

Zimbabwe Project Trust T/A Trust Academy
Financial Statements for the year ended 31 December 2022
Notes to the financial statements

		USD		ZWL	
		2022	2021	2022	2021
2	Revenue				
	Business school	340,318	266,278	76,628,530	26,471,325
	Information and computer technology	270,495	187,077	63,670,136	18,597,742
	High school	408,298	322,095	144,499,040	32,020,315
	Bulawayo	188,594		87,935,778	
	Examinations section	54,078	136,990	69,482,769	13,618,496
	Enrolments	19,751	19,348	7,613,816	1,923,454
		1,281,534	931,788	449,830,070	92,631,332
3	Other income				
	Late payment of fees penalties	13,670	8,924	7,118,681	1,128,546
	Uniforms	9,749	791	5,344,233	128,867
	Bad debts recovered	2,886	1,085	1,093,558	176,889
	Fair value adjustment	1,334	9,186	1,133,843	1,899,730
	Exchange gain	-	-	71,321,016	4,313,639
	Other	10,260	8,536	3,039,776	847,885
		37,898	28,521	89,051,106	8,495,555
4	Administration expenses				
	Teas and cleaning	22,745	17,815	7,772,879	1,922,561
	Electricity and water	4,818	7,706	3,957,107	796,937
	Audit fees	3,736	4,884	570,068	419,562
	Bank charges	30,289	30,978	13,449,402	2,547,609
	Consulting expenses	2,730	6,438	956,032	571,883
	Subscriptions	34,934	27,523	10,587,266	2,907,434
	Insurance	9,751	9,564	2,738,076	1,111,740
	Allowance for credit losses	-	32,197	-	5,795,594
	Finance lease interest	22,468	23,782	18,364,947	4,280,760
	Loss on disposal	0	625	-	74,164
	Courier and postages	27,249	39,756	15,804,051	4,376,025
	Students affairs	2,242	2,008	807,526	238,302
	Staff costs	329,084	273,034	185,832,709	25,986,411
	Bulawayo office expenses	79,422		23,568,753	
	Repairs and maintenance	54,602	46,866	28,186,436	4,568,097
	General admin expenses	44,351	66,870	19,563,773	7,486,176
	Depreciation	64,316	25,617	28,017,518	4,814,446
		732,738	615,663	360,176,542	67,897,701

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5	Selling and distribution				
	Advertising	57,042	55,270	20,355,629	6,272,817
	Starfm programme	8,723	13,812	816,979	1,030,660
		65,764	69,082	21,172,608	7,303,477
6	Finance income				
	Interest on investments	10	47	8,504	8,467
		10	47	8,504	8,467
7	Cost of sales				
	Consultancy - Business school	141,960	65,781	39,622,386	6,597,756
	Consultancy -ICT	81,242	51,329	33,018,460	5,148,571
	Consultancy - High school	157,681	90,604	43,657,084	9,087,530
	Bulawayo	38,695		14,389,734	
	Examination expenses	38,625	32,187	15,623,776	3,228,202
	Information	2,928	961	253,492	96,136
		461,131	240,862	146,564,931	24,158,195
8	Investments				
	Quoted - Market value	4,024	12,703	3,420,405	2,286,562
8.1	These are listed securities held by the Trust as at 31 December 2022.				
9	Inventory				
	School uniforms & Graduation regalia	1,276	585	2,676,867	105,253
	ICDL Tests	363	276	956,033	49,564
	Other consumables	1,282	986	97,268	177,328
	Stationery	2,678	1,424	1,008,903	256,453
		5,600	3,270	4,739,071	588,599
10	Trade and other receivables				
	Trade receivables- from students	39,943	48,149	32,810,171	5,599,52
	Prepayments	215	12,041	182,933	6,807,436
	Other	216	604	195,119	1,386,107
	Less Allowance for credit losses	-	(32,197)	-	49,255
		40,374	28,597	33,188,223	(5,795,594)
					2,447,204

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	Nature of relationship	Nature of transactions	USD		ZWL	
			2022	2021	2022	2021
11 Related party receivables						
Due from:						
Zimbabwe Project Trust	Parent	Loan	-	-	-	-
Zimbabwe Project Trust (Octrev)	Sister Company	Loan	68	273	57,680	49,176
Adelaide Acres			-	-	-	-
Total			68	273	57,680	49,176
Related party payables						
Due to:						
Zimbabwe Project Trust (Head office)	Parent	Management fees	9,500	8,497	2,516,487	1,529,394
Related party transactions						
Expenses :						
Zimbabwe Project Trust (Head office)	Parent	Management fees	54,647	46,587	3,817,700	3,817,700
Members of key management	Mr T Mataka (Managing Director)					
Those charged with governance	Trustees					
Compensation of key management personnel						
Short term employee benefits			22,937	22,937	2,112,275	2,112,275
Post employment pension and medical benefits			1,473	1,473	135,506	135,506
Total compensation paid to key management personnel			24,410	24,410	2,247,781	2,247,781
12 Cash and cash equivalents						
Nostro accounts						
Zimbabwe dollars			48,988	58,554	33,526,325	6,341,140
			5,744	34,947	4,881,978	6,290,593
			54,731	93,501	38,408,303	12,631,733
13 Trade and other payables						
Trade			56,327	34,351	47,878,352	6,184,965
Provision for leave			6,752	3,327	4,621,364	598,885
Salaries control			10,344	700	6,959,481	125,943
Direct deposits			8,358	10,739	7,104,384	1,931,292
Other				47		8,373
			81,781	49,164	66,563,580	8,849,459

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USD

14 Equipment

	Motor Vehicles USD	Furniture & Fittings USD	Computer Equipment USD	Total USD
Cost				
At 31 December 2021	56,491	15,373	34,513	106,377
additions	-	2,211	16,672	18,884
At 31 December 2022	56,491	17,584	51,185	125,261
Depreciation				
At 31 December 2021	4,017	1,537	10,094	15,648
Current charge for the year	11,298	1,679	13,537	26,513
At 31 December 2022	15,315	3,216	23,631	42,161
Net Book Value				
At 31 December 2022	41,176	14,369	27,555	83,100
At 31 December 2021	52,474	13,836	24,419	90,729

ZWL

	Motor Vehicles ZWL	Furniture & Furnitures ZWL	Computer Equipment ZWL	Total ZWL
Cost				
At 31 December 2020	268,595	624,990	1,674,085	2,567,670
Additions	-	842,885	1,689,297	2,532,182
At 31 December 2021	268,595	1,467,875	3,363,382	5,099,852
Additions	-	768,046	7,604,479	8,372,526
Disposal	-	48,071	78,518	126,589
At 31 December 2022	268,595	2,187,851	10,889,343	13,345,789
Depreciation				
At 31 December 2020	107,438	69,799	307,435	484,672
Charge for the year	53,719	83,496	849,439	986,654
At 31 December 2021	161,157	153,295	1,156,874	1,471,326
Charge for the year	53,719	182,810	2,025,485	2,262,014
Disposal	-	-	-	-
At 31 December 2022	214,876	336,105	3,182,359	3,733,340
Net Book Value				
At 31 December 2022	53,719	1,851,745	7,706,985	9,612,449
At 31 December 2021	107,438	1,266,509	2,127,990	3,501,937

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14.1 INTANGIBLE ASSETS -SOFTWARE

	USD	ZWL
Cost		
At 31 December 2020		
Additions	227	24,944
At 31 December 2021	-	-
Additions/disposal	227	24,944
At 31 December 2022	-	-
	227	24,944
Amortisation		
At 31 December 2020		
Charge for the year	150	16,628
At 31 December 2021	76	8,315
Charge for the current year	226	24,943
At 31 December 2022	-	-
	226	24,943
Net book amount		
At 31 December 2022	1	1
At 31 December 2021	1	1

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14.2 Right of Use Asset	USD	ZWL
Cost		
At 31 December 2021	85,463	15,894,325
Additions	203,989	182,224,934
At 31 December 2022	<u>289,452</u>	<u>198,119,259</u>
Amortisation		
At 31 December 2021	29,424	5,296,386
Charge for the current year	37,802	25,755,503
At 31 December 2022	<u>67,226</u>	<u>31,051,889</u>
Net book amount		
At 31 December 2022	<u>222,226</u>	<u>167,067,369</u>
At 31 December 2021	<u>56,039</u>	<u>10,597,939</u>

14.3 Lease liability

The Trust has lease contracts for Harare Campuses, Bryston House and 2000 Jubilee Centre as well as the Bulawayo Campus. The lease commitments of the mentioned campuses are as follows;

	2022	2021
	USD	USD
Within one year	39,746	33,838
After one year but not more than five years	182,994	33,838
	<u>222,740</u>	<u>67,676</u>
	2,022	2,021
	ZWL	ZWL
Within one year	27,216,149	2,237,351
After one year but not more than five years	158,960,492	9,944,494
	<u>186,176,641</u>	<u>12,181,845</u>

15 Going concern

The Trustees have assessed the ability of the Trust to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. However, Trustees believe that under the current economic environment a continuous assessment of the ability of the Trust to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements. The Trust's enrolment figures are improving on a day to day basis as well as the operating cash flows. In addition, the Trust is commercially solvent and there are no any breaches in paying up credit facilities advanced to the organisation.

16 Capital commitments

There were no capital commitments as at 31 December 2022.

17 Events after the reporting date

Currently, there are no material events which occurred after the reporting date. The government loosened Covid 19 virus locked down measures allowing businesses to operate as normal. As a result, the Trust is expecting an improvement in cash flows as compared to the year ended 31 December 2022. Currently, in the year ending 31 December 2022, there is Russia-Ukraine war and its impact on world oil prices is expected to be negative and that may have a detrimental effect on the Zimbabwe's fuel prices and the economy in general.

18 Sensitivity analysis

The Trust changed its functional and presentation currency during the previous year. The analysis of transactions in United States Dollars and Zimbabwean Dollars for the current and Prior year are shown as below:

	2022			USD	ZWL
	USD	ZWL	Total		
Inflows	1,101,075	265,126	1,366,201	81%	19%
Outflows	1,095,261	251,060	1,346,320	81%	19%
	2021			USD	ZWL
	USD	ZWL	Total		
Inflows	669,372	262,417	931,789	72%	28%
Outflows	665,434	210,722	876,156	76%	24%

As a result of the analysis and the additional factor that supplies and capital additions are priced in United States Dollars or in Zimbabwean Dollars at implied exchange rates (note 21), the Trust deemed it fit to change the functional and presentation currency to United states Dollars.

19 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The considered view of the organisation's Board of Trustees is that the fair values of the financial assets and liabilities of the organisation as at 31 December 2022 approximate the values shown in the statement of financial position as at that date.

20 TREASURY AND FINANCIAL RISK MANAGEMENT

The main risks arising from the organisation's financial instruments are interest rate risk, market risk, credit risk and liquidity and cash flow risk.

20.1 Interest rate risk

This is the risk arising from the adverse movements in the value of future interest receipts or commitments resulting from movements in interest rates. The interest rates for both interest receivable and payable from/to local financial institutions are pegged against the Reserve Bank of Zimbabwe bank rate. The organisation finances its operations mainly through cash generated from fees levied on students currently studying at the organisation and retained earnings.

20.2 Market risk

The principal amounts of all financial assets and liabilities are fixed and not subject to market related value adjustments except long term investments presented under non-current assets on statement of financial position.

20.3 Credit risk

This is the risk that counterparty to a deal or loan will default. The Organisation's cash resources are invested with financial institutions that are considered reputable. Given their high credit ratings, management does not expect any counterparts to fail to meet its obligations. Trade receivables arising from the Organisation's operations are not insured. Adequate allowance for credit loss is made against any trade and other receivables considered doubtful.

20.4 Liquidity and cash flow risk

This is the risk of insufficient funds being available to cover commitments. The cash resources available to the Organisation are considered adequate to meet its short term liquidity and cash flow requirements.

21 EXCHANGE RATES

The average implied exchange rates (USD1:ZWL) used in the conversion of the Zimbabwean dollar transactions (*note 18*) into the United States Dollars were follows:

Month	2022 ZWL	2021 ZWL
January	220	110
February	220	110
March	250	110
April	330	120
May	400	130
June	600	130
July	850	145
August	800	145
September	800	160
October	750	180
November	750	180
December	850	180

The above exchange rates are obtained from what suppliers demanded as equivalent for hard United States Dollars as auction rates of exchange lack exchangeability.