Zimbawe Project Trust T/A Trust Academy
Financial Statements for the year ended 31 December 2022
Statement of Changes in Reserves

	Accumulated Funds	Non Distributable reserve	Translation Reserve	Total Equity
	USD	USD		USD
Balance at 01 January 2021	15,223	2,507.00	129,919	147,649
Total comprehensive income for the year	- 11,838	-	23,965	12,127
Balance at 31 December 2021	3,385	2,507	153,884	159,776
Total comprehensive income for the year	5,162	-	- 68,834.75	(63,673)
Balance at 31 December 2022	8,547	2,507	85,049.25	96,103
	ZWL	ZWL		ZWL
Balance at 01 January 2021	11,132,988	451,183		11,584,171
Total comprehensive income for the year	- 2,041,719	-	-	(2,041,719)
Balance at 31 December 2021	9,091,269	451,183		9,542,452
Total comprehensive income for the year	- 8,305,662	-	-	(8,305,662)
Balance at 31 December 2022	785,607	451,183		1,236,790

Statement of Cash Flows

	Note	USD		ZWL	
		2022	2021	2022	2021
		USD	USD	ZWL	ZWL
Cash flows from operating activities					
Surplus from operations		5,162	(11,838) -	8,305,662 -	2,041,719
Adjustment for:					
Depreciation and amortisation	14	64,316	25,616	28,017,518	4,814,446
Loss on disposal of assets		-	625	-	74,164
Finance costs		22,468	23,782	18,364,947	4,280,760
Rental expense		(71,396)	(65,159) -	26,595,085 -	8,209,437
Fair value (gain)/loss on investments		8,679	(9,186) -	1,133,843 -	1,899,730
Net cash flow before changes in working capital		**29,229**	**(36,160)**	**10,347,874 -**	**2,981,516**
Decrease/(Increase) in inventory		(2,330)	(401) -	4,150,472 -	273,040
Decrease/(Increase) in trade receivables		(11,777)	(40,458) -	30,741,019 -	1,860,302
Decrease/(Increase) in related party receivables		205	154 -	8,504 -	2,134
Increase/(Decrease) in trade payables		32,617	(2,083)	57,714,121	4,491,692
Increase in related party payables		1,003	566	987,093	987,021
Net cash generated from operating activities		**48,948**	**(78,382)**	**34,149,094**	**361,721**
Cash flows from investing activities					
Purchase of property and equipment	14	(18,884)	(28,985) -	8,372,526 -	2,532,181
Net cash flow utilised in investing activities		**(18,884)**	**(28,985) -**	**8,372,526 -**	**2,532,181**
Net increase change in cash and cash equivalents		30,065	(107,367)	25,776,568 -	2,170,459
Cash and cash equivalentsat the beginning of the year		93,501	176,902	12,631,735	14,802,194
Effects of foreign currency translations		- 68,835	23,966	-	-
Cash and cash equivalents at the end of the year	12	54,731	93,501	**38,408,303**	**12,631,735**

1 Corporate information

The financial statemets of the Trust for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Trustee _____/_____/2023

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and Private Voluntary Organisation Act (Chapter 24:31) and Statutory Instrument (SI 33/99 and SI 62/96).

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in United States Dollars, which is the Trust's functional currency and presentation currency. These accounting policies are consistent with the previous period.

1.2 Change in functional currency

The Trust changed its functional and presentation currency from the Zimbabwe Dollars to the United States Dollars. The Trustess have assessed in terms of International Accounting Standard 21 (IAS 21), if there has been a change in the functional curreny used by the Trust during the year. In their assessment the Trustess included considerations of whether the various modes of settlement may represent different forms of currency. However, the Trust had significant sales and operating costs denominated in United States Dollars and their operating receipts were being retained in United States Dollars. Therefore management concluded that the Trust's functional and presentation currency became United States Dollar with effect from 1 January 2020 through to 31 December 2022.

The financial statements of the Trust for the comparative period which ended 31 December 2020 was restated in United States Dollars. The same approach as for the 2022 year transactions was done in which all Zimbabwe Dollar transactions were converted to United States Dollar using spot exchange rates at date of transaction or where impracticable use of monthly average exchange rates were deemed appropriate *(note 1.3)*

1.3 Zimbabwean Dollar transactions

The Trust had Zimbabwean dollar transactions which management concluded to be insignificant to remain with Zimbabwean Dollars as the functional and presentation currency of the organisation. The Zimbabwean dollar transactions were converted using exchange rates existing at the date of the transaction or where it was impossible to do so using the monthly exchange rates from the Reserve Bank of Zimbabwe website.

1.4 Significant judgements and sources of estimation uncertainty

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

Critical judgements in applying accounting policies

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

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The trust uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the trust's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Fair value estimation

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

Impairment testing

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

Useful lives of property and equipment

Management assesses the appropriateness of the useful lives of property and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on trust replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

1.5 Property and equipment

The cost of an item of property and equipment is recognised as an asset when:

it is probable that future economic benefits associated with the item will flow to the company;

the cost of the item can be measured reliably.

Property and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property and equipment, the carrying amount of the replaced part is derecognised.

When an item of property and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

The revaluation surplus in equity related to a specific item of property and equipment is transferred directly to retained earnings when the asset is derecognised.

Property and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

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

The useful lives of items of property and equipment have been assessed as follows:

Items	Average useful life
Furniture and fittings	10%
Motor vehicles	20%
Computer equipment	33%

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

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

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

1.6 Intangible Assets

An intangible asset is recognised when:

It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and

The asset can be measured at cost.

Intangible assets are initially recognised at cost

Expenditure on research (or on the research phase of an internal poject) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

it is technically feasible to complete the asset so that it will be available for use or sale

there is an intention to complete and use or sell it

it will generate probable future economic benefits.

there are available technical, financial and other resources to complete the development and to use or sell the asset.

the expenditure attributable to the asset during its development can be measured reliably.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expectted to generate net cash inflows. Amortisation is not provided for these intangible assets,but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortsed over its useful life.

Internally generated brands, mastheads, publishng titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible asets, on a straight line basis, to their residual values as follows:

Item	Rate
Computer software	33.33%

1.7 Financial instruments

Trade receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

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

Cash and cash equivalents

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

1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is

classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases- lessor

Operating lease income is recognised as income on a straight-line basis over the lease term except in cases where another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payments is not on that basis, or where the payments is not on that basis, or where the payments are structured to increase in line with expected general inflation.

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

1.9 Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis. Net realisable value is the estimated selling price in the ordinary course of the business less estimated costs of completion and estimated costs necessary to make the sale.

The cost of inventories comprise of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventory is assigned using the first-in, first-out (FIFO) formula. The same cost is used for all inventories having a similar nature and use to the entity.

1.10 Provisions and contingencies

Provisions are recognised when:
the company has a present obligation as a result of a past event;

it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the obligation.

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

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

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity has a detailed formal plan for the restructuring, identified the asset and or the business or part of a business concerned; the principal locations affected;

the location, function, and approximate number of employees who will be compensated for terminating their services; the expenditures that will be undertaken; and when the plan will be implemented; and

has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note.

1.11 Revenue

Fees income is recognised on a straight line basis over the period of instruction: Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.12 Impairments of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the college also:

tests intangible assets with an indentifiable useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period to test goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The reduction is an impairment loss.

An impairment loss of asset carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

1.13 Employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.