GMB

GRAIN MARKETING BOARD

ASSURING FOOD SECURITY

ANNUAL REPORT

2021-2022

GRAIN MARKETING BOARD
ASSURING FOOD SECURITY

ANNUAL REPORT

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PRESENTATION OF THE ANNUAL REPORT TO THE MINISTER BY THE BOARD CHAIRPERSON

Minister of Lands, Agriculture, Fisheries, Water and Rural Development
1 Borrowdale Road
Ngungunyana Building
Harare

Dear Minister

In accordance with Section 35(7) of the Public Finance Management Act [Chapter 22:19], I have the honour and pleasure in submitting to you the Grain Marketing Board's Annual Report for the year ended 31 March, 2022.

Ms J. Ndoro
Chairperson

STATEMENT OF DIRECTION

Vision

A hub of excellence in grain value chain management by 2030.

Mission Statement

To ensure national food security through efficient and sustainable management of the Strategic Grain Reserve.

Core Values:

The GMB is guided by the following core values:

Team work:
Working together as one GMB family.

Accountability:
Taking responsibility for our business practices.

Customer Care:
Consistent and timeous provision of quality goods and services as well as meeting our clients' expectations.

Integrity:
Honesty, ethical and fairness by doing the right thing in a reliable way.

Transparency:
Operating in a manner which is open, non-corrupt, professional and compliant to laid down rules, regulations and procedures.

Innovation:
Creating new ideas, embracing continuous improvement in our people, processes and systems.

NB: These values are represented by the acronym TACITI

BOARD OF DIRECTORS

Ms J. Ndoro
Chairperson

Dr H. Mushonga
Vice Board Chairman

Mr C. T. Bwenje
Board Member

Ms R. K. Hove
Board Member

Mr T. Mukahlera
Board Member

Ms A. Sofalino
Board Member

Mr L. D. J. Belinsky
Board Member

Mr. N. J. Swanepoel
Board Member

Dr P. Siwadi
Board Member

Mr R. Mutenha
Chief Executive Officer


AGRISEEDS
VALLEY SEEDS
AMMONIUM NITRATE

COMPOSITION OF BOARD COMMITTEES EFFECTIVE 01 APRIL, 2021 - 2022

1. RISK MANAGEMENT COMMITTEE

- Mr. Clemence T. Bwenje (Chairperson)
- Dr. H. Mushonga
- Ms. A. Sofalino
- Mr. R. Mutenha

2. AUDIT COMMITTEE

- Mr. T. Mukahlera (Chairperson)
- Dr H. Mushonga
- Ms. Rosina K. Hove
- External Member to be appointed

3. HUMAN RESOURCES AND REMUNERATION COMMITTEE

- Dr H. Mushonga (Chairperson)
- Ms. J. Ndoro
- Mr. N. J. Swanepoel
- Dr. P. Siwadi
- Mr. R. Mutenha

4. CORPORATE STRATEGIC PLANNING AND PROJECTS COMMITTEE

- Mr. Lloyd D. J. Belinsky (Chairperson)
- Ms. J. Ndoro
- Mr. N. J. Swanepoel
- Dr. P. Siwadi
- Ms. A. Sofalino
- Mr. R. Mutenha

5. Finance Committee

- Ms. Rosinah. K. Hove (Chairperson)
- Mr. Lloyd D.J. Belinsky
- Mr. T. Mukahlera
- Mr. Clemence. T. Bwenje
- Mr. R. Mutenha

MANAGEMENT

Mr R. Mutenha
Chief Executive Officer

Mr C. Guta
Finance Director

Ms R. Gwanetsa
Corporate Secretary

Mr F. Takaindisa
Operations Director

Mr A. Muzambi
Enterprise Risk Manager

Mrs M. Tagarira
Chief Internal Auditor

Mr Q. Shangai
Procurement Manager

Mr N. Kanyemba
Corporate Communications Manager

Ms N. Makoni
Human Resource and Administration Manager

Mr P. Muzvimbiri
Logistics Manager

Ms K. Dongo
Legal Manager

Mr C. Muchechemera
Quality Assurance Manager

Mr F. Zanza
Finance Manager

Mr T. Ganda
Computer Systems Manager

Eng L. Mudoti
Technical Services Manager

Mr F. Kamambo
Regional Manager Northern

Mr T. Makuvara
Regional Manager Eastern

Ms P. Mafa
Regional Manager Southern

Mr E. Nyika
Acting Business Development Manager

CORPORATE DETAILS

Registered Office

Dura Buildings
179-187 Samora Machel Avenue
Eastlea,
Harare

External Auditors

Auditor General
5th Floor, 48 Burroughs House
Cnr Fourth Street/ George Silundika Avenue
Harare

Bankers

Commercial Bank of Zimbabwe
Southerton Branch
Harare

First Bank Corporation
Charter House Branch
70 Samora Machel Avenue
Harare

AFZ
Headquarters
Hurudza House
14 -16 Nelson Mandela Avenue
Harare

Standard Chartered Bank
Africa Unity Square
Harare

People's Own Savings Bank
Causeway Branch
Harare

NMB Bank
Southerton Branch
Harare

Legal Advisors

Kantor & Immerman Legal Practitioners
MacDonald House
10 John Landa Nkomo Avenue,
Harare
office@kantorimmerman.co.zw
Tel: 0242793626/ 9

Makuwaza Legal Practitioners
3rd Floor, Travel Centre
93 Jason Moyo Avenue
Harare
makuwazalaw@gmail.com
Tel: 0242794234/ 794855

Mushoriwa-Pasi Legal Practitioners
37 Lawson Avenue,
Milton Park
Harare
farai@mushoriwapasi.co.zw

GMB
GRAIN MARKETING BOARD
ASSURING FOOD SECURITY

CHAIRPERSON'S STATEMENT

Importantly, it was in this financial year that the Grain Marketing Board successfully rebranded, ushering in a refreshed identity that reflects our renewed commitment to service excellence, transparency, and innovation.

I am honoured to present the Grain Marketing Board's performance report for the financial year ending 31 March 2022. The year under review was marked by significant progress in strengthening the Board's operational capacity and fulfilling its mandate to ensure national food security through efficient grain management and marketing.

Importantly, it was in this financial year that the Grain Marketing Board successfully rebranded, ushering in a refreshed identity that reflects our renewed commitment to service excellence, transparency, and innovation.

This rebranding exercise has positioned GMB as a modern, forward looking institution ready to meet the evolving needs of stakeholders and the nation at large. The Board has remained steadfast in executing its core functions of grain procurement, storage, and distribution.

We continued to support Government initiatives under the Strategic Grain Reserve and the Pfumvudza/Intwasa Presidential Input Scheme, ensuring that farmers and consumers alike benefit from a stable and reliable grain supply chain.

The Board recorded revenue of ZWL$40,8 billion, reflecting increased activity in grain handling and related services. Our asset base grew substantially, with property, plant, and equipment revalued at ZWL$262,9 billion, underscoring the strength of our infrastructure and the value of our nationwide network. Management has taken corrective measures to ensure full compliance with International Financial Reporting Standards going forward.

I acknowledge the dedication of our management and staff, whose commitment ensured daily operations continued smoothly.

The Board also appreciates the policy guidance and oversight role provided by the Minister of Lands, Agriculture, Fisheries, Water, Climate and Rural Development. Looking ahead, GMB will focus on enhancing efficiency through digital transformation, modernising storage facilities, and improving stakeholder engagement.

Our goal remains to safeguard Zimbabwe's food security while operating sustainably and transparently. On behalf of the Board, I extend sincere gratitude to the Government of Zimbabwe, our stakeholders, and partners for their continued support. Together, we will build a resilient and forward looking Grain Marketing Board that continues to serve the nation with integrity and excellence.

Ms J. Ndoro
Board Chairperson

GMB GRAIN MARKETING BOARD ASSURING FOOD SECURITY

CHIEF EXECUTIVE OFFICER'S STATEMENT

In 2021, the Grain Marketing Board proudly celebrated 90 years of service to the nation. This milestone reflects our enduring commitment to food security, farmer support, and national development.

It is my pleasure to present the Grain Marketing Board's Annual Report for the year 2021 to 2022. This year has been marked by significant growth in both operational performance and financial outcomes, reflecting the resilience of our institution and the commitment of our stakeholders to national food security.

Highlights	2020/21	2021/22	% Variance	Comment
Total Assets (ZWL '000 000)	20 212,75	313 335,59	1 450%	Increase
Sales Revenue (ZWL '000 000)	14 646,11	40 846,24	179%	Increase
Staff Costs (ZWL '000 000)	782,60	2 592,15	231%	Increase
Administration Expenses (ZWL '000 000)	1 614,32	4 143,94	157%	Increase
Selling and Distribution (ZWL '000 000)	1 276,39	4 996,51	372%	Increase
Annual Maize Intake	156 186	987 350	532%	Increase
Annual Wheat Intake	161	208 739	1 295%	Increase
Traditional Grains Intake	14 148	99 684	604%	Increase
SGR Stock (Maize and Traditional Grains)	87 350	540 241	518%	Increase

Financial Performance

GMB recorded a remarkable increase in its financial position:

- Total assets grew from ZWL 20,2 billion in 2020/21 to ZWL 313,3 billion in 2021/22, representing a 1,450% increase.
- Sales revenue rose by 179%, from ZWL 14,6 billion to ZWL 40.8 billion, driven by higher grain intake and improved distribution efficiency.
- Operating costs also increased in line with expanded activity:
- Staff costs rose by 231%.
- Administration expenses increased by 157%.
- Selling and distribution costs surged by 372%, reflecting the scale of operations and logistics required to handle the larger volumes.

Operational Performance

The year under review saw unprecedented growth in grain intake:

- Annual Maize Intake rose from 156,186 metric tonnes to 987,350 metric tonnes (532% increase).
- Annual Wheat Intake grew from 161 metric tonnes to 208,739 metric tonnes (1,295% increase).
- Traditional Grains Intake (sorghum, mhunga, rapoko) increased from 14,148 metric tonnes to 99,684 metric tonnes (604% increase).
- Strategic Grain Reserve (SGR) stocks expanded from 87,350 metric tonnes to 540,241 metric tonnes (518% increase).

These achievements were supported by the Government's Pfumvudza/Intwasa Presidential Input Scheme boosting production across all grain categories.

Government Support and Regulatory Framework

I extend my sincere appreciation to the Government of Zimbabwe for its unwavering support in curbing the illegal movement of maize. The compliance measures put in place were critical in safeguarding national food security and stabilizing grain markets.

In addition, the enactment of Statutory Instrument (SI) 97 of 2021, (Grain Marketing (Control of Sale of Soya Beans) Regulations, 2021) which regulates the sale of soybeans, and the Grain Control (Sale of Barley) Regulations of 2021, provided a strong legal framework to ensure orderly marketing and fair trade practices. These measures enhanced transparency, accountability, and efficiency in the grain sector.

Human Capital

While the organisation has seen a reduction in permanent employees over the past five years, this has been managed strategically to improve efficiency and align with modern operational requirements. The restructuring has allowed GMB to maintain productivity while optimising costs.

Celebrating 90 Years of Service

In 2021, GMB proudly celebrated 90 years of service to the nation. This milestone reflects our enduring commitment to food security, farmer support, and national development. Over the decades, GMB has remained a cornerstone of Zimbabwe's agricultural sector, adapting to changing times while upholding its mandate.

Strategic Outlook

GMB remains committed to its mandate of ensuring national food security. The significant growth in grain intake and Strategic Grain Reserves demonstrates the effectiveness of Government policies and the resilience of our agricultural sector. Going forward, we will:

- Continue to strengthen farmer support programs.
- Enhance storage and distribution infrastructure.
- Invest in technology-driven solutions to improve efficiency.
- Maintain prudent financial management to sustain growth.

The year 2021 to 2022 has been one of transformation and achievement. GMB has not only expanded its financial base but also reinforced its role as the cornerstone of Zimbabwe's food security strategy. I extend my gratitude to the Government of Zimbabwe, our farmers, employees, and stakeholders for their unwavering support. Together, we will continue to build a sustainable and secure future for our nation.

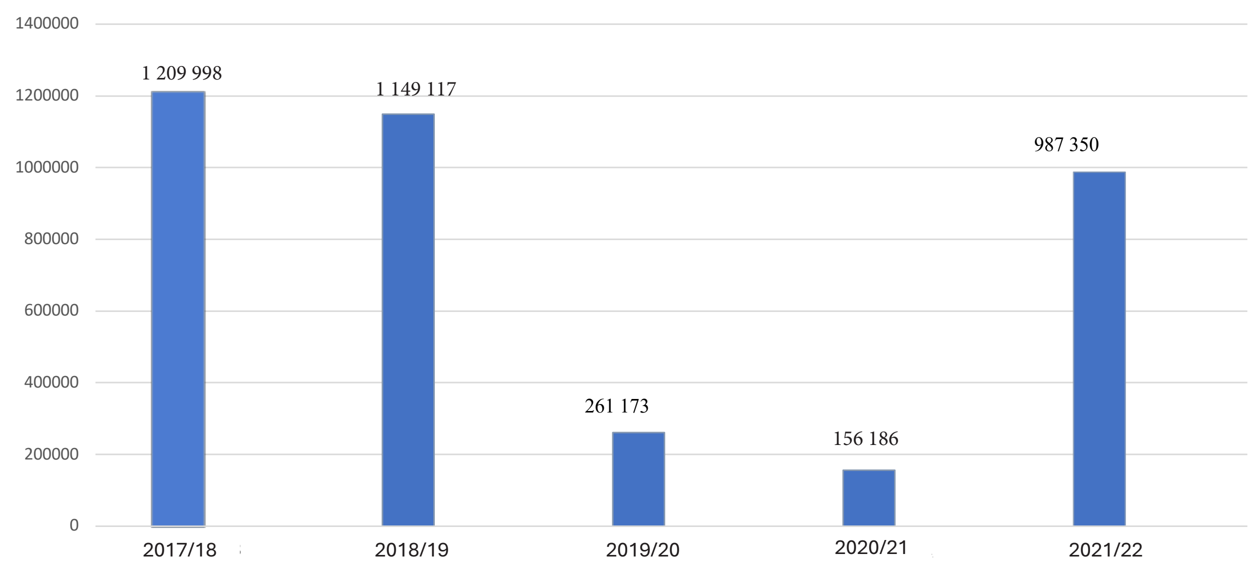
PP

Mr R. Mutenha
Chief Executive Officer

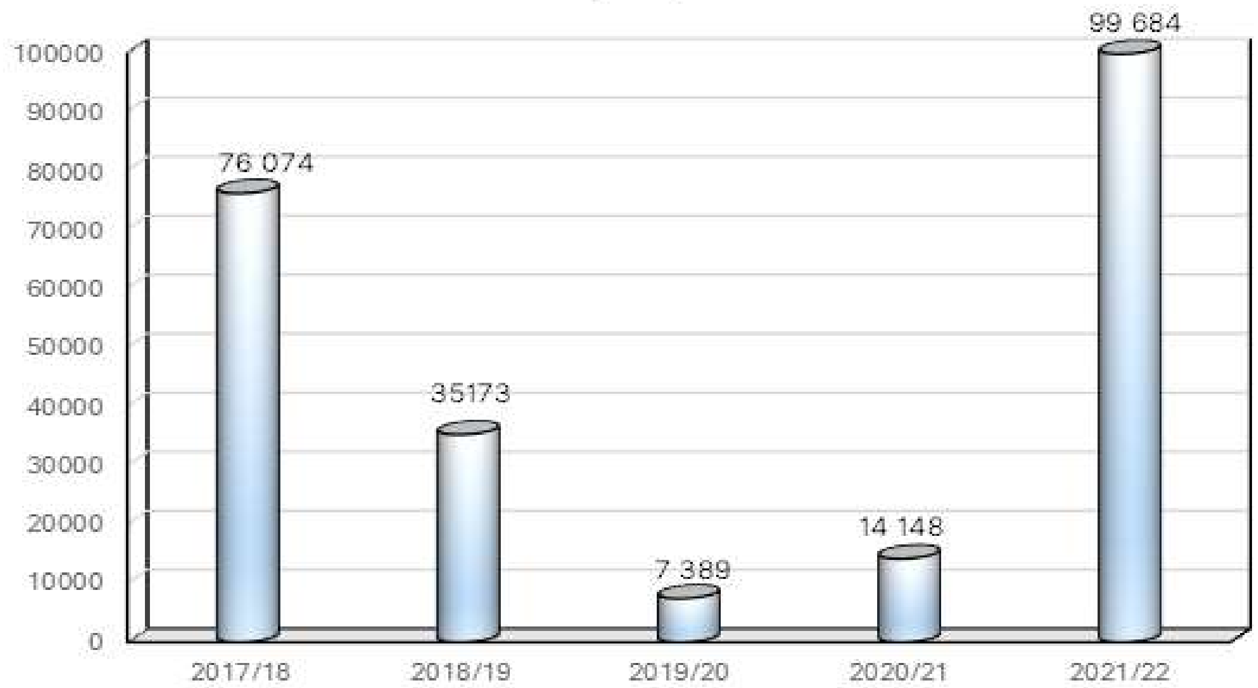

GMB

PERFORMANCE HIGHLIGHTS

Five Year Trend on Annual Maize Intake

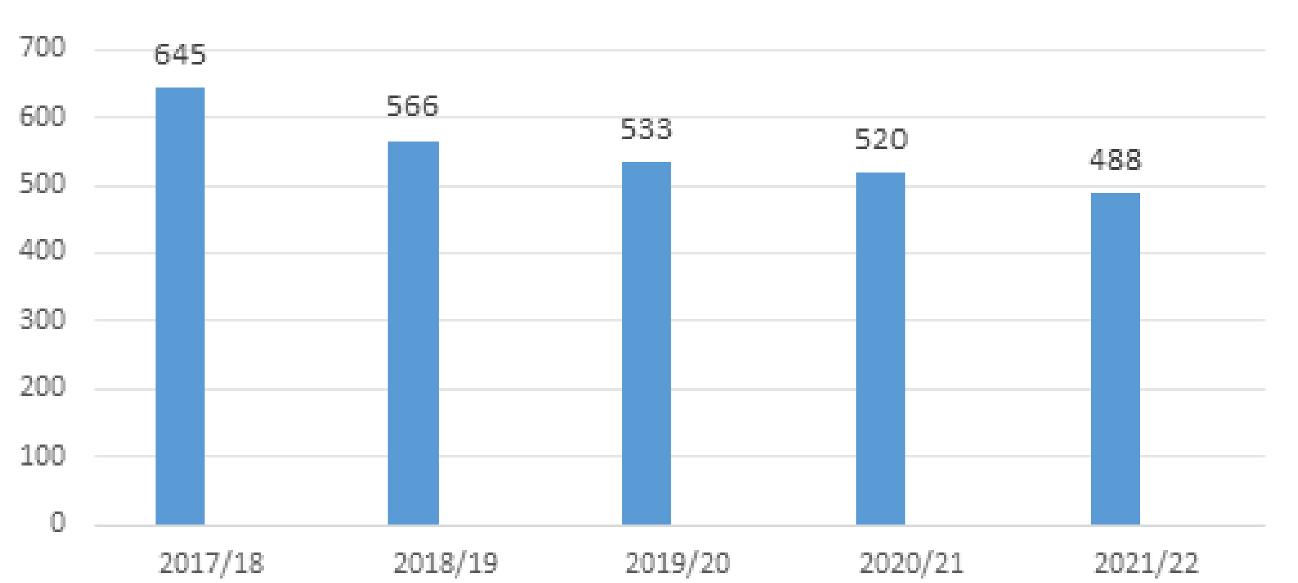


Five Year Trend on Traditinal Grains intake (Sourghum, Millet, Rapoko) mt



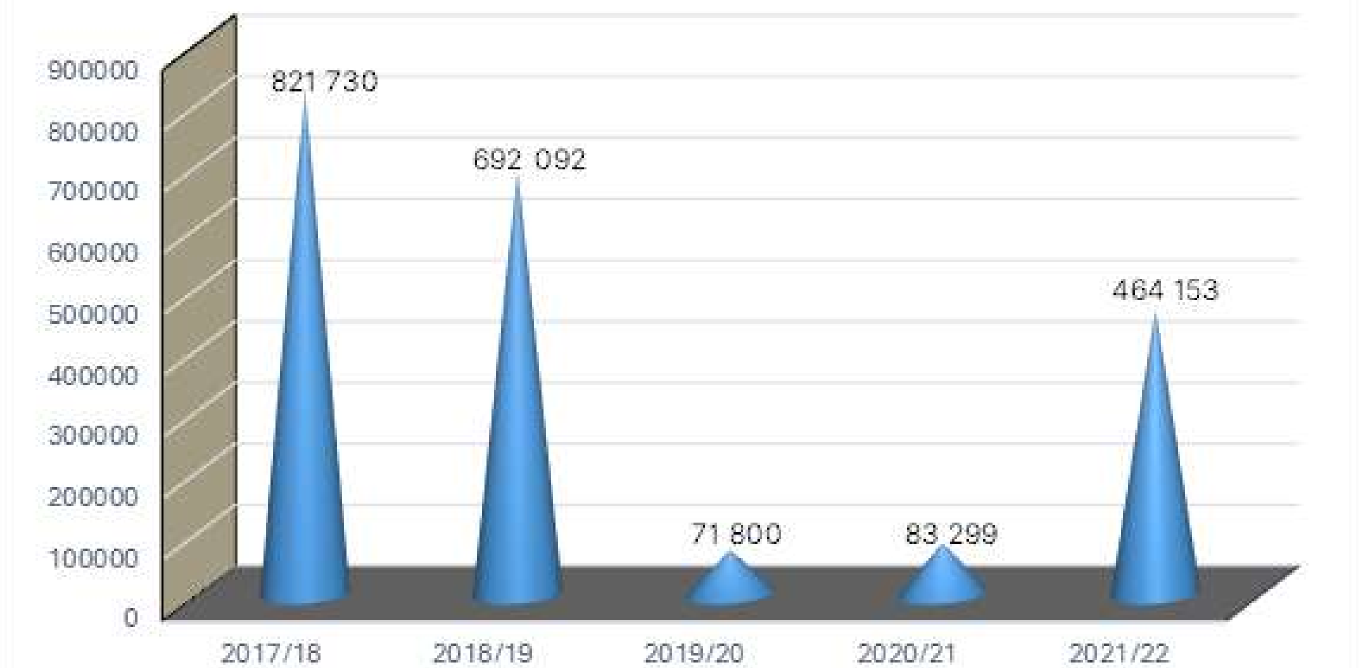
Performance Highlights *(continued)*

Five Year Trend on Human Capital Reduction (Number of Permanent Employees)

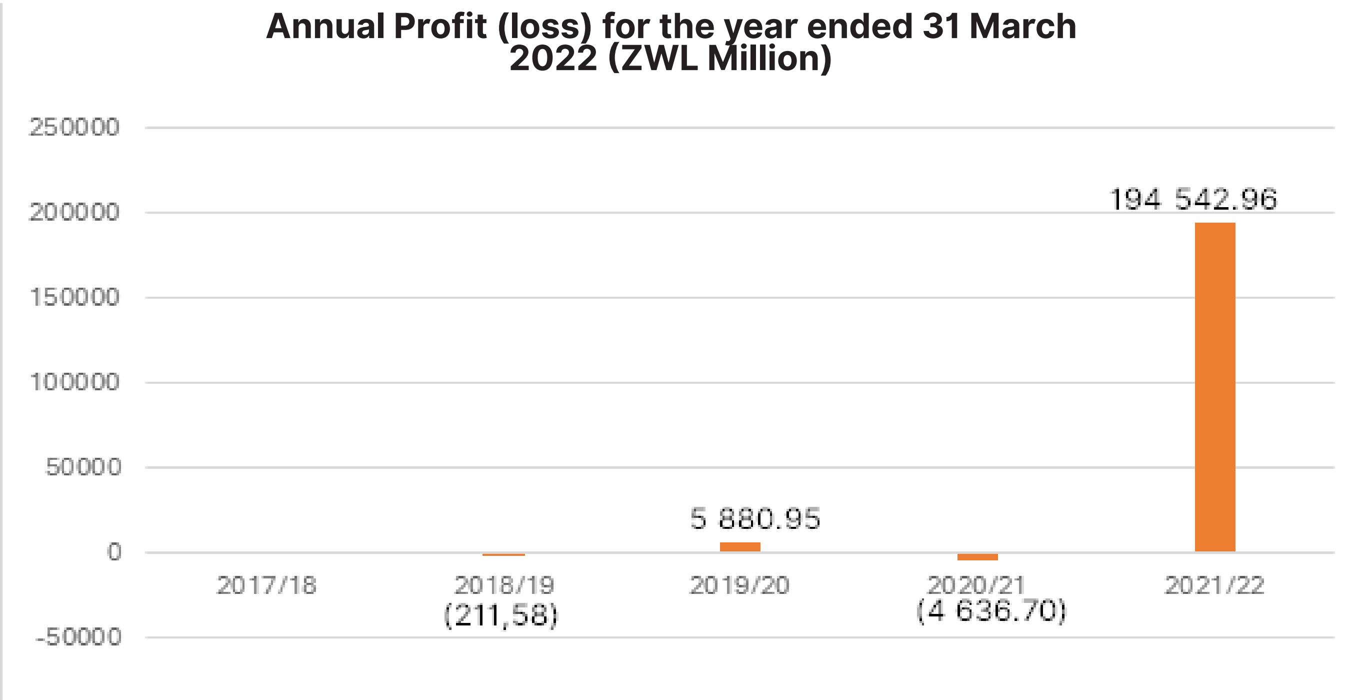


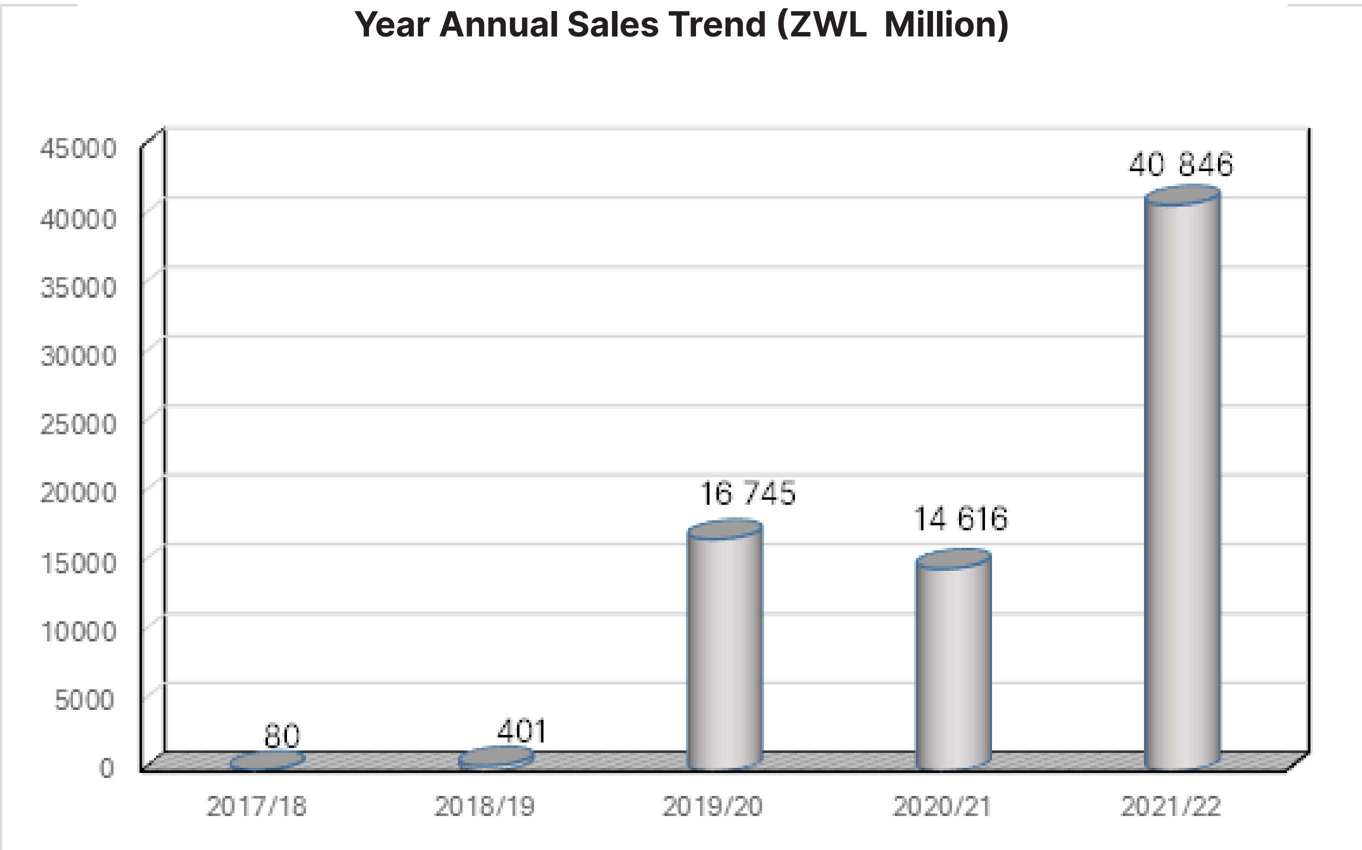
Five Year Trend on Human Capital Reduction (Number of Permanent Employees)

Closing Balance of Maize in Storage as at 31 March (mt)



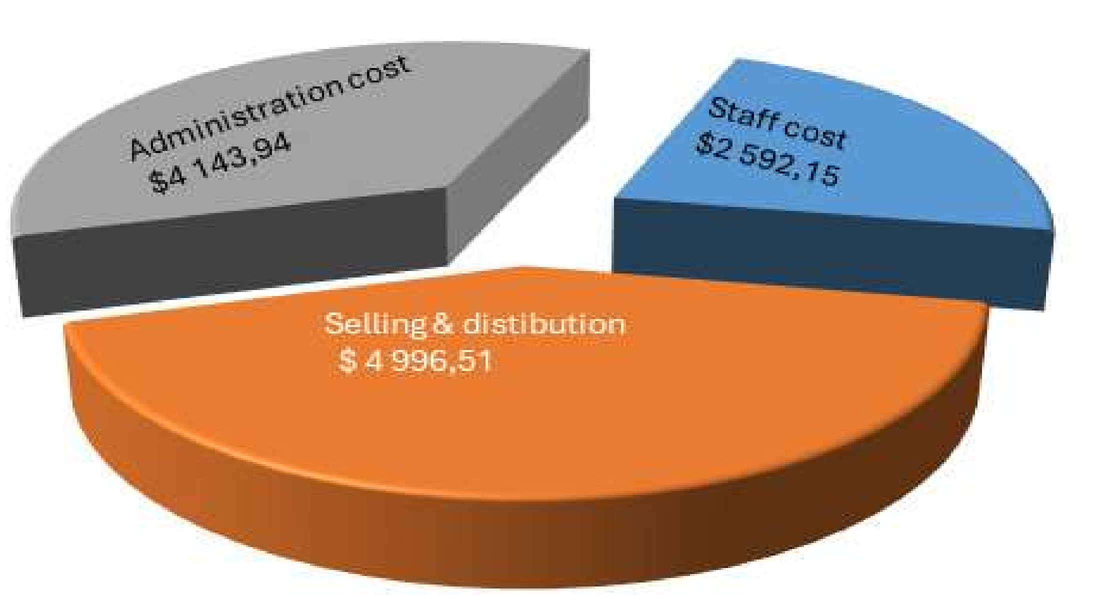
Performance Highlights *(continued)*



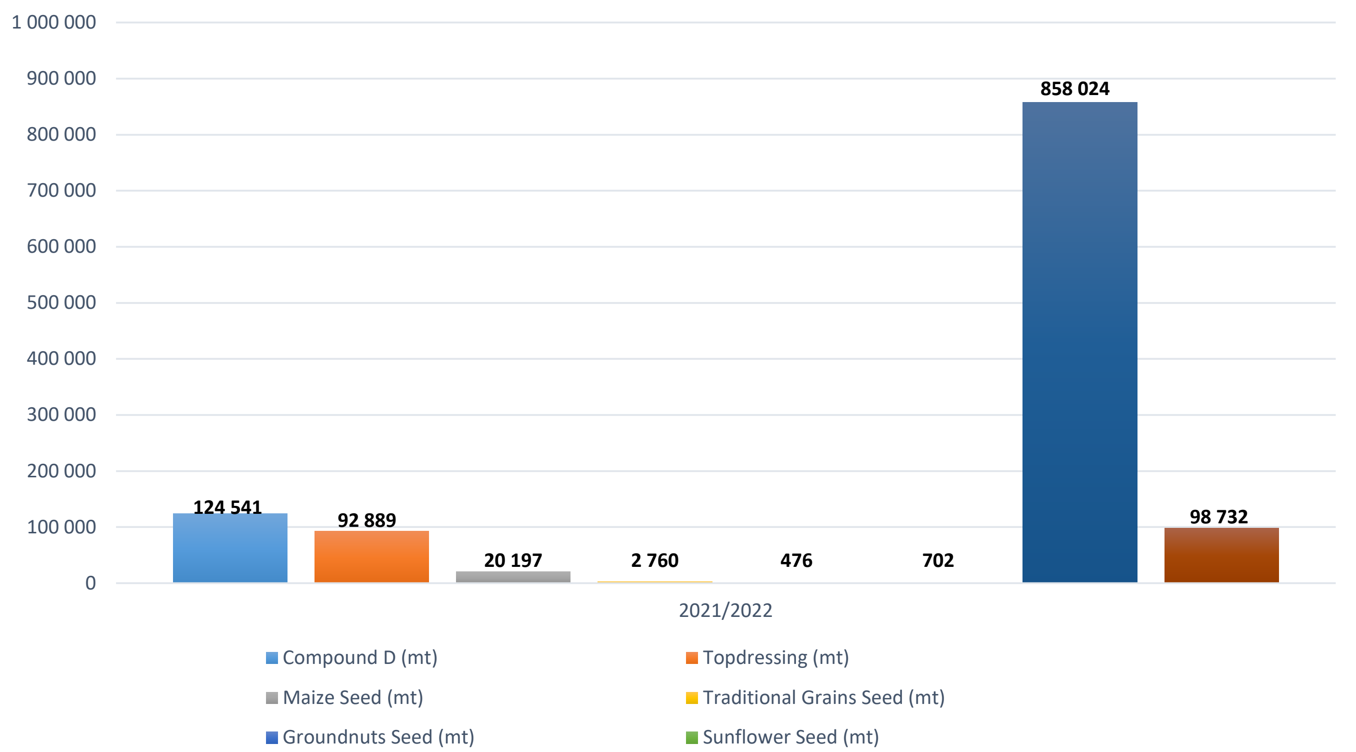


Performance Highlights *(continued)*

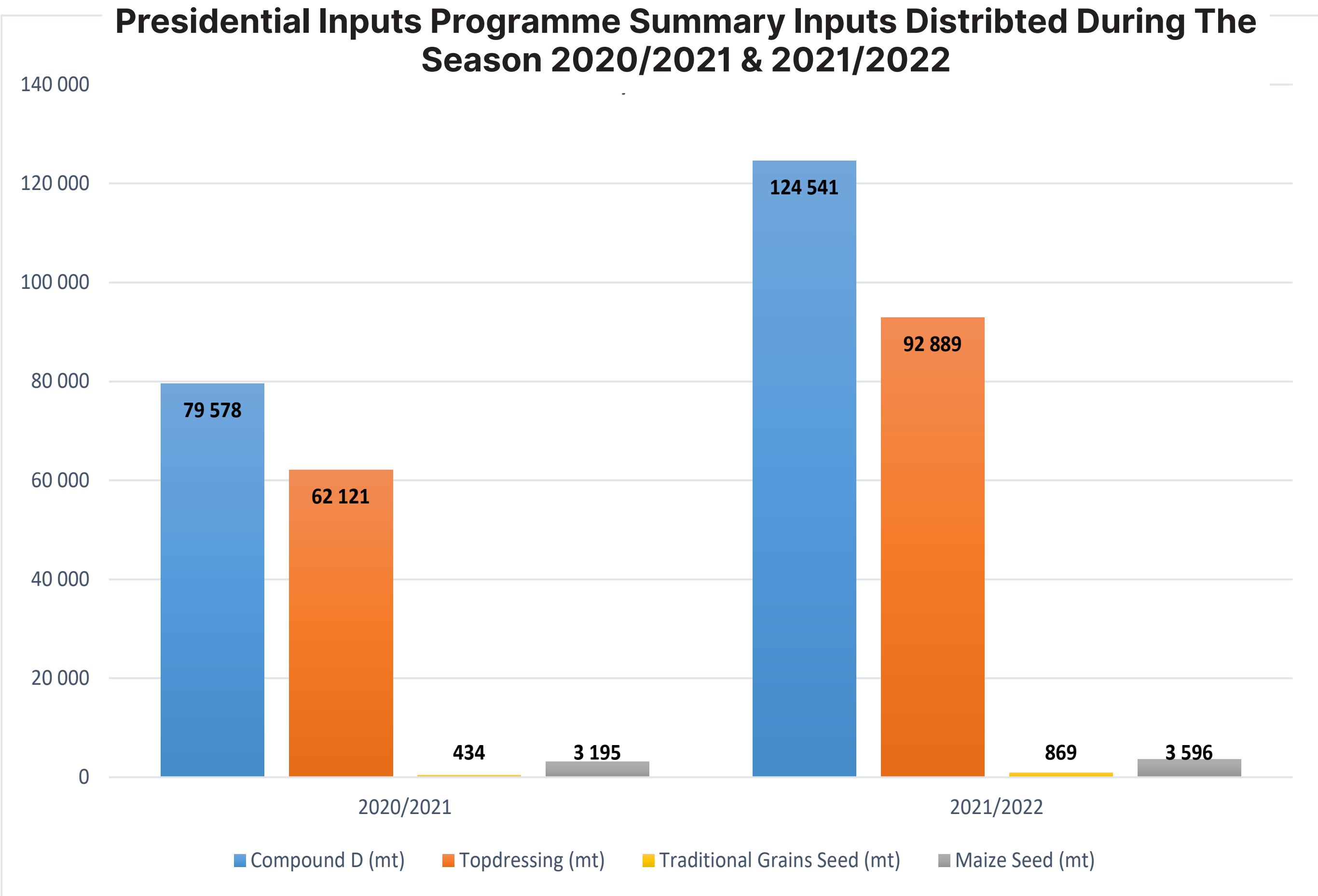
Operating Expenses For The Year (ZWL Million)



Presidential Inputs Programme Summery Inputs Distributed During The Seasons 2021/2022



Performance Highlights *(continued)*

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Ms J. Ndoro
Board Chairperson

Mr R. Mutenha
Chief Executive Officer

DIRECTORS' REPORT

The Board of Directors have the pleasure of presenting their Annual Report and the Consolidated Audited Financial Statements of Grain Marketing Board for the year ended 31 March 2022.

Market Review

GMB continued implementing its core mandate of ensuring food security through the sustainable management of the strategic grain reserves.

Operating and Financial Results

The results are set out in the attached financial statements and the performance highlights are also presented in this report. The Chairman's statements and the Chief Executive Officer's report present comments on specific issues or the organisation's operations and financial performance.

Business Model

The organisation will continue to monitor the business environment for business opportunities that present growth prospects whilst putting much of its efforts on the management of the Strategic Grain Reserves.

Consolidated Results

The organisation's financial results and activities during the year under review are shown in the Statement of Comprehensive Income and in the Notes to the Financial Statements.

Auditors

Shareholders will be requested to approve the External Auditors remuneration for the financial year ended 31 March 2022 and to appoint Auditors for the ensuing year at the Annual General Meeting.

Annual General Meeting

The Annual General Meeting will be held as advised.

DIRECTORS' RESPONSIBILITY STATEMENT FOR FINANCIAL REPORTING

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

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

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

These financial statements are prepared on the going concern basis. Nothing has come to the attention of the Directors to indicate that the Authority will not remain a going concern for the foreseeable future. The Directors have reviewed the cash flow forecast for the year to 31 March 2022 and, in light of this review and the current financial position, they are satisfied that the GMB has or had access to adequate resources to continue in operational existence for the foreseeable future.

The Auditor General, has audited the financial statements and their report appears on page 30 to 33. The financial statements set out on pages 34 to 51, which have been prepared on the going concern basis, were approved by the Directors on 23/02/2026 and were signed on their behalf by:

Ms. J. Ndoro (Board Chairperson)	PP Mr. R. Mutenha (Chief Executive Officer)

CORPORATE GOVERNANCE STATEMENT

Introduction

GMB is committed to maintaining the highest standards of Corporate Governance and is guided by the Public Entities Corporate Governance Act [Chapter 10:31] as read together with the Public Finance and Management Act [Chapter 22:19] and the Grain Marketing Act [Chapter 18:14].

Good corporate governance is the responsibility of the Board and as such, the Board will continue to review and improve its governance practice to ensure full compliance with legal and regulatory requirements. The Board of Directors and employees are required to observe the highest levels of corporate ethical standards, ensuring that business practices are conducted in a manner which, in all reasonable circumstances, is beyond reproach.

During the year, the GMB could not hold the AGM on time in terms of the Public Finance Management Act [Chapter 22:19] due to Covid-19 that affected the timely conclusion of the financial statements on account of the national lockdowns.

Directorate

The Board is composed of nine Non-Executive Directors in compliance with section 5 (1) of the Grain Marketing Act [Chapter 18:14]. There is one ex-officio Executive Director, the Chief Executive. The Board holds a skills mix consisting of finance, agriculture, law, administration and human resources.

Functioning of the Board

The Board is governed by a Board Charter which clearly defines its roles and responsibilities. The Board is responsible for providing strategic direction, maintenance of sound risk management and internal control systems, performance of the GMB and exercising good oversight and stewardship. It discharges its responsibilities through regularly scheduled Board and Committee meetings. The Board has reserved specific matters to itself for determination and approval, which include strategic issues, the annual budget, approval of financial statements and approval of employees conditions of service.

Board Committees

For the Board to effectively implement its mandate, it relies on the functions of Committees, which were set up in terms of the Public Entities and Corporate Governance Act and its subsidiary legislation. The Board operates through the following Committees:

1. Risk Management (RM) Committee
2. Audit Committee (AC)
3. Corporate Strategic Planning and Projects (CSPP) Committee
4. Finance (FM) Committee
5. Human Resources and Remuneration (HRR) Committee

The RMC and AC were separated in 2021 in compliance with PECGA.
The table below shows Board and Committees attendance by Members during the period under review.

BOARD AND COMMITTEE ATTENDANCE

FOR THE PERIOD APRIL 2021 – MARCH 2022

	Main Board	AC	CSPP	FC	RM	HRR
NO. OF MEETINGS HELD	**7**	**4**	**4**	**4**	**1**	**3**
Ms J. Ndoro	7	N/A	1	N/A	N/A	3
Dr H. Mushonga	6	3	N/A	N/A	Nil	3
Ms R.K. Hove	5	4	N/A	3	N/A	N/A
Mr N. Swanepoel	4	N/A	3	N/A	N/A	Nil
Mr L.D.J. Belinsky	3	N/A	5	2	N/A	N/A
Mr T. Mukahlera	7	4	N/A	3	N/A	N/A
Mr C. T. Bwenje	6	2	N/A	4	1	N/A
Dr P. Siwadi Joined 28 Dec 21	2	N/A	1	N/A	N/A	2
A. Sofalino Joined 18 Nov 21	2	N/A	1	N/A	1	N/A

Rights

To facilitate the exercise of their responsibilities, all Directors have unrestricted access to information as and when they so require. The Directors may consult independent professional advisors and obtain expert or independent professional advice at GMB's cost, provided that approval is granted by the Board Chairman before seeking such services.

Internal Control

The Board is responsible for ensuring the effectiveness of the GMB internal controls. Such controls are designed to manage the risk of failure, to achieve business and social objectives and to give reasonable assurance against material misstatements or loss.

The GMB Internal Audit Department reports to the Board through the Audit Committee and it contributes to monitoring of internal control systems as part of the Combined Assurance Model.

Performance Management

In compliance with Government policy, the GMB adopted and is implementing the Integrated Results Based Management (IRBM) system. The Board monitors and evaluates the performance of the GMB using the IRBM system. The IRBM system allows continuous alignment of employee performance with overall business strategy and objectives as well as achievement of targeted results.

Going Concern

The Directors are confident that the GMB has adequate resources to continue discharging its mandate for the foreseeable future. Accordingly, the financial statements have been prepared on the basis that the GMB is a going concern.

Ms J. Ndoro
CHAIRPERSON

PP ---------------------------
Mr R. Mutenha
CHIEF EXECUTIVE OFFICER

REPORT OF THE AUDITOR-GENERAL

OAG ZIMBABWE
Office of the Auditor-General

REPORT OF THE AUDITOR-GENERAL TO THE MINISTER OF LANDS, AGRICULTURE, FISHERIES, WATER, CLIMATE AND RURAL DEVELOPMENT AND THE BOARD OF DIRECTORS IN RESPECT OF THE FINANCIAL STATEMENTS FOR GRAIN MARKETING BOARD FOR THE YEAR ENDED MARCH 31, 2022

Report on the Audit of the Financial Statements

I have audited the financial statements of Grain Marketing Board, as set out on pages 34 to 51, which comprise the statement of financial position as at March 31 , 2022, and the statement of profit or loss and other comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Qualified Opinion

In my opinion, except for the effects of the matters discussed in the Basis for Qualified Opinion section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of Grain Marketing Board as at March 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Financial Reporting Standard (IFRS) 10 - "Consolidated Financial Statements"

The Board did not consolidate the financial statements of its wholly owned subsidiary, Silo Foods Industries (Private) Limited. This was contrary to International Financial Reporting Standard (IFRS) 10 "Consolidated Financial Statements" paragraph 4 which requires an entity that is a parent to present consolidated financial statements. Had the Board prepared consolidated financial statements, the financial statements would have been materially different.

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

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

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of Grain Marketing Board for the year ended March 31, 2022. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition to the matters described in the Basis of Qualified Opinion section I have determined the matters described below to be the key audit matters to be communicated in my report.

Key audit matter	How the matter was addressed in the audit
Valuation of property, plant and equipment. Refer to note 3.2 and note 4 to the financial statements. The Board held property, plant and equipment with a revalued amount of ZWL$262.9 billion as at March 31, 2022. A Management expert was engaged to conduct revaluation of the Authority's assets. Valuation techniques adopted takes into account valuer's assumptions, unobservable inputs and therefore required significant judgment in determining the fair value of the assets. The useful life and residual values are also reviewed annually by management with reference to current, forecast and relevant technical factors. This involved a significant degree of management judgment and assumptions. As a result, valuation of property, plant and equipment was considered to be a key audit matter.	The audit procedures that I performed to address the risk of material misstatement relating to the valuation of property, plant and equipment included: Assessed the competence, capabilities and objectivity of management's valuation expert and obtained an understanding of their work. Assessed the appropriateness of the valuation methodologies adopted by management's specialist based on knowledge of the industry. Identified, evaluated and tested significant judgments and assumptions used by management's valuation expert by comparing them to those used by other valuers in the industry. Assessed completeness and appropriateness of the property, plant and equipment disclosures in accordance with the relevant financial reporting standards. Based on evidence gathered, I found the valuation of property, plant and equipment reasonable.
Valuation of trade and other receivables. Refer to note 2.6 and 8 to the financial statements. The Board disclosed trade and other receivables amounting to ZWL$734 million as at March 31, 2022. The determination of expected credit losses requires the Authority to apply significant levels of judgments and assumptions relating to the financial condition of the counterparty, expected future cash flows and forward looking macroeconomic conditions in line with International Financial Reporting Standard (IFRS) 9 — “Financial Instruments”. Accordingly, the valuation of trade and other receivables was considered to be a key audit matter.	The audit procedures that I performed to address the risk of material misstatement relating to the valuation of trade receivables included the following: Assessed the reasonableness of the expected credit loss model and related parameters, including probability of default, loss given default, risk exposure, and significant increase in credit risk; Assessed the forward-looking information management used to determine expected credit losses, including the forecasts of macroeconomic variables and the assumptions of multiple macroeconomic scenarios. Evaluated the models and the related assumptions used in individual impairment assessment and analysed the amount, timing and likelihood of management’s estimated future cash flows. Evaluated the adequacy and appropriateness of disclosures made in the financial statements. Based on evidence gathered, I found the valuation, presentation and disclosure of trade receivables to be appropriate.

Report of the Auditor-General *(continued)*

Other Information

The Management is responsible for the Other Information. The Other Information comprises all the information in the Grain Marketing Board's annual report other than the financial statements and my auditor's report thereon ("the Other Information").

My opinion on the financial statements does not cover the Other Information and I do not express any form of assurance conclusion thereon.

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

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

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs) and in a manner required by the Grain Marketing Board Act [Chapter 18:14] and the Public Finance Management Act [Chapter 22:19], and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Board's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAS and ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAS and ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit, I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- 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 Board's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting

Report of the Auditor-General *(continued)*

estimates and related disclosures made by the management;

- Conclude on the appropriateness of the management's 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 Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation,

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

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

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

Report on Other Legal and Regulatory Requirements

In my opinion, the financial statements of Grain Marketing Board have, in all material respects, been properly prepared in compliance with the disclosure requirements of the Grain Marketing Board Act [Chapter 18:14], the Public Finance Management Act [Chapter 22:19], and other relevant Statutory Instruments.

2/03/2026

R. Kujinga
Acting Auditor General

Statement of Financial Position
as at March 31, 2022

	Note	INFLATION ADJUSTED March 2022 ZWL$	INFLATION ADJUSTED March 2021 ZWL$	HISTORICAL COST March 2022 ZWL$	HISTORICAL COST March 2021 ZWL$
Assets					
Non-current assets		**263 414 327 301**	**2 974 053 797**	**257 933 855 551**	**403 928 808**
Property, plant and equipment	4	262 956 854 987	2 585 941 750	257 799 683 544	337 756 802
Investment property	5	69 360 267	-	68 000 001	-
SFI investment	6	388 112 047	388 112 047	66 172 006	66 172 006
Current assets		**49 921 265 230**	**22 510 575 375**	**29 354 553 368**	**8 705 760 447**
Inventories	7	45 493 211 985	17 314 619 980	24 927 135 558	5 720 406 472
Trade and other receivables	8	734 470 945	448 209 349	734 470 945	259 530 601
Prepayments	9	4 325 967	57 046 278	3 690 532	9 726 229
Cash and cash equivalents	10	3 689 256 333	4 690 699 769	3 689 256 333	2 716 097 145
Total assets		**313 335 592 531**	**25 484 629 172**	**287 288 408 919**	**9 109 689 255**
Reserves and liabilities					
Reserves		**309 496 972 353**	**23 714 402 434**	**284 050 539 895**	**8 215 692 969**
Capital contribution		49 397 265 059	22 386 570 911	27 850 708 430	8 144 197 942
Revaluation reserves		260 012 463 561	186 738 575	257 254 115 555	186 738 575
Capital reserves		416 094 176	416 094 176	2 049 200	2 049 200
Accumulated loss		(328 850 442)	724 998 772	(1 056 333 290)	(117 292 748)
Non-current liabilities		**971 491 808**	**204 036 968**	**370 740 655**	**35 533 484**
Foreign producer vendors		775 043 857	-	327 463 712	-
Deferred tax	12	196 447 951	204 036 968	43 276 943	35 533 484
Current liabilities		**2 867 128 369**	**1 566 189 770**	**2 867 128 369**	**858 462 802**
Accounts payable	11	2 637 269 196	1 250 922 835	2 637 269 196	724 332 851
Current tax payable		138 956 502	266 804 799	138 956 502	106 068 494
Provisions	13	90 902 671	48 462 136	90 902 671	28 061 457
Total reserves and liabilities		**313 335 592 531**	**25 484 629 172**	**287 288 408 919**	**9 109 689 255**

23/02/2026.

Mr. C. GUTA,
(FINANCE DIRECTOR).

23/02/2026.

Dr. E . BADARAI,
(CHIEF EXECUTIVE).

23/02/2026.

Ms. J. NDORO,
(BOARD CHAIRPERSON).

Statement of Profit or Loss and Other Comprehensive Income
for the year ended March 31, 2022

		INFLATION ADJUSTED		HISTORICAL COST	
	Note	March 2022 ZWL$	March 2021 ZWL$	March 2022 ZWL$	March 2021 ZWL$
Revenue	14	40 846 237 467	11 292 134 227	32 585 201 139	7 622 668 484
Cost of sales	15	(37 893 278 440)	(10 802 237 005)	(30 189 915 871)	(6 939 739 508)
Gross profit		**2 952 959 028**	**489 897 222**	**2 395 285 268**	**682 928 976**
Interest income	17	120 466 827	25 454 803	105 921 715	21 782 832
Other income	16	7 841 888 392	2 428 121 302	6 025 458 802	1 405 976 434
Total income		**10 915 314 247**	**2 943 473 326**	**8 526 665 785**	**2 110 688 242**
Less expenses		**(11732 592 048)**	**(3285 879 769)**	**(9420 327 561)**	**(2010 800 507)**
Staff costs	18	(2 592 146 335)	(525 170 815)	(2 072 276 630)	(427 007 051)
Administration expenses	19	(4 143 938 561)	(1 814 775 457)	(3 440 352 875)	(802 104 398)
Selling and distribution expenses	20	(4 996 507 153)	(945 933 497)	(3 907 698 056)	(781 689 058)
Profit/ (loss) before finance costs and tax		**(817 277 801)**	**(342 406 442)**	**(893 661 775)**	**99 887 735**
Finance costs	21	(6 585 517)	(334 641)	(4 747 299)	(239 117)
Profit/ (loss) before tax		**(823 863 318)**	**(342 741 084)**	**(898 409 075)**	**99 648 618**
Income tax expense	12	(40 631 467)	(144 107 300)	(40 631 467)	(83 443 717)
Monetary loss		(189 354 429)	(2 312 172 999)	-	-
Profit/ (loss) for the year		**(1 053 849 215)**	**(2 799 021 383)**	**(939 040 542)**	**16 204 901**
Other comprehensive income					
Net revaluation surplus		**195 596 805 770**	-	**193 520 321 390**	-
Revaluation surplus		259 825 724 986	-	257 067 376 980	-
Tax on revaluation		(64 228 919 217)	-	(63 547 055 589)	-
Total comprehensive income / (loss) for the year		**194 542 956 555**	**(2 799 021 383)**	**192 581 280 849**	**16 204 901**

Statement of Changes in Equity
for the year ended March 31, 2022

Historical cost	Capital contribution ZWL$	Revaluation reserve ZWL$	Capital reserve ZWL$	Accumulated fund ZWL$	Total ZWL$
Balance as at April 1, 2020	**2 137 618 717**	**186 738 575**	**2 049 200**	**(133 497 649)**	**2 192 908 843**
Capital contribution for the period	6 006 579 225	-	-	-	**6 006 579 225**
Loss for the period	-	-	-	16 204 901	**16 204 901**
Balance as at March 31, 2021	**8 144 197 942**	**186 738 575**	**2 049 200**	**(117 292 748)**	**8 215 692 969**
Balance as at April 1, 2021	**8 144 197 942**	**186 738 575**	**2 049 200**	**(117 292 748)**	**8 215 692 969**
Capital contribution for the period	19 706 510 488	-	-	-	**19 706 510 488**
Loss for the period	-	-	-	(939 040 542)	**(939 040 542)**
Revaluation	-	257 067 376 980	-	-	**257 067 376 980**
Balance as at March 31, 2022	**27 850 708 430**	**257 254 115 555**	**2 049 200**	**(1 056 333 290)**	**284 050 539 895**

Inflation adjusted	Capital contribution ZWL$	Revaluation reserve ZWL$	Capital reserve ZWL$	Accumulated fund ZWL$	Total ZWL$
Balance as at April 1, 2020	**7 977 336 622**	**186 738 575**	**416 094 176**	**3 524 020 156**	**12 104 189 529**
Balance as at April 1, 2021	7 977 336 622	186 738 575	416 094 176	3 524 020 156	**12 104 189 529** -
Capital contribution for the period	14 409 234 289	-	-	-	**14 409 234 289**
Loss for the period	-	-	-	(2 799 021 383)	**(2 799 021 383)**
Balance as at March 31, 2021	**22 386 570 911**	**186 738 575**	**416 094 176**	**724 998 772**	**23 714 402 434**
Balance as at April 1, 2021	**22 386 570 911**	**186 738 575**	**416 094 176**	**724 998 772**	**23 714 402 434**
Capital contribution for the period	27 010 694 148	-	-	-	**27 010 694 148**
Revaluation	-	259 825 724 986	-	-	**259 825 724 986**
Loss for the period	-	-	-	(1 053 849 215)	**(1 053 849 215)**
Balance as at March 31, 2022	**49 397 265 059**	**260 012 463 561**	**416 094 176**	**(328 850 442)**	**309 496 972 353**

Statement of Cash Flows
for the year ended March 31, 2022

	Note	INFLATION ADJUSTED March 2022 ZWL $	March 2021 ZWL $	HISTORICAL COST March 2022 ZWL $	March 2021 ZWL $
Cash flows from operating activities		**(27 072 467 999)**	**(10 970 442 721)**	**(18 311 205 336)**	**(4 664 082 857)**
Net cash flows before working capital changes		**38 726 693**	**(306 840 758)**	**85 962 780**	**130 808 047**
Profit / (Loss) before tax		(823 863 318)	(342 741 084)	(898 409 075)	99 648 618
Adjusted for:					
Depreciation	4	127 682 959	123 438 362	87 693 509	29 400 336
Profit on disposal		(46 495 834)	-	(26 922 892)	-
Interest received		(120 466 827)	(25 454 803)	(105 921 715)	(21 782 832)
Finance cost		6 585 517	334 641	4 747 299	239 117
Increase/(decrease) in allowance for credit losses		(18 101 975)	(74 768 220)	(2 784 231)	2 194 873
Decrease in provisions		62 841 215	25 064 842	62 841 215	23 275 721
Increase/(decrease) in allowance for damaged stock		850 544 958	(12 714 498)	964 718 670	(2 167 786)
Changes in working capital		**(27 111 194 692)**	**(10 663 601 963)**	**(18 397 168 116)**	**(4 794 890 904)**
Increase in inventory		(28 178 592 005)	(11 706 226 926)	(20 171 447 757)	(4 916 738 259)
Increase in trade receivables		(286 261 597)	(136 136 481)	(472 156 113)	(79 128 135)
Increase/(decrease) in prepayments		52 720 311	(26 164 698)	6 035 697	(4 461 007)
Decrease in trade and other payables		1 300 938 599	1 204 926 142	2 240 400 057	205 436 497
Cash flows from investing activities					
Net cash outflow from investing activities		**(575 268 815)**	**(127 804 166)**	**(417 398 664)**	**(102 545 800)**
Purchase of plant, property and equipment		(742 231 476)	(153 258 969)	(550 393 117)	(124 328 631)
Sale of plant, property and equipment		46 495 834	-	27 072 738	-
Interest received		120 466 827	25 454 803	105 921 715	21 782 832
Cash flows from financing activities					
Net cash flow from financing activities		**27 004 108 631**	**14 406 823 101**	**19 701 763 188**	**6 006 340 108**
Increase in capital contribution		27 010 694 148	14 407 157 742	19 706 510 488	6 006 579 225
Interest paid		(6 585 518)	(334 641)	(4 747 299)	(239 117)
Net increase in cash and cash equivalents		**(643 628 184)**	**3 308 576 214**	**973 159 188**	**1 239 711 452**
Cash and cash equivalents beginning of the period		4 690 699 769	5 034 475 212	2 716 097 145	1 476 385 693
Effects of inflation on cash and cash equivalents		(357 815 252)	(3 652 351 656)	-	-
Cash and cash equivalents at end of the period	10	**3 689 256 333**	**4 690 699 769**	**3 689 256 333**	**2 716 097 145**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

1. NATURE OF BUSINESS

Grain Marketing Board was established in terms of the Grain Marketing Board Act [*Chapter 18:14*]. The Board's main activities are buying, storing of grain, managing of the Strategic Grain Reserve and the Inputs scheme on behalf of the Government of Zimbabwe. Its registered address is 179-187 Samora Machel Avenue, Dura Buildings, Eastlea, Harare.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements for the year ended March 31, 2022 have been prepared in conformity with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB).

2.2 Basis of measurement

The financial statements of the Board are prepared under the historical cost convention except for financial assets which are measured at fair value and some items of property, plant and equipment which are shown at revalued amounts.

2.3 Inflation Accounting

The financial statements have been prepared under the current costs basis in line with the provisions of International Accounting Standards (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"Financial Reporting in Hyperinflationary Economies".

Management have applied the guidelines provided by PAAB. Management made various assumptions to produce the inflation adjusted financial information. The conversion factors have been computed from the Consumer Price Index (CPI) data as provided by Zimbabwe Statistical Agency (ZIMSTATS) on their website and also as circulated by PAAB. Below is the table of consumer price index movements for year the current and previous year.

Month	Index	Conversion factor	Month	Index	Conversion factor
Mar-22	4 766.10	1	Mar-21	2 759.8	1.727

2.4 Functional and presentation currency

These financial statements are presented in Zimbabwean Dollar (ZWL$) as prescribed under Statutory Instrument 33 of 2019 and in compliance with local laws as well as relevant guidance provided by the Public Accountants and Auditors Board on March 21, 2019.

In February 2019, the Government issued Statutory Instrument 33 of 2019 (S133 of 2019) which directed that all assets and liabilities that were denominated in United States dollars (USD) before February 22, 2019 be deemed to have become RTGS dollars at a rate of 1:1 to the USD. The financial reporting and audit guidance on currency considerations under the environment prevailing issued by the Public Accountants and Auditors Board (PAAB) on March 21, 2019 urged preparers of the financial statements to comply with the laws and regulations of the country. The statement of financial position was translated as at February 22, 2019.

All transactions post this date were translated to ZWL$ at the official interbank rate prevailing at the time of transacting. The functional currency of the Board changed in February 2019 to ZWL$ from USD as a consequence of the above. In the same year again the Board also changed its presentation currency to ZWL$.

2.5 Accounting judgments, estimates, and assumptions

The preparation of financial statements requires management to make judgments, estimates and

Notes to the Financial Statements *(continued)*

for the year ended March 31, 2022

assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant judgments include the following:

2.5.1 Useful lives and residual values of property, plant and equipment

The Board assesses useful lives and residual values of property, plant and equipment each year taking into account past experience and technology changes. The depreciation rates are set out in note 3.2.1 and no changes to these useful lives have been considered necessary during the year. Management has set residual values for all classes of property, plant and equipment at zero.

2.5.2 Impairment and provision policies

At each statement of financial position date, the Board reviews the carrying amount of its assets to determine whether there is an indication that those assets suffered any impairment. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment is recognized as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment is treated as a revaluation decrease. In the event that, in the subsequent period, an asset that has been subject to an impairment loss is no longer considered to be impaired, the value is restored and the gain is recognized in the statement of comprehensive income. The restoration is limited to the value which would have been recorded had the impairment adjustment not taken place.

2.5.3 Allowance for credit losses

The Board uses the simplified approach when conducting the credit loss assessment for its receivables. At each statement of financial position date, the Board recognizes a credit loss for its trade receivables once evidence that collection is almost impossible. The Board has recognized a credit loss of:

Current	31-60 days	61- 90 days	91+ days
1%	2%	4%	7%

2.5.4 Fair value measurement

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or,
- In the absence of a principal market, in the most advantageous market for the asset.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset, assuming that market participants act in their economic best interest.

1.5.5 Going concern

The Directors and management have assessed the ability of the Board to continue as a going concern and believe the preparation of the financial statements on a going concern basis is still appropriate.

1.6 Allowance for damaged stocks

The Board estimates a 5% allowance for damaged stocks based on grain stocks available as at end of each financial year.

Notes to the Financial Statements *(continued)*

for the year ended March 31, 2022

1.7 New and revised standards and interpretations

1.7.1 New standards, interpretations and amendments issued and became effective during the year under review applicable to the Board for the financial year beginning April 1, 2021

i. Amendment to International Accounting Standard (IAS) 37 - "Provisions, Contingent Liabilities and Contingent Assets"

The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the' costs to fulfil the contract'. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract.
Effective date is January 1, 2022.

ii. Amendments to International Accounting Standard (IAS) 16 – "Property, Plant and Equipment": Proceeds before Intended Use

In May 2021, the International Accounting Standard Board issued IAS 16 – "Property, Plant and Equipment": Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment.

iii. Amendments to International Accounting Standard (IAS) 37 - "Provisions, Contingent Liabilities and Contingent Assets": Onerous contracts costs of fulfilling a contract

In May 2021, the IASB issued amendments to IAS 37 - "Provisions, Contingent Liabilities and Contingent Assets" to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

3 ACCOUNTING POLICIES

The accounting policies applied in the preparation of these financial statements are consistent with those applied in the financial statements for the year ended March 31, 2021.

3.1 Revenue

Revenue comprises principally of sales of grain and empty bags. Revenue is measured based on the consideration to which the Board expect to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

3.1.1 Recognition and measurement

The Board apply a single comprehensive model to account for revenue arising from contracts with customers. Revenue is recognized in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange

Notes to the Financial Statements *(continued)*
for the year ended March 31, 2022

for those goods or services. Specially, the Board follow the following 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance in the contract.
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation. Revenue is recognized when (or as) a performance obligation is satisfied, that is, when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

3.2 Interest income

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

3.3 Other income

Other income is comprised of rent receivable from leased out properties, disposal of fixed assets, farmer card, storage services, commission earned and government grant which relate to government assistance in the form of transfers of resources for strategic grain procurement, maintenance of strategic grain facilities, rehabilitation of silos and administration cost. Grants related to income are credited to the statement of comprehensive income.

Grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position as deferred income under non-current liabilities and are recognized as income on a systematic and rational basis over the useful life of the asset. Non-monetary grants are valued at nominal amounts based on management estimates.

3.4 Property, plant and equipment

These comprises of land, building and storage installations, water supply road and drainage, machinery and equipment, computer accessories, furniture and office equipment, vehicles and work in progress.

3.4.1 Initial recognition

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if:

(a) it is probable that future economic benefits associated with the item will flow to the entity; and
(b) the cost of the item can be measured reliably.

3.4.2 Subsequent measurement

Buildings held for use in the production or supply of goods or services, or for administrative purpose, are stated at revalued amounts in the statement of financial position less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with Board's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Tarpaulins are treated as property, plant and equipment in line with the industry practice.

A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent

Notes to the Financial Statements *(continued)*
for the year ended March 31, 2022

that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being disposed is transferred to retained earnings.

3.4.3 Depreciation

Depreciation is not provided on freehold land. Assets held under finance lease are depreciated over their expected useful lives on the same basis as owned assets or where shorter, the term of the relevant lease.

Residual value of all assets is assessed at nil. Depreciation on depreciable assets is calculated using the straight-line method to allocate their cost over their estimated useful lives, as follows:

Building and storage installations	2. 5% - 7.5%
Roads, drainage, water supply and fencing	2.5% - 10%
Rail facilities	5%
Plant and machinery	7.5% - 20%
Furniture and Office Equipment	10% - 25%
Motor vehicles	25%

3.4.4 Derecognition

An item of property, plant and equipment is derecognised upon disposal or loss when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the profit and loss section of the statement of profit or loss and other comprehensive income in the year the asset is derecognised.

3.5 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported on in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Board's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is recognized on differences between the carrying amounts of assets and the liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Board intends to settle its current tax assets and liabilities on a net basis.

Notes to the Financial Statements *(continued)*

for the year ended March 31, 2022

3.6 Inventory

The inventory for the board include grains, storage and dispatch bags, stores items and finished goods like shelled groundnuts. Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated cost of completion and costs to be incurred in marketing, selling and distribution.

3.7 Leases

The Board leases out some properties to its subsidiary company Silo Foods Industries (SFI) and third parties. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are

added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Assets held under finance leases are recognized as assets of the Board at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are charged to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Board's general policy on borrowing costs.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

3.8 Provisions

The provisions comprise of leave pay, bonus, audit fees and pension. Provisions are recognized when the Board has a present legal or constructive obligation as a result of past events, such that there is a probability that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate to the amount of such obligation can be made. Obligations payable at the demand of the creditor or within one year of the statement of financial position date are treated as current liabilities in the statement of financial position. Obligations payable after one year from the statement of financial position date are treated as non-current liabilities in the statement of financial position.

3.9 Employee benefits

Employee benefits are the consideration given by the Board in exchange for services rendered by employees. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Board's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

i. **Short term employee benefits**
   Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Board has a present legal or constructive obligation to pay this amount as a result of past service provided by

Notes to the Financial Statements *(continued)*
for the year ended March 31, 2022

the employee and the obligation can be estimated reliably.

ii. **Defined contribution plan**
Obligations for contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. **Termination benefits**
Termination benefits are expensed at the earlier of when the Board can no longer withdraw the offer of those benefits and when the Board recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

iv. **Post-employment benefits**
The Board's obligations are limited to specific contributions as legislated from time to time in terms of the National Social Security Act [Chapter 17:04]. The Board's obligations are currently 3.5% of pensionable earnings.

3.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability of another. Financial assets and financial liabilities are recognized when the company becomes party to the contractual provisions of the instrument.

3.10.1 Recognition

Financials assets and liabilities are recognized on the Board's statement of financial position when the Company becomes a part to the contractual provision of the instrument.

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

Classification and measurement

The Company has classified its financial assets in the following;

Component	Classification
Trade and other receivables	Fair value
Cash and cash equivalents	Fair value

3.10.2 Trade and other receivables

The inputs credit scheme receivables account is constantly assessed to ensure that the balance reflects the amounts expected to be recovered from the farmers. Where recoverability is in doubt, an allowance for credit losses is made which in effect reduces the carrying amount of the receivables and the capital contribution account (which represents the monetary value of capital injected by the government towards the inputs credit scheme).

A receivable is recognized by the Board when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. For some customers' payment of the transaction price is due immediately at the point the customer purchases the goods.

3.10.3 Cash and cash equivalents

For statement of cash flows, cash and cash equivalents comprise bank balance and are subject to an insignificant risk of changes in value.

3.10.4 Financial liabilities

The Board financial liabilities comprise of accounts payables. Payables are classified at fair value through profit or loss.

3.10.5 Trade and other payables

Trade and other payables comprise amounts due to

Notes to the Financial Statements *(continued)*
for the year ended March 31, 2022

suppliers for goods and services received before the end of the reporting period but not yet paid for. The amounts are unsecured and are usually paid within the agreed credit terms.

Trade and other payables are recognized initially at fair value and subsequently measured at fair value through profit or loss. Liabilities are derecognized when the obligation is discharged, cancelled, or expires.

3.11 Nature and extent of risks arising from financial instruments

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

3.11.1 Credit risk

The risk that one party to the financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Board is primarily on receivables. The Finance Division manages and controls or limits these risks through formulation of credit policies, including obtaining collateral and independent review of the credit exposures.

3.11.2 Interest rate risk

The Board's grain bills have variable interest rates thereby exposing the Board to fair value interest rate risk, whilst the overdrafts and money market investments are at floating rates. Exposure to interest rate risk on borrowings and investments is monitored on a proactive basis.

3.11.3 Foreign currency transaction and balances

While the Board records are maintained in Zimbabwe Dollars (ZWL), some of its transactions are conducted in other major foreign currencies. Transactions in foreign currencies are translated to the Zimbabwe Dollar at rates of exchange ruling at the time of the transactions. Transaction and translation gains and losses arising on conversion or settlement are dealt with in the statement of comprehensive income in determination of the operating income.

3.11.4 Reputational risk

Reputational risk is the risk of negative public opinion leading to a loss in confidence and or severance of business relationship due to perception by the public that the Board is not conducting its business in a sound manner. The Board manages reputational risk due through its evaluation and control of the major risks. Due to delayed payment to farmers, the public now has negative perception of Grain Marketing Board and its ability to pay farmers timely.

Notes to the Financial Statements
for the year ended March 31, 2022

4. PROPERTY, PLANT AND EQUIPMENT

Inflation adjusted

	Land	Buildings and storage installations	Water supply road and drainage	Machinery and equipment	Computer accessories	Furniture and office equipment	Vehicles	Work-in progress	March 2022 TOTAL	March 2021 TOTAL
	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Carrying amount	**629 098 846**	**623 771 461**	**1 749 350**	**635 556 204**	**25 416 648**	**3 081 529**	**73 247 567**	**594 020 146**	**2 585 941 751**	**2 556 121 143**
Gross carrying amount	629 098 846	717 422 550	2 503 678	873 374 797	37 207 374	9 743 272	106 209 690	594 020 146	2 969 580 353	2 816 321 383
Accumulated depreciation	-	(93 651 089)	(754 328)	(237 818 593)	(11 790 726)	(6 661 743)	(32 962 123)	-	(383 638 602)	(260 200 240)
Additions for the year	4 243 861	3 162 874	1 845 425	297 317 623	42 045 740	6 460 097	67 654 260	319 501 597	742 231 476	153 258 969
Disposals for the year	-	-	(804)	(57,691)	(2,655)	(20 005)	(81 750)	-	(162 905)	-
Revaluation surplus	1 953 384 921	27 925 505 591	28 347 037	228 915 036 928	60 475 829	77 917 200	865 057 479	-	259 825 724 986	-
Investment property	-	(69 360 268)	-	-	-	-	-	-	(69 360 268)	-
Depreciation charge for the year	-	(10 360 022)	(467 551)	(87 906 730)	(8 413 617)	(1 705 040)	(18 829 998)	-	(127 682 959)	(123 438 362)
Closing carrying amount	**2 586 727 628**	**28 472 719 637**	**31 474 261**	**229 760 004 026**	**119 524 599**	**85 753 786**	**987 129 307**	**913 521 743**	**262 956 854 987**	**2 585 941 750**
Gross carrying amount	2 586 727 628	28 576 730 748	32 696 140	230 085 729 349	139 728 943	94 120 569	1 038 921 429	913 521 743	263 468 176 548	2 969 580 352
Accumulated depreciation	-	(104 011 111)	(1 221 879)	(325 725 323)	(20 204 344)	(8 366 783)	(51 792 122)	-	(511 321 561)	(383 638 602)

Historical cost

	Land	Buildings and Storage Installations	Water supply road and drainage	Machinery and equipment	Computer accessories	Furniture and office equipment	Vehicles	Work-in progress	March 2022 TOTAL	March 2021 TOTAL
	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Opening carrying amount	**8 102 500**	**55 721 034**	**551 856**	**132 166 945**	**12 277 676**	**1 494 712**	**39 509 734**	**87 932 346**	**337 756 803**	**242 828 507**
Gross carrying amount	8 102 500	64 879 613	664 436	165 135 590	15 899 313	2 138 578	51 341 787	87 932 348	396 094 165	271 765 534
Accumulated depreciation	-	(9 158 580)	(112 580)	(32 968 646)	(3 621 637)	(643 866)	(11 832 053)	-	(58 337 362)	(28 937 027)
Additions for the year	3 098 462	2 309 228	1 347 353	225 559 523	30 697 783	4 716 546	49 394 677	233 269 544	550 393 117	124 328 631
Disposals for the year	-	-	(804)	(49 682)	(2 056)	(15 554)	(81 750)	-	(149 846)	-
Revaluation surplus	1 932 647 500	27 629 044 328	28 046 101	226 484 841 320	59 833 808	77 090 020	855 873 902	-	257 067 376 980	-
Investment property	-	(68 000 000)	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	(4 289 110)	(438 908)	(72 619 809)	(4 327 993)	(1 412 724)	(4 604 965)	-	(87 693 509)	(29 400 336)
Closing carrying amount	**1 943 848 462**	**27 614 785 479**	**29 505 597**	**226 769 898 296**	**98 479 218**	**81 873 000**	**940 091 599**	**321 201 892**	**257 799 683 544**	**337 756 802**
Gross carrying amount	1 943 848 462	27 628 233 169	30 057 085	226 875 486 751	106 428 848	83 929 590	956 528 617	321 201 892	258 013 714 415	396 094 165
Accumulated depreciation	-	(13 447 690)	(551 488)	(105 588 455)	(7 949 630)	(2 056 590)	(16 437 018)	-	(146 030 870)	(58 337 363)

Notes to the Financial Statements
for the year ended March 31, 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	March 2022	March 2021	March 2022	March 2021
	ZWL$	ZWL$	ZWL$	ZWL$
5 Investment property	**(69 360 267)**	**-**	**68 000 001**	**-**
Transfer from property plant and equipment	(69 360 267)	-	68 000 001	-
6 Investment in subsidiary	**388 112 047**	**388 112 047**	**66 172 006**	**66 172 006**
Opening amount	388 112 047	388 112 047	66 172 006	66 172 006
	-	-	-	-
7 Inventories	**45 493 211 985**	**17 314 619 980**	**24 927 135 558**	**5 720 406 472**
Grains	45 646 138 128	17 171 046 279	25 296 209 911	5 862 343 648
Storage and dispatch bags	1 285 709 882	710 267 372	872 829 700	139 104 058
Finished goods	4 434 660	-	4 434 660	-
Stores and other	32 415 308	58 247 364	18 829 369	19 408 178
Allowance for damaged stocks	(1475 485 993)	(624 941 035)	(1265 168 082)	(300 449 412)
8 Trade and other receivables	**734 470 945**	**448 209 349**	**734 470 945**	**259 530 601**
8.1 Local trade receivables	**466 878 042**	**281 191 562**	**466 878 042**	**162 820 823**
Trade customers	154 205 457	7 373 146	154 205 457	4 269 337
Customer receivables - GMAZ/millers	43 394	210 771 748	43 394	122 045 019
Storage rentals	10 406 410	-	10 406 410	-
VAT receivable	259 510 750	-	259 510 750	-
Ministry of Agriculture	57 576 266	99 434 211	57 576 266	57 576 266
Social welfare	3 421 333	-	3 421 333	-
less Allowance for credit losses	(18 285 568)	(36 387 543)	(18 285 568)	(21 069 799)
8.2 Grain bags receivables	**266 657 301**	**166 811 195**	**266 657 301**	**96 590 153**
Grain bags debtors	266 657 301	166 811 195	266 657 301	96 590 153
8.3 Other receivables	**935 603**	**206 592**	**935 603**	**119 625**
Staff debtors	935 603	206 592	935 603	119 625
9 Prepayments	**4 325 967**	**57 046 278**	**3 690 532**	**9 726 229**
Local trade vendors	-	23 292 046	-	3 971 228
Staff vendors	4 325 967	-	3 690 532	-
Foreign trade vendors	-	33 754 232	-	5 755 001
10 Cash and cash equivalents	**3 689 256 333**	**4 690 699 769**	**3 689 256 333**	**2 716 097 145**
Bank	3 689 256 333	4 690 699 769	3 689 256 333	2 716 097 145

Notes to the Financial Statements
for the year ended March 31, 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	March 2022	March 2021	March 2022	March 2021
	ZWL$	ZWL$	ZWL$	ZWL$
11 Liabilities				
11.1 Current liabilities	**2 637 269 196**	**1 250 922 835**	**2 637 269 196**	**724 332 851**
Trade payables	38 485 491	23 768 169	38 485 491	13 762 691
Transporters	758 087 319	185 475 337	758 087 319	107 397 416
Local producer vendors	177 622 757	632 807 406	177 622 757	366 420 038
Utility bills	27 749 446	60 929 871	27 749 446	35 280 759
Other payables	1 642 995	28 034 310	1 642 995	16 232 953
Payroll payables	315 266 184	20 724 813	315 266 184	12 000 471
Contract liabilities - customers	1 318 316 503	298 989 438	1 318 316 503	173 126 484
GMB funeral fund	98 501	193 491	98 501	112 039
11.2 Non current liabilities	**775 043 857**	-	**327 463 712**	-
Foreign producer vendors	775 043 857	-	327 463 712	-

Outstanding debt between government of Zimbabwe and grain suppliers (Holbud and Coudburst) during drought.

	March 2022	March 2021	March 2022	March 2021
11.3 Current tax payable	**138 956 502**	**266 804 799**	**138 956 502**	**106 068 494**
Balance at beginning of the year	106 068 494	118 323 477	106 068 494	20 092 048
Current year charge	32 888 008	148 481 322	32 888 008	85 976 446
Income tax expense				
12 Major components of tax expense				
12.1 Current tax	32 888 008	148 481 322	32 888 008	85 976 446
Deferred tax	7 743 459	(4 374 022)	7 743 459	(2 532 729)
	40 631 467	**144 107 300**	**40 631 467**	**83 443 717**
Current tax reconciliation				
12.2 Accounting profit before tax	(823 863 318)	(342 741 084)	(898 409 075)	99 648 618
Profit for the year	**(823 863 318)**	**(342 741 084)**	**(898 409 075)**	**99 648 618**
Tax on profit for the year @ 24.72%	**(203 659 012)**	**(84 725 596)**	**(222 086 723)**	**24 633 138**
Reconciling items				
Allowance for credit losses	-	937 023	-	542 573
Allowance for damaged stocks	238 478 455	(154 485 424)	238 478 455	66 018 561
Legal fees	28 060 915	-	19 871 819	-
Donations	10 689 765	8 674	10 146 248	4 461
Entertainment	303 530	290 803	189 974	168 386
Funeral fund employer contribution	35 661	(13 305)	20 613	(5 957)
Revenue from asset disposal	21 541 042	-	12 451 469	-
Interest receivable	(29 779 400)	(10 867 022)	(26 183 848)	(5 384 716)
Effects of IAS 29	(32 782 949)	397 336 169	-	-
Total	**32 888 008**	**148 481 322**	**32 888 008**	**85 976 446**
Temporary difference:				
Depreciation and tax allowance	7 743 459	(4 374 022)	7 743 459	(2 532 729)
Total tax expense	**40 631 467**	**144 107 300**	**40 631 467**	**83 443 717**
12.3 Deferred tax liability				
Balance at end of year	**196 447 951**	**204 036 968**	**43 276 943**	**35 533 484**
Balance at beginning of year	188 704 492	208 410 990	35 533 484	38 066 214
Charge for the year	7 743 459	(4 374 022)	7 743 459	(2 532 730)

Notes to the Financial Statements
for the year ended March 31, 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	March 2022	March 2021	March 2022	March 2021
	ZWL$	ZWL$	ZWL$	ZWL$
13 Provisions	**90 902 671**	**48 462 136**	**90 902 671**	**28 061 457**
Executive provision for bonus	165 261	285 406	165 261	165 261
Executive provision for leave pay	1 066 335	43 213 595	1 066 335	25 022 348
Executive provision for post employment benefits	50 000	86 350	50 000	50 000
Provision for bonus	8 553 557	4 876 785	8 553 557	2 823 847
Provision for leave pay	76 817 517	-	76 817 517	-
Provision for Audit Fees	4 250 000	-	4 250 000	-
14 Revenue	**40 846 237 467**	**11 292 134 227**	**32 585 201 139**	**7 622 668 484**
Grain Sales	39 285 557 834	10 950 295 889	31 543 302 802	7 426 229 763
Empty bags	1 560 679 633	341 838 338	1 041 898 337	196 438 721
15 Cost of sales	**37 893 278 440**	**10 802 237 005**	**30 189 915 871**	**6 939 739 508**
Grain and Bag Sales	37 893 278 440	10 802 237 005	30 189 915 871	6 939 739 508
16 Other income	**7 841 888 392**	**2 428 121 302**	**6 025 458 802**	**1 405 976 434**
Rents receivable	10 847 591	38 623	10 779 120	22 364
Rents receivable-GMB staff	18 003 507	6 318 283	13 924 011	3 658 531
Sale of fixed assets	46 495 834	-	26 922 892	-
Miscellaneous revenue - SGR	60 098 550	18 933 052	43 995 453	10 962 971
SGR handling charges	-	-	-	-
SGR government support revenue	7 530 622 039	2 362 140 971	5 842 300 000	1 367 771 263
Commission earned	11 592 162	11 327 942	8 344 536	6 559 318
Finance arrangement	949	-	653	-
Miscellaneous revenue	980 135	15 878 158	612 740	9 194 070
Staff loan interest	2 209	9 794	2 209	5 671
Storage service revenue	10 848 538	9 100 456	8 897 324	5 269 517
Deferred tax income	-	4 374 024	-	2 532 729
Bad debts recovered	3 372 311	-	2 765 769	-
Foreign exchange gains	50 557 817	-	-	-
Revenue - Farmer card	98 466 750	-	66 914 095	-
17 Interest Income	**120 466 827**	**25 454 803**	**105 921 715**	**21 782 832**
Interest income	120 466 827	25 454 803	105 921 715	21 782 832
18 Staff costs	**2 592 227 766**	**525 170 815**	**2 072 276 630**	**427 007 051**
Basic salaries	1 157 922 834	226 424 438	917 955 322	175 574 708
Pension	132 206 438	27 774 848	106 351 939	21 307 716
Medical aid	86 456 673	25 631 989	68 658 104	21 494 879
Other payroll costs	962 585 103	188 410 197	764 219 021	158 323 933
Labour costs	76 659	17 215	50 863	16 132
Pension fund administration costs	7 632 468	2 084 372	5 890 082	1 589 646
Staff training	2 431 743	796 019	1 984 446	637 900
Medical expenses	7 891 703	192 475	6 182 208	173 107
GMB funeral fund employer contribution	144 260	31 165	83 387	24 099
Cash in lieu of leave	150 374 752	34 118 868	134 441 632	31 455 226
Staff welfare	56 534 109	12 017 327	44 479 262	9 823 115
Staff allocations	25 923 977	6 594 717	20 630 032	5 633 946
Severance pay - general staff	2 047 048	1 077 185	1 350 331	952 643

Notes to the Financial Statements
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		INFLATION ADJUSTED		HISTORICAL COST	
		March 2022	March 2021	March 2022	March 2021
		ZWL$	ZWL$	ZWL$	ZWL$
19	**Administration costs**	**4 143 938 561**	**1 814 775 457**	**3 440 352 875**	**802 104 398**
	Audit fees	224 072	7 622 515	581 960	3 453 377
	Bank charges	471 827 439	351 689 209	322 360 493	139 313 772
	Changes in allowance for credit loses	(18 101 975)	(74 768 220)	(2 784 231)	2 194 873
	Changes in damaged stock provision	850 544 958	461 221 904	964 718 670	267 065 376
	Changes in provision for audit cost	-	7 339 750	-	4 250 000
	Cleaning and sanitation	18 876 830	14 554 828	14 619 629	7 848 465
	Computer consumables	87 386 380	34 158 296	65 277 626	8 941 183
	Conferences and seminars	7 384 043	3 262 545	5 882 796	1 430 932
	Commission payable	-	33 613 429	-	17 451 272
	Depreciation	127 682 959	213 178 052	87 693 509	29 400 336
	Directors' fees	1 649 273	1 894 745	1 261 070	933 520
	Donation expense	43 243 387	35 088	41 044 693	18 048
	Electricity	73 553 692	44 978 516	55 807 387	19 317 051
	Entertainment	1 227 871	1 593 884	768 503	681 174
	Foreign travel and subsistence	584 685	288 869	343 930	133 654
	Fuels	121 830 936	76 638 991	96 386 406	35 524 057
	General expenses	112 913	9 414 074	96 480	4 484 539
	Grain fumigation costs	26 343 864	1 272 897	18 784 003	719 980
	Grain storage costs	83 023 171	-	54 191 451	-
	Hire of transport and equipment	4 017 114	995 102	3 349 990	447 545
	Insurance and licences	74 742 372	63 063 648	54 144 462	26 598 553
	Intermediated Money Transfer Tax (IMTT)	962 788 007	284 230 643	690 299 595	134 841 071
	Legal fees and costs	113 515 030	23 015 801	80 387 619	9 971 609
	Local travel and subsistence	184 772 862	71 096 869	146 008 260	34 445 052
	Local travel and subsistence-executive management	7 818 747	3 605 428	5 623 138	1 755 075
	Postage	761 692	956 892	608 714	468 161
	Printing and stationery	50 696 853	14 404 905	37 688 657	6 666 126
	Professional services	35 952 731	61 817 877	32 824 864	31 436 673
	Protective clothing	39 015 757	29 187 388	28 400 925	13 327 305
	Rates and water	125 257 071	91 809 262	101 137 273	47 405 474
	Rent payable	191 519 341	71 165 477	145 979 707	33 618 966
	Repairs and maintenance- commercial	338 158 423	83 176 487	255 789 205	44 171 150
	Repairs and maintenance - motor vehicles	108 442 937	60 070 115	80 286 384	29 858 001
	Repairs and maintenance- strategic grain reserve	138 226 628	74 977 331	110 080 892	28 523 840
	Security	-	355 353	-	130 674
	Social welfare	505 476	8 607	428 525	4 874
	Software and licence	9 366 689	22 615 805	8 234 436	12 729 693
	Stock loss recovery	(292 676 767)	(387 536 243)	(147 961 406)	(224 398 519)
	Subscriptions	5 788 469	5 843 050	4 708 084	2 678 574
	Teas and refreshments	58 849 351	24 268 374	45 527 198	11 457 295
	Telephones	30 954 897	20 809 699	23 824 761	9 395 861
	Uniforms	7 077 363	6 848 215	5 667 609	3 409 737
	Loss from exchange rates	50 993 022	-	279 605	-

Notes to the Financial Statements
for the year ended March 31, 2022

		INFLATION ADJUSTED		HISTORICAL COST	
		March 2022	March 2021	March 2022	March 2021
		ZWL$	ZWL$	ZWL$	ZWL$
20	**Selling & distribution costs**	**4 996 507 153**	**945 933 497**	**3 907 698 056**	**781 689 058**
	Promotions	7 420 966	569 490	4 748 111	509 315
	Advertising	42 167 527	11 469 019	30 133 037	9 670 447
	Internal transport out - commercial	809 326 660	139 230 309	665 133 599	125 295 706
	Internal transport out - SGR	4 120 458 812	766 161 338	3 193 260 587	625 072 339
	Port costs (SGR)	17 133 188	28 503 340	14 422 722	21 141 251
21	**Finance charges**	**6 585 517**	**334 641**	**4 747 299**	**239 117**
	Bank interest expenses	6 585 517	334 641	4 747 299	239 117

22 RELATED PARTIES

22.1 Nature of relationships

Name of entity	Relationship	Interested party
Strategic Grain Reserve	Manager	Government of Zimbabwe
Inputs credit scheme	Manager	Government of Zimbabwe
Silo Food Industries	Subsidiary	Grain Marketing Board
GMB pension fund	Contributor	Grain Marketing Board
GAMAS	Contributor	Grain Marketing Board
Vital wear	Project	Grain Marketing Board
Amajuba plantation	Project	Grain Marketing Board

		INFLATION ADJUSTED		HISTORICAL COST	
		March-2022	March-2021	March-2022	March-2021
		ZWL$	ZWL$	ZWL$	ZWL$
22.2	**Transactions with related parties**				
22.2.1	GMB pension fund contributions	**102 137 445**	**26 332 879**	**76 221 974**	**15 247 759**
	Executive management	6 487 540	1 672 605	4 841 448	968 503
	Senior management	31 727 734	8 179 983	23 677 413	4 736 528
	Middle to operational	63 922 171	16 480 291	47 703 113	9 542 728
22.2.2	**Directors remuneration**	**1 689 834**	**1 612 188**	**1 261 070**	**933 519**
	Board fees and allowances	1 689 834	1 612 188	1 261 070	933 519
22.2.3	**Key management remuneration**	**471 302 221**	**607 417 116**	**351 718 075**	**351 718 075**
	Short term benefits	469 233 765	604 751 278	350 174 452	350 174 452
	Long term benefits	2 068 456	2 665 838	1 543 624	1 543 624

The remuneration of key executive is determined by the Human Resources and Remuneration Committee having regard to the performance of individuals and market trends.

23 Going concern

The Directors have assessed the ability of the Board 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 the Board made a loss of ZWL 939,040,542. The Board does not believe that the losses will have a significant impact on its ability to continue operating as a going concern because of the continued funding it receives from the Government.

NOTES

GMB
GRAIN MARKETING BOARD
ASSURING FOOD SECURITY

179-187 Samora Machel Ave,
Eastlea,Box CY77 Causeway, Harare

Tel: +263 867 700 4941
Email: publicrelations@gmbdura.co.zw