enforcing quarantines, social distancing and closures of non-essential services which resulted in significant disruptions to businesses around the world, leading to economic stagnation. Most governments have responded with monetary and fiscal interventions to stabilise their economies.

At this stage, the impact on the Group and Company's business and results is limited as general insurance and medical services companies fall within the essential services sector. Management will endeavour to continue following the various national instituted policies and advice and in parallel management will do their utmost to continue operations in the best and safest way possible without jeopardizing the health of staff.

The potential areas of short to medium term risk for the business include:

- Reduced business activity by our clients may lead to downscaling of insurance covers, non-uptake of new covers and hence reduction in revenue;
- The imposed travel restrictions have already impacted negatively on the company's travel product and access to our hospitals, clinics and pharmacies;
- Cash flow challenges may force clients to demand payment plans that they may subsequently fail to honour; and;
- A fall in commodity prices on the international market may affect the mining book negatively hence forcing the mining clients to scale down and renegotiate levels of cover.

In order to mitigate the adverse effects of the identified events and conditions as stated in the previous paragraph, management already has identified the following plans for future actions, which management considers to be realistic and feasible:

- Has heightened the level of client relationship management to maintain and grow the existing insurance book.
- Has deferred all non-critical capital expenditure.
- Introduced inflation indexed products to reduce shortfalls.
- Management has embarked on a cost containment strategy to ensure sustainability of the business. Non-core expenses have been set aside and further areas of cost reduction are being identified.
- Policies have been put in place to ensure collection of insurance premiums by activating a "no payment no cover" clause which ensures that the entity is not prejudiced through defaults.
- Implemented purely US\$ and US\$ linked products to ensure sustainable cover and reduce shortfalls
- Ensured that operations continue in the best and safest way possible without jeopardizing the health of staff through the provision of PPE's, observation of social distancing and encouraging staff to get vaccinated.
- The entity will also leverage on existing foreign currency reserves to pay for the expenses that can be paid in US\$.
- Exploiting the full range of ART solutions (Alternative risk transfer) the entity has been mainly looking at rent-a-cell captives but there are other products that have not been activated. eg expansion of the capitalised cells, Underwriting Management Agencies (UMA)
- Expansion through branches eg new Zvishavane Branch and increase of the network distribution channels to include post offices, ZB Bank branch network, Women's Bank and Empower Bank which the entity has partnered with to offer bancassurance products,

- Diversification of the client portfolio to reduce concentration risks and also customisation of policies so they can still be adequately insured, eg through selective insurance on critical risks within client business, adjusting policy tenures to reduce strain on client cashflows eg migrating to termly cover as opposed to annual covers.
- Management has ensured adequate insurance cover for assets is in place.
- Computers have been configured to periodically back-up and continually update the antivirus software and use of VPN when accessing the company servers.
- The Group will also leverage on existing foreign currency inflows from the servicing of Cellmed Funds clientele who have dollarized their policies to pay for expenses that can be paid in US\$.
- The Group has also started offering COVID testing services, as well as distributing and selling of COVID 19 PPE throughout its Pharmaceutical networks.
- Acquisition and refurbishment of a major hospital in Zvishavane which is currently serving the mining industry (Mimosa, Shabani Mine, Unki, Murowa Diamonds, and the local community. Intention is to set it into a state-of-the-art referral centre. Management is currently focusing on getting the projects going and completing the refurbishments of the Shabani Mine Hospital.

The Group and Company have determined that these events are non-adjusting subsequent events. Accordingly, the financial positions and the results of operations as of and for the year ended 31 December 2021 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of measures taken by government remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Group for future periods.



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