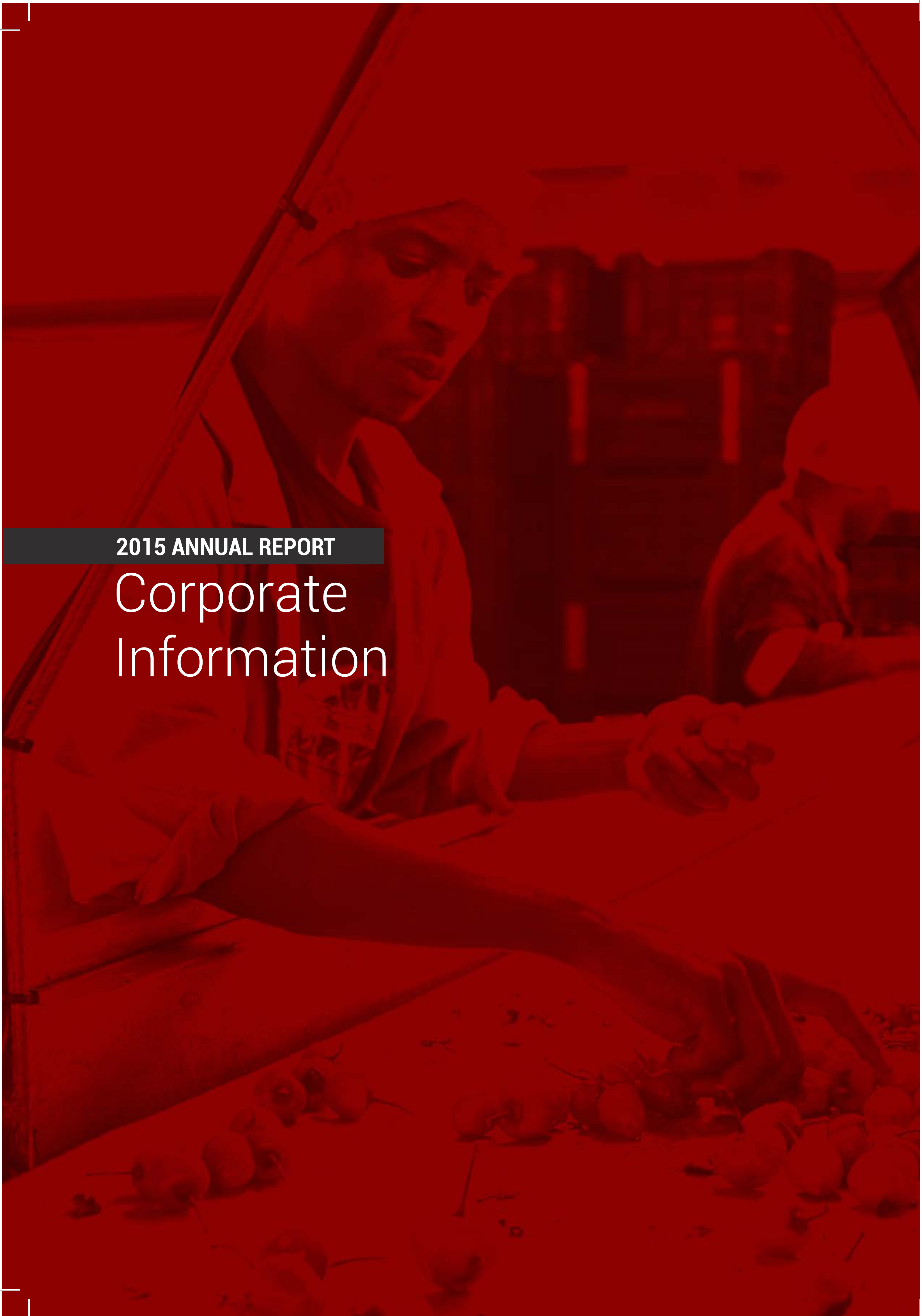
ZimTrade

Energising Zimbabwe's Export Growth

2015 ANNUAL REPORT



2015 ANNUAL REPORT

Corporate Information

About ZimTrade

ZimTrade, the national trade development and promotion organisation, is a unique joint venture partnership between the Private Sector and the Government of Zimbabwe. It was established in 1991.

Our Mandate

To energise Zimbabwe's export growth.

Our Aspiration

To contribute to Zimbabwe's growth and prosperity through developing and catalyzing viable and sustainable exports.

Our Values

Focused
Connected
Bold
Trusted

Principal Offices

HEAD OFFICE
904 Premium Close
Mount Pleasant Business Park
P.O. Box 2738
Harare
Tel: +263 (4) 369 330-41
+263 8677 000 374
Email: info@zimtrade.co.zw
Web: www.zimtrade.co.zw

REGIONAL OFFICE
48 JosiahTongogara Street
P.O. Box 3090
Bulawayo
Tel: +263 (9) 66151
+263 8677 000 378
Email: info@zimtrade.co.zw
Web: www.zimtrade.co.zw

Auditors

PKF CHARTERED ACCOUNTANTS (ZIMBABWE)
8th Floor, Takura House
67 Kwame Nkrumah Avenue
Harare

Legal Practitioners

DMH LEGAL PRACTITIONERS
6th Floor Goldbridge
Eastgate Complex
Harare

Bankers

CBZ BANK LIMITED
7 Selous Avenue
Harare

2015 ANNUAL REPORT

Highlights
of the year

MARCH

Training by Indian Institute of Foreign Trade (IIFT)

Delegates following proceedings at the Executive Development Programme on International Trade held in Bulawayo from 9 - 13 March 2015.

APRIL

Zim-EBIC Launch

Part of the Delegation at the inaugural launch of the Zim-EU Business Information Centre (Zim-EBIC) in Bulawayo in April.

ZimTrade holds a two day coaching on Competitive Intelligence

The coaching had 14 participants including representatives from the Ministry of Industry and Commerce, Livestock and Meat Advisory Commission as well as ZimTrade Staff.

MAY

ZimTrade exhibits at the ZITF

H. E. President Robert Mugabe sharing a lighter moment with a representative from Meprin Founders and Engineers during his tour of the ZimTrade stand. He was accompanied by the Zambian President, H. E. Edgar Lungu, Minister of Industry and Commerce, Hon. Mike Bimha and senior government officials.

ZimTrade retains ISO Certification

ZimTrade was successfully re-certified to the ZWS ISO 9001:2008 Quality Management System following an audit that was conducted in December 2014 and now boasts of more than twenty years of certification to the System.

JUNE

ZimTrade Facilitates the participation of Zimbabwean companies at Africa's Big 7, South Africa

ZimTrade successfully coordinated Zimbabwe's participation in the Africa's Big Seven (AB7) held at the Gallagher Convention Centre in Midrand, South Africa. Seven companies, drawn from the Horticulture and Processed Foods sectors took part in the event.

Zambia market survey launched.

Zimbabwe showscaes at Source Africa.

For the third consecutive year, Zimbabwe participated at Source Africa with a potential business estimated at US$1 million. The event was held in Cape Town, South Africa.

JULY

Zimbabwe wins award at Zambia Agricultural and Commercial Show (ZACS)

ZimTrade Operations Director, Mr. Allan Majuru, receives the trophy from the guest of honour, Malawian President, H. E. Peter Mutharika, for the **Best International Exhibit** during the ZACS 2015.

AUGUST

ZimTrade empowers Women Entrepreneurs

ZimTrade successfully conducted an export awareness seminar for women entrepreneurs, who are members of the Professional Women, Women Executives, and Business Women's Forum (PROWEB).

SEPTEMBER

ZimTrade facilitates registration of Zim companies on the UN Suppliers' List

Forty nine Zimbabwean companies were registered on the UN suppliers' list following the successful hosting of the United Nations Procurement Division (UNPD) vendor briefing and registration seminars held in Harare and Bulawayo

OCTOBER

ZimTrade hosts the 2015 Annual Exporters' Conference

Delegates following proceedings at the 2015 ZimTrade Annual Exporters' Conference held on 8 October in Harare.

2014 Exporter of the Year Awards held

Delegates following proceedings at the 2015 ZimTrade Annual Exporters' Conference held on 8 October in Harare.

NOVEMBER

Mozambique Inward Buyer Mission

Delegates follow proceedings during the Mozambique Inward Buyer Mission organised by ZimTrade.

Energising Zimbabwe's Export Growth

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the twenty third Annual General Meeting of ZimTrade will be held on **30 November 2016** at **0830 hours** in the Palm Court, at Meikles Hotel, Harare for the purpose of transacting the following business:

1. To confirm the Minutes of the Previous Annual General Meeting and consider the Matters Arising thereof
2. To receive the Chairman's Report for the year ended 31 December 2015
3. To receive and approve the Audited Financial Statements and the Auditors' Report for the year ended 31 December 2015
4. To approve the remuneration of the auditors for the year ended 31 December 2015
5. To reappoint PKF Chartered Accountants as auditors for the ensuing year
6. To elect two members of the Board.

In terms of Section 13 of the Constitution, Messrs. B. Moyo and Mr. J. Youmans are due for retirement by rotation. The two members offer themselves up for re-election.

Members are being advised that the Board is currently attending to strategic matters under its mandate, which require the continued contributions and input of the existing Board members in order to achieve the desired delivery timeframes and contributions of its members and the contribution of the retiring Board members is vital. The unfinished work among others include the completion of the drafting of the revised Constitution and compilation of a revised Trade Development Surcharge Collection Framework. Members are hereby requested to consider in their nomination and election to retain the current Board members for an additional term of two years, expiring on 31 August 2018.

NB: (Nomination forms are available at the addresses below).

*In terms of Section 18.4.5 of the ZimTrade constitution, a member entitled to attend and vote at this meeting is entitled to appoint a proxy to vote and speak in his/her stead. All proxy forms must be received by ZimTrade before **1600 hours** on **27 November 2016.** The forms are available at ZimTrade offices in Harare and Bulawayo.*

By Order of the Board

M. Moyo
COMPANY SECRETARY

HEAD OFFICE

904 Premium Close
Mt. Pleasant Business Park
Harare, Zimbabwe
+263 (4) 369330-41
+263 8677 000 374

REGIONAL OFFICE

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Bulawayo
Zimbabwe
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ZimTradeAlerts
ZimTrade Zimbabwe

2015 ANNUAL REPORT

Chairman's Report

LANCE JENA
Chairman

OVERVIEW

General economic performance remained depressed throughout the financial year compounded by the effects of low Foreign Direct Investment inflows, liquidity challenges, low exports, business failures, retrenchments as well as reduction in disposable income.

Whilst some businesses remained resolute, the adverse trading conditions experienced during the prior year persisted. Gross Domestic Product (GDP) growth projections for 2015 were reviewed from an initial estimate of 3.2% to 1.5% on the backdrop of drought induced poor performance of the agricultural sector. Commodity prices continued to decline unabated.

The manufacturing sector is estimated to be operating at an average capacity utilisation of 34.3% according to the 2015 Confederation of Zimbabwe Industries (CZI) Manufacturing Sector Survey Report. Performance of the sector continued to be affected by regional and international competition, with imports landing in the country at costs that are significantly below local production costs therefore impinging on viability of numerous players in the sector. Factors such as low local demand, capital constraints, antiquated plant and machinery as well as high cost of doing business also continued to contribute to the shrinkage of the sector.

The World Economic Forum Global Competitiveness Index (GCI) Report for 2015/16 revealed that Zimbabwe's position was largely unchanged moving from number 124 in 2014 to 125 in 2015 out of 144 countries on the global competiveness rankings.

Among other things, the above factors resulted in poor trade performance with a trade deficit of US$3.29 billion being recorded in 2015 against US$3.32 billion in 2014.

ZIMTRADE'S FINANCIAL PERFORMANCE

Total income for the year was US$2 595 816, which is 2% below total income for 2014 at US$2 651 700. The Trade Development Surcharge (TDS) remained the main source of income, contributing 95% of the total income. The Board continues to explore measures to ensure efficiency in the collection of the TDS, while also seeking to augment total income through diversifying the revenue streams.

Total expenditure for 2015 was US$2 422 009 representing an increase of 2%, compared to the previous year. Export development expenditure increased by 10% due to increase in the number of export development programmes implemented.

A net surplus of US$173 807 was recorded in 2015.

DIRECTORATE

At the 2015 Annual General Meeting, Messrs. W. Chigwada and A. Masenda were elected to the Board, replacing Messrs. S. Jabangwe and D. Norupiri. I would like to thank the former Board members for their effort during their tenure and wish them well in their future endeavours. May I also take the opportunity to welcome Messrs. W. Chigwada and A. Masenda to the Board.

OUTLOOK

Notwithstanding that all indications point to a difficult trading environment ahead, the Organisation remains guided by its Strategy with a focus on improving the Ease of Doing Export Business.

Efforts to explore relations with various Development Cooperation Partners will continue to be pursued.

ACKNOWLEDGEMENT

I wish to express appreciation to the Chief Executive Officer, Ms. S. P. Pilime and all employees for their dedication and commitment to duty in a difficult operating environment. I am also grateful to our Development Partners and my fellow Board members for their valuable contributions and support during the year.

Further, I wish to thank our parent Ministry, the Ministry of Industry and Commerce and all our other stakeholders for their continued support.

L. Jena
CHAIRMAN

HARARE
2 September, 2016

2015 ANNUAL REPORT

In The News

India backs Zim exports

The Chronicle
8 March, 2015

Six SMEs to exhibit under ZimTrade at ZITF

The Sunday News
8 March, 2015

ZimTrade on drive to boost trade

The Financial Gazette
19 March, 2015

ZimTrade seeks export barriers elimination

The Financial Gazette
9 July, 2015

ZimTrade calls for removal of non-tariff barriers

ZIMBABWE's foreign trade promotion body, ZimTrade, says there ...ed to streamline the country's ...gulatory framework as part of critical steps in narrowing the $3 billion trade deficit.

An outdated or improperly constituted regulatory framework can act as a barrier to effective trade.

ZimTrade CEO Ms Sithembile Pilime said there was need for a complete review of the country's regulatory structure to ensure that it is not inadvertently hindering the country's exports.

"We need to address our regulatory framework, let's not put obstacles in the way of our exporters — non-tariff barriers we call them," she said.

Non-tariff barriers to trade include import quotas, special licences, unreasonable standards for the quality of goods, bureaucratic delays at customs, export restrictions, limiting the activities of state trading, export subsidies, countervailing duties, technical barriers to trade, sanitary and phyto-sanitary measures, and rules of origin among others.

Ms Pilime said a macro-perspective approach to dealing with trade deficit was required.

"Of course, we have to address the issue of enablers, electricity supply, water, and quite a number of issues. We need to bring in foreign direct investment as well as local investment, a significant portion of which should go towards renewing machinery.

"We recently went to the opening of the refurbished CAPRI plant and they are now utilising 100 percent of their capacity, they have automated and they have increased their product range to refrigerators as they were only exporting freezers. S... while some local firms might hav... the resources others need suppo... from FDI inflows," she said.

"A reasonable trade deficit cause... by capital equipment for use of loca... industry is nothing really, but w... can't talk of a $3 billion defic... caused by importation of consum...ables."

According to ZimTrade, recapi...talisation of local industry will g... a long way to raise the country'... exports into the region, which ha... a "strong" and "ready" market fo... Zimbabwean goods.

"Our products have got huge demand in the region. Some products may require a bit of adapting here and there to the intended market. But the demand is there, and companies also have to keep researching on the niches in these markets," said Ms Pilime. — BH24.

The Herald
14 July, 2015

ZimTrade to host buyers from Mozambique

Posted On 04 Aug 2015 By : New Ziana Comment: 0

Harare -The country's trade promotion body ZimTrade is planning to host a delegation of selected buyers from Mozambique from November 3 to 5 this year as it seeks to increase business and avail export markets for local manufacturers.

In a statement, ZimTrade said the buyers would visit selected companies in Harare, Bulawayo and Kwekwe, depending on areas of interest.

"ZimTrade conducted a preparatory visit to Tete, Mozambique in August last year to mobilise and invite targeted buyers and some of the companies and business organisations in Tete expressed interest to do business with Zimbabwean companies and were willing to come to Zimbabwe," it said.

"ZimTrade will match-make identified buyers with local suppliers for possible business deals," it added.

BH24
4 August, 2015

The Herald
16 June, 2015

ZimTrade to release Zambia market research findings

Business Reporter

ZIMTRADE will disseminate findings of the Zambia Market Research on June 25 in Harare and June 26 in Bulawayo,.

The research, conducted in April this year, was aimed at generating specific information on possible export products to consider for the Zambian market.

In addition, the research gathered other market-related intelligence, which would enhance the prospects of market penetration for Zimbabwean products.

This market exploratory initiative will help ZimTrade to provide up-to-date trade intelligence to Zimbabwean companies particularly existing and potential exporters.

The research identified opportunities for local products and services in sectors such as building and construction, mining, agricultural implements and inputs, hardware, protective clothing, processed foodstuffs, packaging materials, tourism and human capital skills, among others.

Zimbabwe's exports to Zambia comprise plastic products; iron and steel products; agricultural equipment and implements; cement; paper and wood products, medicaments; alcoholic and nonalcoholic beverages; sugar confectionery; food preparations; edible oils; chemicals; and, fertilisers; among others.

According to Zimstat, Zambia was the fourth largest export destination for Zimbabwean products accounting for 3,3 percent and 3,4 percent of total exports in 2013 and 2014 respectively.

In its efforts to further facilitate companies to tap into the Zambian market and consolidate their presence,

NewsDay
9 July, 2015

ZimTrade urges SMEs to rely on sound business plans

BY MTHANDAZO NYONI

BULAWAYO — The country's export promotion body, ZimTrade, has urged small and medium enterprises (SMEs) to create trans-generational wealth by having businesses that are run based on a sound business plan.

Zimbabwe's economy is in deep distress and most companies have closed down, forcing millions of people into the informal sector.

A FinScope SME survey carried out in the last quarter of 2012, indicated that 2,8 million people in the informal sector were business owners.

However, the body noted that Zimbabwe's SMEs were facing several challenges which include poor technological capacity to keep pace with the dynamics of local and international trade, intensified competition in domestic, regional and global markets, a rapidly shrinking domestic market and limited participation in global value chains.

In a monthly newsletter, ZimTrade's associate trainer, Dennis Choguya, said bankable business plans could help SMEs attract funding and investment, and "therefore, be able to outlive retirement or death of the owners".

He also advised them to consider exports if they were to grow their businesses and subsequently create trans-generational wealth.

ZimTrade's SME export development manager, Allan Majuru, highlighted export opportunities existing in the Angolan and Mozambican markets and advised participants to utilise ZimTrade services.

Angola and Mozambique have business opportunities in construction and construction materials, manufactur[illegible] agricultural implements, fashion [illegible] protective clothing.

There are also opportunities in meat, fresh produce and professional services (extension services, teachers, artisanal skills) among others.

The Herald
26 August, 2015

Swedish market presents opportunities for Zim

Business Reporter

ZIMTRADE, together with the Swedish Embassy in Zimbabwe and Open Trade Gate Sweden (OTGS), will host a one day seminar on how to export to Sweden, on September 2 2015 in Harare.

The seminar seeks to raise awareness on the rules and requirements for exporting from Zimbabwe to Sweden as well as to the European Union.

Furthermore, the seminar will provide requisite market intelligence to assist Zimbabwe companies with a potential to penetrate these markets.

OTGS is a free of charge one-stop information centre that was set up by the Swedish government as a public service to exporters from developing countries.

It facilitates exports from developing countries to Sweden. Based on an analysis of Swedish imports, sectors identified for possible export to Sweden by Zimbabwe are fresh produce, processed foods, clothing and textiles, among others. Companies in these sectors are encouraged to participate in the Seminar.

According to Trade Map, Sweden imported $1,97 billion worth of fresh produce, $5,56 billion of processed foods and $4,9 billion of clothing and textiles from the world in 2014.

However, Trade Map indicates that there are currently no exports of these products from Zimbabwe to Sweden.

This presents a potential for Zimbabwean companies producing these products to explore the Swedish market. Companies with potential to export to Sweden are urged to utilise the Zimbabwe-EU Business Information Centre, which is housed at ZimTrade.

The centre provides up-to-date information on accessing the European Union market of which Sweden is member.

The Financial Gazette
13 August, 2015

COMPANIES & MARKETS

ZimTrade targets SMEs

Mandla Tshuma

[illegible]

Zim's economy is now dominated by SMEs

BH24
9 September, 2015

ZimTrade prioritises women empowerment

Posted On 09 Sep 2015 By : silence muchemwa Comment: 0

Munesu Nyakudya BH24 Reporter

ZimTrade will continue to prioritise women empowerment by ensuring that they get adequate information on exports, a ZimTrade official has said.

ZimTrade operations director, Mr Allan Majuru told participants at an export awareness seminar for women entrepreneurs, which was held in Harare recently, that they want women to be involved in exports.

"ZimTrade has a deliberate policy to empower women entrepreneurs through promoting their inclusion in export trade," Mr Majuru.

Under the policy, Mr Majuru said women are provided with the requisite skills to assess their export readiness, identify export opportunities, business planning and cash flow management.

"Relying on one market is a big risk for any business, should something happen in that market or with that customer, the impact might negatively affect your business. In addition, it would take time to find new markets/customers", he said.

2015 ANNUAL REPORT

Chief Executive Officer's Report

SITHEMBILE P. PILIME
Chief Executive Officer

INTRODUCTION

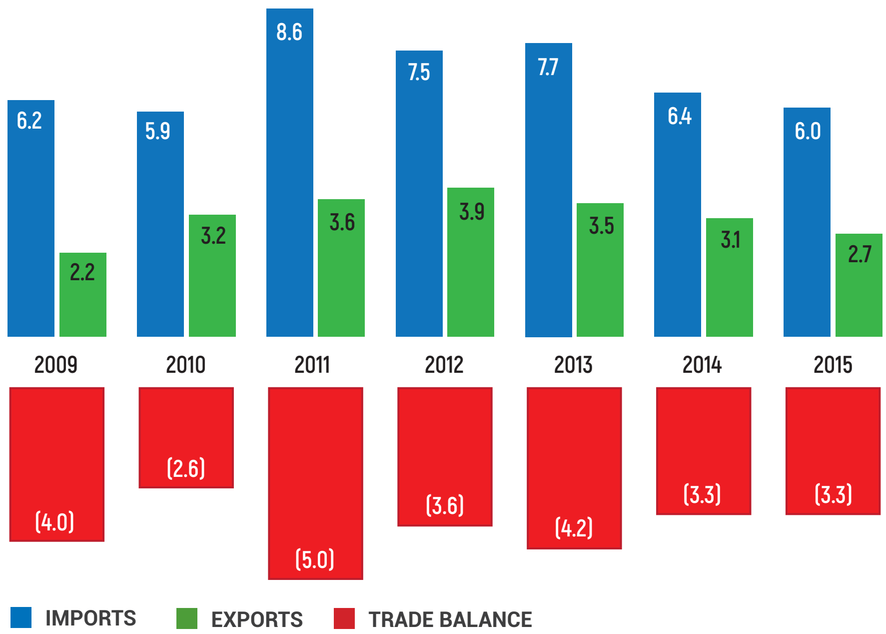
The business operating environment during 2015 remained extremely constrained, with some of the companies across key export sub-sectors closing shop whilst others reported a continued decline in volumes.

Zimbabwean exporters continued to suffer from: high costs of production; *high transportation costs; prohibitive requirements for multiple export licences/permits and costs thereof; as well as cumbersome and expensive product registration processes.*

TRADE PERFORMANCE

In 2015, total exports were US$2.7 billion, having declined by 11.7% from the export value recorded in 2014 and total imports were US$6 billion, having declined by 6% compared to 2014. As is shown in Figure1, since the adoption of the Multicurrency Regime, Zimbabwe has experienced a trade deficit position in the last 7 years, owing to imports far outstripping exports.

FIGURE 1: TRADE PERFORMANCE (US$ BILLION)



There is, therefore, a critical need for intervention measures to lower the costs of production as well as to improve the ease of doing export business in order to enhance our trade performance.

OPERATIONS

During the period under review, ZimTrade continued to support the development and promotion of exports through various interventions. Some of the major interventions undertaken include:

Zimbabwe European Union Business Information Centre (Zim-EBIC)

ZimTrade received support from the European Union under the Trade and Private Sector Development Programme (TPSDP), which was implemented by the International Trade Centre (ITC). This resulted in the establishment of the Zimbabwe-EU Business Information Centres (Zim-EBIC), at our Harare and Bulawayo offices. The platforms have gone a long way in improving service delivery to our clients.

Capacity Building

Over 200 SMEs were successfully trained under the Marketing and Branding for International Competitiveness (MBIC) programme, also a component of the TPSDP. Feedback from participants has been positive and the training has enhanced their understanding of the export business. In addition, the Indian Institute of Foreign Trade conducted a capacity building programme to enhance the understanding of best international trade practices.

United Nations Procurement Division (UNPD) Vendor Registration Seminars

Seminars on how local companies can register to supply goods to the United Nations, were hosted in collaboration with the United Nations Procurement Division. Over fifty (50) companies managed to register on the UN vendor roster and are now eligible to participate in the UN tender processes.

Export Market Surveys

Export market surveys were conducted in Zambia and Namibia to identify trade opportunities and to gather related market information so as to provide guidelines to existing and potential exporters to penetrate the markets.

Annual Exporters' Conference

ZimTrade successfully held the Exporters' Conference and Exporter of the Year Awards under the Theme: **"Building Enterprise Competitiveness for Export".** Resolutions focused on the need to simplify export processes and leveraging on the export of services.

Trade Fairs and Missions

ZimTrade facilitated the participation of local manufacturing companies in the Zambia Agriculture and Commercial Show, Source Africa, Africa's Big Seven, among others. Companies have found these Fairs to be useful and business of about US$2,8 million was realised.

ZimTrade hosted a Mozambique Inward Buyer Mission that successfully engaged with manufacturers in Harare, Kwekwe and Bulawayo. The buyers registered interest in sourcing various products such as: mining supplies; building and construction materials; fast moving consumer goods, as well as engineering products and services.

PERFORMANCE IMPROVEMENT ROAD MAP

ZimTrade, with the assistance of the International Trade Centre, continued to implement the Performance Improvement Road Map (PIRM), whose objectives include: building leadership and direction skills, aligning the organisation's mandate to clients' needs, capacity strengthening to efficiently and effectively deliver our services as well as to improve measurement systems. In line with these objectives, in 2015, ZimTrade reviewed its service portfolio according to client needs (client segmentation); developed a performance management system and retained its certification to ISO Quality Management System, among others. These efforts are aimed at equipping ZimTrade to deliver valued services for greater impact.

OUTLOOK

Subdued commodity prices and strengthening of the USD against the currencies of our major regional trading partners will limit growth of our exports. There is need to focus on the export of value added products as these are less susceptible to international market shocks. Global growth is being derailed by the sluggish recovery of advanced economies, further affecting our ability to penetrate international markets. It is important to buttress short- and long-term policy measures in order to build confidence and set the economy towards a sustainable growth trajectory.

APPRECIATION

My appreciation goes to our valued clients, who are the mainstay of our success in this challenging environment. I am also grateful to the commitment offered by the Board, the Ministry of Industry and Commerce, Management and Staff in ensuring the attainment of our goals.

I also extend my profound appreciation to our Development Partners and Sponsors for their continued support towards fulfilling our mandate.

S. P. Pilime (Ms.)
CHIEF EXECUTIVE OFFICER

2015 ANNUAL REPORT

Corporate Governance

INTRODUCTION

The primary objective of any system of good corporate governance is to ensure that persons charged with stewardship of an organisation carry out their mandate faithfully, ethically, effectively and efficiently.

ZimTrade recognises the need to conduct business in line with best corporate governance practices. The Board is, therefore, committed to maintaining the highest standards of Corporate Governance and is guided by the principles of sound corporate governance applicable in Zimbabwe.

The Organisation's policies and procedures are continually being assessed and reviewed to ensure compliance with statutes, regulations and best practice.

BOARD OF DIRECTORS

The Board comprises nine Non-Executive Directors and two Executive Directors. In terms of section 11 of the ZimTrade Constitution, 4 of the Directors are elected by the ZimTrade members at Annual General Meetings (AGMs) and 5, including the Chairman, are appointed by the Minister of Industry and Commerce in the Government of Zimbabwe. The Chief Executive Officer as well as the Finance Director are ex-officio members of the Board. The Finance Director is the Secretary to the Board.

According to the Constitution, 2 of the Directors elected at the AGM retire after two years; 3 of the Directors appointed by the Minister retire after the first two years with the remaining two retiring after the second two years in office.

RESPONSIBILITIES OF THE BOARD

The Board of Directors is governed by the Constitution which spells out its duties and responsibilities. The Board is responsible for giving direction to the Organisation through setting of the overall strategy, key policies and risk parameters. It is also responsible for approving strategic and operational budgets as well as acquisitions and disposals. The Board constituted the Export Development, Finance & Audit and Human Resources & Premises Committees to assist it in the discharge of its responsibilities.

Membership of each of the Board Committees comprise three Non-Executive Directors, with one of them chairing. The Board Committees are charged with specific responsibilities under their respective Terms of Reference. Committee chairmen report on the proceedings of their committees at the next meeting of the Board.

Finance and Audit Board Committee

The Committee comprises 3 non-executive Directors and meets at least four times per year. The Committee is charged with the key corporate governance issues such as risk management, review of the effectiveness of internal controls, budget approval and review, compliance as well as considering internal and external audit reports. The committee meets annually with the Company's external auditors to discuss accounting, auditing, financial reporting and risk management matters. The external and internal auditors have unrestricted access to the Committee.

Human Resources and Premises Board Committee

The Committee comprises 3 non-executive Directors and meets at least four times per year. The Committee is responsible for the assessment and approval of the Organisation's remuneration strategy and to review the short-term and long-term remuneration of executive directors and senior executives. In addition, the Committee is responsible for matters relating to the Organisation's premises.

Export Development Board Committee

The Committee comprises 3 non-executive Directors and meets at least four times per year. The Committee assists the Board through providing strategic direction in the development and review of the Annual Work Programme.

CONFLICT OF INTEREST

Each Director is required to notify of actual and potential conflicts of interest to the Board as soon as they become aware of them. Every Director signs a Declaration of Interest Form each quarter before the main Board meeting.

ATTENDANCE AT MEETINGS OF THE BOARD AND BOARD COMMITTEES IN THE 2015 FINANCIAL YEAR.

During the period under review, 4 scheduled and 1 ad-hoc Board meetings were held. During the same period, 12 scheduled and 2 ad-hoc Board Committee meetings were held.

Scheduled Board and Board Committee meetings Attendance Record

MAIN BOARD

Board Member	Attendance
L. Jena	4/4
S. P. Pilime	4/4
T. Marufu***	1/1
W. Chigwada*	2/2
S. Jabangwe**	2/2
H. Kuzvinzwa	3/4
B. Mafusire	4/4
A. Masenda*	2/2
B. Moyo	3/4
O. Mutizhe	4/4
D. Norupiri**	2/2
J. Youmans	3/4
C. Zhanje	3/4

EXPORT DEVELOPMENT BOARD COMMITTEE

Board Member	Attendance
B. Moyo	4/4
S.P Pilime	4/4
T. Marufu***	1/1
C. Zhanje	3/4
J. Youmans	3/4

FINANCE AND AUDIT BOARD COMMITTEE

Board Member	Attendance
O. Mutizhe	4/4
S. P. Pilime	4/4
T. Marufu***	1/1
W. Chigwada*	2/2
D. Norupiri**	2/2
L. Jena	4/4

HUMAN RESOURCES & PREMISES BOARD COMMITTEE

Board Member	Attendance
H. Kuzvinzwa	4/4
S. P. Pilime	4/4
T. Marufu***	1/1
S. Jabangwe**	2/2
B. Mafusire	4/4
A. Masenda*	2/2

S. P. Pilime and M. Moyo are ex-officio members of the Board.

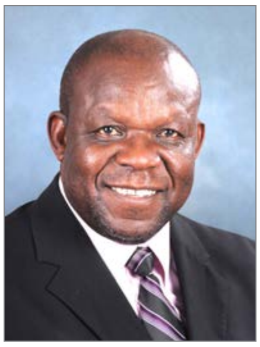
*	*W. Chigwada and A. Masenda were elected to the Board on 27 August 2015.*
**	*S. Jabangwe and D. Norupiri stepped down from the Board on 27 August 2015.*
***	*T. Marufu was Acting Company Secretary following the departure of the substantive Company Secretaries (P. Changunda resigned effective 17 July 2015 and D. Madzivazhira left effective 30 November 2015)*

M. Moyo
COMPANY SECRETARY

HARARE - 2 September, 2016

2015 ANNUAL REPORT

Board of Directors

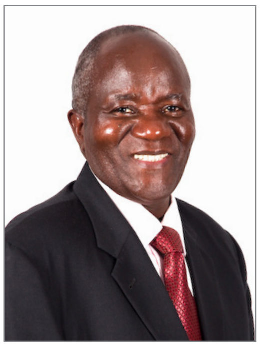


L. Jena
CHAIRMAN

S. P. Pilime (ex-officio)
CHIEF EXECUTIVE OFFICER

M. Moyo (ex-officio)
COMPANY SECRETARY
Appointed 01/04/2016

W. Chigwada
NON-EXECUTIVE



H. Kuzvinzwa
NON-EXECUTIVE

B. Mafusire
NON-EXECUTIVE

A. Masenda
NON-EXECUTIVE

B. Moyo
NON-EXECUTIVE

O. Mutizhe
NON-EXECUTIVE

J. Youmans
NON-EXECUTIVE

C. Zhanje
NON-EXECUTIVE

Senior Management

S. P. Pilime
CHIEF EXECUTIVE OFFICER

A. Majuru
DIRECTOR-CLIENT SERVICE DELIVERY

M. Moyo
DIRECTOR-FINANCE

N. Savado
DIRECTOR-HUMAN RESOURCES AND ADMINISTRATION

D. Chinamasa
MONITORING AND EVALUATION EXECUTIVE

D. Kamutenga
MANAGER-COMMUNICATIONS

V. Mafu
MANAGER-EXPORT PROMOTION

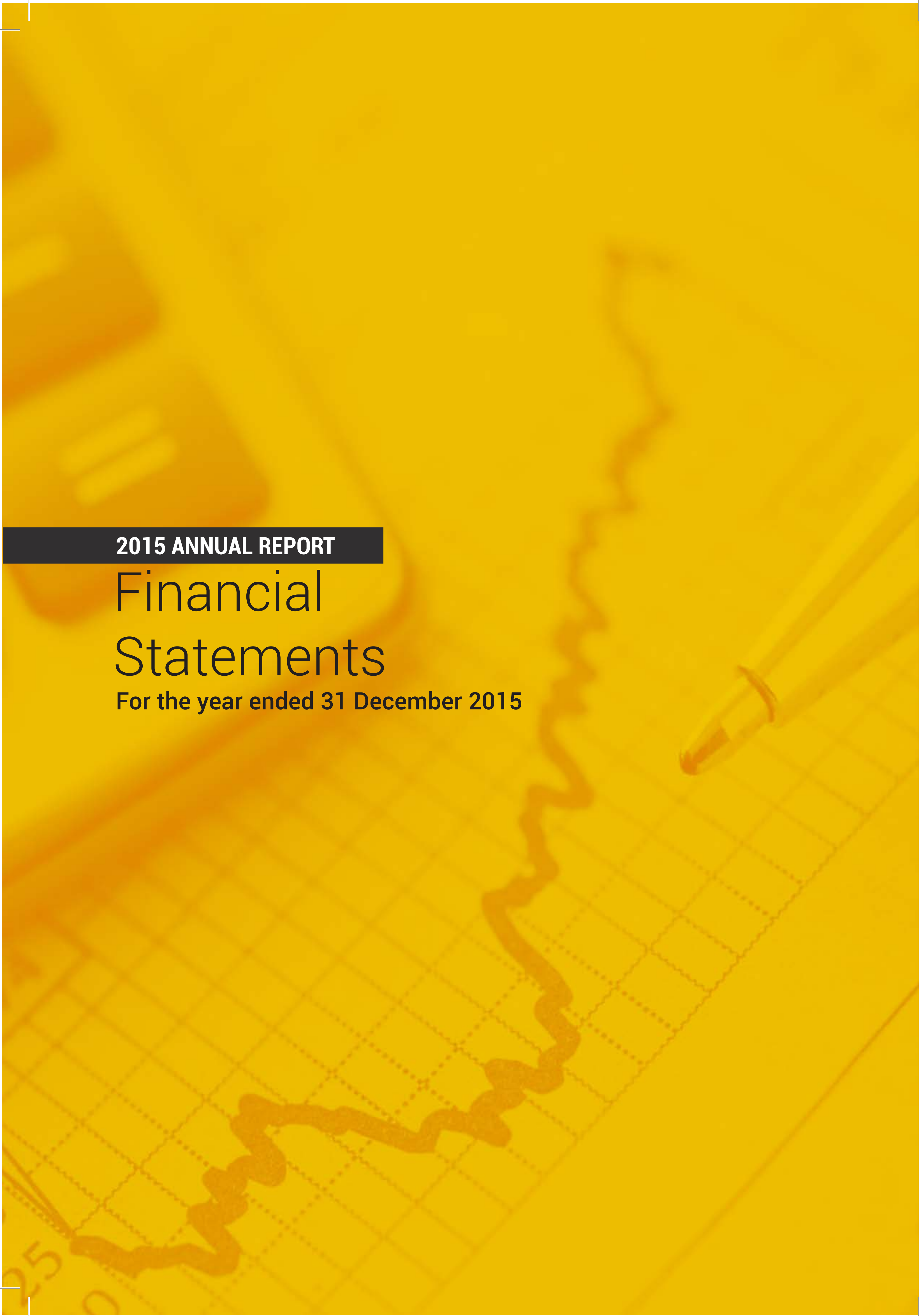
T. Marufu
MANAGER-FINANCE

T. Mbizvo
MANAGER-ICT

P. Muzenda
MANAGER-EXPORT DEVELOPMENT

S. Nkala
MANAGER-REGIONAL OFFICE

C. Tsimba
MANAGER-MARKET INFORMATION



2015 ANNUAL REPORT

Financial Statements

For the year ended 31 December 2015

Directors' Responsibilitiy and Approval

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

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The directors have reviewed the organisation's cash flow forecast for the year to 31 December 2016 and, in the light of this review and the current financial position, they are satisfied that the organisation has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the organisation's financial statements. The financial statements have been examined by the organisation's external auditors and their report is presented on page 26. The financial statements set out on pages 27 to 47, which have been prepared on the going concern basis, were approved by the board of directors on 2 September 2016 and were signed on its behalf by:

Approval of financial statements.

L. Jena
CHAIRMAN

S. P. Pilime (Ms.)
CHIEF EXECUTIVE OFFICER

2 September, 2016

chartered accountants
& business advisers

Independent Auditor's Report

To the members of ZIMTRADE

Report on the Financial Statements

We have audited the financial statements of ZIMTRADE, which comprise the statement of financial position as at 31 December 2015, and the statement of surplus or deficit and other comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 27 to 47.

Directors' Responsibility for the Financial Statements
The organisation's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and requirements of the organisation's constitution, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of ZIMTRADE as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 15 to the financial statements on Value Added Tax.

Report on legal and regulatory requirements
In our opinion, the financial statements of ZIMTRADE comply in all material respects, with the Trade Development Surcharge Act 1991 and the organisation's constitution.

PKF

PKF Chartered Accountants (Zimbabwe)
Harare

2 September 2016

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Eighth Floor, Takura House | 67 Kwame Nkrumah Avenue | Harare
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Statement of Financial Position

as at 31 December 2015

	Note	2015 $	2014 $
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	722,246	713,577
Current Assets			
Trade and other receivables	3	64,174	49,297
Prepayments		29,643	19,226
Inventory	4	17,819	18,206
Cash and cash equivalents	5	1,456,061	1,293,582
		1,567,697	1,380,311
Total Assets		2,289,943	2,093,888
RESERVES AND LIABILITIES			
Reserves			
Revaluation reserves		70,476	70,476
Accumulated surplus		2,058,337	1,884,530
		2,128,813	1,955,006
Liabilities			
Current Liabilities			
Trade and other payables	6	161,130	138,882
Total Reserves and Liabilities		2,289,943	2,093,888

The financial statements and the notes on pages 27 to 47 were approved by the Board of Directors on 2 September, 2016 and were signed on its behalf by:

L. Jena
CHAIRMAN

S. P. Pilime (Ms.)
CHIEF EXECUTIVE OFFICER

2 September, 2016

Statement of Surplus or Deficit and Other Comprehensive Income

for the year ended 31 December 2015

	Note	2015 US$	2014 US$
REVENUE			
Trade development surcharge		2,470,450	2,461,486
Finance income		42,349	65,422
Fees for services and publication sales		31,710	21,542
Donations		23,000	50,567
Event participation fees		24,997	18,638
Other income		3,310	34,045
		2,595,816	2,651,700
OPERATING EXPENSES	8		
Board and governance expenses		(103,500)	(103,714)
Employment expenses- administration		(287,743)	(337,660)
Employment expenses- direct export development		(662,144)	(708,947)
Direct export development expenses		(946,305)	(858,043)
General administration expenses		(422,317)	(374,030)
		(2,422,009)	(2,382,394)
Surplus for the Year		**173,807**	**269,306**
Other comprehensive income		-	-
Total comprehensive income for the year		**173,807**	**269,306**
Total comprehensive income		173,807	269,306

Statement of Changes in Reserves

for the year ended 31 December 2015

	Non Distributable Reserve US$	Revaluation Reserve US$	**Total Reserves US$**	Accumulated Surplus US$	**Total US$**
Balance at 1 January 2014	**345,826**	**70,476**	**416,302**	**1,269,398**	**1,685,700**
Surplus for the year	-	-	-	269,306	269,306
Transfer to retained earnings	(345,826)	-	(345,826)	345,826	-
Balance at 31 December 2014	**-**	**70,476**	**70,476**	**1,884,530**	**1,955,006**
Balance at 1 January 2015	-	**70,476**	**70,476**	**1,884,530**	**1,955,006**
Surplus for the year	-	-	-	173,807	173,807
Other comprehensive income	-	-		-	-
Total comprehensive income for the year	-	-	-	173,807	173,807
Balance as at 31 December 2015	**-**	**70,476**	**70,476**	**2,058,337**	**2,128,813**

Statement of Cash Flows

for the year ended 31 December 2015

	Note	2015 US$	2014 US$
Cash flows from operating activities			
Surplus for the year		173,807	269,306
Adjustments for:			
Depreciation and amortisation		216,328	176,537
Loss on disposal of property, plant and equipment		5,717	8,649
Interest received		(42,349)	(65,422)
Changes in working capital:			
Decrease (increase) in inventories		387	(11,625)
Increase in trade and other receivables		(14,877)	(10,622)
Increase in prepayments		(10,417)	(1,866)
Increase in trade and other payables		22,248	89,498
		350,844	**454,455**
Interest income		42,349	65,422
Net cash from operating activities		**393,193**	**519,877**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(264,756)	(338,691)
Sale of property, plant and equipment	2	34,042	8,081
Net cash from investing activities		**(230,714)**	**(330,610)**
Total cash movement for the year		**162,479**	**189,267**
Cash at the beginning of the year		1,293,582	1,104,315
Total cash at end of the year	**5**	**1,456,061**	**1,293,582**

Accounting Policies
for the year ended 31 December 2015

1. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with International Financial Reporting Standards, and the organisation's Constitution. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in US Dollars.

These accounting policies are consistent with the previous period.

1.1 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is used in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

Accounts receivable

The organisation assesses its receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in the financial statements, the organisation makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Residual values and useful lives

The organisation is required to assess the remaining useful lives of its property, vehicles and equipment on an annual basis. This affects the amount of depreciation that is recognised in the Statement of financial position. Management assessed residual values at nil for equipment as it intends to use the assets until the end of their economic useful lives.

Impairment testing

The organisation assesses its property, vehicles and equipment at each reporting date. Impairment testing is an area involving management's judgement, requiring assessment as to whether the carrying amount of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate.

1.2 PROPERTY, PLANT AND EQUIPMENT

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

- it is probable that future economic benefits associated with the item will flow to the organisation; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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

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

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

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

Accounting Policies (continued)
for the year ended 31 December 2015

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

Item	Average useful life
Computer equipment	33% per annum
Furniture and fittings	10% per annum
Freehold buildings	2% per annum
Leasehold improvements	33% per annum
Motor vehicles	25% per annum
Office equipment	10% per annum

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

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

Derecognition of property, plant and equipment
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from the use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.3 LEASEHOLD IMPROVEMENTS
Leasehold improvements are depreciated on a straight line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease. Leasehold improvements do not include maintenance and repairs done in the normal course of the business. Leasehold improvements do not have a residual value. Improvements made in lieu of rent should be expensed in the period incurred.

1.4 FINANCIAL INSTRUMENTS

Classification
The organisation classifies financial assets and financial liabilities into one of the following categories discussed below, depending on the purpose for which the asset was acquired. The organisation has not classified any of its financial asssets as held to maturity

- Loans and receivables
- Cash and cash equivalents
- Financial liabilities measured at amortised cost

Initial recognition and measurement
Financial instruments are recognised initially when the organisation becomes a party to the contractual provisions of the instruments.

The organisation classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Accounting Policies (continued)

for the year ended 31 December 2015

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest rate method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the organisation has transferred substantially all risks and rewards of ownership. Gains and losses are recognised in statement of profit or loss when the financial assets are derecognised or impaired.

Impairment of financial assets

At each reporting date the organisation assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the organisation, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale. Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account.

Subsequent recoveries of amounts previously written off are credited against operating expenses.

Loans to employees

These financial assets are classified as loans and receivables.

Trade and other receivables

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

Accounting Policies (continued)

for the year ended 31 December 2015

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

Trade and other receivables are classified as loans and receivables.

Trade and other payables

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

Cash and cash equivalents

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

1.5 INCOME TAX

The organisation is not liable for income tax as it is exempt in terms of the 3rd Schedule of the Income Tax Act (Chapter 23:06).

1.6 LEASES

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

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.7 DECREASE IN INVENTORIES

The Organisation's inventories comprise of stationery and fuel coupons. Inventories are initially measured at cost and are subsequently stated at the lower of cost and net realisable value.

1.8 IMPAIRMENT OF ASSETS

The organisation assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the organisation estimates the recoverable amount of the asset. If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

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

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

Accounting Policies (continued)

for the year ended 31 December 2015

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

1.9 EMPLOYEE BENEFITS

Short-term employee benefits

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

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

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

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.10 PROVISIONS AND CONTINGENCIES

Provisions

Provisions are recognised when:

- the organisation has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- and
- a reliable estimate can be made of the obligation.

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

Provisions are not recognised for future operating surpluses.

Contingent assets

Contingent assets are possible assets whose existence will only be confirmed by future events not wholly within the control of the organisation and are not recognized as assets until the realisation of income is virtually certain.

Contingent liabilities

Contingent liabilities are potential obligations that arise from past events and whose existence will only be confirmed by the occurence of one or more uncertain future events that, however, are beyond the control of the organisation. Furthermore, present obligations may constitute contingent liabilities if it is not probable that an outflow of resources will be required to settle the obligation, or a sufficiently reliable estimate of the amount of the obligation cannot be made.

Provision for this litigation would be made at such a time as an unfavourable outcome becomes probable and the amount reasonable estimated.

1.11 REVENUE

Revenue comprises the fair value of consideration received or receivable for services in the ordinary course of the organisation's activities. Revenue is recognised as follows:

Accounting Policies (continued)
for the year ended 31 December 2015

Trade development surcharge levy
The trade development surcharge levy is accounted for on a receipt basis. The Trade development surcharge levy is calculated at 0.1% of free on board value of goods. The surcharge is collected by banks on behalf of the organisation and the Trade Development Surcharge Act does not give ZimTrade absolute control over what is recorded by the banks.

Government grants
The organisation's government grants are related to income. These are recognised in profit and loss on a systematic basis over the period in which the organisation has expensed the related costs for which the grants are intended to compensate.

Donations
Donations are recognised on a receipt basis.

Interest income
Interest income is recognized on a time proportion basis taking account of the principal outstanding and effective rate over the period to maturity.

Other income
Other income is recognised on an accrual basis.

1.12 TRANSLATION OF FOREIGN CURRENCIES

Foreign currency transactions
A foreign currency transaction is recorded, on initial recognition in US Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:
- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in US Dollars by applying to the foreign currency amount the exchange rate between the US Dollar and the foreign currency at the date of the cash flow.

1.13 CHANGES IN ACCOUNTING POLICY

The financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

1.14 NEW STANDARDS AND INTERPRETATIONS

1.13.1 Standards and interpretations effective and adopted in the current year

IAS 1 Presentation of Financial Statements

Amendments clarifying the requirements for comparative information including minimum and additional comparative information required.

Accounting Policies (continued)
for the year ended 31 December 2015

IAS 24 Related Party Disclosure
Annual improvements 2010-2012 cycle: Amendments to the definitions and disclosure requirements for key management personnel.

IAS 32 Financial Instruments : Presentation
Amendments require entities to disclose gross amounts subject to rights of set-off, amounts set off in accordance with the accounting standards followed, and the related net credit exposure. This information will help investors understand the extend to which an entity has set off in its balance sheet and the effects of rights of set-off on the entity's rights and obligations.

IAS 36 Impairment of Assets
Amendments to address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

1.14.2 Standards and interpretations not yet effective

The organisation has decided not to early adopt the following standards and interpretations, which have been published and are mandatory for the organisation's accounting periods beginning on or after 1 January 2016 and or later periods.

IFRS 9 Financial Instruments
A finalised version of IFRS 9 has been issued which replaces IAS 39 Financial Instruments: Recognition and Measurement. The completed standard comprises guidance on Classification and measurement, Impairment Hedge Accounting and Derecognition:

a) IFRS 9 introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics. A new business model was introduced which does allow certain financial assets to be categorised as "fair value through other comprehensive income" in certain circumstances. The requirements for financial liabilities are mostly carried foward unchanged from IAS 39. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk.
b) The new model introduces a single impairment model being applied to all financial instruments, as well as an "expected credit loss" model for the measurement of financial assets.
c) IFRS 9 contains a new model for hedge accounting that aligns the accounting treatment with the risk management activities of an entity, in addition enhanced disclosures will provide better information about risk management and the effect of hedge accounting on the financial statements.
d) IFRS 9 carries forward the derecognition requirements of financial assets and liabilities from IAS 39.

IFRS 15 Revenue from Contracts from Customers
New standard that requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entittled in exchange for those goods or services. This core principle is achieved through a five step methodology that is required to be applied to all contracts with customers.

Accounting Policies (continued)

for the year ended 31 December 2015

The new standard will also result in an enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements.
The new standard supersedes:

a) IAS11 Construction Contracts;
b) IAS 18 Revenue;
c) IFRIC 13 Customer Loyalty Programmes;
d) IFRIC 15 Agreements for the Construction of Real Estate;
e) IFRIC 18 Transfer of Assets from Customers and;
f) SIC-31 Revenue -Barter Transactions Invoving Advertising Services.

IFRS 16 Leases
The new standard that introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use asset similarly to other financial assets such as property, plant and equipment and lease liability. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liabilty, and also cash repayments of the lease laibility into a principal portion and an interest portion and presents them in the statement of cash flows, applying IAS 7: Statement of cash flows.

IFRS 16 contains expanded disclosure requirements for lesses. Lessees will need to apply judgement in deciding upon the information to disclose to meet the objective of providing a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the leesee.

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. IFRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.

IFRS 16 supersedes the following Standards and Interpretations:
a) IAS 17 Leases;
b) IFRIC 4 Determining whether an Arrangement contains a Lease;
c) SIC-15 Operating Leases-Incentives; and
d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IAS 1 Presentation of Financial Statements
Disclosure Initiative: Ammendments designed to encourage entities to apply proffessional judgement in determining what information to disclose in their financial statements. For example the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that entities should use professional judgement in determining where and in what order is information presented in the financial disclosures.

IAS 16 Property, plant and equipment
Amendments to both IAS 16 and IAS 38 establishing the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. Clarifying that revenue is generally presumed to be an inappropriate basis for measuring the consumption of economic benefits in such assets.

Amendments to IAS 16 and IAS 41 which defines bearer plants and includes bearer plant in the scope of IAS 16 Property, plant and equipment, rather than IAS 41 allowing such assets to be accounted for after initial recognition in accordance with IAS 16.

Accounting Policies (continued)

for the year ended 31 December 2015

2. PROPERTY, PLANT AND EQUIPMENT

	2015			2014		
	Cost / Valuation US$	**Accumulated Depreciation US$**	**Carrying Value US$**	**Cost / Valuation US$**	**Accumulated Depreciation US$**	**Carrying Value US$**
Computer equipment	67,389	(38,660)	28,729	50,861	(22,228)	28,633
Furniture and fittings	156,785	(24,045)	132,740	134,491	(10,867)	123,624
Land	34,808	-	34,808	34,808	-	34,808
Freehold buildings	65,000	(5,200)	59,800	65,000	(3,900)	61,100
Leasehold improvements	74,017	(57,874)	16,143	74,017	(32,357)	41,660
Motor vehicles	697,364	(312,453)	384,911	562,753	(208,542)	354,211
Office equipment	77,310	(12,195)	65,115	78,897	(9,356)	69,541
Total	**1,172,673**	**(450,427)**	**722,246**	**1,000,827**	**(287,250)**	**713,577**

Reconciliation of property, plant and equipment - 2015

	Opening Balance US$	**Additions US$**	**Disposals US$**	**Depreciation US$**	**Accumulated depreciation on disposal US$**	**Total US$**
Computer equipment	28,633	21,326	(4,797)	(19,150)	2,718	28,729
Furniture and fittings	123,624	27,117	(4,823)	(14,763)	1,585	132,740
Land	34,808	-	-	-	-	34,808
Freehold buildings	61,100	-	-	(1,300)	-	59,800
Leasehold improvements	41,660	-	-	(25,517)	-	16,143
Motor vehicles	354,211	210,091	(75,481)	(150,235)	46,324	384,911
Office equipment	69,541	6,222	(7,809)	(5,364)	2,525	65,115
	713,577	**264,756**	**(92,910)**	**(216,329)**	**53,152**	**722,246**

Reconciliation of property, plant and equipment - 2014

	Opening Balance US$	**Additions US$**	**Disposals US$**	**Depreciation US$**	**Total US$**
Computer equipment	13,787	29,818	(576)	(14,396)	28,633
Furniture and fittings	36,809	104,651	(8,238)	(9,598)	123,624
Land	34,808	-	-	-	34,808
Freehold buildings	62,400	-	-	(1,300)	61,100
Leasehold improvements	59,448	6,801	-	(24,589)	41,660
Motor vehicles	318,906	157,603	-	(122,298)	354,211
Office equipment	41,995	39,818	(7,916)	(4,356)	69,541
	568,153	**338,691**	**(16,730)**	**(176,537)**	**713,577**

Notes to the Financial Statements (continued)

for the year ended 31 December 2015

	2015 US$	2014 US$

3. TRADE AND OTHER RECEIVABLES

	2015 US$	2014 US$
Staff loans	60,879	48,829
Other receivables	3,295	468
	64,174	49,297

4. INVENTORIES

	2015 US$	2014 US$
Fuel	6,738	7,615
Stationery	11,081	10,591
	17,819	18,206

5. CASH AND CASH EQUIVALENTS

	2015 US$	2014 US$
Cash on hand	1,086	846
Bank balances	883,907	746,709
Money market investments	571,068	546,027
	1,456,061	1,293,582

ZimTrade has money market investments with CABS and CBZ Bank. CABS investment has a maturity period of 30 days and earns interest at a rate of 1-2% per annum. CBZ Banks' Cash Plus Investment Account earns interest at a rate of 8% per annum and is operated as a sinking fund which does not have a fixed maturity date.

6. TRADE AND OTHER PAYABLES

	2015 US$	2014 US$
Accrued leave pay	55,500	52,906
Other payables	63,831	14,355
Payroll related accruals	3,529	52
Provision for bad debts	19,778	20,828
Service gratuity	18,015	50,595
Withholding taxes	477	146
	161,130	138,882

Notes to the Financial Statements (continued)

for the year ended 31 December 2015

7. FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

Qualitative disclosures of the credit risk in relation to financial assets and financial liabilities are set out below:

	2015		2014	
	Carrying value US$	**Maximum exposure US$**	**Carrying value US$**	**Maximum exposure US$**
Financial assets				
Accounts receivable	64,174	64,174	49,297	49,297
Money market investments	571,068	571,068	546,027	546,027
Bank balances	883,907	883,907	746,709	746,709
	1,519,149	1,519,149	1,342,033	1,342,033

	2015		2014	
	Up to 3 months US$	**Btwn. 3 and 12 months US$**	**Up to 3 months US$**	**Btwn. 3 and 12 months US$**
Financial liabilities				
Accounts payable	161,130	-	138,882	-

8. OPERATING SURPLUS

Operating surplus for the year is stated after accounting for the following:

	2015 US$	2014 US$
Board and governance expenses		
External audit fees	9,028	8,934
Special remuneration audit fees	1,725	5,713
Internal audit	6,412	3,185
Board fees	62,756	63,244
Board travel and subsistence	15,488	12,591
Annual general meeting costs	8,091	10,047
	103,500	103,714
Employment expenses - administration		
Salaries and allowances	223,559	248,676
Pension costs	13,928	15,059
Zimdef and Nec contributions	4,024	2,869
Medical aid	11,313	15,842
Funeral assurance contribution	620	1,166
Bonus pay provision	9,917	15,438
Leave pay provision	6,582	9,458
Recruitment costs	7,546	1,864
Staff welfare	10,254	27,288
	287,743	337,660

Notes to the Financial Statements (continued)

for the year ended 31 December 2015

8. OPERATING SURPLUS (CONTINUED)

	2015 US$	2014 US$
Employment expenses - direct export development		
Salaries and allowances	460,653	478,490
Pension costs	46,520	45,246
Zimdef and Nec contributions	12,071	8,608
Medical aid	40,749	34,550
Funeral assurance contribution	1,859	3,497
Bonus pay provision	27,150	27,450
Leave pay provisions	19,744	28,374
Recruitment costs	22,636	5,591
Staff welfare	30,762	77,141
	662,144	708,947
Direct export development expenses		
Exhibitions, fairs and missions	202,752	243,165
Exporters conference	74,890	95,050
Local industry survey (Export capacity)	-	6,373
Information systems maintenance	-	14,519
Market surveys - foreign	37,722	38,110
Networking/ Benchmarking programmes	8,492	8,503
Publications/ Certificates of origin	19,885	14,717
Quality management systems - ISO certification	23,506	26,020
Seminars and workshops	48,056	34,582
SME Capacity building programmes	76,849	24,410
Sponsorship (Export promotion)	5,000	12,000
Travelling and subsistence - External	37,668	35,948
Client satisfaction survey	17,967	-
Professional fees, consultancy and business development	24,695	11,918
Promotions, advertising and publicity	59,179	7,597
Telecommunications	46,918	49,226
Motor vehicle service and repairs	32,722	33,722
Motor vehicle fuel	47,168	53,221
Depreciation - management	86,119	73,667
Depreciation - pool cars	35,408	24,089
Subscriptions	14,570	13,070
People development programme	-	20,743
Training and people development	25,586	17,393
Perfomance management system	21,153	-
	946,305	858,043

Notes to the Financial Statements (continued)

for the year ended 31 December 2015

8. OPERATING SURPLUS (CONTINUED)

	2015 US$	2014 US$
General administration expense		
Bank charges	11,793	13,288
Electricity, water and rates	17,288	18,643
Insurance	33,871	26,316
Legal expenses	46,031	8,552
Training and development	8,577	5,798
Rent	101,815	102,230
Security	9,821	12,410
Telecommunication costs	5,213	5,470
Loss on disposal of assets	5,717	8,649
Repairs and maintenance	22,579	40,617
Bad debts written off	-	20,828
Stationery and office supplies	17,947	24,924
Other general expenses	4,010	1,842
Depreciation expense - other assets	66,018	54,225
Depreciation - management vehicles	28,706	24,556
Motor vehicle repairs - management	7,120	5,682
Entertainment	267	-
Computer expenses	35,544	-
	422,317	374,030

Notes to the Financial Statements (continued)

for the year ended 31 December 2015

	2015	2014
	US$	**US$**

9. RETIREMENT BENEFITS

National Social Security Authority Scheme

All eligible employees are members of the National Social Security Authority Scheme to which the employees and the organisation contribute. The scheme was promulgated under the National Social Security Authority Act 1989. The organisation's obligations under this scheme are limited to specific contributions legislated from time to time. Contributions by the organisation amount to 3.5% of pensionable emoluments with a maximum of US$24.50 per month per employee.

	2015 US$	2014 US$
Contributions for the year	14,193	14,250

Defined contribution plan

It is the policy of the organisation to provide retirement benefits to all its employees. All employees are members of a defined contribution pension scheme administered by Old Mutual Life Assurance Company.

	2015 US$	2014 US$
Contributions for the year	46,255	46,055

10. COMMITMENTS

Authorised capital expenditure

	2015 US$	2014 US$
Authorised and contracted for		
• Property, plant and equipment	98,302	-
Authorised but not contracted for	797,868	893,050

Notes to the Financial Statements (continued)
for the year ended 31 December 2015

11. RELATED PARTIES

Relationships	
Ms S. P. Pilime	Key management
Mr M. Moyo	Key management
Mr T. Marufu	Key management
Mr W. Chigwada	Non-executive
Mr L. Jena	Non-executive
Mr H. Kuzvinzwa	Non-executive
Mrs B. Mafusire	Non-executive
Mr A. Masenda	Non-executive
Mr B. Moyo	Non-executive
Mrs O. Mutizhe	Non-executive
Mr J. Youmans	Non-executive
Mrs C. Zhanje	Non-executive

Related party balances

Amounts included in Trade receivables regarding related parties

	2015 US$	2014 US$
Senior management loans	18,667	29,167

Related party transactions

Compensation to directors and other key management

	2015 US$	2014 US$
Short-term employee benefits - Executive directors	252,646	274,886
Post employment benefits - Executive directors	16,437	18,837
Short-term employee benefits - Non-Executive directors	62,756	63,244
	331,839	356,967

Notes to the Financial Statements (continued)

for the year ended 31 December 2015

12. RISK MANAGEMENT

In common with all other businesses, the organisation is exposed to risks that arise from its use of financial instruments. The organisation is exposed, through its operations, to the following financial risks:

1. Liquidity risk
2. Fair value or cash flow interest rate risk
3. Credit risk

Liquidity risk

This is the risk of insufficient liquid funds being available to cover commitments. In order to mitigate any liquidity risk that the organisation faces, the organisation's policy has been throughout the year ended 31 December 2015, to maintain significant liquid resources from the trade surcharge collected.

The table below analyses the organisation's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year 2015 US$	**Less than 1 year 2014 US$**
Trade and other payables	161,130	138,882

Fair value or cash flow interest rate risk

The organisation's interest rate risk arises from long-term borrowings. However, the organisation has adopted a non speculative policy on managing interest rate risk. Only approved financial institutions with sound capital bases are used to invest surplus funds.

Credit risk

Credit risk is the risk of financial loss to the organisation if a customer or counterpart to a financial instrument fails to meet its contractual obligations. Financial assets which potentially subjects the organisation to concentrations of credit risk consist primarily of cash and bank balances and receivables. The organisation's cash and cash equivalents are placed with high quality financial institutions.

Financial assets exposed to credit risk at year end were as follows:

Accounts receivable	64,174	49,297
Money market investments	571,068	546,027
Bank balances	883,907	746,709

Notes to the Financial Statements (continued)

for the year ended 31 December 2015

13. GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the organisation to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to raise funding for the ongoing operations for the organisation.

14. EVENTS AFTER THE REPORTING PERIOD

There have been no reportable events after the report period.

15. VALUE ADDED TAX

As per note 20 in the 2014 AFS, an advance tax ruling application was submitted to the Zimbabwe Revenue Authority (ZIMRA). Their reply, which was received on 20 January 2016, stated that they do not believe that the surcharge should be treated as zero rated or as being exempt based on section 10 and section 11 of the VAT Act respectively. TDS is a levy charged on imports and exports and is collected directly through registered banks as per the Trade Development Surcharge Act, 1991. The Board is of the view that the TDS, like many other levies such as Skills Development Levy, Manpower Development Levy etc., is not a payment for goods or services and, therefore, it is outside the scope of the VAT Act. The activities of ZimTrade are intended to benefit the national economy in general via a broad spectrum of interventions. These cannot be broken down into specific services provided and nor can the funds utilised to provide the services, be traced to specific identifiable sources. The Board is in the process of drafting amendments to the Statutory Instrument (SI) governing the Trade Development Surcharge (TDS), which will clarify that the TDS is exempt from VAT. On completion, the draft SI will be sent to the Minister of Industry and Commerce and thereafter, to the Minister of Finance for consideration in the mid-term or national budget process. The Board is confident of receiving the Ministers' support in this matter.

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ZimTrade

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