



Energising Zimbabwe's Export Growth

20



ANNUAL
REPORT



Energising Zimbabwe's Export Growth

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the twenty sixth Annual General Meeting of ZimTrade will be held on **Thursday 30th August 2018 at 0830 hours** at the **Meikles Hotel**, corner Jason Moyo Avenue and 3rd Street, Harare, Zimbabwe, for the purpose of transacting the following business:

1. To confirm the Minutes of the Previous Annual General Meeting and consider the Matters Arising therefrom.
2. To receive the Chairman's Report for the year ended 31 December 2017.
3. To receive and approve the Audited Financial Statements and Auditors' Report for the year ended 31 December 2017.
4. To approve the remuneration of the auditors for the year ended 31 December 2017.
5. To appoint auditors for the ensuing year.
6. To elect members of the Board.

Note:

1. In terms 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.
2. To be valid, Nomination and Proxy forms must be completed and returned so as to be received by ZimTrade before 16:30 hours on 27 August 2018.
3. Completion of a proxy form does not preclude a person from subsequently attending and voting in person.
4. Nomination and Proxy Forms are available at ZimTrade offices in Harare and Bulawayo.

Norman Mahori
CORPORATE SECRETARY

MARKET INTELLIGENCE | EXPORT DEVELOPMENT | EXPORT PROMOTION | ADVOCACY

HEAD OFFICE

188 Sam Nujoma Street
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REGIONAL OFFICE

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ONLINE

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Corporate Information



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.

MANDATE

To energise Zimbabwe's export growth.

ASPIRATION

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

VALUES



Focused



Connected



Trusted



Bold

Principal Offices

HEAD OFFICE

188 Sam Nujoma Street
Harare
ZIMBABWE
Tel: +263 (24) 369 330-41
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+263 8677 000 378
Email: info@zimtrade.co.zw
Web: www.tradezimbabwe.com

Legal Practitioners

DMH LEGAL PRACTITIONERS
6th Floor Goldbridge
Eastgate Complex
HARARE

Bankers

CBZ BANK LIMITED
7 Selous Avenue
HARARE

Auditors

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

2017

HIGHLIGHTS of the Year



01

ZimTrade, in collaboration with the Ministry of Industry, Commerce and Enterprise Development, was mandated by the Office of the President and Cabinet to spearhead the **Rapid Results Initiative (RRI) under the Ease of Doing Export Business framework**. The 100-day initiative saw many reforms being amended.



02

His Excellency the Vice President Emmerson D. Mnangagwa visited the ZimTrade Stand at the **Zimbabwe International Trade Fair** in April, where six companies exhibited under the ZimTrade banner.



03

Ms. Y. Meyer of COLEACP (left) during an engagement with ZimTrade Export Development Manager, Mrs. P. Muzenda, at **Fruit Logistica Berlin, Germany**, in February. The learning visit was aimed at gathering market intelligence; identifying opportunities and assessing the feasibility of Zimbabwean companies' future participation under the ZimTrade banner.



04

Heather McSorely from FX Logistics gave a testimony of how PUM has assisted their company to venture into new logistics diversities. ZimTrade in collaboration with PUM and the Dutch Embassy held a **PUM Milestone Celebration event** which took place in June, just over a year after the signing of the ZimTrade and PUM MoU.



05

In June, ZimTrade signed an **MoU with the Standards Association of Zimbabwe (SAZ)** aimed at improving the quality of locally manufactured products to meet export market standards requirements. This was the second MoU, following the one signed in 2011.



09

From left: Ms. E. Oduor, Kenyan Consultant; Mrs. A. Shonhiwa, Permanent Secretary in the Ministry of Industry and Commerce; Hon. Minister Dr. M. Bimha, MoICED; Mr. L. Jena, Board Chairman; Mr. D. Chamroo, Mauritian trade expert; Mr. N. Savado, Acting CEO follow proceedings at the **Exporters' Conference** held at the Meikles in October



06

Dr. E. Gadzikwa hands over the **ISO ZWS9001:2015 Certification** to ZimTrade in July. The certification to the new standard underscores ZimTrade's unwavering commitment to implement internationally recognised Business Management System practices as a vehicle to deliver on its mandate sustainably.



10

ZimTrade held the **Annual Exporter of the Year Awards Dinner**, in October, where Padenga Holdings scooped the Overall Exporter of the Year Award.



07

His Excellency Edgar Lungu, the President of the Republic of Zambia visited the ZimTrade Pavillion at the annual **Zambia Agricultural and Commercial Show**, where twelve companies exhibited under the ZimTrade banner in August.



11

Hon. Dr. Mike Bimha preparing to tee off during the **ZimTrade Annual Corporate Golf Day** in October, held at Chapman Golf Club.



08

ZimTrade staff partook in a **team building exercise** in August.



12

ZimTrade Board Chairman, Mr. Lance Jena and Senior Experten Service (SES) Country Representative, Mr. Bernd Doppelfeld, signing an **MoU between ZimTrade and SES**, whilst H.E Ambassador of Germany, Dr. Thorsten Hutter, ZimTrade Export Development Committee Chairman Mr. Mike Juru (left) and ZimTrade Director of Client Services Mr. Allan Majuru (standing) look on.

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Market Information

AT A GLANCE



63 market briefs and pointers distributed



75 participants trained in Market Analysis tools



750 copies of the Trade Directory printed and distributed globally



14 foreign embassies engaged



89 participants attended DRC Market Information Seminar



The National Trade Development and Promotion Organisation of Zimbabwe

Exporting From Zimbabwe

Buying From Zimbabwe

How We Can Help

Smart Tools

Privileged Partners



The Republic of Zimbabwe
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Open for Business with the world, Zimbabwe is a reliable and competitive sourcing and business destination for quality agricultural and manufactured products as well as value-added services.

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News: Zim Exports up 43%

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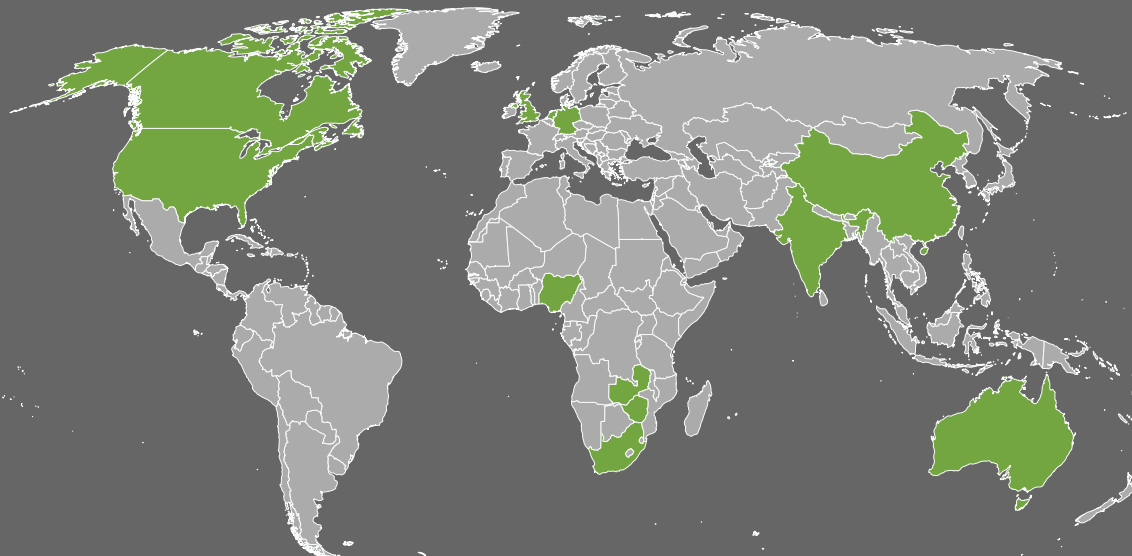
Zimbabwe-EU Business Information Centre

Zim EIC REQUIREMENTS | TARIFFS | IMPORT | EXPORT | BILATERAL AGREEMENTS

Trade Information Portal

AT A GLANCE

Top Visitors (by geographical location)



16,294

total number of unique visitors



148

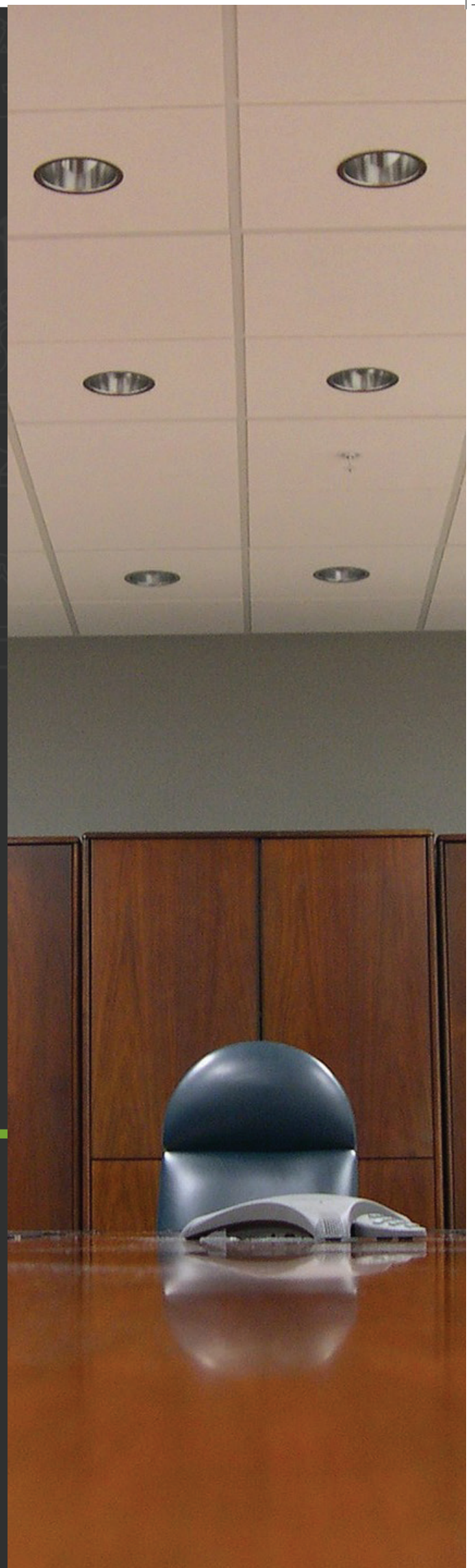
enquiries handled through the Trade Information Portal chat platform

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ANNUAL
REPORT

Chairman's Statement





“
On behalf of ZimTrade Board, it is my pleasure to present to you the Report for the year ended 31 December 2017.”

Lance Jena, ZimTrade Board Chairman

TRADING ENVIRONMENT

The macro economic environment continues to face challenges emanating from the low availability of foreign exchange to fund outgoing international payments, business failures, reduction in disposable incomes and more recently the persistent cash crisis, however, the expected positive outturn for the 2017–2018 agricultural season, which is coming soon after good rains of the 2016-2017 season, is expected to improve the prospects for stimulating the national economy.

A number of policy measures in line with Zim-ASSET and later on economic reforms in the new dispensation are being implemented and chief among them is the Rapid Results Approach (RRA), a strategy designed to remove institutional bottlenecks in the trading environment and therefore improve the ease of doing export business. The Program which is now at the implementation and monitoring stage was championed by the Office of the President and Cabinet (OPC) and co-chaired by the Ministry of Industry and Commerce and ZimTrade. In addition, the Confederation of Zimbabwe Industries (CZI) reported that the manufacturing sector’s capacity utilisation decreased from 47,4% to 45.1% because of shortage of foreign currency during the year.

During the period January to November 2017, the country's total exports amounted to \$US\$3.5 billion, indicating a 23% increase from US\$2.8 billion recorded in 2016. The total import bill decreased by 5% from US\$5.2 billion in 2016 to US\$5 billion in 2017. Subsequently, Zimbabwe's trade deficit decreased by 38% from US\$2.4 billion in 2016 to US\$1.5 billion.

According to the World Economic Forum Global Competitiveness Index (GCI) Report for 2017/18, Zimbabwe's position moved slightly from number 126 in 2016 to 124 in 2017 out of 137 countries on the global competitiveness rankings. Zimbabwe is ranked 159 among 190 economies in the ease of doing business, according to the latest World Bank annual ratings.

BUSINESS PERFORMANCE

Total income for the year was US\$2 423 739, which is 10% above that of 2016 which stood at US\$2 201 489. 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 2017 was US\$2 869 558 representing an increase of 6%, compared to the previous year. Expenditure growth was on account of increased export development programs and recruitment of staff to enhance internal capacity to deliver on the programs.

A net deficit of US\$485 918 was recorded in 2017 and was fully funded from internal resources.

I am glad to advise that in August 2017 ZimTrade purchased a property situated at 188 Sam Nujoma Street, Harare, which is ideally located for the Business Community.

GOVERNANCE

The Organisation is committed to acting in accordance with good corporate governance with the Board being responsible for setting the tone and ensuring that robust governance structures are in place. At the 2017 Annual General Meeting, Mr. A. Masenda was re-elected and Mr. Chigwada retired from the Board. I would like to thank the former Board member for his contributions during his tenure and wish him well in all his future endeavours.

OUTLOOK

The Board will continue to encourage the Government and all stakeholders to follow through on policy pronouncements made during the year 2017. Furthermore, the implementation of key reforms under the Rapid Results Approach is expected to improve the ease of doing export business therefore contributing to sustainable growth of the economy.

As part of its advocacy role, ZimTrade will continue to encourage the adoption of principles of good corporate governance, standards and standardization and access to affordable finance by the current and emerging exporters.

ACKNOWLEDGEMENT

I wish to express my appreciation to the former Chief Executive Officer Ms. S. P. Pilime who retired from the organization on 31 July 2017 and to the Acting Chief Executive Officer and all members of staff for their continued dedication to duty. I am also grateful to my fellow Board members for their valuable contributions and support during the year.

Furthermore, I wish to thank our parent Ministry, the Ministry of Industry and Commerce, the Business Member Organizations (BMOs) and all our other stakeholders for their continued support.



L. Jena
CHAIRMAN

HARARE

Communications

AT A GLANCE



Social Media



Twitter
@zimtradealerts

1,498 **3,475**

new followers
in 2017

total number of
followers

12,498 total page
visitors in 2017



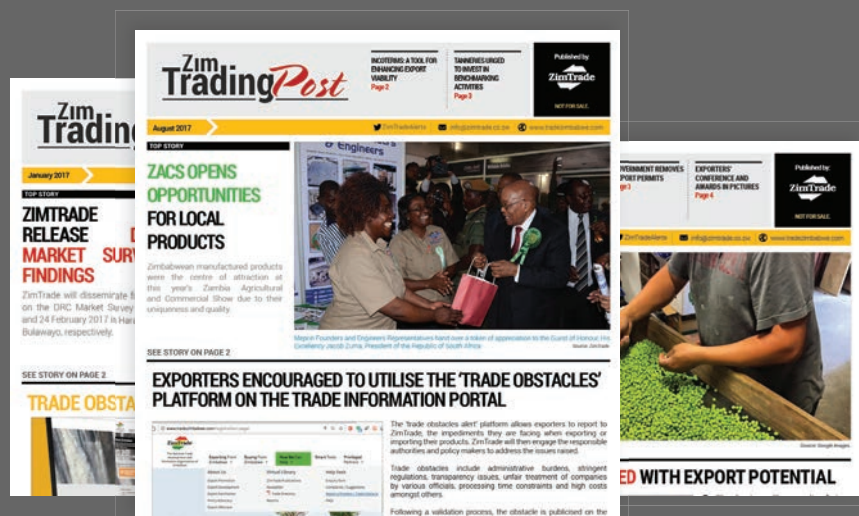
Facebook
/ZimTrade Zimbabwe

967 **3,563**

new followers
in 2017

total engagements
in 2017

Zim TradingPost



552

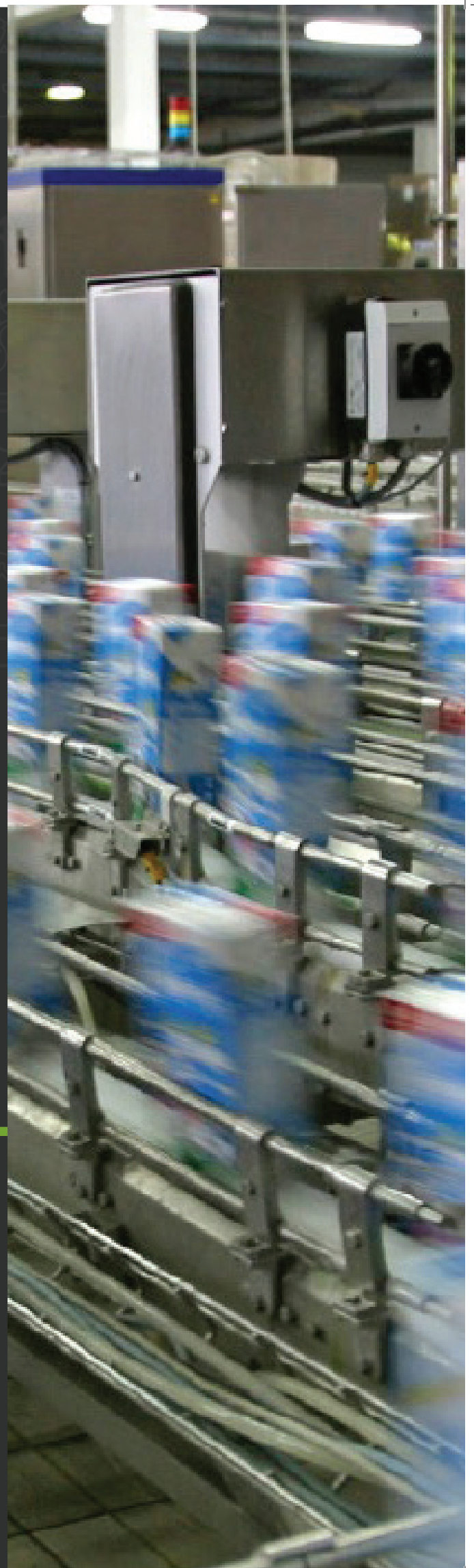
subscribers to our
monthly newsletter
in 2017

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Chief Executive Officer's Report





“
Though the operating environment remained challenging throughout 2017, there was an improvement in exports, and the year finished on a high for ZimTrade and the country at large.”

Norman Savado, ZimTrade Acting Chief Executive Officer

INTRODUCTION

ZimTrade was successful in all key result areas which meant that by year end, when the new dispensation emphasised exports and investment as a panacea to the country's economic challenges, the organisation was well positioned to deliver on its mandate.

However, improvements noted were adversely affected by the perennial challenges faced by exporters. In 2017, companies remained generally uncompetitive on international markets due to the high cost of doing business. Companies continued to struggle to access affordable finance and foreign currency for capital expenditure and raw materials.

TRADE PERFORMANCE

The country's total exports for January to November 2017 (*ZimStat was unable to collate figures for December due to technical issues*) amounted to US\$3.5 billion, representing a 23% increase from US\$2.8 billion recorded in 2016. The total import bill decreased by 5% from US\$5.2 billion in 2016 to US\$5 billion in 2017. As a result, Zimbabwe's trade deficit decreased by 38% from US\$2.4 billion in 2016 to US\$1.5 billion in 2017.

Manufactured exports contribution to total exports increased from 15% in 2016 to 27% in 2017 (January-November). In 2017, the major export markets for Zimbabwe's manufactured goods were South Africa, Mozambique, Zambia, Botswana, Namibia and Malawi.

Horticulture exports also increased in the 2016-2017 season from a contribution of 0.8% to 1% of total exports. In 2017, the major export markets for horticultural products were The Netherlands, United Kingdom, South Africa, Germany, Hong Kong, Portugal, France, China, Norway, Poland and Spain.

Commodities such as unprocessed gold, unmanufactured tobacco, raw minerals (diamonds, nickel, chromium, platinum, granite) and cane sugar remained Zimbabwe's primary forex earner, constituting 87% of total exports. In 2017, fuel (diesel and petrol), electricity, maize, base stations, rice and wheat comprised 36% of total imports. During the period under review (January-November), South Africa was Zimbabwe's major trading partner accounting for 63% of the country's exports, whilst Zimbabwe imports from South Africa comprised 40% of the total import bill.

ZIMTRADE IN 2017

Advocacy

ZimTrade's Annual Exporter's Conference is a key event at which we engage a wide range of our stakeholders. Findings at this event can form the backbone of our advocacy efforts. In 2016 the Conference resolutions were:

- Launch the Rapid Results Initiative (RRI) to improve the ease of doing export business.
- Contribute to the development and implementation of a National Export Strategy.
- Create an awareness of developments impacting export trade.

The RRI was subsequently launched in December 2016 under two thematic areas: Export Capacity, and Export Regulations, Procedures and Permits.

Following the identification of key bottlenecks inhibiting exports, some success was registered in 2017, with 4 Statutory Instruments (SIs) out of the 22 identified for removal being repealed. Other successes registered include the total removal of export permits on non-strategic products, and the removal of export permits on samples, reducing the cost for companies promoting their products on international markets.

The 2017 Annual Exporters' Conference and Awards Ceremony were hosted on 19 October 2017 at the Meikles Hotel, followed by the Annual Golf Day at Chapman Golf Club on 20 October 2017.

The 2017 Conference resolutions were:

- to support export-oriented value chains through ease of doing export business initiatives

- to facilitate access to affordable finance for exporters
- to facilitate the use of Accredited Standards to promote trade.

Quality Management System and Business Excellence

ZimTrade won the Company of the Year (for companies with under 100 employees) at the National Annual Quality Awards 2017/18 for having an excellent quality management system as measured against international best practice. The award is given by the Standards Association of Zimbabwe.

ZimTrade was also awarded a merit award for Best Corporate Governance Disclosures (State Enterprises, Parastatals and Grant-aided Institutions) by the Institute of Chartered Secretaries and Administrators in Zimbabwe.

EXPORT DEVELOPMENT

Marketing and Branding for International Competitiveness (MBIC) Training Programme

Four trainings were conducted for various sectors in Harare, Bulawayo and Gweru. The aim was to impart knowledge and technical skills to potential and established exporters on export business.

Technical Assistance

ZimTrade facilitated the visit of 17 PUM experts to 33 companies in 2017. Most noteworthy among them was the visit by five experts to companies in the leather value chain in the period July-September of 2017 to improve on design and marketing as well as to attend to production issues. A PUM expert also visited Beitbridge citrus farmers from 11-13 October 2017 which formed both a scoping and advisory mission on best practice citrus farming.

In November 2017, ZimTrade signed an MoU with SES, A German senior expert placement organization. Like PUM, SES senior experts offer technical assistance to companies in developing countries and emerging economies on a voluntary basis. Through the MoU, local companies, especially SMEs, will receive technical assistance through factory floor interventions as well as skills transfer programs. The partnership is aimed at enhancing productivity and export competitiveness of local companies in sectors such as engineering, clothing and textiles, arts and crafts among others.

Export Packaging Training Programme

ZimTrade launched an export packaging training programme in 2017, with the support of the EU and COMESA. The objective of the programme is to improve the export competitiveness of Zimbabwean products through effective and internationally appealing packaging. 2 trainings were conducted in Harare and Bulawayo to equip SMEs with the relevant knowledge on packaging technologies and regulatory requirements. In total 37 SMEs were trained in 2017.

2017 Corporate Dashboard

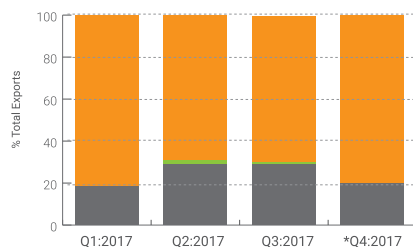
GROWTH FOR ZIMBABWE

10. MEASURE OF THE MOMENT

**2017
Company of the Year**

SADC NATIONAL ANNUAL QUALITY AWARDS (NAQA)

11. EXPORT COMPOSITION



* Figures are for the period Oct-Nov 2017.

■ Manufacturing ■ Horticultural ■ Other

12. BIG MAGIC MEASURES



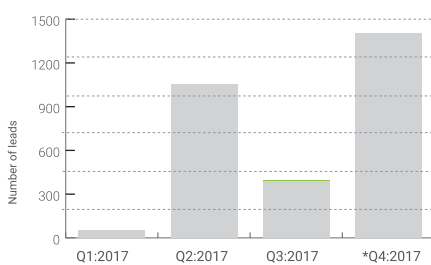
OUTCOMES FOR BUSINESS

7. DELIVERING VALUABLE SERVICES

TYPE OF EVENT	% RESPONSE	% RESPONSE SATISFACTION
Exporters' Conference	52	97
Horticulture Export Awareness Seminar	91	100
Midlands Horticulture Export Awareness Seminar	91	100
Digital & Online Marketing	100	100
Clothing, Textile & Leather Sector Engagement Seminar	100	100

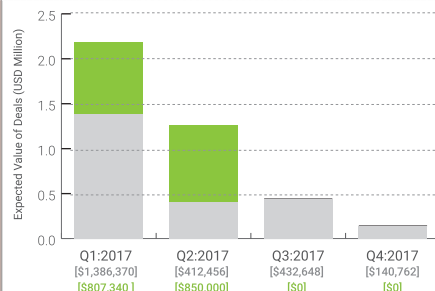
*All companies that received PUM interventions reported 100% positive feedback

8. FINDING OPPORTUNITIES



■ Manufacturing ■ Horticultural

9. MAKING BUSINESS HAPPEN



■ Manufacturing ■ Horticultural

ENGAGING WITH STAKEHOLDERS

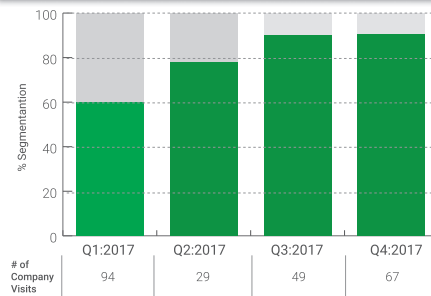
4. IMPROVING THE TRADE ENVIRONMENT

ISSUE	DATE STARTED	ACTIONED THIS QTR.	STATUS
Duty on Some Imported Inputs	02/12/2014	Y	Completed
Rapid Results Initiative	08/10/2015	Y	Completed
Export of Services	08/10/2015	Y	Completed
Nation Branding	10/08/2016	Y	Completed
Delays in approval of external payment applications	01/02/2017	Y	In Progress
Lobby for enhancement in curricula	30/08/2017	Y	In Progress

Completed Initiatives to Date (Q4, 2017)

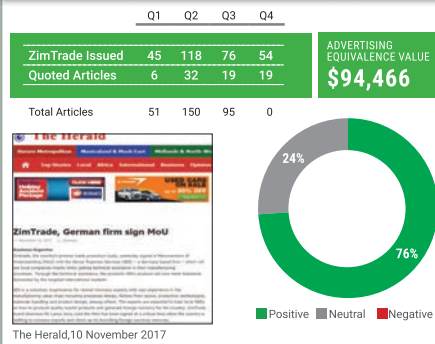
Corporate Tax Reduction Based on Export Performance	Completed
ZIMRA Policy of Levying a Penalty of US\$500 if Goods are not Exported Within 10 days - now reviewed to 30 days	Completed
Suspension of Withholding Tax on Export Market Penetration Expenses (e.g. agency fees)	Completed
Harmonising Duty on Plough Beams	Completed
Flagged exports	Completed
Delay by ZIMRA with registration for trade agreements	In Progress

5. UNDERSTANDING OUR CUSTOMER



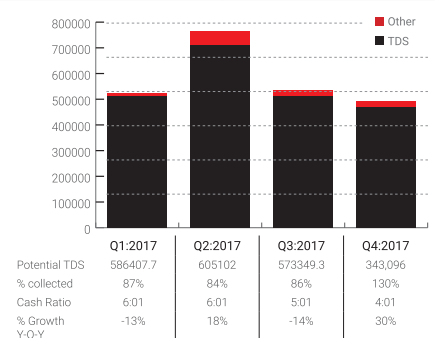
■ Not-segmented ■ Segmented

6. TELLING OUR STORIES



OPERATIONAL EXCELLENCE

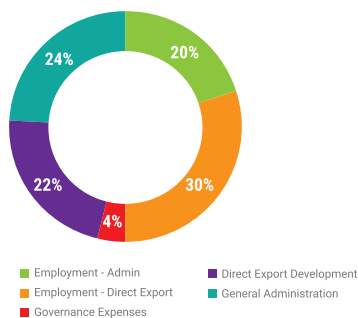
1. MOBILISING RESOURCES



	Q1:2017	Q2:2017	Q3:2017	Q4:2017
Potential TDS	586407.7	605102	573349.3	343,096
% collected	87%	84%	86%	130%
Cash Ratio	6.01	6.01	5.01	4.01
% Growth Y-O-Y	-13%	18%	-14%	30%

2. A FOCUS ON OUR CUSTOMERS

Expenditure Contribution by Class



■ Employment - Admin ■ Employment - Direct Export ■ Governance Expenses ■ Direct Export Development ■ General Administration

3. EFFECTIVE TOOLS & PARTNERSHIPS

A Toolkit for Excellence

Tool	Tool in Place	Status
HR Toolkit		
Competency mapping	Yes	Green
Employee engagement	Yes	Orange
Performance appraisal	Yes	Green
Performance measurement	Yes	Green
Knowledge management	Yes	Orange
CRM	Yes	Green
Talent Management	Yes	Orange
M&E Tools		
ZimTrade M&E Tool	Yes	Green
Risk Management Framework and Appetite Statement	Yes	Orange
Supplier Evaluation Tool	Yes	Green
Corrective Action Requests Tracking Tool	Yes	Green

Purposeful Partnerships

Partnership	Engagement	Partners	Status
Advocacy	Y	3	Green
Strategic (includes funding partners)	Y	25	Green
Communication	Y	6	Green

EXPORT PROMOTION

Trade Fairs and Missions

ZimTrade facilitated the participation of companies at four regional trade promotion events in 2017, namely Tanzania Inward Mission, Agritech Expo (Zambia), Africa's Big Seven (South Africa) and Zambia Agricultural & Commercial Show. Additionally, two learning visits were undertaken with five companies to Fruit Logistica (Germany) and two companies to NAMPO Harvest Day (South Africa). Participation at these events was productive, with US\$2.7 million of orders being realised.

ZimTrade, the Office of the President and Cabinet and the Ministry of Lands, Agriculture, and Rural Resettlement visited China in December 2017. A market of up to 45 000 tonnes of oranges per season was identified with the assistance of the China Industrial International Group (CIIG). There is, therefore, a need for Zimbabwe to develop a deliberate strategy to increase citrus production to take advantage of the difference in harvesting seasons and the growth in demand in the Chinese market. ZimTrade will also continue engaging relevant authorities to ensure that Zimbabwean citrus meets the import requirements as stipulated by the Chinese Department of Inspection and Quarantine.

Embassy Engagements

In an endeavour to identify new market opportunities for Zimbabwean exporters, ZimTrade embarked on an initiative to engage Ambassadors and Trade Attaches of foreign embassies resident in Zimbabwe and our Embassies abroad. The engagements have provided a platform for marketing our products and engaging Development Cooperation Partners.

THE ZIMTRADE TEAM

In 2017, ZimTrade had a staff complement of 33 employees between our Head Office in Harare and Regional Office in Bulawayo. Learning and development remained an important component of ZimTrade's strategy with various technical and competency-based development programs being undertaken during the period.

OUTLOOK

Growth in Foreign Direct Investment into Zimbabwe, improvements in availability of foreign currency, and reduction in the cost of doing business are seen as the key drivers to export growth going forward. We will also advocate for our exporters to get incentives, the same that is happening to foreign investors, so as to enhance their competitiveness. Our focus as ZimTrade will be to remain client-centric as we continue to provide

short to medium term interventions with the support from development cooperation partners. The political commitment towards economic reforms is also expected to contribute to the improvement of Brand Zimbabwe as relations warm up with international trade and investment partners especially the European Union and the USA.

VOTE OF THANKS

It remains for me to thank our exporters and all stakeholders for their determination in improving Zimbabwe's economic fortunes and also for their willingness to work with ZimTrade towards achieving this goal.

I also extend my gratitude to the Ministry of Industry and Commerce and the ZimTrade Board for their valued support and guidance during 2017.

To Management and Staff of ZimTrade, who tirelessly infuse enthusiasm and skill into all that they do, thank you for your continued commitment to our vision to achieve a sustainable export-oriented economy.

We look forward to a new era for Zimbabwe.



N. Savado

ACTING CHIEF EXECUTIVE OFFICER



Export Development

AT A GLANCE



99

SMEs capacitated through the **Marketing and Branding for International Competitiveness** training programme



17

projects approved for COLEACP assistance

PUM 

Netherlands senior experts

Sector	Number of Companies Assisted	Number of Experts
Horticulture	4	3
Clothing & Textiles	4	2
Engineering	2	2
Apiculture	1	1
Processed Foods	3	3
Leather	17	5
Furniture	2	2
Total	33	18

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ANNUAL
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Corporate Governance Report



In accordance with the Organisation's Constitution, the Organisation operates through its Board of Directors and Management.

INTRODUCTION

The Board is responsible for the overall corporate governance of ZimTrade, including adopting and continually improving the appropriate policies and procedures designed to ensure that ZimTrade is properly managed to protect and enhance the interests of all stakeholders.

The Board is committed to compliance with good Corporate Governance and best practices, it recognises that governance is about effective and ethical leadership, the outcomes of which are sustained value creation, success and longevity. The Board seeks to go beyond "compliance" through the adoption, integration and embedding of the spirit and principles of governance (i.e. fairness, accountability, integrity, responsibility and transparency).

BOARD OF DIRECTORS

The Board comprises nine Non-Executive Directors and Executive Directors. In terms of Section 5.2 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, Commerce and Enterprise Development in the Government of Zimbabwe. The Chief Executive Officer is an ex-officio member of the Board. In terms of Section 5.3 the Board appoints 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 Section 6 of 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, Audit & Risk as well as the 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 chairpersons report on the proceedings of their committees at the next meeting of the Board.

Audit and Risk 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 2017 FINANCIAL YEAR

During the period under review, scheduled 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*	1/1
W. Chigwada**	1/2
M. E. Juru	1/1
H. Kuzvinzwa	4/4
B. Mafusire	4/4
A. Masenda	4/4
O. Mutizhe	4/4
P. Rambanapasi	4/4
C. Zhanje	4/4

EXPORT DEVELOPMENT BOARD COMMITTEE

Board Member	Attendance
M. E. Juru	6/6
S.P Pilime*	1/1
C. Zhanje	6/6

AUDIT AND RISK BOARD COMMITTEE

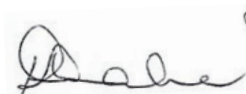
Board Member	Attendance
O. Mutizhe	4/4
S. P. Pilime*	1/1
W. Chigwada**	2/2
P. Rambanapasi	4/4

HUMAN RESOURCES & PREMISES BOARD COMMITTEE

Board Member	Attendance
H. Kuzvinzwa	4/4
S. P. Pilime*	1/1
B. Mafusire	3/4
A. Masenda	4/4

* S. P. Pilime retired from ZimTrade on 31 July 2017, she was an ex-officio member of the Board

** W. Chigwada's term of office on the Board expired on 24 August 2017



N. Mahori
CORPORATE SECRETARY

19 JULY 2018



Export Promotion

AT A GLANCE



Tanzania Inward Buyer Mission

8 potential buyers from Tanzania visited Zimbabwe

77 B2B meetings held with Zimbabwean companies in Harare and Bulawayo

AGRitech

9 Zimbabwean companies exhibited

165 contacts established



Zambia Agricultural & Commercial Show

13 Zimbabwean companies participated

483 B2B meetings held



8 Zimbabwean companies exhibited

223 contacts established



FRUIT LOGISTICA

This was a learning visit which was aimed at gathering market intelligence; identifying opportunities and assessing the feasibility of Zimbabwean companies' future participation under the ZimTrade banner. Two partnerships came as a result of the visit, namely COLEACP and Eosta B.V.

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ANNUAL
REPORT

Board of Directors



L. Jena
CHAIRMAN



S. P. Pilime (ex-officio)
CHIEF EXECUTIVE
OFFICER
(retired 31/07/2017)



W. Chigwada
NON-EXECUTIVE
(retired 24/08/2017)



M. E. Juru
NON-EXECUTIVE



H. Kuzvinzwa
NON-EXECUTIVE



B. Mafusire
NON-EXECUTIVE



A. Masenda
NON-EXECUTIVE



O. Mutizhe
NON-EXECUTIVE



P. Rambanapasi
NON-EXECUTIVE



C. Zhanje
NON-EXECUTIVE

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ANNUAL
REPORT

Management



N. Savado
ACTING CHIEF EXECUTIVE
OFFICER



A. Majuru
DIRECTOR-CLIENT
SERVICE DELIVERY



M. Moyo
DIRECTOR-FINANCE



A. Bake
MANAGER-MARKET
INFORMATION



D. Chinamasa
MONITORING AND
EVALUATION EXECUTIVE



V. Mafu
MANAGER-EXPORT
PROMOTION



T. Marufu
MANAGER-FINANCE



T. Mbizvo
MANAGER-ICT



P. Muzenda
MANAGER-EXPORT
DEVELOPMENT



S. Nkala
MANAGER-REGIONAL
OFFICE

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ANNUAL
REPORT

Human Resources Report



In 2017, ZimTrade's human resources management activities focused on delivering a strategically driven, highly involved, values and behaviours led change process to facilitate the development of a client focused, commercially minded high-performance culture.

ORGANISATIONAL CULTURE

An Organisational diagnostic toolkit was used to identify, align and measure:

- (i) key competences for success on each role such as decision quality, customer focus, alignment to Organizational strategy and agility;
- (ii) critical workforce behaviors needed to execute on the Organisation's specific business priorities.

The results from this exercise formed the basis of competency-based development training.

EMPLOYEE ENGAGEMENT

Measuring and building employee engagement was identified as one of the key priorities of Human Resources Management. An employee engagement survey was carried out in 2017 and an employee engagement score of 59.3% was achieved. This meant that 6 out of 10 employees were engaged on Organisational goals. The response rate for the survey was 96.9%.

EMPLOYEE RELATIONS

Employee Relations were stable for the period under review. A Works Council was set up and its constitution adopted by the Organisation, The ZimTrade Employment Code of Conduct was also registered, Team building and the annual Christmas party were conducted for employees.

TALENT MANAGEMENT AND RECOGNITION

ZimTrade developed and implemented a value-based

performance management system which assesses both the quantitative deliverables as well as the behaviours critical to achieve success in each role. This was aided through implementation of a Talent Management Framework. Outstanding performance by individuals and teams was/is recognized and rewarded through a values-based performance reward system.

LEADERSHIP AND MANAGEMENT TRAINING

During the period, as part of initiatives aimed at developing leadership and service excellence, tailored leadership and management training courses were conducted. The following were some of the courses undertaken:

- ISO 31000 Implementation Training
- Performance Management
- Works Council Training
- Risk Management

Learning and development remains an important component of the Organisation's strategy going forward in order to achieve the desired level of service excellence. Various technical skills and competency-based development programs were undertaken to improve staff performance and achieve delivery of the Organisation's mandate through the sponsorship of the International Trade Centre. Feedback from the courses undertaken was positive from participants and their supervisors. This led to improved performance by team members who had attended the courses.



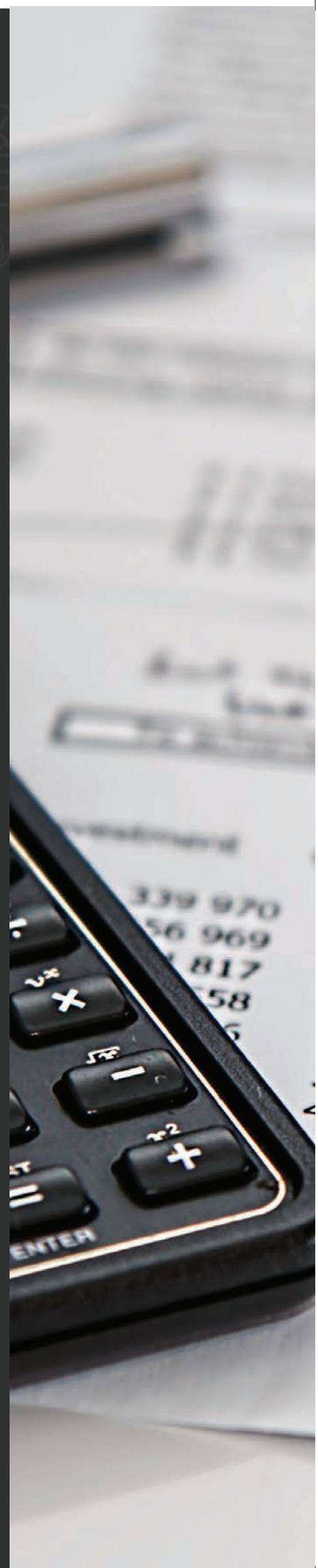
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ANNUAL
REPORT

Financial Statements

For the year ended 31 December 2017



Director's Responsibility Statement

The directors are required, in terms of the Trade Development Surcharge Act 1991 (Chapter 14:22) and 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 2018 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 pages 34 to 36.

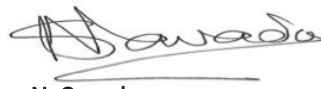
The financials statements were prepared under the supervision of the Director Finance, Mr M. Moyo, ACCA (Reg number 2771015), PAAB (Reg number 04130).

The financial statements set out on pages 37 to 54, which have been prepared on the going concern basis, were approved by the board of directors on 19 July 2018 and were signed on its behalf by:

Approval of financial statements



L. Jena
CHAIRMAN



N. Savado
ACTING CHIEF EXECUTIVE OFFICER

19 JULY 2018

Independent Auditor's Report

To the members of ZIMTRADE

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ZimTrade set out on page 7 to 54, which comprise the statement of financial position as at 31 December 2017, and the statement of surplus or deficit and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the ZimTrade financial statements present fairly, in all material respects, the financial position of ZimTrade as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the Trade Development Surcharge Act 1991 (Chapter 14:22).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section below. We are independent of ZimTrade in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Independent Auditor's Report

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters noted below relate to the financial statements.

Matter	Why the matter was determined to be a key audit matter	How the matter was addressed in the audit
Completeness of Trade Development Surcharge	ZimTrade does not have prior knowledge of TDS that is due to it before receiving returns from the banks that collect the amount on its behalf. TDS is material amount in the financial statements. TDS is collected on behalf of ZimTrade by a number of registered banks in Zimbabwe. To ensure the completeness of this income reference is made to external documents from the banks concerned as well as returns made to Reserve Bank of Zimbabwe by the concerned bank.	We obtained third party documentation from the Reserve Bank of Zimbabwe detailing the total value of all qualifying exports and imports that they received during the year. We re-computed the amount due as TDS of that and reviewed that the result was correctly allocated in terms of the Trade Development Surcharge Act (Chapter 14:22). We visited specific banks and performed sample tests. The amounts for TDS are correctly reported in these financial statements.
Occurrence and valuation of land and buildings amounting to \$1,474,513 purchased in the current year.	The acquisition of the land is material in the context of ZimTrade.	We reviewed the budget, minutes of the board meetings, purchase agreement and title deeds to confirm that the transaction occurred and was authorised by the board. We obtained and reviewed third party valuation done by Rawson Properties to support the carrying amount of the property. An impairment loss of \$74,513 was recognised in the financial statements. More details have been given on note 2 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the Management report. The other information does not include the financial statements and our auditor's opinion thereon. Our opinion on the financial statement does not cover the other information and we do not express any form of assurance or conclusion thereon.

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, 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 ZimTrade'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 ZimTrade or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing ZimTrade's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ZimTrade's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of 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 ZimTrade's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause ZimTrade 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.

Obtain sufficient audit evidence regarding the financial information of ZimTrade or business activities of ZimTrade to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of ZimTrade's audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lewis Hussein.



PKF Chartered Accountants (Zimbabwe)

Registered Public Auditors (Zimbabwe)

Date: 19 July 2018

Per: Lewis Hussein

Engagement Partner

Registered Public Auditor (Zimbabwe)

PAAB Practicing number of Engagement Partner: 0347

Statement of Financial Position

as at 31 December 2017

	Note(s)	2017 \$	2016 \$
Assets			
Non-Current Assets			
Property, office equipment and motor vehicles	2	1,981,208	639,553
Current Assets			
Inventories	3	17,713	13,332
Trade and other receivables	4	33,825	65,510
Prepayments		23,634	25,899
Cash and cash equivalents	5	206,730	1,076,204
		281,902	1,180,945
Total Assets		2,263,110	1,820,498
Equity and Liabilities			
Equity			
Reserves		70,476	70,476
Accumulated surplus		1,101,484	1,547,303
		1,171,960	1,617,779
Liabilities			
Non-Current Liabilities			
ZB Bank loan- long term portion		777,449	-
Current Liabilities			
Trade and other payables	6	282,617	202,719
ZB Bank loan- current portion		31,084	-
		313,701	202,719
Total Liabilities		1,091,150	202,719
Total Equity and Liabilities		2,263,110	1,820,498

The financial statements and the notes on pages 37 to 54 were approved by the Board of Directors on 19 July 2018 and were signed on its behalf by:



L. Jena
CHAIRMAN

19 JULY 2018



N. Savado
ACTING CHIEF EXECUTIVE OFFICER

Statement of Surplus or Deficit and Other Comprehensive Income

for the year ended 31 December 2017

	Note(s)	2017 \$	2016 \$
Revenue			
Trade development surcharge		2,308,468	2,125,433
Finance income		24,186	19,665
Fees for services and publication sales		22,152	16,207
Donations		22,250	11,150
Event participation fees		9,576	15,131
Other income		37,107	13,903
		2,423,739	2,201,489
Operating expenses			
Board and governance expenses	8	(117,746)	(103,612)
Employment expenses - administration		(509,344)	(408,000)
Employment expenses - direct export development		(809,745)	(767,181)
Direct export development expenses		(947,470)	(1,023,559)
General administration expenses		(485,253)	(410,171)
		(2,869,558)	(2,712,523)
Deficit for the year		(445,819)	(511,034)
Other comprehensive surplus (deficit)		-	-
Total comprehensive deficit for the year		(445,819)	(511,034)
Total comprehensive deficit for the year		(445,819)	(511,034)

Statement of Changes in Reserves

for the year ended 31 December 2017

	Revaluation reserve \$	Retained income \$	Total equity \$
Balance at 01 January 2016	70,476	2,058,337	2,128,813
Deficit for the year	-	(511,034)	(511,034)
Other comprehensive surplus	-	-	-
Total comprehensive deficit for the year	70,476	1,547,303	1,617,779
Balance at 01 January 2017	70,476	1,547,303	1,617,779
Deficit for the year	-	(445,819)	(445,819)
Other comprehensive surplus	-	-	-
Total comprehensive deficit for the year	-	(445,819)	(445,819)
Balance at 31 December 2017	70,476	1,101,484	1,171,960

Statement of Cash Flows

for the year ended 31 December 2017

	Note(s)	2017 \$	2016 \$
Cash flows from operating activities			
Deficit for the year		(445,819)	(511,034)
Adjustments for:			
Depreciation and amortisation		185,244	260,391
Loss on disposal of property, office equipment and motor vehicles		51,376	918
Interest received		(24,186)	(19,665)
Impairment loss		74,513	-
Write-off accident damaged vehicle		3,754	-
Proceeds from insurance claims		(39,262)	-
Changes in working capital:			
Inventories		(4,381)	4,486
Trade and other receivables		31,685	(1,336)
Prepayments		2,265	3,744
Trade and other payables		79,898	61,367
		(84,913)	(201,129)
Interest income		24,186	19,665
Net cash from operating activities		(60,727)	(181,464)
Cash flows from investing activities			
Purchase of property, office equipment and motor vehicles	2	(1,656,542)	(178,615)
Proceeds on disposal of property, office equipment and motor vehicles	2	-	-
Proceeds from insurance claims		39,262	-
Net cash from investing activities		(1,617,280)	(178,615)
Cash flows from financing activities			
Movement in mortgage - ZB bank		808,533	-
Total cash movement for the year		(869,474)	(360,079)
Cash at the beginning of the year		1,076,204	1,436,283
Total cash at end of the year	5	206,730	1,076,204

Accounting Policies

for the year ended 31 December 2016

1. Presentation of financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards, Trade Development Surcharge Act 1991 (Chapter 14:22) 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, office equipment and motor vehicles

The cost of an item of property, office equipment and motor vehicles 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, office equipment and motor vehicles is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, office equipment and motor vehicles 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, office equipment and motor vehicles, the carrying amount of the replaced part is derecognised.

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

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

Property, office equipment and motor vehicles is carried at cost or valuation less accumulated depreciation and any impairment losses.

The useful lives of items of property, office equipment and motor vehicles have been assessed as follows:

Item	Average useful life
Freehold buildings	2% per annum

Accounting Policies (continued)

for the year ended 31 December 2017

1.2 Property, office equipment and motor vehicles (continued)

Leasehold improvements	33% per annum
Furniture and fittings	10% per annum
Motor vehicles	25% per annum
Office equipment	10% per annum
Computer equipment	33% per annum

Land is not depreciated.

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, office equipment and motor vehicles

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, office equipment and motor vehicles is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, office equipment and motor vehicles 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 assets 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.

Financial instruments are measured initially at fair value.

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.

Accounting Policies (continued)

for the year ended 31 December 2017

1.4 Financial instruments (continued)

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 surplus or deficit 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 surplus or deficit.

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 surplus or deficit.

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.

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.

Accounting Policies (continued)

for the year ended 31 December 2017

1.5 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 is recognised as an operating lease asset. This liability is not discounted.

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

1.6 Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

The organisation's inventories comprise of stationery and fuel coupons.

1.7 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.

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.

1.8 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.

1.9 Provisions and contingencies

Provisions

Accounting Policies (continued)

for the year ended 31 December 2017

1.9 Provisions and contingencies (continued)

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 losses.

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 occurrence 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.

1.10 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:

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, which is allocated as 70% to ZimTrade and 30% to Competition and Tariff Commission (CTC). 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

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.

Accounting Policies (continued)

for the year ended 31 December 2017

1.11 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.

1.12 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.

New Standards and interpretations

1.12.1 Standards and interpretations effective and adopted in the current year

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.

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.

IAS 1 Presentation of Financial Statements

Disclosure Initiative: Amendments designed to encourage entities to apply professional 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.

1.12.2 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 2017 and or later periods.

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 entitled 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 2017

1.12 Changes in accounting policy (continued)

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 Involving 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 liability, and also cash repayments of the lease liability 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 lessees. 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 lessee.

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.

1.13 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).

Accounting Policies (continued)

for the year ended 31 December 2017

2. Property, office equipment and motor vehicles

	2017			2016		
	Cost / Valuation	Accumulated depreciation and impairment losses	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land	224,808	-	224,808	34,808	-	34,808
Freehold buildings	1,349,513	(82,313)	1,267,200	65,000	(6,500)	58,500
Leasehold improvements	83,390	(80,199)	3,191	83,389	(77,076)	6,314
Furniture and fittings	196,198	(62,015)	134,183	194,838	(42,501)	152,337
Motor vehicles	783,644	(534,390)	249,254	815,694	(507,772)	307,922
Office equipment	92,382	(35,220)	57,162	89,504	(26,095)	63,409
Computer equipment	109,340	(63,930)	45,410	66,770	(50,507)	16,263
Total	2,839,275	(858,067)	1,981,208	1,350,003	(710,451)	639,553

Reconciliation of property, office equipment and motor vehicles - 2017

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	34,808	190,000	-	-	-	224,808
Freehold buildings	58,500	1,284,513	-	(1,300)	(74,513)	1,267,200
Leasehold improvements	6,313	-	-	(3,124)	-	3,189
Furniture and fittings	152,337	1,360	-	(19,513)	-	134,184
Motor vehicles	307,922	135,220	(55,129)	(138,759)	-	249,254
Office equipment	63,410	2,879	-	(9,125)	-	57,163
Computer equipment	16,263	42,570	-	(13,423)	-	45,410
	639,553	1,656,542	(55,129)	(185,244)	(74,513)	1,981,208

Reconciliation of property, office equipment and motor vehicles - 2016

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	34,808	-	-	-	-	34,808
Freehold buildings	59,800	-	-	(1,300)	-	58,500
Leasehold improvements	16,143	9,372	-	(19,202)	-	6,313
Furniture and fittings	132,740	38,053	-	(18,456)	-	152,337
Motor vehicles	384,911	118,330	-	(195,318)	-	307,922
Office equipment	66,816	5,393	-	(8,799)	-	63,410
Computer equipment	27,028	7,467	(1,285)	(17,315)	367	16,263
	722,246	178,615	(1,285)	(260,390)	367	639,553

Impairment loss on the buildings

During the year ZimTrade bought land and buildings at number 188 Sam Nujoma Street for a total consideration of \$1,474,513 (property purchase price \$1,360,000 and capitalised legal and transfer fees \$114,513). As at 31 December 2017, the fair value of the property was \$1,400,000 per valuation done by Rawson Properties. Due to the carrying amount being higher than the fair value, an impairment loss of \$74,513 on the buildings was recognised in the financial statements.

3. Inventories

Fuel	6,307	6,738
Stationery	5,856	8,968
Certificate of origin forms	5,550	-
	17,713	15,706



Notes to the Financial Statements

for the year ended 31 December 2016

	2017	2016
	\$	\$

4. Trade and other receivables

Staff loans	33,596	57,068
Other receivables	11,217	23,073
Provision for bad debts	(10,988)	(19,778)
	33,825	60,363

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	831	34
Bank balances	145,678	864,129
Money market investments	60,221	588,520
	206,730	1,452,683

ZimTrade has money market investments with CBZ Bank. The CBZ Bank's Cash Plus Investment Account earns interest at a rate of 3% per annum and is operated as a sinking fund which does not have a fixed maturity date. In the current year management utilised most of the investment funds to purchase the organisation's new property.

6. Trade and other payables

Accrued leave pay	73,496	69,853
Other payables	90,119	63,831
Payroll related accruals	71,460	46,817
Service gratuity	43,200	46,830
Withholding taxes	4,342	2,633
	282,617	229,964

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:

Financial assets	Carrying value	Maximum exposure	Carrying value	Maximum exposure
	2017	2017	2016	2016
	US\$	US\$	US\$	US\$
Accounts receivable	57,673	57,673	65,510	65,510
Money market investments	60,221	60,221	588,520	588,520
Bank balances	145,678	145,678	487,650	487,650
	263,572	263,572	1,141,680	1,141,680
Financial liabilities	Up to 3 months	Between 3 and 12 months	Up to 3 months	Between 3 and 12 months
	2017	2017	2016	2016
	US\$	US\$	US\$	US\$
Accounts payable	282,617	-	202,719	-

8. Operating (deficit) surplus

Operating (deficit) surplus for the year is stated after accounting for the following:

Notes to the Financial Statements (continued)

for the year ended 31 December 2017

	2017 \$	2016 \$
8. Operating (deficit) surplus (continued)		
Board and governance expenses		
External audit fees	13,657	13,550
Internal audit	7,626	-
Board fees	61,701	54,094
Board travel and subsistence	6,755	18,293
Board stakeholder engagements	16,491	2,215
Board training and development	4,069	4,799
Annual general meeting costs	7,447	10,661
	117,746	103,612
Employment expenses - administration		
Salaries and allowances	381,690	325,743
Pension costs	20,150	18,548
Zimdef and Nec contributions	4,996	3,643
Medical aid	31,915	23,551
Funeral assurance contributions	845	718
Performance bonus pay provision	39,240	13,334
Leave pay provision	7,848	3,895
Recruitment costs	8,928	8,480
Staff welfare	13,732	10,088
	509,344	408,000
Employment expenses - direct export development		
Salaries and allowances	571,372	558,416
Pension costs	57,554	55,501
Zimdef and Nec contributions	11,656	10,930
Medical aid	39,650	39,126
Funeral assurance contribution	1,971	2,153
Performance bonus pay provision	63,342	40,001
Leave pay provision	18,312	11,684
Recruitment costs	20,832	25,440
Staff welfare	25,056	23,930
	809,745	767,181
Direct export development expenses		
Exhibitions, fairs and missions	244,042	282,777
Exporter's conference	65,239	70,102
Market surveys - foreign	304	49,288
Networking/ Benchmarking programmes	-	695
Publications (TIC)	1,016	-
Certificates of origin	14,219	15,639
Quality management systems - ISO certification	17,073	23,711
Seminars and workshops	98,497	34,937
SME Capacity building programmes	61,871	78,219
Client satisfaction survey	12,000	-
Travelling and subsistence - external	542	3,489
Professional fees, consultancy, and business development	31,270	38,643
Promotions, advertising and publicity	52,622	47,120
Telecommunications	49,705	47,372
Motor vehicle service and repairs	43,677	43,870
Motor vehicle fuel	51,073	44,393
Depreciation - management	83,360	117,045
Depreciation - pool cars	18,524	39,015
Subscriptions	8,821	11,006
Training and people development	31,456	30,278

Notes to the Financial Statements (continued)

for the year ended 31 December 2017

	2017 \$	2016 \$
8. Operating (deficit) surplus (continued)		
Performance management systems	62,159	45,960
	947,470	1,023,559
General administration expenses		
Bank charges	11,791	12,562
Electricity, water and rates	21,353	18,725
Insurance	24,366	38,514
Legal expenses	8,168	26,283
Training and development	10,485	10,093
Rent	108,435	107,482
Security	10,885	10,609
Telecommunication costs	5,523	5,264
Loss on disposal of assets	51,376	918
Repairs and maintenance	10,014	16,958
Bad debts written off	-	2,123
Stationery and office supplies	5,135	16,607
Other general expenses	1,267	392
Depreciation expense - other assets	55,573	65,315
Depreciation - management vehicles	27,787	39,015
Motor vehicle repairs - management	6,773	6,934
Impairment loss on buildings	74,513	-
Entertainment	955	1,896
Computer expenses	21,932	30,481
Mortgage finance charges	8,533	-
Mortgage administration fees	20,389	-
	485,253	410,171

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.

17,577	16,878
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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.

60,127	57,151
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10. Commitments

Authorised capital expenditure

Not yet contracted for and authorised by directors	500,000	557,648
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Capital expenditure will be financed from internal resources.

Notes to the Financial Statements (continued)

for the year ended 31 December 2017

	2017 \$	2016 \$
11. Related parties		
Relationships		
A. T. Majuru		Key management
M. Moyo		Key management
N. Savado		Key management
L. Jena		Non - Executive
M. E. Juru		Non - Executive
H. Kuzvinzwa		Non - Executive
B. Mafusire		Non - Executive
A. Masenda		Non - Executive
O. Mutizhe		Non - Executive
P. Rambanapasi		Non - Executive
C. Zhanje		Non - Executive
Related party balances		
Amounts included in Trade receivables regarding related parties		
Senior management loans	-	9,126
Compensation to directors and other key management		
Short-term employee benefits - Executive directors	370,334	321,544
Post employment benefits - Executive directors	21,530	22,834
Short term employee benefits - Non - Executive directors	61,701	54,094
	453,565	398,472

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

Notes to the Financial Statements (continued)

for the year ended 31 December 2017

	2017	2016
	\$	\$

12. Risk management (continued)

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 2016, to maintain significant liquid resources from the trade surcharge collected.

The table below analyses the organisation's financial liabilities and net-settled 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.

31 December 2017	Less than 1 year	Between 2 and 5 years
Cash and cash equivalents	206,730	-
Trade and other receivables	33,825	-
Prepayments	23,634	-
Inventories	17,713	-
Trade and other payables	(282,617)	-
ZB Bank loan	(31,084)	(777,449)
	<u>(31,799)</u>	<u>(777,449)</u>

At 31 December 2016	Less than 1 year
Cash and cash equivalents	1,076,204
Trade and other receivables	65,510
Prepayments	25,899
Inventories	13,332
Trade and other payables	(202,719)
	<u>978,228</u>

Fair value or cash flow interest rate risk

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:

	Financial assets	Financial assets
Accounts receivables	57,673	65,510
Money market investments	60,221	588,520
Bank balances	145,678	487,650

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.

Notes to the Financial Statements (continued)

for the year ended 31 December 2017

	2017	2016
	\$	\$

13. Going concern (continued)

The ZimTrade board and management have assessed the ability of the organisation to continue operating as a going concern and believe that the preparation of financial statements on a going concern basis is still appropriate.

The financial position of the organisation is stable with total assets standing at US\$2,337,623 as 31 December 2017. Total liabilities as at the same date stood at US\$1,091,150 with an unfavourable current ratio of 1:1. Closing property, office equipment and motor vehicles for the same period stood at US\$2,055,721 representing 89% of the total asset value. Closing cash and cash equivalents declined by 50% from prior year due to part funding of the purchase of the new building using bank balances and investments.

Total income for 2017 increased by 10% to US\$2,423,739 from US\$2,201,489 in the prior year. The Trade Development Surcharge (TDS), which is the main driver of income, increased due to increased efforts by management and the Board in ensuring efficient and complete collection of TDS by engaging stakeholders like the Reserve Bank of Zimbabwe and registered banks who are involved in the collection of TDS.

The 2018 revenue budget reflects a growth projection of 13% over the 2017 revenue level arising from the above mentioned initiatives.

In view of the above, management has put in place measures that will ensure that the organisation will continue operating as a going concern. Expenditure for the 2018 budget has slightly increased due to the need for management to replace key positions vacant within the organisation. However, 66% of the expenditure for 2018 has been allocated towards export development and promotion activities so that companies are capacitated to generate more exports.

As part of efforts to generate more revenue as well as diversify streams and reduce reliance on the TDS, management will continue to engage a number of Development Cooperation Partners (DCPs). There are already indications that support will be received from the EU and COMESA for funding of various identified projects.

14. Events after the reporting period

There have been no reportable events after the report period.



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