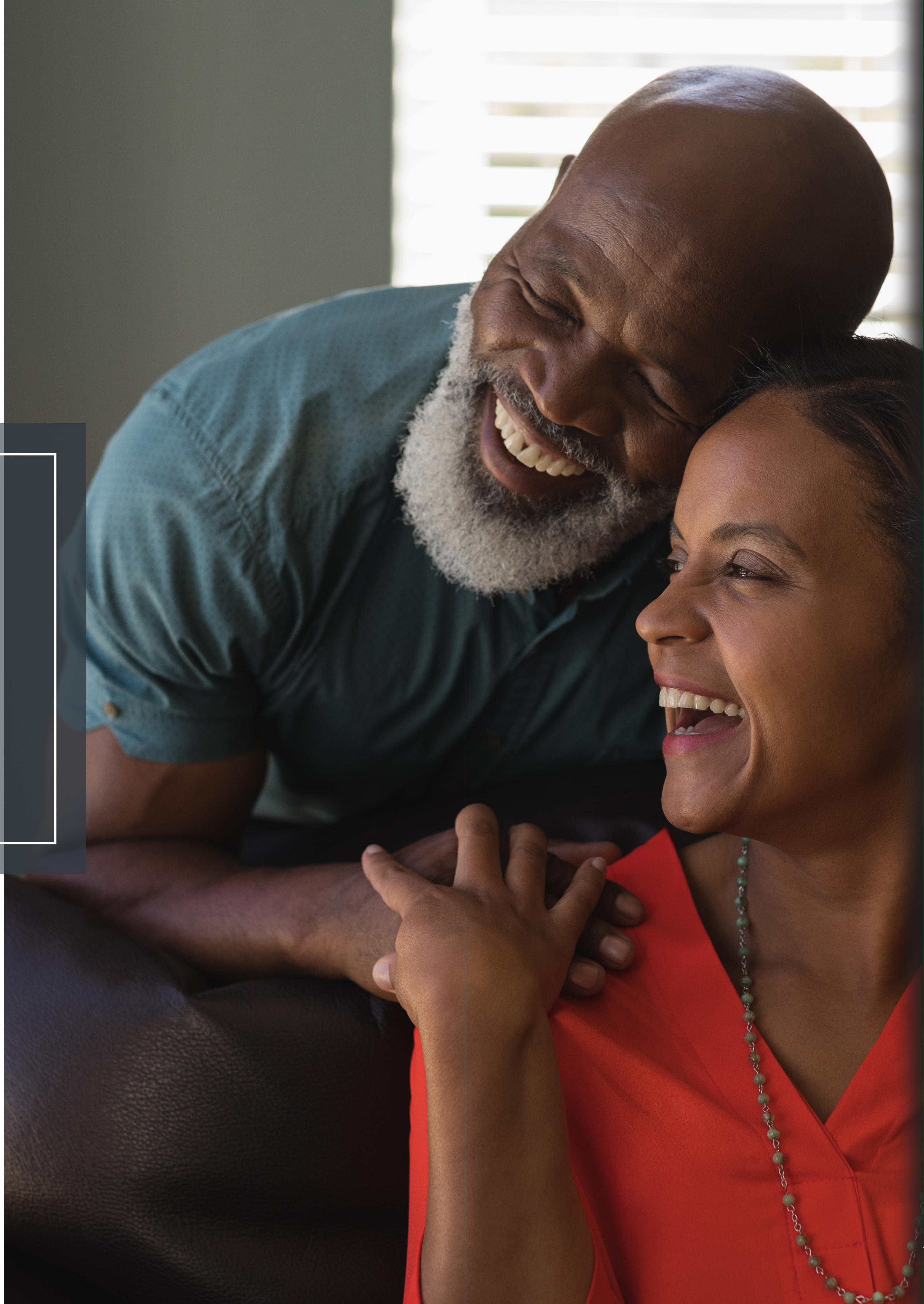
Cassava Smartech

CASSAVA SMARTECH ZIMBABWE LIMITED

Annual Report 2020

And whatever you do in word or deed, do all in the name of the Lord Jesus, giving thanks to God the Father through Him.

Colossians 3:17
New King James Version (NKJV)



ABOUT THIS REPORT

Report Boundaries

The Annual Report provides a performance overview and commentary on Cassava's operations for the financial year ended 29 February 2020. The fundamental purpose of this report is to communicate the non-financial and financial performance of our business to our stakeholders and all parties that may be affected by our business' operations. Cassava through annual reporting shares sustainability activities with shareholders and a broader audience as a way of increasing the level of accountability and transparency of our actions. The material we report is aligned to the internal sustainability themes that we developed based on potential impact on the business, feedback from stakeholders and the needs of our customers. Reporting on our performance and corporate responsibility allows us to get feedback which helps us to improve internal processes and achieve business objectives. You are kindly invited to contact us at **https://www.cassavasmartech.co.zw**

Reporting Standards and Responsibilities

Cassava Smartech Zimbabwe Limited (Cassava) aims to fully apply International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and interpretations as issued by the IFRS Interpretations Committee. This is done with the aim to comply with the Zimbabwe Stock Exchange Listing Requirements and the Companies and Other Business Entities Act (Chapter 24:31).

In addition, this report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option.

While the non-financial content of the report was not independently assured, external sustainability experts were engaged to check the accuracy of the sustainability information. We demonstrate how some of our business activities support the aims of the United Nations Sustainable Development Goals (SDGs) and the UN Global Compact, of which Cassava is a member.

The Audit Committee recommends to the Board of Directors the Annual Financial Statements (AFS) for approval. The AFS are audited by independent external auditors, Deloitte & Touche. The directors are responsible for the Annual Report as a whole.

Data Collection

Our report is compiled using information provided by the different units of the business from internal reports, data management systems and board reports.

DISCLAIMER - FORWARD-LOOKING STATEMENTS

An Annual Report includes certain 'forward-looking statements'. These forward-looking statements are about the future and therefore incorporate degrees of uncertainty. Consequently, future actual results and performance may differ from these statements. The forward-looking statements are current as of the date of publication of the Annual Report. Cassava makes no representation that the information will be updated after release of this Annual Report.

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ABOUT US

Cassava Smartech Zimbabwe Limited (Cassava) is a diversified smart technology ("smartech") group, with a mandate to use digital solutions to drive socio-economic development, and to improve the overall quality of life for all Zimbabweans. We develop propositions and platforms for implementing digital applications to meet the needs of all our stakeholders from individuals to businesses and the government. Cassava is on a transformational mission, and envisions a future where our solutions are able to touch every life, bringing positive impact particularly to the millions of previously excluded Zimbabweans through provision of stable financial and other digital services and social inclusion with a high level of integrity.

Cassava has evolved from a financial technologies ("fintech") operation primarily dealing in Mobile Money and Digital Banking, to a full-fledged smart technology group, constantly tapping into new opportunities to address everyday challenges through innovative, inclusive, stable and reliable digital solutions. Today, we have established a balanced portfolio of distinct, yet highly synergistic business pillars, namely Fintech, Insurtech, On-Demand Services, e-Commerce, Agritech, Healthtech and Edutech. The diverse and integrated nature of the group is what makes Cassava's business model truly unique.

VISION
We envision a socially and financially inclusive future that leaves no Zimbabwean behind.

MISSION
To use innovative and inclusive digital solutions to drive socio-economic development and improve the overall quality of life for all Zimbabweans.

VALUES

EXPERIMENTAL
Experiment and explore, venture outside the boundaries of familiar experience

DISRUPTIVE
Actively seek to disrupt and confront the status quo.

PERCEPTUAL
Envision the future. Sensitive to external realities in light of this networked global world.

OVERVIEW

Life is Digital

Digital technology has significantly changed the speed of operations in the economy with the Internet of Things (IoT) being a key driver of economic growth and continuing to change the quality of life. This has led to a convergence of digital technologies and major changes in consumer behavior with digital innovations and platforms continuing to recast the relationships between customers, workers and employers as the silicon chip's reach permeates almost everything we do from buying groceries to mobile money services. Following its listing on the Zimbabwe Stock Exchange on 18 December 2018, Cassava offers differentiated and personalized service offerings that help customers live their digital lifestyles with a marked emphasis on a unified experience and shared economy.

COMPANY DETAILS

Name of Organisation
Cassava Smartech Zimbabwe Limited (CSZL)

Date Established
1 November 2018

Location of Headquarters and Operations
1906 Borrowdale Road,
Harare, Zimbabwe

Ownership and Legal Form
Cassava is a company listed on the Zimbabwe Stock Exchange

Group Structure and Business Outline

The Cassava Group provides mobile money, banking, health, agriculture, education, on-demand and insurance services.

Scale of the Reporting Organisation

For the consolidated statement of financial position with details of assets, liabilities and equity, refer to page 112 under the Compliance & Financial Reporting section of the annual report.

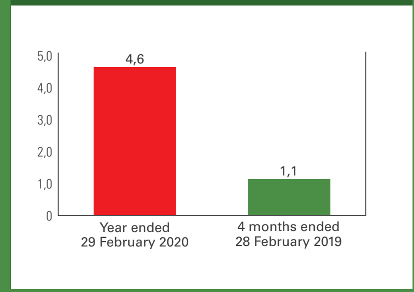
Composition of the Workforce

As at 29 February 2020, Cassava directly employed a total of 1,161 members of staff.

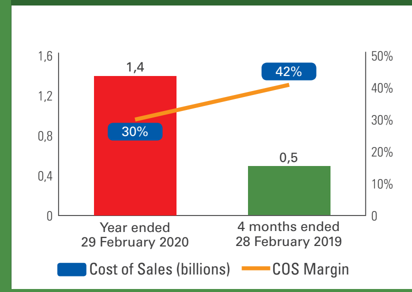
EMPOWERING
LIVES
A future where everyone is connected for the better

FINANCIAL PERFORMANCE HIGHLIGHTS

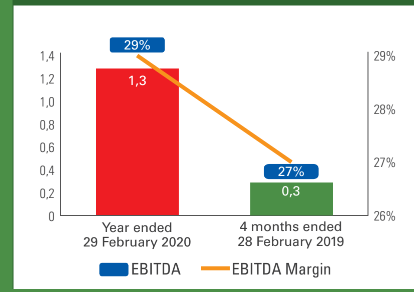
Revenue (ZWL billions)



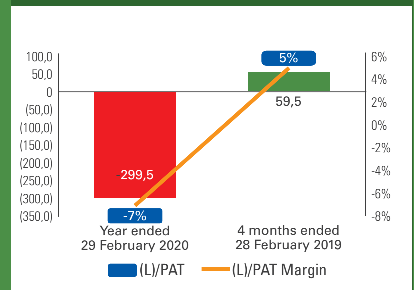
Cost of Sales (ZWL billions)



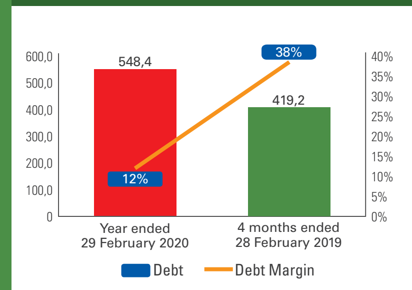
EBITDA (ZWL billions)



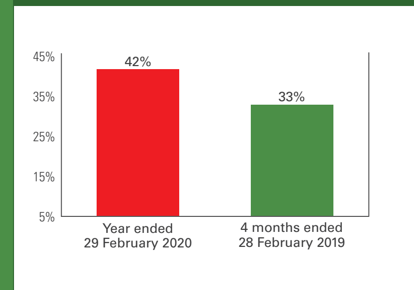
PAT (ZWL millions)



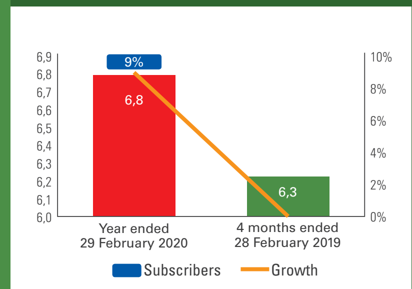
Debt (ZWL millions)



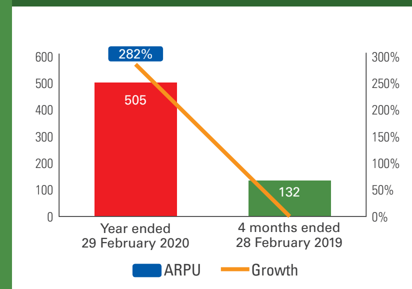
Debt/Equity



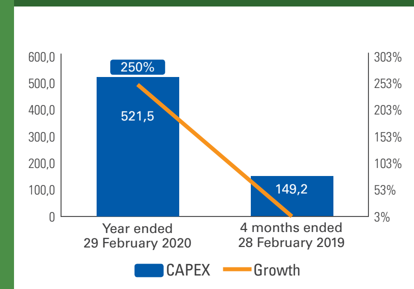
Mobile Money Subscribers (millions)



ARPU (ZWL)



CAPEX (ZWL millions)



Key:

Average revenue per user (ARPU)
Capital expenditure (Capex)
Earnings before interest, taxation, depreciation and amortisation (EBITDA)
Profit after taxation (PAT)

Note:

Prior year comparatives were previously reported in US dollars and were translated to Zimbabwean Dollars (ZWL) at a rate of US$ 1 to ZWL 1.

Leading the Smartech Revolution

Cassava continuously churns out digital innovations aimed at improving the day to day lives of the Zimbabwean people. In the financial year under review, the following key services were launched:

Clean City
An innovative and sustainable on-demand waste management solution riding on the VAYA Africa App.

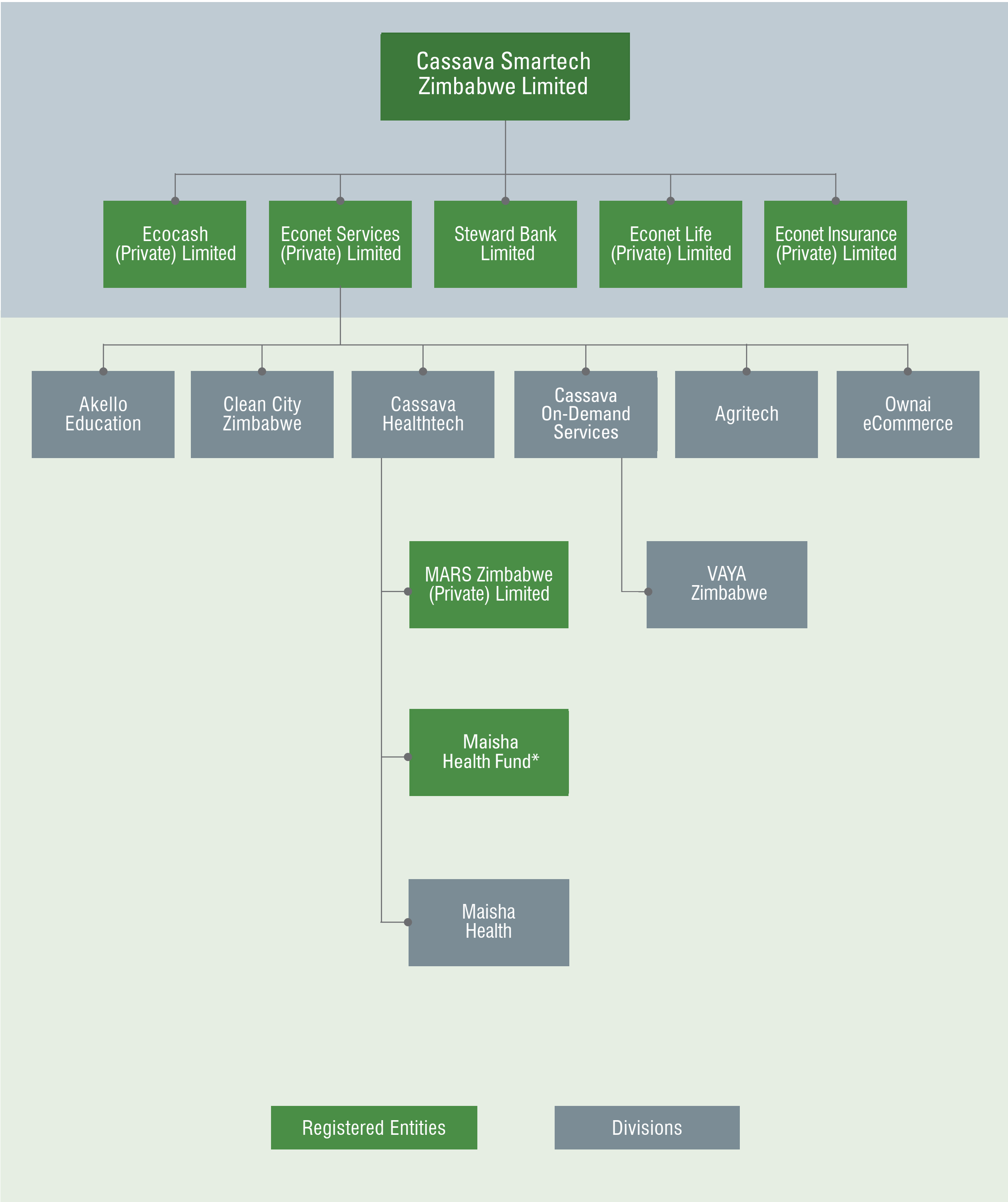
EcoCash Bureau de Change
Zimbabwe's first mobile bureau de change that provides a platform which enables one to check rate of the day and do full or partial conversion.

Maisha Medik
A platform that connects patients to medical service providers across the health services spectrum.

VAYA Tractor
An on-demand tractor services platform that links farmers to agricultural mechanization equipment for smart farming solutions.

CORPORATE PROFILE

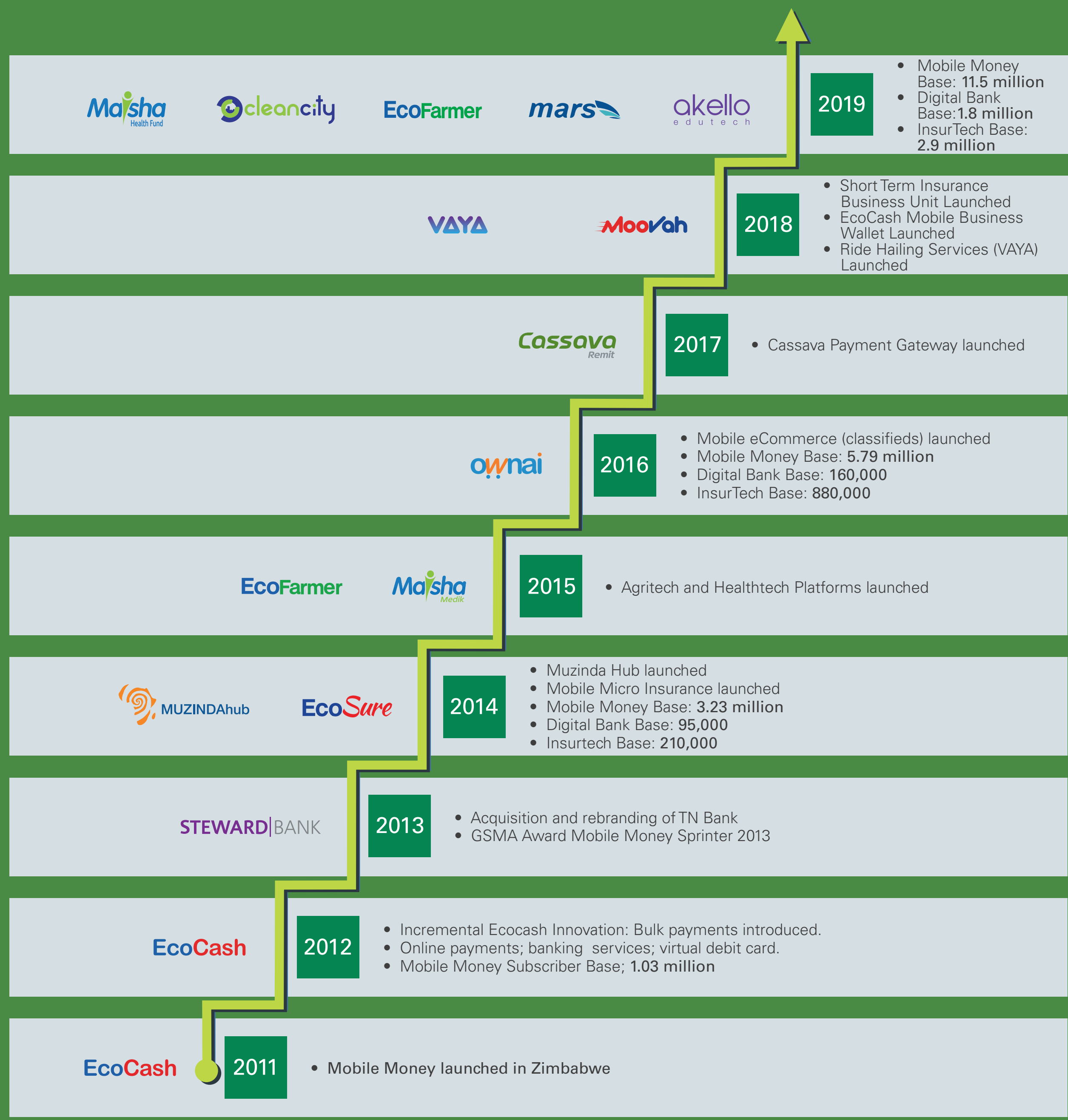
The Cassava Corporate structure is detailed below.



*Steward Health rebranded to Maisha Health Fund.

OUR JOURNEY

Cassava has evolved from a basic mobile money transfer service under Econet Wireless Zimbabwe Limited (EWZL) to become a fully-fledged smartech business, leading in every sector we operate. In 2018, EWZL shareholders approved the demerger of the Financial Technology, Banking and other businesses from the Econet Wireless Zimbabwe Limited Group. This process culminated in the listing of Cassava on the Zimbabwe Stock Exchange (ZSE) on 18 December 2018.



OUR BUSINESS MODEL

Cassava at a Glance

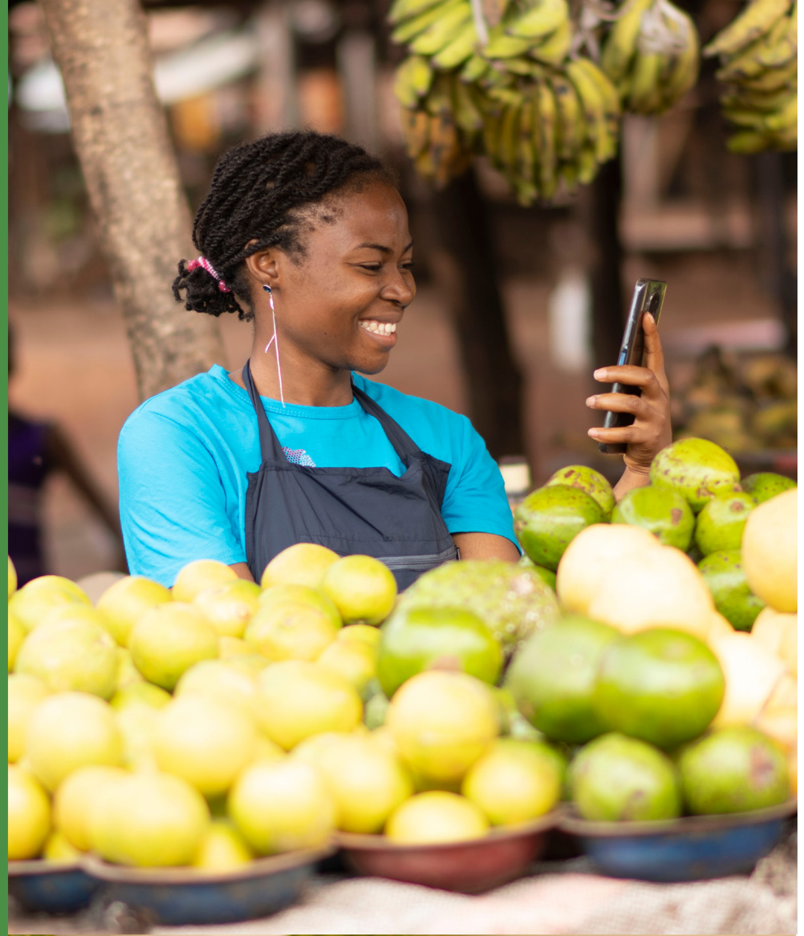
The Cassava group is a balanced portfolio of distinct, yet synergistic services that translate into an integrated business model with the following units:

Fintech: A uniquely integrated digital transactions ecosystem including Mobile Money, Digital Banking, Payment Services and International Remittances. Through our Fintech services, we have been able to drive financial inclusion from under 10% in 2011 to 90% of adult population in Zimbabwe and, helped to create thousands of new jobs and business opportunities for entrepreneurs.

Healthtech: Cassava Healthtech offers Maisha Health Fund and Maisha Medik which provides medical aid and Wellness services through mobile based Health Tips, Symptom Checker, Dial-a-Doc and Tele-Health under the Maisha Medik brand. We are exploring Artificial Intelligence (AI) powered apps and telehealth platforms to provide health advice, diagnosis, treatment, monitoring and to promote people's overall well-being. We currently have over 1 million customers on our wellness tips platform. MARS ambulance services has also come on board and is primed to contribute towards management of health and medical emergencies.

Insurtech: We offer innovative and inclusive mobile micro insurance solutions covering Funeral, Property and General Insurance. In Africa the concept of insurance is still under-developed, with less than 5% insured, hence there is untapped opportunities for micro insurance. Our solutions are offered through a non-traditional, innovative model, allowing us to bring down insurance premiums to as low as 50 cent per month, taking advantage of strategic partnerships with Mobile Network Providers, mobile money and various industry providers. Our solutions also include mobile money platforms for premium collections

Agritech: Our end-to-end mobile Agric solution for farmers offers a wide range of tailored services including financial services, information, trading platform and on-demand farm equipment services and logistics. The platform aggregates key value chain players and stakeholders, creating a powerful agricultural ecosystem designed to transform the sector and improve the livelihoods of farmers. Agriculture remains the backbone of African economies, and in most countries the sector provides employment for up to 70% of the population. As a result, providing information, facilitating access to markets, and enhancing information flows create a significant opportunity to improve the livelihoods of millions of people.



OUR BUSINESS MODEL (continued)

On-Demand Services: On-Demand Services is the shared economy unit of Cassava. Our mandate as Cassava On-Demand Services is to provide real time platforms to connect users to their nearest service provider-saving them time and money through increased efficiencies.

Vaya Mobility is a ride hailing service offering safe, affordable and convenient passenger transportation service that is easily booked from anywhere at any time via the convenience of a mobile application launched on 25 October 2018. It is the largest ride-hailing platform service in Zimbabwe by fleet size and trip volume. Our Vaya services have two variants, Vaya Mobility and Vaya Logistics. The Vaya Logistics has express services for small cargo and parcels delivered using motor bikes and tri-cycles. The bigger cargo is ferried using trucks of different sizes depending on the tonnage and volume.

VAYA Clean City is designed for customers and corporates who require to have waste collection and on-demand water supplied through requests initiated via the mobile app.

Edutech: This entity comprises of Muzinda Hub, Akello Books, Akello Courses and Ruzivo ExtraMarks; services that provide equitable access to quality education and skills development through Digital Educational Platforms. Recognizing the need to innovatively drive education access in Africa, we have developed end-to-end value propositions through our services that encompass platforms, training, digital books, and leverage strategic partnerships with a wide range of value chain players.

e-Commerce: The Ownai platform offers e-commerce solutions designed to facilitate trade through buyers and sellers by offering a convenient, safe, and secure online marketplace. e-Commerce solutions include; digital classifieds, convenience store which enables purchase of a variety of virtual products & services that include, utility bill payments – electricity, ISP, insurance premiums and airtime purchases, and an online marketplace which gives customers access to groceries, clothing, and electronics etc. Payment integrations have been made with EcoCash, MasterCard and Visa enabling safe and secure payment solutions. We offer Pay Protect which is an escrow service designed to protect both buyer and seller. Delivery of goods is facilitated by Vaya Logistics which provides quick, secure and efficient delivery services.

OUR PRODUCTS AND SERVICES

Cassava Smartech

Life is digital

EcoSure

Moovah

VAYA Mobility VAYA Logistics

cleancity

EcoCash

STEWARD BANK

Maisha Medik Maisha Health Fund

mars

ownai

EcoFarmer

Ruzivo Extramarks MUZINDAhub

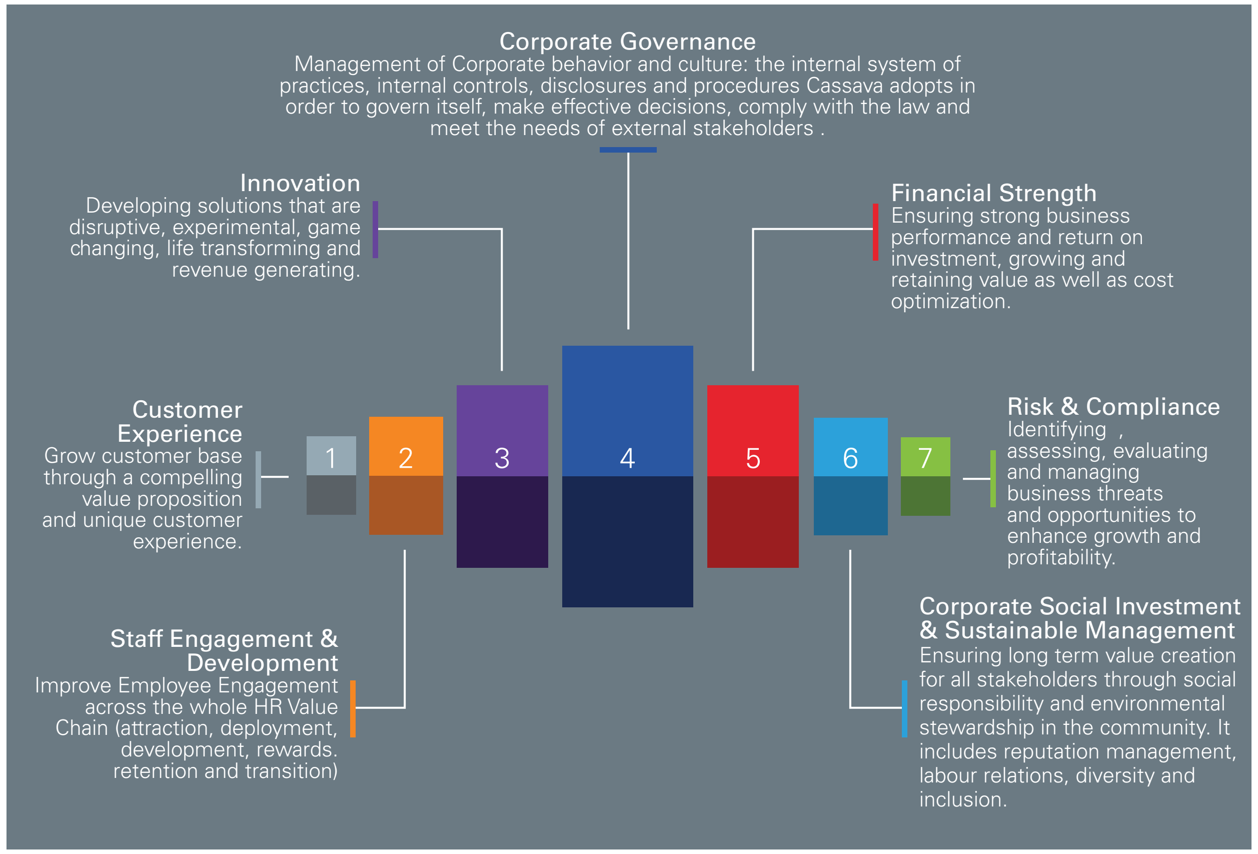
akello edutech

NEW PRODUCTS AND SERVICES LAUNCHED OVER THE YEAR

Brand	Product / Services	Launch
EcoSure	EcoSure Rescue Services	March 2019
	EcoSure Wellness Services	July 2019
	EcoSure VAYA Services	October 2019
VAYA	VAYA Corporate Shuttle	September 2019
	VAYA Tractor	October 2019
	VAYA School Shuttle	November 2019
	VAYA E-Vehicle	December 2019
cleancity	Clean City	July 2019
Edutech	Akello books, Akello Courses, Ruzivo Extramarks	February 2019
Maisha	Health Tips	March 2019
STEWARD|BANK	Sosholoza	March 2019
	Purple Sun	November 2019

Cassava Smartech

BUSINESS STRATEGIC PILLARS



Cassava Smartech

Fintech

A uniquely integrated digital transactions ecosystem including Financial Mobile Money, Digital Banking, Payment Services and International Remittances. Through our Fintech services, we have been able to drive financial inclusion from under 10% in 2011 to 90% adult population in Zimbabwe, and helped to create thousands of new jobs and business opportunities for young entrepreneurs.

EcoCash

STEWARD|BANK

Cassava Remit

EcoCash REMIT

Life is digital

Mrs. Sherree Shereni
CHAIRPERSON OF THE BOARD

CHAIRPERSON'S STATEMENT

> "The success of our business is predicated upon the stability, efficiency and effectiveness of our technology platforms"

Introduction

Cassava Smartech Zimbabwe Limited continues its development of innovative digital solutions to provide and improve convenience in the lives of people in Zimbabwe. Our model is built on providing digital solutions to the day-to-day challenges faced by our customers. Our understanding of the local market, the dedication and skill of our staff and the ecosystem that we have built afford us the advantage to continue creating value for our shareholders and support the economic development of Zimbabwe.

Regulatory Overview

Subsequent to the reporting date, there have been a number of regulatory pronouncements and policy changes mainly affecting our fintech business segment. We continue working with the authorities to implement processes and policies that enhance the integrity of the financial system. Whilst the forensic audit being carried out on Ecocash and other mobile money operators in Zimbabwe is yet to be finalised, in the best interests of our stakeholders, the board has taken the view to release the Group's audited financial statements. As a good corporate citizen, we consistently strive to operate in compliance with all regulatory requirements and continuously upgrade our systems in order to address changes in our regulatory, operating and macro-economic environment.

CHAIRPERSON'S STATEMENT (continued)

Financial Reporting in Hyperinflationary Economies

Having assessed the impact of hyperinflation in the economy, the Public Accountants and Auditors Board (PAAB) advised that the conditions for adopting International Accounting Standard (IAS 29): Financial Reporting in Hyperinflationary Economies had been satisfied with effect from 1 July 2019. Both historic cost and inflation adjusted financial figures have been prepared and presented, in line with the requirements of International Financial Reporting Standards, in particular, IAS 29 and the recommendations from PAAB.

Financial Performance Review

Comparative Information
Cassava came into existence on 1 November 2018 and the financial year ended 29 February 2020 is Cassava's first full year of operation. Comparative information presented is, therefore, showing 4 months performance up to February 2019. The inflation adjusted figures have been indexed for comparative purposes, by applying to the prior year historic cost numbers the inflation indices prevailing at the time.

Performance Review (Inflation Adjusted)
Despite the challenges in the obtaining operating environment, Cassava recorded a revenue of ZWL 4.6 billion, compared to four months revenue for the period ended February 2019 of ZWL 1.1 billion. Mobile Money and Banking businesses contributed 89% (FY19: 91%) of total revenue for the year. The decline in percentage contribution for the Fintech business segment reflects the positive effects of the group's revenue diversification strategy. The ongoing transformation of the business within Cassava remains a priority as we work on scaling up the new businesses and diversifying our revenue earnings for sustainability. The growth was largely driven by the digital on-demand agriculture platform catering for both small holder and large scale commercial farmers, as well as the non-motor business for the short term insurance business unit. Our Life business (EcoSure) maintained solid performance, anchored on innovative digital on-boarding platforms, as well as enhanced product mix to cater for the cross profile of the segments we service.

Cassava recorded an increase in gross profit margin to 68% from 57% in 2019 and in the EBITDA margin to 29%, from 27% in the prior year. This increase occurred despite the pressure that the economic environment has continued to place on the business margins. To mitigate this, the business embarked on an elaborate cost optimisation drive to complement the revenue generation initiatives being implemented.

The continued depreciation of the Zimbabwe Dollar against the United States dollar had a significant impact on our financial performance as we realised foreign exchange losses amounting to ZWL 2.0 billion. At the reporting date, the Group had net foreign liabilities amounting to US$ 42.8 million, of which US$ 30.5 million comprise of the Cassava's 50% allocation of the overall liability in the debentures issued by Econet Wireless Zimbabwe Limited.

The business revalued its property and equipment for the year ended 29 February 2020 as the associated value in Zimbabwe Dollars was no longer meaningful due to inflation. Most of the Cassava's tangible and intangible assets were procured in foreign currency. Our revaluation approach is explained in the notes to the detailed financial statements.

The Directors are aware of the fact that certain distortions may arise due to divergent interpretation of specific economic factors that may affect the relevance and reliability of information presented in a hyperinflationary environment. These potential distortions are addressed in more detail in the Integrated Annual Report. Stakeholders are, therefore, advised to exercise caution in relying on these financial results.

Our Growth Strategy

The success of our business is predicated upon the stability, efficiency and effectiveness of our technology platforms. Cassava is cognisant that our customers entrust their confidence to us based on our continued ability to deliver a consistently high quality of service.

Cassava experienced a rapid increase in the volume and value of transactions being processed on mobile and digital banking platforms as more customers continued to favour these channels due to their convenience and availability. This necessitated the upgrade of the Ecocash platform in order to improve the ability to handle the increase in the volume and value of transactions, in line with the economic developments. As a result of the successful conclusion of this major upgrade, the experience of our customers as they use EcoCash has dramatically improved as measured by speed of transacting and the near 100% rate of successful transaction completion. In the next financial year, Cassava has also embarked on a banking system upgrade which will improve customer service whilst enhancing the bank's

CHAIRPERSON'S STATEMENT (continued)

operational efficiency. We always aim to have robust, world class digital infrastructure in line with our corporate thrust: **Life is digital.**

Cassava also continues to invest in enhanced security and monitoring tools for all our systems. Various new products and services were launched within our On-Demand Services (ODS) strategic business unit.

We also continue to invest in the core skills required to drive the business forward, with sustained development programmes running across all levels for a digital ready workforce.

Social Investment

Cassava has adopted the UN Global Compact 10 Principles on human rights, labour, environment and anti-corruption to advance the broader Sustainable Development Goals, as part of our commitment to continue actively participating in society and giving back to one of our most important stakeholders, the community. In the period under review, Cassava participated in a number of social transformation activities which included; Cyclone Idai disaster relief, Zimbabwe netball team sponsorship, offering free transport for doctors who were on strike, the Maisha cancer treatment fund, free water delivery to selected hospitals and basic computer literacy training for the under privileged girls.

Corporate Governance

We held our inaugural Annual General meeting on the 30th of October 2019. The Board of Directors would like to express its sincere gratitude for the support shown by our shareholders.

Pursuant to changes in the Board composition following the Company's inaugural Annual General meeting, the Board Committees were duly reconfigured and further disclosures on the composition of the various board committees are included in the corporate governance section of the annual report.

It was with great humility that I accepted the appointment as Cassava Smartech Board Chairperson effective 17 December 2019. I thank my fellow board members for the confidence and faith placed in my leadership and will work with fellow board members and management to deliver on our promise to both shareholders and our customers

Outlook

We are operating in a Volatile, Uncertain, Complex and Ambiguous (VUCA) environment which calls for new ways of managing risks whilst preserving shareholder value.
We will continue seeking opportunities that grow shareholder value and allow us to build a sustainable, competitive advantage in the market, based on the key strategic pillars which are staff engagement and development, customer experience, innovation, transparent and fair corporate governance practices, world class financial performance, sustained corporate social investment and enhanced risk management.

Appreciation

The Board would like to extend its appreciation to our customers who have continued to support us and made it possible for Cassava to deliver exceptional results despite the difficult operating environment. I also take this opportunity to thank our shareholders, strategic business partners and regulatory authorities for their support and continued trust in Cassava throughout the period. I would like to thank our management and staff for their unwavering commitment to the success of Cassava despite the difficult operating environment. The Board is confident that the team will continue to drive business performance to grow our business into the future.

Dividend Declaration

Cognisant of the prevailing macro-economic fundamentals and the need to hedge the Company against the negative effects of the foreign currency translation adjustments on the bottom line, the Board resolved not to declare a dividend for the year ended 29 February 2020.

On behalf of the Board

Shereni

Mrs. Sherree Shereni
CHAIRPERSON OF THE BOARD

30 October 2020

Mobile Money Solutions

Our integrated platform offers multi-mobile financial services programmes, which depending on the target market, can be tailored to suit banked, unbanked and under-banked customer segments. We offer a rich pipeline of innovative use cases, including micro-loans, micro-savings (for individuals or groups), mobile business wallets, international remittances, payroll processing, digital bureau de change and merchant payment solutions.

Our flagship mobile money service, EcoCash, is a recipient of two GSMA GLOMO Awards for Best Mobile Money in the World (2017), and Best Mobile Innovation for Women in Emerging Markets (2018). It has many more awards to its name, and widely considered one of the best mobile money services in the world.

EcoCash

Insurtech

We offer innovative and inclusive mobile micro-insurance solutions covering Funeral, Auto, Non-motor, Education and Health. Our solutions are offered through a non-traditional, innovative model allowing us to provide affordable insurance premiums, taking advantage of strategic partnerships with MNO's and mobile wallet providers.

Life is digital

Non-Motor Insurance

Our property and casualty policies cover assets risk, plant and machinery insurance, consequential loss, home insurance, personal accident, livestock schemes, crop insurance schemes, bonds and guarantees among many other variants. The distinctive features of our property and casualty insurance programmes are the embedded risk management tools to ensure we join hands with the insured to guarantee the protection and indemnity of assets.

ENVISION
THE FUTURE
Disrupt and confront the status quo

Mr. Eddie Chibi
GROUP CHIEF EXECUTIVE OFFICER

GROUP CHIEF EXECUTIVE OFFICER'S OPERATIONS REVIEW

> "We believe that through the vast array of our products, we are positively impacting the millions of people and sustainably bridging the gap towards global best practice."

Introduction

Cassava Smartech Zimbabwe Limited is committed to developing transformational products that positively impact the lives of millions of people in Zimbabwe. Our mantra, "**Life is Digital**", exhibits our dedication to building and offering solutions designed to integrate technology into our daily lives. With the vast array of available new technologies, we are positioning ourselves to take advantage of the various opportunities in Fintech, Insurance, Health, Agriculture, e-Commerce and On-Demand Services. We believe in disrupting the status quo and take pride in the impact we have achieved in our corporate journey thus far. Cassava continues to offer better ways of doing business for our partners, corporate and individual clients, whose needs inform our value proposition. We are here to offer innovative and inclusive digital solutions designed to drive socio-economic development and improve the overall quality of life for all Zimbabweans.

Operations Review

The business operating environment has been harsh, with persistent devaluation of the local currency, shortage of foreign currency, shortage of fuel, consistent load shedding and increased regulation. Resultantly, the environment has been ridden with increased

GROUP CHIEF EXECUTIVE OFFICER'S OPERATIONS REVIEW (continued)

inflation and uncertainty, all making the operating conditions very complex. As a business, we have had to continue closely monitoring and adapting to the environment, making agile changes to remain viable.

Despite the prevailing challenges, Cassava delivered commendable financial performance in FY20. Total Cassava group revenue for the year was ZWL 4.6 billion, with 89% of the revenue contribution coming from the Fintech businesses, EcoCash and Steward Bank. The Fintech contribution dropped from previous year's contribution of 91%, as a result of the increased performance from our Insurtech businesses, which grew to 9% revenue contribution compared to prior year performance.

The Agritech business saw commendable growth in the year, with a revenue surge to ZWL 24.3 million from ZWL 0.8 million. The increase was driven largely by the launch and adoption of an on-demand tractor tillage platform. Moovah also performed exceptionally well, with a revenue increase from ZWL 31 million to ZWL 193.7 million, driven by growth in insurance of non-motor assets. We continued to strengthen our value proposition for Vaya, with several new products launched across the Mobility and Logistics pillars. Our innovations in the on-demand business are largely to continue serving identified needs. The persisting water and waste collection challenges in the country presented an exciting opportunity for on-demand water delivery and waste collection services, through our business unit Clean City and Vaya Logistics.

We believe we have a very strong value proposition across all our business entities and we are confident that our human capital and physical assets will continue delivering positive results for the business that creates value for our stakeholders.

Sustainability

The long-term development of our business is guaranteed by our commitment to sustainability, which is central to our business strategy and ingrained there-in to fully align with our commercial objectives. Our efforts are focused on addressing environmental, social and governance (ESG) obligations. This way, we continue to ensure that all of our business operations are environmentally conscious, socially responsible and adhere to the inherent governance frameworks. As a business, we have continued to respond to our stakeholders' needs, which is evident in our innovative products that are market informed. We believe that through the vast array of our products, we are positively impacting the millions of people and sustainably bridging the gap towards global best practice. The business' financial inclusion efforts are noted through the over 2.0 billion mobile money transactions and the just under 2 million Steward Bank account holders. In terms of job creation, besides the thousands of agents, merchants and brand ambassadors across the country, the business pioneered over 1,200 Clean City jobs and 3,500 active Vaya drivers. On the environmental front, promotion of sustainable cities was driven through the waste collection business, which serviced 255,000 households and recycled 84.1 tons of waste material within a few months of launching Clean City.

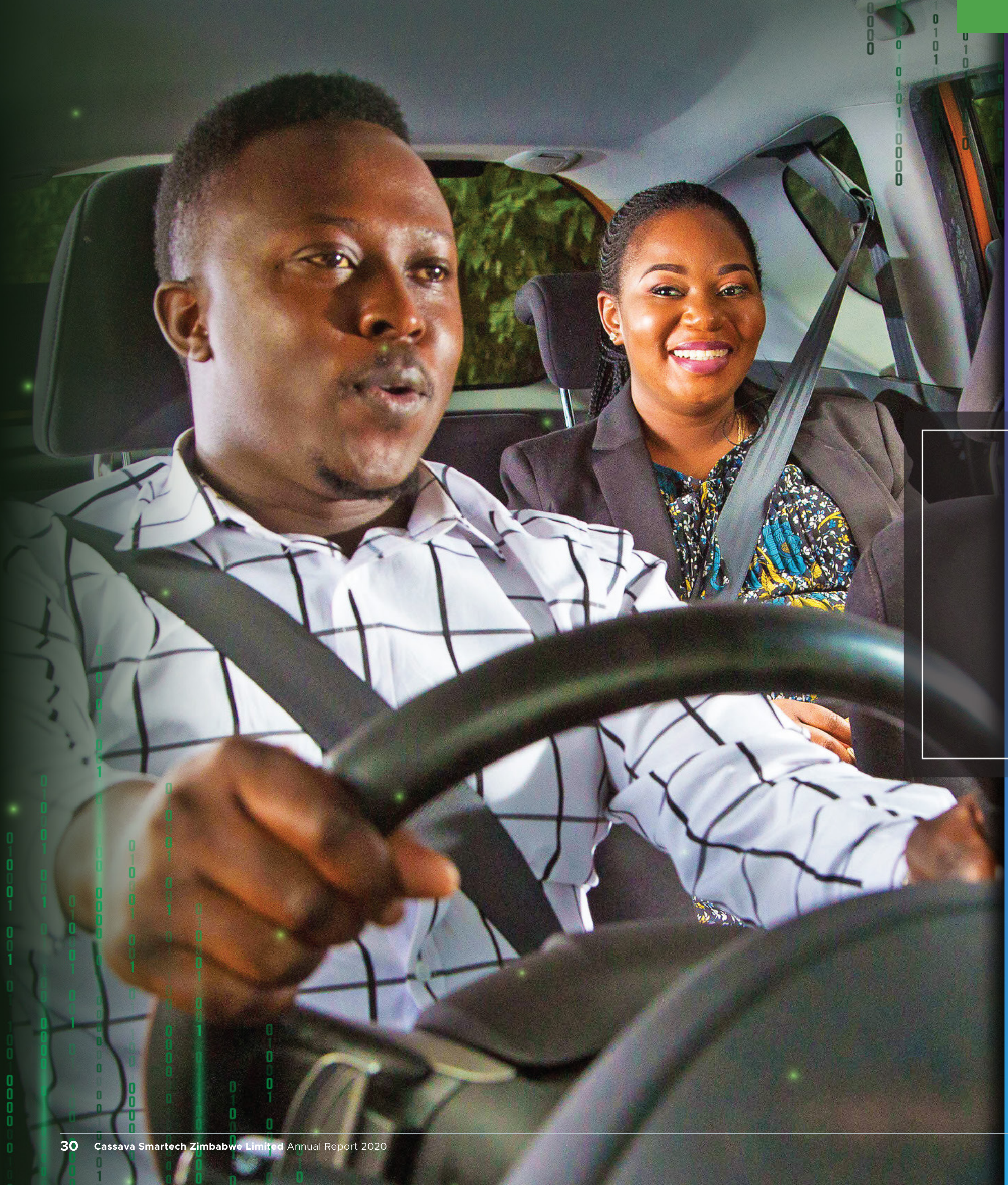
Outlook

The ongoing transformations of the businesses within Cassava remains a priority as we move forward. We continue working on maintaining and growing market share for our established businesses as well and scaling up the newer businesses. Key to our strategy for the forthcoming year is diversification of our revenue earnings. Though we will continue to give the required attention to our established Fintech and Insurtech businesses, we are working on nurturing our newer businesses in the Health, On-Demand Services, Agritech, Edutech and e-Commerce sectors to grow their contribution to overall Group performance.

We are already excited by the growth we have seen in most of these businesses in the past financial year and believe there is so much more we can do to disrupt these spaces and in so-doing continue building our business.

Mr. Eddie Chibi
GROUP CHIEF EXECUTIVE OFFICER

30 October 2020



Cassava Smartech

On-Demand Services

On-Demand Services (The home of VAYA) is one of the strategic Businesses within Cassava offering a converged platform for all on-demand services under the following verticals: Mobility and Logistics. We offer efficient, affordable and reliable transportation of goods and movement of people across Zimbabwe, working together with strategic partners. Technology inclusion and digital transformation of the logistics and mobility industry in Africa, is a great opportunity which we aim to embrace as we create sustainable value for our customers and partners.

VAYA

cleancity

Life is digital

Vaya Tractor

VAYA Tractor allows farmers to deploy mechanization technology by ordering a tractor through the VAYA Africa mobile app as well as on USSD. Farm equipment has been put on a digital platform, which enables farmers to request for service. The platform matches request with the nearest available equipment, which is then deployed.

EcoFarmer

SUSTAINABILITY

CREATING VALUE THROUGH SUSTAINABLE BUSINESS PRACTICES

MESSAGE FROM THE SUSTAINABILITY GENERAL MANAGER

> "Being green is much more than the eco friendly products and services that we sell, it is the unshakeable commitment to sustainable business practices that create value for our stakeholders"

We are excited to share the Cassava 2020 sustainability report. Sustainability management has emerged as a new business paradigm breaking away from the former model of shareholder oriented profitability management. Since then, international conventions related to responsibility that companies voluntarily comply with, have turned into regulatory authorities with international standards and guidelines. These conventions have also begun to act as trading conditions in economic blocs. In addition investment institutions, regulatory authorities and corporate clients require the disclosure of non- financial information such as sustainability performance and risks, while service providers in the capital markets are introducing a system to assess corporate level of social responsibility and good corporate citizenship.

The report highlights the strides that we made towards contributing to the fiscus, improving the environment, protecting as well as engaging our people and strengthening the communities we call home through digitalization, which is already having a substantial impact on social and economic prospects worldwide. Cassava offers innovative solutions for exploiting the opportunities offered by digitalization to promote sustainable development. Digital solutions make it possible to skip traditional development steps and so have the potential to drive faster sustainable development and promote a better quality of life.

Key material issues covered in this report are:

- **Financial inclusion** through the fintech products and services.
- **Social inclusion** driven by the business' provision of education services, health services and employment creation.
- **Environmental management** through waste management services and digitalized transactions.

Mrs. F. Gandiya
SUSTAINABILITY GM

Clean City Water Delivery

Clean City Water Delivery provides door to door services for both individual homes and corporates. Bulk water can be conveniently requested from the VAYA Africa App.

VAYA

SUSTAINABILITY FRAMEWORK

Our Sustainability Themes

Strategic Themes and Sustainable Developmental Goals Linkages

To advance the sustainability agenda as Cassava, we formulated five strategic themes that form their foundation from the United Nations Sustainable Development Goals. These themes inform our strategic development of our Sustainability Governance framework and the development of our Sustainability Key Performance Indicators.

Quality Education and Health
The Community and Staff are the Bedrock of Cassava and their health and wellbeing is of paramount importance to the business. Coupled to this is the provision of educational products and services including entrepreneurship training from primary through to tertiary level positively contributing to the attainment of community development.

Risk and Compliance
Cassava is committed to complying with applicable laws in all its operations while ensuring adequate mitigation of risks for sustainable operations.

Environmental Protection
Cassava integrates sound environmental practices into the operations and values contributing to environmental preservation.

Social Inclusion
We strive to provide everyone in the society with equitable services and opportunities, irrespective of race, gender, age or disability, thereby enhancing social bonds and cohesions.

Financial Inclusion
Providing equal opportunities for communities to access financial services through cutting edge innovations.

Disruptive Innovation
Cassava is dedicated to reinventing the wheel in order to provide world-class services and deploy cutting edge technology and infrastructure to give excellent service to our customers.

OUR SUSTAINABILITY APPROACH

Sustainability Management Approach

Sustainability is being firmly embedded into the Cassava Smartech corporate strategy and organization, hence driving operational risk management for long-term business success. Through integrating sustainability into the operational decision making process and business strategy, the business has been able to minimize negative impact and related costs on itself, thereby resulting in a balanced effect on economic, environmental and social performance.

Cassava's commitment to sustainability is anchored in adopting key industry standards and guidelines into its operations to ensure entrenchment of best industry practice. These standards comply with the material aspects of International Organization for Standardization (ISO) guidelines, Global Reporting Initiatives (GRI) Standards and the UN guidelines like the Sustainable Development Goals and the UN Global Compact principles. The guidelines adopted cover health and safety standards and environmental management standards. The business has put in place policies and procedures based on these standards and regulations to guide it's significant aspects, which set the management framework of the operations. This covers management of corporate values, safety, health, environment, energy, ethics, transformation, procurement, human resources and financial management. The business has defined key sustainability performance indicators which require us to identify, measure and manage our material impacts to ensure mitigation measures are adequately implemented. Stakeholder engagement processes also assist in identifying potential issues and inform the relevant responses undertaken.

Hence, stakeholder engagement is a critical component of our approach to sustainability, guiding our efforts, objective setting and ability to achieve measurable results on our performance.

Sustainability Governance

The Board, through the Social and Ethics Committee is responsible for and has oversight of the sustainability functions of the business. The Committee, through its mandate, gives full attention to sustainability considerations, policies, risks, opportunities, ethics, human rights issues, innovation and creation of stakeholder value within the business' operating context. This responsibility is formally laid out in the Committee's terms of reference. At its biannual meetings, ethics, sustainability, stakeholder, reputation management and corporate social investment (CSI) reports are presented and discussed in detail.

Implementation of Group Sustainability is driven by ensuring the continuous involvement of management within all core business functions with the aim of integrating corporate responsibility and sustainability into our business strategies.

The Stakeholder and Sustainability department maintains oversight of Stakeholder Management, Corporate Social Investment and Sustainability initiatives to ensure the coordination, monitoring and measuring of all sustainability initiatives, as well as periodic communication with stakeholders through sustainability reporting.

Materiality

At Cassava, materiality helps us identify and prioritise the sustainability issues that matter most to our business and stakeholders. Material issues refer to those aspects that have significant economic, social and environmental impact on Cassava's ability to remain commercially viable and relevant. They therefore present highest potential risks and opportunities.

Our process for materiality analysis follows an annual cycle. It involves a two-stage process of consultation and refining the issues to determine the most material ones to the business. In the materiality determination this year, we identified the material issues through:

- Stakeholder consultation;
- Analysis of GRI standards material issues;
- Key organisational policies, values, strategies; operational management systems, goals and target SDGs;
- Laws, regulations, and international agreements;
- Benchmarks with other industries in our sector; and
- A review of our business activities and impacts.

Our prioritisation process to identify material issues posing major risks to our sustainability followed a review and valuation of issues most important to our stakeholders and the economic, social and environmental impact these issues have on the achievements of our strategic business objectives.

Procurement and Supply Chain

Supplier Value Chain

Cassava Smartech Zimbabwe Limited Procurement Charter

Cassava sets high standards in sustainability to ensure that

OUR SUSTAINABILITY APPROACH (continued)

all our business is conducted ethically and in accordance with legislation. As Cassava we expect our suppliers to also comply with all the country's laws and regulations. Cassava believes in innovative and responsible procurement that delivers value to our customers, reduces risk and ensures compliance. We are committed to delivering economic, environmental and social benefits from our supply chain, and delivering real and long term sustainable value to our customers and the communities we operate in.

Health and Safety

The business is committed to complying and promoting health and safety standards for its staff, contractors, customers and communities within which it operates. This prevents accidents, occupational related diseases and promotes community physical and mental wellbeing. We have staff Wellness programmes for internal stakeholders and for external stakeholders we provide products and services such as dial-a-doc, Maisha Health Tips and Maisha Health medical insurance. The Clean City services which include waste management and clean water provision also provide environmental health for our communities.

Cassava also expects all our suppliers working on our sites to comply with our health and safety standards as applicable. We use the safety and health reports on compliance to drive continuous improvement. In our supply chain we expect our suppliers to avoid the use of prohibited harmful materials and substances in the provision of any goods, projects or services and we do not tolerate any child labour.

Environment

The business recognises that we need to procure and use our resources sustainably, prevent pollution, protect and enhance biodiversity and work with our suppliers towards reducing and adapting to climate change.

Business Ethics and Governance

As an ethical business, we do not tolerate corruption, bribery and unfair anti-competitive actions. We expect all our suppliers to:

- Comply with applicable legal, regulatory and accounting requirements including but not limited to competition, procurement and finance laws;
- Never offer or accept any undue payment or other consideration, directly or indirectly, for the purpose of inducing any person or entity to act contrary to their prescribed duties;
- Be responsible in paying taxes.
- Know our tip off anonymous numbers.

Human Rights

Human rights is of great importance to our organisation and we expect all our suppliers to respect human rights and provide a safe work environment that is free from harm, harassment, any form of fear and intimidation. We promote equal opportunities and expect our suppliers not to tolerate discrimination in terms of colour, disability, ethnicity, religion and marital status. We also require our suppliers to treat all people equally with respect and dignity.

VALUING EVERY STAKEHOLDER Stakeholder Engagement

Any group or individual who can affect, or who can be affected by the business operations is considered as a business stakeholder. We employ a cocktail of methods to engage our stakeholders including formal and informal meetings to build mutually beneficial win-win relationships with them. Our stakeholder engagement strategy is encapsulated in the stakeholder management processes which include consultation, collaboration, involvement and informing of the relevant stakeholder groupings to ensure their needs and interests are incorporated in our decision making process to create stakeholder value, business growth and developing sustainable innovations.

Cassava Smartech

KEY ENGAGEMENTS FOR OUR INAUGURAL YEAR

Our sustainability strategies are informed by the interests and expectations of all valued stakeholders, whether individuals, groups of people or organisations. The high level summary of some of the key engagements over the year are provided below:

STAKEHOLDER CATEGORY	WHY WE ENGAGE	WHAT WE DID	KEY INTERESTS
Government	• Build and strengthen relationships both as a partner in the development of the nation and as a client • Input into legislative development processes that affect our activities and operations • Reaffirm our commitment to public sector development • Participate and be a partner to the transformation of the economy • Support for relevant regulatory approvals in compliance with legislation	• Assisted in the burial of victims of Cyclone Idai • Supported the Civil Protection Unit (CPU) and Traffic Safety Council of Zimbabwe on disaster awareness management through SMS blasts • Partnered with the government's Command Agriculture Programme through our Agritech pillar, to offer tillage and spraying services [Ploughing, Disking, Planting and Spraying] • Participated in Waste Management consultative forums held by Ministry of ICT and Ministry of Environment for policy and regulatory reviews • Participation in National Disaster Emergency Team through MARS. Through this, we played a pivotal role during Cyclone Idai and assisted in daily road traffic disasters • Part of the Civil Aviation Authority of Zimbabwe (CAAZ) Airport Disaster Management Team in place to respond to air disasters. • Supported the Ministry of Health in training of Nursing Staff in pre-hospital care and offering services to Parirenyatwa Hospital Mbuya Nehanda Maternity wing in transferring patients to theatre and back towards following fire damage to the maternity theatre	• Contribution to Economic growth • Financial inclusion • Social inclusion • Promote sustainable Cities • Promote environmental protection • Public road safety • Enhance Agricultural productivity • Empower women and youth farmers • Promote community wellness
Suppliers	• To source for materials and services sustainably	• Continuously assessed suppliers to ensure compliance with regulatory and international environmental and social requirements • Reviewed contracts for suppliers to ensure sustainable practices and sound value chain • Fulfilled payment obligations to suppliers • Renewed contracts and MOUs signed with local and international ebook publishers • Adjusted service level agreements in light of changes in the economic environment	• Value preservation • Quality of service • Compliance • Driving digital education
Media	• Communicate business contribution to national growth • Engage with relevant stakeholders and the broader public	• Developed direct lines of communication with all major publications on the Cassava Smartech business. • Facilitated stakeholder education on products and services. • Published our differentiated Cassava Smartech story showcasing our contribution to the economy. • Published articles on Muzinda Hub and Theirworld, highlighting our contribution to the economy.	• Brand awareness • Customer education • Quality of service • Compliance • Brand equity • Positive media publications and coverage

KEY ENGAGEMENTS FOR OUR INAUGURAL YEAR (continued)

STAKEHOLDER CATEGORY	WHY WE ENGAGE	WHAT WE DID	KEY INTERESTS
Media (continued)		• Partnered with Zimpapers on sharing Agritech farming news and farming tips to the wider communities that do not have access to print media. • Communicated stories and product launches that showcased our contribution to the economy. • Engaged editors of major print and online publications to re-build confidence in the MARS brand post judicial management era.	
Regulators	• Support for relevant regulatory approvals in compliance with legislation • Comply with regulatory requirements • Input into legislative development processes that affect our activities and operations	• Participated in the National Risk Assessment for Anti Money Laundering (AML) • Complied with all regulatory requirements for all businesses	• Legislative reviews • Collaborative projects • Compliance
Investors	• Secure funding for business growth and development • Injection of more capital to meet / exceed capital requirements and grow the business	• Provided timely business performance updates • Engaged potential investors and pitched our business for investment.	• Project funding opportunities • Meet operational and investments obligations • Sustainable business performance
Our People / Our Staff	• Staff participation • Staff training and development • Employee wellness • Employee involvement	• Conducted an employee engagement survey, aimed at understanding our employees' level of engagement and commitment driven by our root causes. • Learning and development sessions were run across the business in line with our talent development strategy and competency framework. • Engaged various wellness experts for wellness sessions that covered areas in mental health, Covid-19, financial wellness, investment and budgeting. • Departments held strategy sessions, to ensure strategies and objectives were aligned to both internal and external change. • Reviewed and implemented staff benefit schemes to promote employee morale and wellness.	• Employee participation and involvement • Staff development • Staff wellness • Sustainable business performance

KEY ENGAGEMENTS FOR OUR INAUGURAL YEAR (continued)

STAKEHOLDER CATEGORY	WHY WE ENGAGE	WHAT WE DID	KEY INTERESTS
Customers / Consumers	• Optimize customer experience • Improve and get a positive Net Promoter Score • Improve brand image and equity	• Engaged and educated customers through various communication channels with widest reach (online and offline channels). • Conducted brand health checks and customer satisfaction surveys to gather market insights. • Ran CSR campaigns i.e. Covid-19 education campaign, Maisha free testing campaign and hand washing campaign.	• Brand visibility • Product awareness • Improved service delivery • Customer satisfaction • Market feedback
Industry / Business Partners	• Capacity development and strategic partnerships	• Carried out trainings for service partners • Attended industry associations' seminars and workshops • Engaged with Zimbabwe Association of Reinsurance Organisation for capacity development • Partnered with the educational institutions through Akello Edutech including Zimbabwe Library Association (ZimLA); Zimbabwe International Book Fair (ZIBF); Zimbabwe Book Publishers Association (ZBPA)	• Business growth • Risk management • Compliance • Capacity building
Communities and Local Authorities	• Social inclusion • Community development	• Held gender specific financial literacy and inclusion workshop which targeted women and young people in 4 provinces • Clean City partnered with local authorities to enhance service delivery for residents of Harare and surrounding areas • Engaged local community leaders in all the agricultural communities we have serviced to understand the environmental dynamics. • Contributed to adoption of safe agricultural practices to protect the environment • Introduced electronic vehicles in February 2020 to help in reduction of carbon footprint • Facilitated Maisha Health Fund diabetes mass screening in Harare and Chitungwiza	• Social license • Compliance • Collaborative projects • Legislation reviews • Quality of service improvement

Agritech

Vaya Digital Farmer is a Pan African Platform that leverages on technology to offer digital farming solutions to farmers, Government, NGOs, farmer unions and other critical stakeholders in the agriculture value chain. Coming into the space to address service delivery gaps in agriculture, it offers diversified services like Vaya Tractor, information services, logistics, warehousing, cold chain storage/ facilities, hay bailing, combine harvesting, soil testing and many more aimed at improving agriculture productivity and transforming livelihoods of millions in Zimbabwe.

EcoFarmer

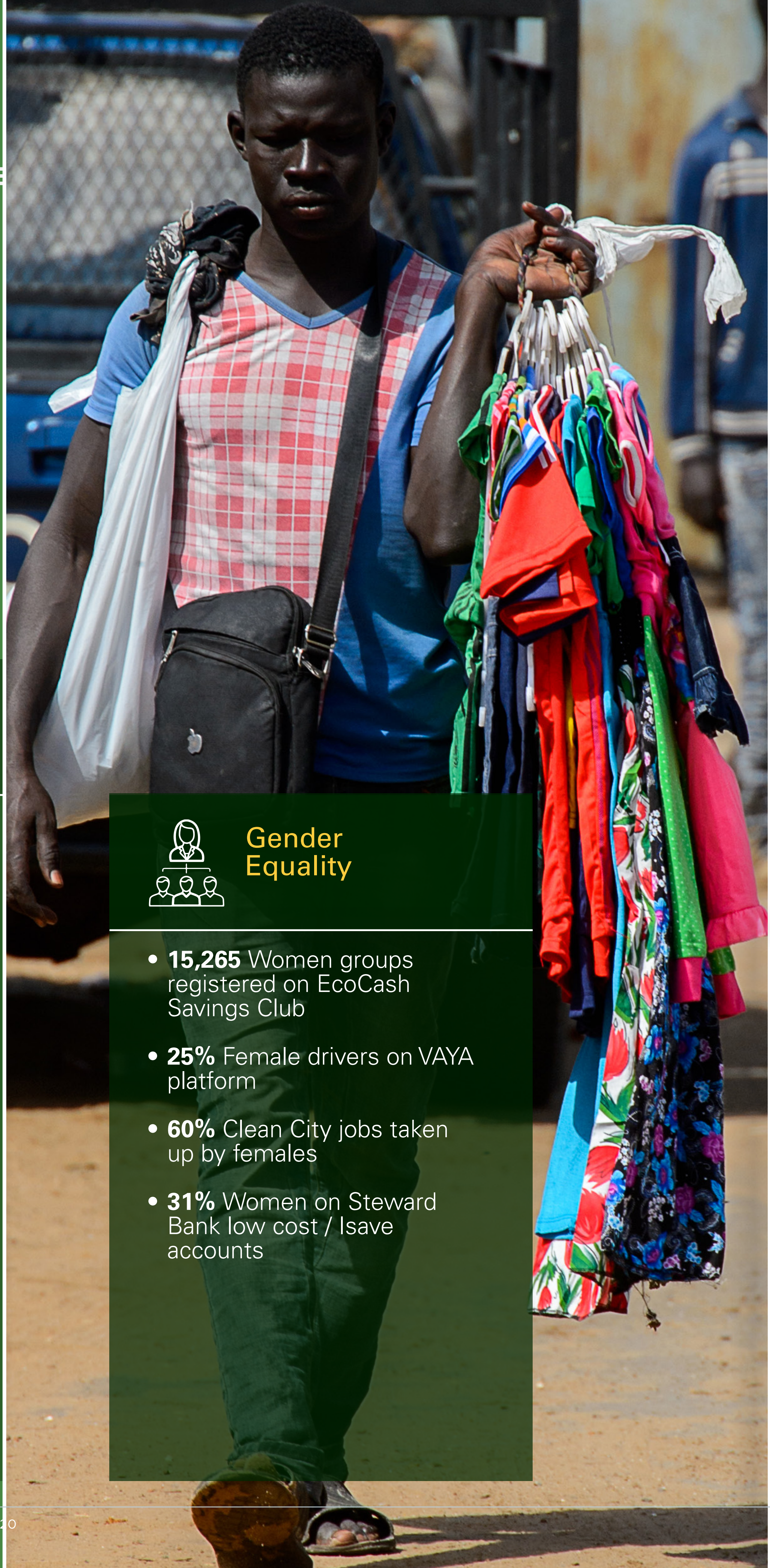
Life is digital

NON-FINANCIAL PERFORMANCE HIGHLIGHTS

The main sustainability highlights for the year in review are provided below.

Economic Growth and Decent Work

- **+5,000** Brand ambassadors
- **+3,500** Vaya drivers
- **+52,000** EcoCash agents
- **+1,200** Clean City jobs
- **+571,200** Steward Bank new accounts opened on digital platforms
- **800** Steward Bank agents
- **ZWL 539,500,000** Loans to productive sector
- **ZWL 7,840,179** Kashagi loan disbursement
- **ZWL 393,847,277** Domestic industry spent



Gender Equality

- **15,265** Women groups registered on EcoCash Savings Club
- **25%** Female drivers on VAYA platform
- **60%** Clean City jobs taken up by females
- **31%** Women on Steward Bank low cost / Isave accounts

NON-FINANCIAL PERFORMANCE HIGHLIGHTS (continued)

Good Health and Wellbeing

- **1.2 million** Registered health tips subscribers on Maisha Medik
- **+10,000** Free diabetes tests
- **180** Service providers signed up to Maisha Medik
- **ZWL 61,871,694** Investment in community development projects
- **12** Financial Wellness seminars
- **+500** Staff marathon participants (including the Econet Victoria Falls virtual marathon)
- **14%** Insurance penetration
- **1.4 million** Lives covered by insurance

Quality Education

- **+3,600** Registered students on Ruzivo Extramarks
- **+6,400** Registered students on Akello Books
- **733** Enrolled and trained on the Digital Skills Training Program with Muzinda Hub during the financial year
- **120** Young girls trained in basic coding and computer literacy with Muzinda Hub, in partnership with Theirworld UK
- **+10,000** Skills development courses taken through Akello Courses

Climate Action and Life on Land

- **+80%** Airtime recharges in electronic format through our platform
- **255,000** Number of households serviced by Clean City
- **84.1 tons** Total waste recovered
- **ZWL 62,300,000** Distributed Power Africa funding (Solar)

ECONOMIC VALUE CREATION

Management Approach

Our management approach is to guarantee integrated thinking for sustainable operations in order to promote the economic value creation. All capital for our businesses is efficiently managed along the value chain to ensure the creation of sustainable business value for our shareholders and stakeholders in the short and long term.

ECONOMIC VALUE CREATION (continued)

Financial Inclusion

Through its ground-breaking and innovative financial technology solutions, the business continues to impact previously marginalised individuals and communities, providing them access to the mainstream financial and economic eco-system

SDGs Highly Impacted by Our Economic Value Creation

SBUs Highly Impacting the Economy

EcoCash

STEWARD BANK
Everyday Banking For Everyday People

EcoSure

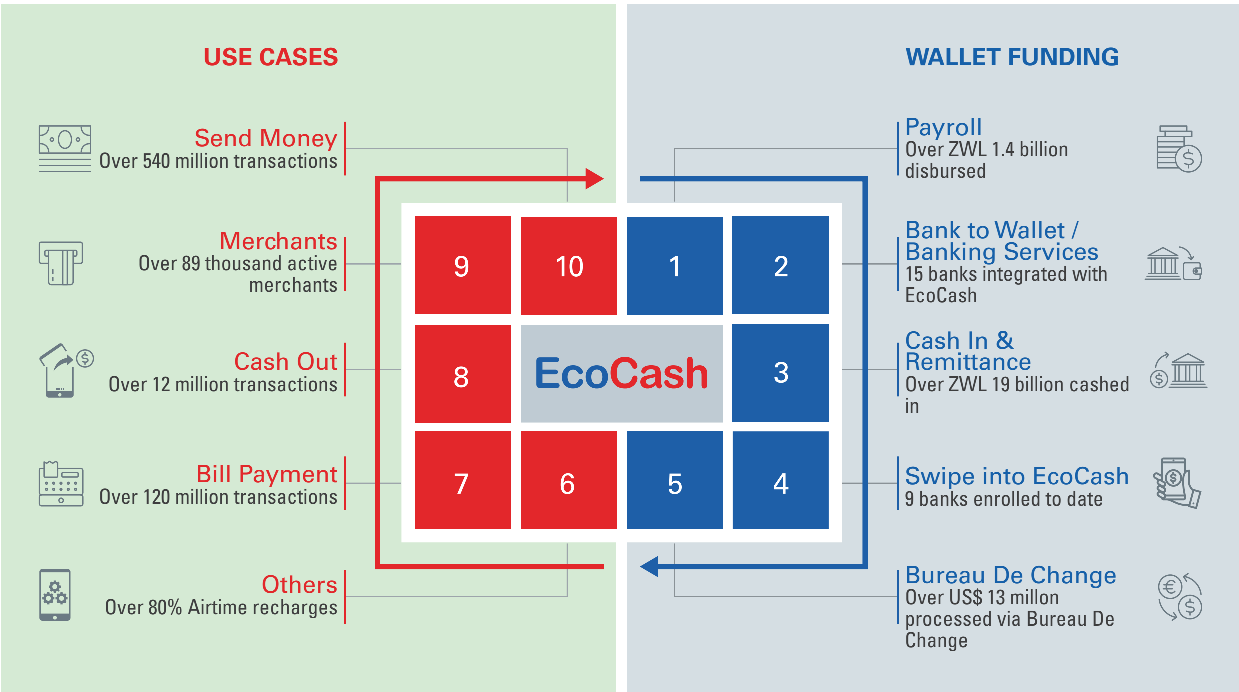
ECONOMIC VALUE CREATION (continued)

Fintech | EcoCash and Steward Bank

EcoCash

Cassava has revolutionized the way banking systems operate in Zimbabwe. Its financial inclusion model has positively contributed to the reduction of poverty and inequalities in the country, providing financial solutions to the rural communities, women and youths of Zimbabwe. Our integrated platform offers multi-mobile financial services, which are tailored to suit a wide segment of target markets, and to include the banked, unbanked and under-banked customer segments. We offer a wide range of services from peer to peer transactions, merchant payments, nano-credit, bond investments, international remittances, card-to-wallet linked transactions, banking services, and micro-savings (for individuals or groups). The integrated platform has a dedicated Business-2-Business offering, the first dedicated mobile business wallet offering in Africa and a digital bureau de change. The EcoCash mobile money platform is Cassava's flagship service. It is an innovative award winning financial inclusion mobile payment solution that allows customers to perform simple financial transactions from their mobile devices. EcoCash, is a recipient of two GSMA GLOMO Awards for Best Mobile Money in the World (2017), and Best Mobile Innovation for Women in Emerging Markets (2018). It has many more awards to its name, and is widely considered one of the best mobile money services in the world.

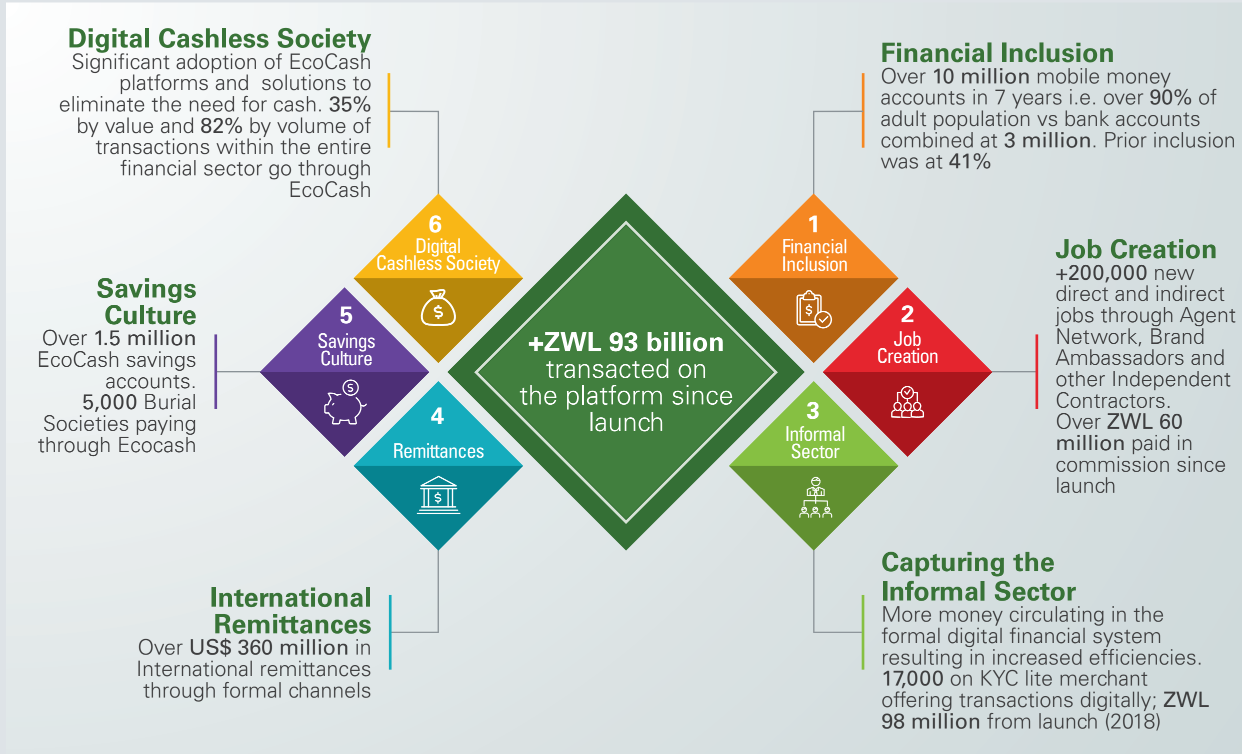
EcoCash Use Case Performance



ECONOMIC VALUE CREATION (continued)

Fintech | EcoCash and Steward Bank (continued)

EcoCash Impact



EcoCash has more than 10 million mobile money accounts since inception and has over 80% of the adult population in the country using the product.

ECONOMIC VALUE CREATION (continued)

Fintech | EcoCash and Steward Bank (continued)

Steward Bank

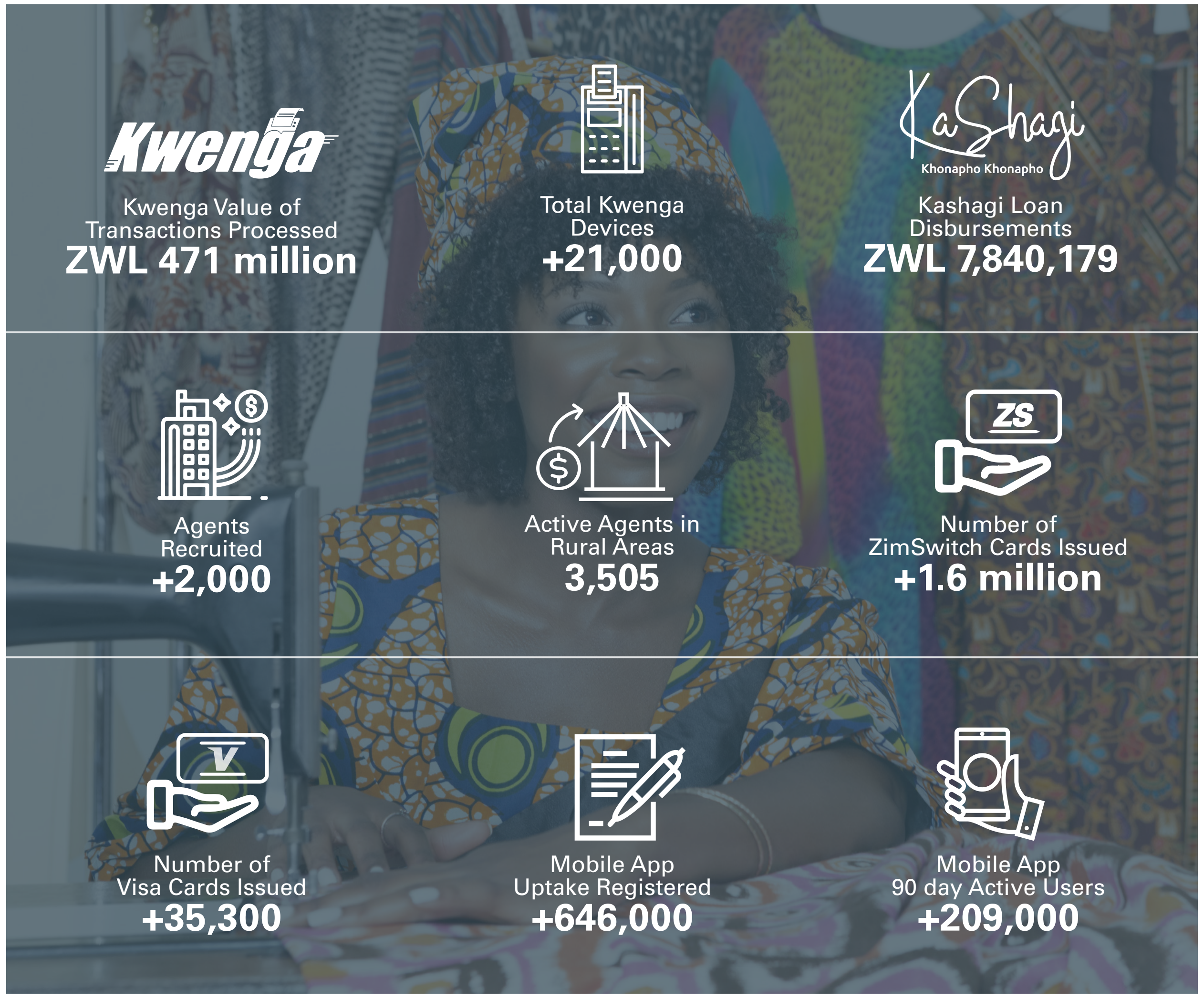
Our digital banking solutions enable customers to access the full suite of banking services via their mobile devices. Our banking model is designed to unlock the value that sits at the nexus of mobile money and banking.

Steward Bank, born out of the takeover of TN Bank by Econet Wireless Zimbabwe in 2013, has spearheaded financial inclusion within the Zimbabwean space and grown exponentially from less than 30,000 account holders in 2013 to just under 2 million customers by the close of the financial year. The growth of the Bank's account base during the 15 months preceding February 2020 has been achieved through its pioneering Digital Account Opening platform.

Through *236#, an existing Econet customer is able to open a Steward Bank account within 60 seconds. The new account is automatically linked to EcoCash banking services, meaning a customer is immediately able to transact between their EcoCash Wallet and their Steward Bank account. A customer can also access KaShagi personal loans immediately upon opening an account by dialling *236#.

With a customer base of 1.9 million, Steward Bank is the largest Bank in Zimbabwe by customer numbers and transactional revenue, recording market share of ZimSwitch card transactions and non-funded income of 15% and 19% respectively. The Bank processed 122 million transactions during the financial year and processed over US$ 38 million in remittance.

Steward Bank Use Cases Performance
The bank has been driving financial inclusion across the country.



ECONOMIC VALUE CREATION (continued)

Fintech | EcoCash and Steward Bank (continued)

Steward Bank Impact

FINANCIAL INCLUSION

	Total number of low cost accounts (#)	Lending to Women (ZWL)	Lending to Youth (ZWL)	Lending to Agricultural sectors (ZWL)
FY19	1,209,025	10,010,636	7,676,238	582,860
FY20	1,585,809	19,020,208	12,512,267	4,872,709
	31%	90%	63%	736%

DIGITAL CASHLESS SOCIETY

	Value of transactions on POS terminals (ZWL)	Number of transactions on mobile platform (#)	Value of transactions on mobile platform (ZWL)	Value of electronic transactions (ZWL)
FY19	1,899,235,129	25,561,458	1,462,705,828	444,237,034
FY20	4,288,689,136	31,858,865	4,205,154,691	1,116,689,567
	126%	25%	187%	151%

	CAPTURING INFORMAL SECTOR: Zama Zama Sole Trader Accounts	REMITTANCES: World Remit Volume
FY19	12,025	86,502
FY20	16,699	105,749
	39%	22%

SOCIAL VALUE CREATION

Management Approach

Cassava is committed to ensuring that our products and services aid in capacity building and social development for the Nation. Our social responsibility goes beyond just caring for our staff and customers, by taking into account our impact in the community and the environment as we strive to ensure the protection of all people who interact with the business operations, products and services. The needs and concerns of our stakeholders are taken into consideration in our day to day operations and all social initiatives.

Cassava Smartech

SOCIAL VALUE CREATION (continued)

Social Inclusion

Through its innovative products and services, Cassava continues to pursue leadership in the creation of direct and indirect employment, as well as contributing to the national economy, empowerment of individuals, families, communities and the nation at large. The communities we operate in are of great value to us and we will pursue their overall wellness, and seek to improve their livelihoods through our products and services

SDGs Highly Impacted by Our Social Value Creation

SBUs Highly Impacting Social Development

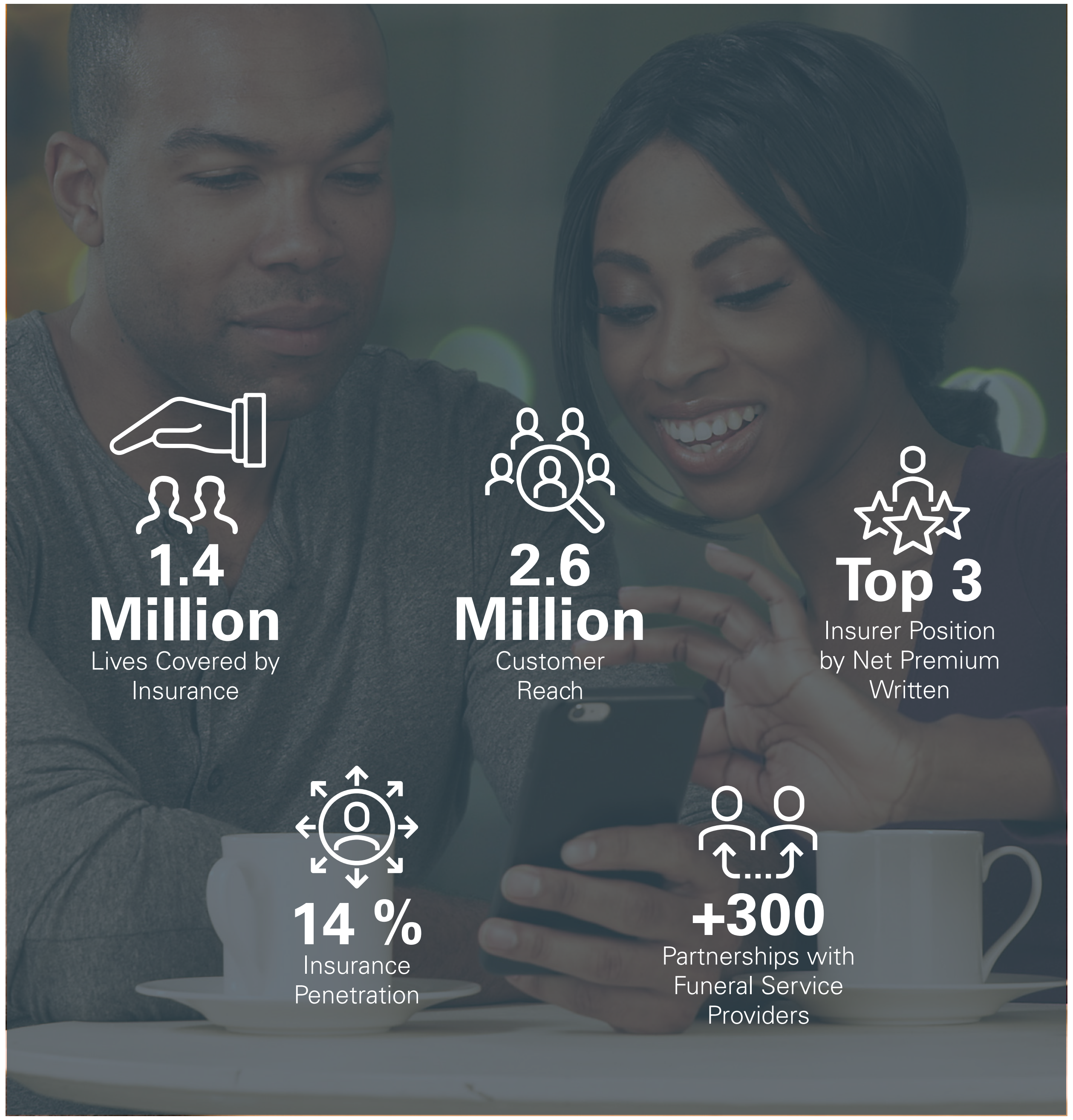
HIGHERLIFE FOUNDATION
EcoSure
EcoFarmer
VAYA
Maisha Medik
mars
Maisha Health Fund
akello edutech
Ruzivo Smart Learning
MUZINDAhub

SOCIAL VALUE CREATION (continued)

Insurtech | EcoSure and Moovah

Cassava insurance products have been an anchor in societies, contributing to the enhancement of social bonds and cohesions. We offer innovative and inclusive mobile micro-insurance solutions covering Funeral, Property & General, Education and Health. Our solutions are offered through a non-traditional, innovative model, allowing us to bring down insurance premiums to as low as 50 cents per month, taking advantage of strategic partnerships. The life and short-term business have two different licenses issued by the Insurance and Pensions Commission (IPEC).

We partnered with both local and international insurance players for a strong insurance offering. Our partners include reinsurers, insurance brokers, insurance assessors and panel beaters, among others. With service being primarily digital, it offers a new way to distribute insurance to a wide range of clients. Econet Insurance has led the digital revolution in insurance offering where customers can buy insurance (both motor and non-motor) and licensing on *901#. We have also digitalized the way agents sell insurance.



Funeral Cover

Mobile micro insurance product, which pays a funeral benefit upon death of the insured life. For millions in Zimbabwe, the pain from the loss of a loved one is further aggravated by the hassle of finding resources to ensure their decent funeral. Being a micro-insurance product, our funeral cover is low-cost, with premiums starting as low as 50 cents per month, and designed to attract the previously excluded. Our funeral product has received awards in some of our markets, with recognition in the area of innovation and adoption.

EcoSure

Edutech

Equitable access to quality education and skills development offered through Digital Platforms. We recognize the need to innovatively drive education access in Zimbabwe and beyond. We have developed end-to-end value propositions encompassing platforms, devices and internet access, and we leverage strategic partnerships with a wide range of value chain players.

Cassava Smartech

RUZIVO Extramarks

MUZINDAhub

akello

Life is digital

Digital Learning Platform

Ruzivo Digital Learning offers an online interactive digital learning platform targeted at primary and secondary students. All our content is aligned to the national school curricula, and we are planning an initiative, in conjunction with Ministries of Education, to launch the product in different countries.

Ruzivo Extramarks™

Cassava Smartech

SOCIAL VALUE CREATION (continued)

Edutech | Akello Edutech, Ruzivo-Extramarks and Muzinda Hub

The Cassava Edutech products and services provide access to quality education and skills development through Digital Platforms aligned to customer needs. Muzinda Hub, the flagship brand, has been committed to providing Zimbabweans with access to globally competitive digital skills training, to combat youth unemployment and effect positive social, economic and environmental transformation through the use and application of technology. Our vision is to produce world-class IT professionals to contribute to the growth and success of the African digital economy. Over the year the business established two Pan-African Muzinda Hub franchises in Botswana and Namibia. It also placed 45 Muzinda Hub Training Program graduates in part-time and full-time employment opportunities. We partnered with Theirworld (Code Club initiative), a UK based children's charity founded by Sarah Brown, to provide wider access to basic technology and coding courses to 120 young girls aged 10 - 17 years of age from St Peter's Primary and Secondary School, Mbare in Harare, Zimbabwe. The project, taught the girls computer literacy, basic coding and how to create apps. The girls were also taught crucial life skills such as confidence, creativity and critical thinking. The Code Club initiative reflected the growing focus on the rise of digitalisation, automation, artificial intelligence and robotics, and the implications they will have on the workplace of the future.

akello books

- Affordable online e-library solution
- Providing new curriculum books from local and international publishers
- **400,000** e-books on platform
- **6,400** registered students
- **8,000** students registered on offline database

akello courses

- New skills learning online
- Internationally accredited content
- **27,000** students registered between 16 - 64 years

MUZINDAhub

- Offers digital skills training
- Presence in Botswana and Namibia
- **2,975** students enrolled to date
- Strategic partnership with UK based charity club, trained **120** girls

akello Digital Classroom

- E-learning platform that brings students and teachers through interactive live lessons
- Over **10,000** students registered on the platform

Digital Skills Training

MUZINDAhub

Offered through Muzinda Hub, a tech hub committed to building and supporting an engaged and talented community of tech enthusiasts and IT professionals. Their highly sought-after Digital Skills Training Program consists of: specialised e-learning coding modules, Google certification, business and entrepreneurship skills training; and practical group project development experience.

Cassava Smartech

SOCIAL VALUE CREATION (continued)

Healthtech | Maisha Health, Maisha Health Fund and Mars

Healthtech has managed to revolutionize access to wellness through provision of digital health solutions. The details below summarise the business activities under Healthtech.

- **Maisha Health Fund** offers healthcare funder administration services to corporates and individuals.
- Aims to leverage on the use of digital technology to improve access to and consumption of medical aid services.
- Complementing curative medical aid services, it engaged in sickness preventative initiatives by promoting healthy lifestyles through education of general health and wellness programmes.
- Introduced biometric member verification.
- Introduced a low-budget packages to allow greater inclusivity. These have a total of **3,000** members.
- Conduct mass diabetes screening in Harare and Chitungwiza, screening over 4,000 people.

- **MARS** is a Pre-Hospital Care service equipped to provide Advanced Life Support Level countrywide.
- All ambulances provide Intensive Care services.
- Introduced toll-free Hotline 182 on Econet
- During the year, **9,204** patients were evacuated countrywide.
- Our training school conducted a total **2,981** student trainings ranging from professional courses to basic accident emergency care.
- We also offer blood and specimen transportations. A total **174** were conducted.
- For community investement, MARS stepped in to assist with the transfer of patients requiring theatre following the burning down of the Parirenyatwa Hospital Mbuya Nehanda Maternity Theatre wing.

Maisha Health Fund

mars

Maisha

- **Maisha,** is a collection of digital health services leveraging on information communication technology to deliver affordable, accessible and quality health services via the mobile phone.
- Maisha Health tips delivers daily health education to over **1.2 million** subscribers with a ratio of **54%** Male : **46%** Female.
- Maisha Dial-a-Doc is a health call centre service where members of the public can get timely, credible health advice from a Doctor via the phone.
- Maisha Connected Health is a remote patient monitoring service that enables better management of diabetes and high blood pressure through technology.
- Maisha Telemedicine service aims to increase access to medical doctors for patients in the comfort of one's home or remotely in rural areas.

Healthtech

Healthtech: Cassava Healthtech offers Maisha Health Fund and Maisha Health which provide medical aid services and well-being services through mobile based Health Tips, Symptom Checker, Dial-a-Doc and Tele-Health under the Maisha Medik brand. We are exploring AI powered apps and telehealth platforms to provide health advice, diagnosis, treatment, monitoring and to promote overall well-being. We currently have over 1million customers on one of our services. MARS ambulance services has also come on board and is primed to contribute towards management of health and medical emergencies.

Cassava Smartech

Maisha

Maisha Health Fund

mars

Life is digital

Health in a Digital World

Maisha is a digital personal health assistant that offers a suite of comprehensive technology enabled health services ranging from health education, medical appointments, electronic health records, telemedicine services and remote patient monitoring for diabetics and hypertensives. Maisha leverages on technology as the quest to make health care accessible to all.

SOCIAL VALUE CREATION (continued)

On-Demand Services | VAYA

On-Demand Services - ODS (The home of VAYA) is one of the strategic Businesses within the Cassava Group offering a converged platform for all on-demand services under the following verticals: Mobility and Logistics.

At the core of the distinct verticals is the underlying need to offer differentiated solutions designed to reduce individual and corporate customer effort in their day to day interactions. ODS has embraced digital transformation as a growth accelerator by incorporating the IoT, AI and machine learning in a continuous loop to improve business performance by offering differentiated products which are designed to create demand for novel ways of doing business. VAYA contributed to the drive for social inclusion and employment creation with +21,000 registered partners and +3,500 active partners on its platform. It deliberately targets women and marginalized groups in the community. Women drivers constitute 25% of total drivers on Vaya platform. 327,000 trips have been recorded year to date, with 1.33 million passengers. A total of 7,000 rides have been made via school shuttles and over 335,000 rides to corporate customers. By providing vetted partners and regularly inspected vehicles, Vaya shuttles have been the preferred corporate transport provider. Vaya provides the platform hosting services to Clean City, Clean Water and Eco-farmer business units.

For community investment, over 3,000 nurses and 81 doctors were ferried daily across the country to assist with the national health systems. In addition, VAYA sponsored the National Netball team to participate at the Women's Netball World Cup in Manchester England. VAYA was also a key partner in the support service delivery efforts by Higher Life Foundation to transport critical medical staff to and from work.

SOCIAL VALUE CREATION (continued)

Agritech | EcoFarmer

The technology driven approach to agriculture aims at increasing productivity within the agriculture value chain and improve quality of lives in Zimbabwe.

In 2019, Ecofarmer evolved from a mere weather indexed insurance service provider to a more robust agro services provider targeted at farmers and other critical stakeholders in the Zimbabwean agriculture value chain.

This evolution was enabled by the development and continuous improvement of the integrated end to end solutions aimed at enhancing accessibility of high technology driven services in agriculture. Farmers and other stakeholders are able to access an array of these services via their phones in the comfort of their homes to alleviate challenges being faced by farmers such as limited access to information and resources for effective production.

Vaya Tractor

SOCIAL VALUE CREATION (continued)

Agritech | EcoFarmer (continued)

Content Services

SOCIAL VALUE CREATION (continued)

Higherlife Foundation

Cassava Smartech Limited Zimbabwe contributes to the social responsibility arm of Econet Wireless Zimbabwe's, Higherlife Foundation (HLF). The foundation's activities are focused on investing in Africa's future through education, while providing additional investment in health, leadership and lifelong development, girls' empowerment, and job creation and sustainable livelihoods, toward achievement of human capital development. The foundation activities also span into disaster management programs for the nation namely cholera outbreaks, natural disasters such as Cyclone IDAI 2018 and the Covid-19 pandemic.

The following are updates of the activities undertaken in the period under review.

In education since its inception in 1996, the Capernaum scholarship programme has supported over 350,000 orphaned and vulnerable children through the provision of access to quality education. There have been at least 1,386 student beneficiaries of the Joshua Nkomo Scholarship Programme since its establishment.

Through Ruzivo Smart learning, our integrated quality education solution that leverages innovation and technology, the Foundation equitably provides educational content on a large scale. The platform retained a record of 1,578,579 (656,149 primary and 922,430 secondary) registered users. In the face of power supply challenges to schools in the year to February 2020, active users totalled 62,835 (35,765 primary and 27,070 secondary). Within the same period, the platform recorded a total of 7,009 active educators users. In order to build educator capacity in instructional leadership, a total of 4,449 educators were trained across the country.

The Leadership and Lifelong Development pillar reached 385 mentees in Leadership training sessions with a total of 931 mentorship hours.

Through the Health pillar, 1,958 food packs were distributed to child-headed families and vulnerable scholars to ensure they stayed in school with adequate basic requirements. Leveraging on the partnership with Dental Safari, Hwange, over 1,292 patients received dental care and 1,069 patients received optical care.

Under the Chimanimani crisis response, the Foundation along with the Econet Group, worked on the ground, supporting communities in the restoration and rebuilding efforts after Cyclone Idai. Through **#ThisIsMyHOME** volunteers, a youth-led volunteer movement-activated by Higherlife Foundation, food and water distributions were made to affected communities. 985 tons of food and 3,956,216 litres of water were distributed through their efforts.

Cassava Smartech

SOCIAL VALUE CREATION (continued)

Higherlife Foundation (continued)

+350,000 Scholarships granted to young people since the inception of Capernaum Scholarships Programme

650,000 Students impacted through digital learning platforms

THROUGH PARTNERSHIPS
- **1,292** Patients Recieved Dental Care.
- **1,069** Patients Recieved Optical Care.

+300 Schools were sensitised on COVID-19 through the Doctors Fellowship Programme

Response to Covid-19 Pandemic

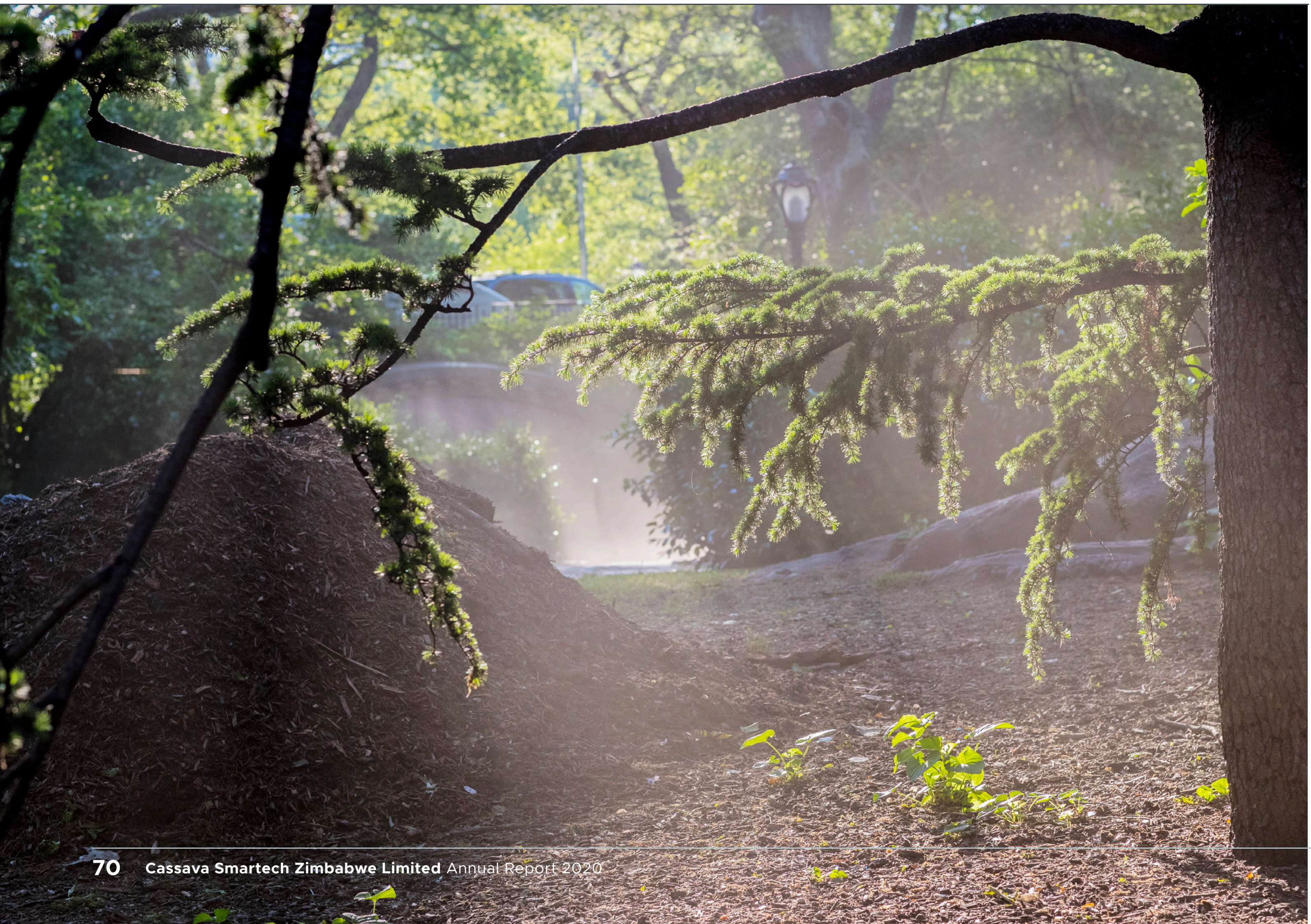
In response to the Covid-19 pandemic, Higherlife Foundation together with the Cassava Group engaged in a number of initiatives and activities to raise awareness across the nation. 6,000 posters and 20,000 hand-outs were distributed to various schools in all the 10 provinces through the Foundation's Regional offices. Through the Doctors Fellowship Program that was launched in December 2019, 300 schools were sensitized on Covid-19 and its effects.

The Foundation also facilitated the distribution of sanitizers together with hand and surface disinfectants to the National Microbiology Reference Laboratory (NMRL) and Immigration Department of Zimbabwe. Additionally, Higherlife Foundation also assisted in the supply of Covid-19 Personal Protective Equipment (PPE) kits, triple packaging and 560 lab coats to the National Microbiology Reference Laboratory.

ENVIRONMENTAL VALUE CREATION

Management Approach

The business is committed to integrating sound environmental practices into the daily Cassava operations and it is of priority to the organisation that the business does not leave a negative footprint on the environment and the ecological ecosystems in which we operate. We play our part in ensuring that we minimise any negative impact that our operations may have on the environment, as well as take steps to encourage our stakeholders to positively impact our environment. We hold our staff members and contractors accountable for compliance with all statutory obligations and best practice conformance.



ENVIRONMENTAL VALUE CREATION (continued)

Environmental Stewardship

To enable it to deliver sustainable world class service, Cassava pursues the acquiring and deployment of cutting edge technology and infrastructure for delivery of products and services. By consuming resources optimally and managing all waste efficiently, the business contributes to the reduction of the local waste burden, providing relief to the environment and promoting sound environmental stewardship in the community.

SDGs Highly Impacted by Our Environmental Value Creation

- 3 GOOD HEALTH AND WELL-BEING
- 6 CLEAN WATER AND SANITATION
- 8 DECENT WORK AND ECONOMIC GROWTH
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 11 SUSTAINABLE CITIES AND COMMUNITIES
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

SBUs Highly Impacting the Environment

cleancity | ownai | EcoCash

ENVIRONMENTAL VALUE CREATION (continued)

Clean City

The Birth of Clean City

Most communities across Africa today are battling with health hazards threatening the safety and health of citizens from the scourge of mounting refuse, poor sanitation, lack of clean water to the mushrooming garbage dumps.

Zimbabwe in particular has not been an exception in this regard with waste management challenges being one of the major public health and environmental challenges facing most municipalities.

In 2008-09 the country recorded 98,000 cases of cholera and 4,000 deaths. Another outbreak occured in 2018 resulting in 50 deaths. Resultantly Clean City emerged. The birth of Clean City was not coincidental, having begun our journey months earlier by sweeping the suburbs of Glenview and Budiriro which were at the centre of the Cholera epidemic.

It was in the same year that the Environmental Management Agency granted us a solid waste enterprise licence, a development which authorises us to provide end-to-end waste management services to households, businesses, institutions, churches and schools across Zimbabwe.

Clean City Impact

The Transformation of Glenview and Budiriro

Driven by our desire to nip the 2019 cholera outbreak in the bud, we expeditiously pooled our resources with other developmental partners as we literally cleaned Glenview and Budiriro. We have managed to clear all major dumpsites and drains in Budiriro. Our efforts were facilitated by Harare City Council's anti-litter monitors and volunteers from the local residential areas of Budiriro and Glenview.

With the objective of providing sustainable, technology-driven waste management services in urban areas in partnership with local authorities and other private players, we continually endeavour to deploy smart waste management solutions. Today we stand proud with our journey, having helped keep communities' environments clean and safe while transforming lives in a deep and meaningful way through creation of business and employment opportunities. Through the franchise business model that provides digital platform and links companies that collect waste with private truck owners and customers, our operations have opened employment opportunities in excess of 5,000 both directly and in the downstream.

Refuse Collections and Community Environmental Teams

Buoyed by the MOU with City of Harare, we are collecting refuse in 22 areas which comprise of the greater parts of Harare's Northern and Eastern suburbs, as well as parts of the Southern suburbs, covering 255,000 households.

To complement the collections, we deployed over 280 Community Environmental Service (CES) teams that have been on a daily cleaning blitz in the City of Harare, maintaining the streets of Harare and shopping centres.

Material Recovery Centres (MRCs) and Deployment of Drop off Zones

We successfully managed to set up a Material Recovery Centre (MRC) in Budiriro and have 9 more MRCs under construction in Borrowdale, Ashdown Park, Highlands, Marlborough, Hillside, Sunningdale, Southley Park and Glenview. The operational MRC in Budiriro has already seen more than 5,000 households in Glen View and Budiriro now practicing waste-source separation at the household level and employs over 40 women and youth providing a complete waste management ecosystem for the suburb. 7 drainages have been cleaned in Budiriro, and over 30 illegal dumpsites that have been successfully decommissioned, translating to over 50 tonnes of waste at this particular MRC.

To sustain low income suburbs, we set up drop off zones at a nominal fee for residents who might not afford the waste collection fees.

A Smart Way of Living

VAYA Clean City (accessible via mobile app) is for customers and corporates who need to have waste in their homes or offices collected and disposed for them at the touch of a button. We also offer this service to hospitals, schools and industries, all the while working closely with the local authorities to deliver a smart way of living

cleancity

ENVIRONMENTAL VALUE CREATION (continued)

Clean City Impact (continued)

The Clean City waste management and sanitation services are focused on developing sustainable cities which offer good quality of life to the communities through the inclusive business initiatives as detailed in the summary below.

ENVIRONMENTAL VALUE CREATION (continued)

Clean City Water

Water as an essential necessity and basic human right has been a major challenge in the region. Given the low levels of water in our dams in Zimbabwe as reported by the Zimbabwe National Water Authority, many of the people do not have access to basic clean water. To counter this challenge, customers are now able to request for bulk water delivery using digital means via the VAYA App. The service was launched in February 2020 and has since seen exponential growth from a delivery of 844,720 litres to 6,856,714 litres as we continue to build our delivery capacity. At our current growth rate, we expect to ensure that at least 30,000 households always have access to clean water.

ENVIRONMENTAL VALUE CREATION (continued)

Looking Ahead

VAYA Mobility will introduce Electric Cars to link customers in need of logistic services such as Rides and Package Deliveries. The cars will be recharged at Solar Powered Charging Stations.

OUR PEOPLE

Cassava Staff

Our people are the most important resource. Cassava strives to not be just the sustainable employer of choice, but to ensure employees are proud to be part of the Cassava brand. Our people strategy seeks to create a great place to work, a high performance work culture and a workforce agile to change, thus building operational efficiencies, swift execution of tasks and creative thinking.

Employment at Cassava

In line with SDG 8 (Decent Work and Economic Growth), we provide a fair place of work, through our high performance work culture also leveraging on collaboration across all SBU's, diversity and inclusion and people empowerment initiatives. Cassava plays a vital role in employment creation through our employees, Independent contractors, agents, partners and brand ambassadors.

Direct Employment Headcount Financial Year Ended 2020

ASPECT	Feb 2020
Total Employees	1,161
% Female	45%

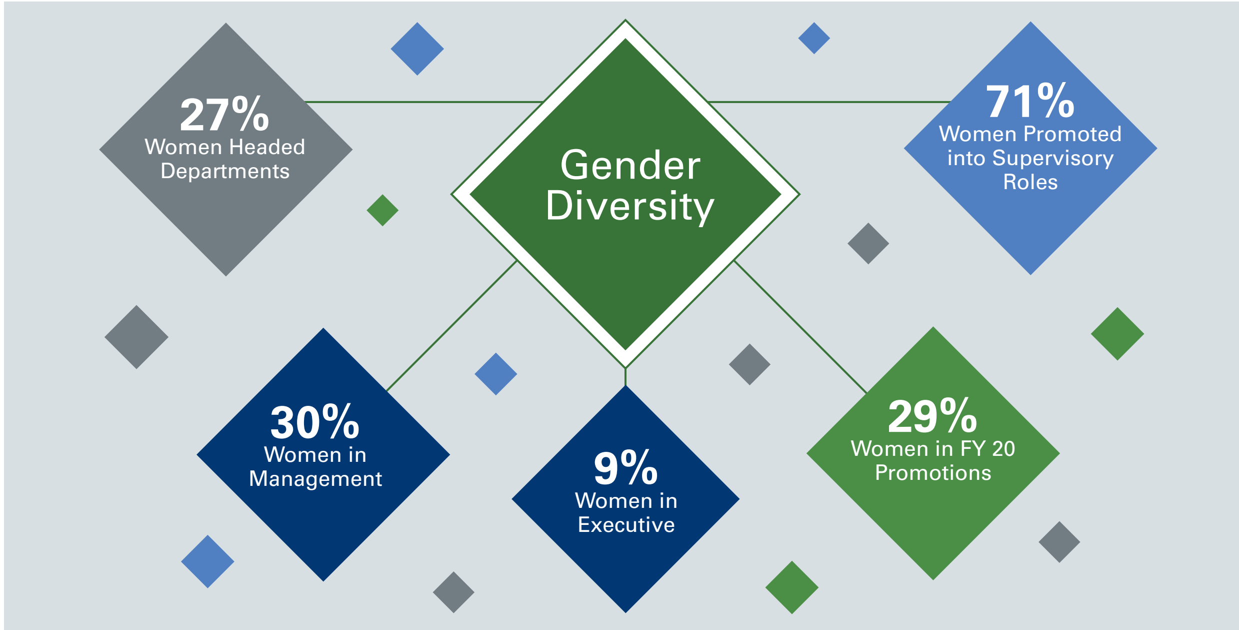
Diversity and Inclusion

Cassava believes that a diverse workforce must include people with different characteristics, of varying gender, age, religion, race, ethnicity, cultural background, languages, education and abilities. With innovation as one of strategic pillars, we believe diversity and inclusion helps our staff to creatively innovate, making better decisions that support our diverse customer base.

Gender Diversity

In Line with SDG 5 (Gender Equality), gender diversity remains a key component in our empowerment strategies. We continue to increase the presence and visibility of women in leadership positions within the group. Our organisational culture and policies support a gender balanced workforce and ensures equal opportunities at all levels of the business. Of the total Cassava headcount, 45% are women and we aim to increase our gender ratio to 50% by 2030. The infographic shows the metrics that highlight women in leadership.

OUR PEOPLE (continued)



Employee Wellness

Employee wellness is an important aspect of our people pillar. SDG 3 (Good health and well-being) supports the various initiatives we have implemented to ensure good health for our employees. Our wellness programs provide awareness on mental health, financial wellness, physical wellness as well as sexual and reproductive health. The business has also been proactive in bringing awareness with regards to disease outbreaks such as cholera and typhoid. The following programs were implemented during the year.

Financial Wellness	Emotional & Spiritual Wellness	Sexual & Reproductive Health Wellness
• Sessions on Financial Wellness were administered. • 70% of the staff were trained on investment, budgeting as well as debt management.	• Emotional awareness training was conducted. • It covered emotional intelligence and stress management . .	• Voluntary counselling and testing were conducted to staff as the world celebrated world diabetic day. • 52% of staff were screened. • Voluntary counselling and testing was conducted. 70% of females were screened to mark breast cancer awareness. • Voluntary counselling and testing were conducted during the World AIDS day and 65% of our staff were screened.

OUR PEOPLE (continued)

Talent and Organisational Development

Cassava believes that investing in the development of our staff is critical for the success of the business. Through a comprehensive Talent Delivery Value Chain, we attract, nurture and develop our talent to be able to meet their professional as well as personal goals. Our Talent Development Strategy seeks to address people development needs partnering with our overall business strategy. In line with the ever-changing market needs, we aim to ensure our people skills are futuristic and support our innovative culture. The key Talent Development initiatives achieved were as follows;

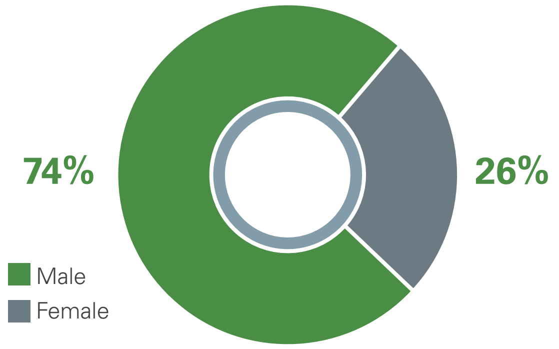
- **Talent Pipeline**
  Cassava believes in the development and engagement of young talent as a means of building internal capabilities and creating an organisation that is dynamic, agile and innovative. The organisation partnered with local and regional universities on internship programs that were designed for a period between 1 to 12 months. Graduate Trainee Programs comprising of a detailed 2-year expansive learning program was another major young talent initiative embarked on. This initiative was a proactive measure to ensure that our talent pools are adequate enough to meet the needs of our mission and critical departments such as the Technology services, in line with our digital culture.

- **Learning and Development**
  In order to support our innovative culture, learning and development plays a vital role in ensuring our employees keep abreast with the improvements and changes within the industry.

- **Digital Training**
  Through the Econet Group Innoversity, our technical staff were trained on Big Data Analysis, Cyber Security, and Artificial Intelligence. As the world now moves into the 4th industrial revolution, having employees with these competencies is a game changer within the industry.

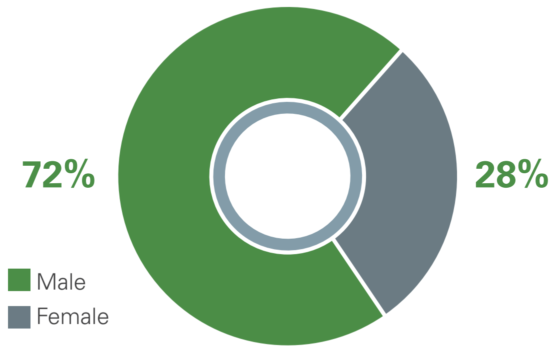
- **Leadership Development Programs**
  The development of soft skills is key in enhancing leadership styles. Cassava nurtured its leaders through Success Motivation International training which was divided into 2 classes for both supervisors and managers. Leadership training has greatly improved our employee engagement, and supported our innovative culture as it has had a positive impact on decision making, as well as nurturing our future leaders.

Total - Success Motivation International [SMI]



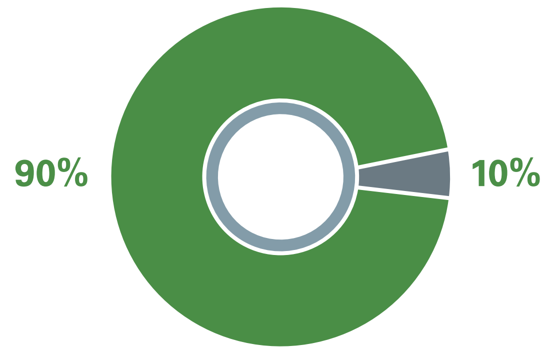
Of the total Supervisors and Managers that took part in the Success Motivation International training [SMI] 74% were male and 26% were females.

Attitude Is Evertything [AIE]



28% females and 72% males attended the Attitude Is Evertything training [AIE] across the group.

Dynamics of Success Management [DSM]



Also, the Supervisors and Managers underwent the Dynamics of Success Management training [DSM] and across the group 90% of participants were males and 10% were female.

OUR PEOPLE (continued)

Safety and Health Training

The safety and health of our employees is very important. The following activities were covered in financial year ended 29 February 2020;

Defensive Driving Training

Training was targeted at the commercial staff whose job requires them to travel for various business initiatives. Defensive driving training equips drivers with the ability to overcome mistakes in driving techniques, learn to improve their driving skills; learn to make informed decisions and to anticipate situations while driving.

First Aiders Training

To equip staff members to be able to provide first aid in cases of health emergencies.

Employee Wellness Initiatives

The Group has since successfully integrated effective employee wellness programmes into the business strategy with employee awareness initiatives, running under Vitalize Programme, being implemented across the group
Under the identified ten pillars of Wellness namely the Physical, Medical, Reproductive Health, Emotional, Financial, Intellectual, Social, Environmental, Spiritual and Occupational.

Some of the programmes that Cassava has successfully implemented under Vitalize include;

- **Financial Wellness Seminars**

  Running under the theme of 'Budgeting in a Volatile Environment', Financial Wellness Seminars were conducted across the Group, with tailor-made programmes for both non-managerial and managerial staff. Over 600 staff have benefited from financial wellness seminars over the past 12 months alone.

- **Wellness Seminars for Managers**

  In the wake of an elevated commitment to employee wellness as more and more organizations now realize they need some type of wellness initiative to stay current and competitive, we partnered with the Business Council of Zimbabwe on Wellness (BCZW) seminars targeting managers. The focus was to equip management with the right interpersonal skills in dealing with, among other things, maintaining a positive attitude, giving emotional support to others and making people feel safe and secure in the work place.

  Our Employee Wellness initiatives have been recognised by ZBCW with a Certificate of Excellence.

- **Voluntary Counselling and Testing and Cancer Screening**

  The period under review saw Cassava extending its partnership with various service providers for Voluntary Counselling and Testing (VCT) services to mark World AIDS day. We are encouraged by increasing participation of staff which saw a total of 1,024 staff participating.

  In our continued endeavour to proactively educate, raise awareness and help to demystify the common myths and misconceptions on cancer for both male and female employees, we once again partnered with the Cancer Association of Zimbabwe. The initiative saw 762 staff members successfully undergoing cancer testing.

- **Sponsored Marathons and Walks**

  We have taken a deliberate effort to sponsor staff to participate in various marathons, with a total of 200 staff participating in more than 10 sponsored marathons.

  Through our internally monitored Runtastic Application Leader Board, we are pleased to have recorded a total of 26 Running Clubs across the Group.

  The major highlight of the year was the Annual Victoria Falls Marathon where we sponsored the top 70 staff from the Runtastic Application Leader Board comprising 40 female and 30 male employees.

  In pursuit of continuously improving the Vitalize Wellness Program, we continually engage staff to give their feedback for improvements through surveys, the results of which have enabled us to be more relevant to their evolving wellness needs.

  We are pleased to note Group wide wellness initiatives contributing to improved/lowered Employee Sickness Absenteeism Rates over the past 12 months, achieving a 22% decline in absenteeism compared to the same period the previous year.

  Going into the future, we remain committed to continuously implementing Employee Wellness Programs guided by our principles of Professional, Pioneering and Personal.

Health Insurance

Maisha Health Fund aims to provide health funding and associated services tailor made to the customer requirements with packages for individuals, corporates, SMEs, universities and schools. Members have control of their health through affordable medical aid offers suitable for every pocket, providing them access a wide network of health services providers nationwide.

CORPORATE MEMBERSHIP TO NATIONAL ASSOCIATIONS

Cassava is a member of various national associations and organisations that contribute towards business continuity, business improvement and sustainability.

AWARDS

The increased focus on sustainability has opened up recognition on the contribution and impact of Cassava to the national development goals and hence the following accolades were awarded to the business:

ZITF
Best FirstTime Exhibitor Award
1st Runner up – Best Stand ICT
(April 2019)
Cassava Smartech

East Africa Com Award
Changing Lives Award
(June 2019)
EcoCash

Zimbabwe Agricultural Show
Best Exhibit ICT
(August 2019)
Cassava Smartech

Marketers Association of Zimbabwe
Best Integrated Promotional Campaign of the Year
1st Runner Up for Best New Product of Innovation of the Year
(November 2019)
VAYA

Marketers Association of Zimbabwe
Super Brand of the year in the Money Transfer Sector
(November 2019)
EcoCash

AITE Group
2019 Digital Wallet Innovation Award in the "Market Adoption" Category
(September 2019)
EcoCash

BOARD OF DIRECTORS

Mrs. S. G. Shereni (Chairperson)

Mr. M. L. Bennett

Mrs. Shereni is an Economist with a diverse corporate affairs experience in the soft drink beverage industry across Africa and Southern Asia. Her accomplishments in this field have been recognized internationally and have resulted in successful public-private partnership and outcomes for businesses, governments and civil society throughout Africa. She is a professional with 35 years of solid experience and accomplishments in both the private and public sectors. She is an accomplished former Central Banker.

She has expertise in strategy development, strategic planning and management; with a keen focus on triple bottom-line management encompassing Sustainability and Sustainable Business Practices.

Her qualifications include:
MBA in Leadership and Sustainability (Robert Kennedy College in Switzerland)
Diploma in Business Administration, (University of Manchester) UK
Bachelor of Science (Economics) Hons Degree (University of Zimbabwe).

Mr. Bennett holds a BA LLB Degree from Rhodes University, South Africa and was a partner at Scanlen & Holderness, Zimbabwe. He qualified as a Solicitor in England and Wales in 2001 and is currently a Partner at Hill Dickinson LLP.

Michael has significant international experience across a variety of sectors in mergers and acquisitions acting for both companies and entrepreneurs.

Cassava Smartech

BOARD OF DIRECTORS (continued)

Dr. Z. Dilion

Ms. E. T. Masiyiwa

Mr. C. Maswi

Pan African and Global Banker with over 35 years solid banking experience including central banking, retail, corporate and investment banking at executive level. Zienzi has over 21 years Board level experience including chairing the Audit Committees for the South Africa Government Departments of Public Enterprises, Public Service Commission and Gauteng Provincial Government Cluster 2. She was also an Audit Committee member of the South Government's Department of Mineral Resources. She is currently Founder and Chief Executive Officer of Carmel Global Capital, New York and former Head of Public Sector, Corporate and Investment Banking for Barclays Africa. In addition she is currently African Union Developement Agency Goodwill Ambassador to the USA.

She is a Chartered Certified Accountant (UK), holds an MBA in Finance from Manchester Business School. She completed a Leadership Development program with Harvard Business School and Portfolio Management courses at the New York Institute of Finance. She is an Accredited Fellow for the Macro-Economic and Financial Management Institute for Central Banks in East and Southern Africa.

She is a former UN Ambassador at large (consultative status) and was also awarded an Honorary PHD..

Ms. Masiyiwa is a Social Entrepreneur and advocate for youth-led social change. She is the Executive Director of Delta Philanthropies and the co-Founder and CEO of Simba Education, an African edutech company focused on early years' education. She serves on a number of Boards including the Higherlife Foundation where she is the Head of Design and Innovation and the Harvard University Leadership Council for the Centre of Africa Studies.

She advises a number of entrepreneurship and philanthropy networks. Elizabeth also co-manages a Social Impact Investment Fund.

Mr. Maswi is a Chartered Accountant. He founded Fairvalue Management Consultancy (Pvt) Limited in 2005 and has been leading the firm since then. He has worked in various leadership positions.

He qualified as an Accountant with ICAZ in 1992 and holds a Master of Business Leadership MBL, (UNISA).

BOARD OF DIRECTORS (continued)

Mr. D. Musengi

Mr. H. Pemhiwa

Mr. D. T. Mandivenga

Mr. Musengi is a Legal Practitioner who started his career in 1993 and has worked in different capacities in both the private and public sectors. He has over 27 years experience in diverse fields covering Company Secretarial, Financial Advisory, Legal Advisory Services, Human Resources and General management.

He is currently the Senior Partner at Musengi & Sigauke Legal Practitioners with particular focus on Commercial Law, Corporate Law, Banking and Finance, Labour and Conveyancing,

He holds an LLM (UNISA), LLB (Hons) Degree (University of Zimbabwe), Post Graduate Certificate in Management (NTU,UK) and Diploma in Personnel Management.

Mr. Pemhiwa is the Group CEO and Managing Director of Econet Global Limited and sits on a number of Group subsidiary boards.

He holds an MBA from Edinburgh Business School and a B.Eng from Queen Mary College, University of London.

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Mr. Mandivenga has a career spanning over 20 years in both high growth and start up organisations in the Telecoms and financial technology service sectors. He has C-Suite experience backed up by a high level of creativity and innovation.

He holds an MBA (Nottingham Trent University), MA Leadership and Management and Bachelor of Technology Management (Hons) both from the University of Zimbabwe.

BOARD OF DIRECTORS (continued)

Mr. E. Chibi

Mrs. E. Chisango

Mr. Chibi is the Chief Executive Officer of Cassava Smartech Zimbabwe Limited. He joined the Econet Group in 2000 and has over 21 years' experience in Telecoms, ISP and Mobile Financial Services. He has served in the Telecoms industry in Nigeria, Burundi and Zimbabwe in Sales, Marketing and Customer Experience roles. He has also served as Chief Commercial Officer for Econet Burundi and for Econet Wireless Zimbabwe as Chief Sales & Distribution Officer prior to his appointment as CEO of CSZL.

He holds an MBA, BBA, Bachelor of Arts, Diploma in Communication and is currently studying for an MSc Marketing with the University of Salford (UK).

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Mrs. Chisango is a Chartered Accountant and is the Finance Director of Cassava Smartech Zimbabwe Limited.

She joined the Econet Group in 2015, a position she held until September 2018.

Prior to joining Econet, Emilia spent 21 years at KPMG, 14 years of which were at Partner level. Emilia started off in KPMG's external audit Department. She later diversified into the Risk Advisory Unit, comprising Forensic audit, Internal and Compliance Audit and Anti Money Laundering services, a Department she headed at the time of her departure.

BOARD COMMITTEES

i. Board Audit Committee;
ii. Board Risk Committee;
iii. Board Remuneration and Nominations Committee; and
iv. Board Social and Ethics Committee.

Board Audit Committee

Composition

Z Dillon (Non- Executive Chairperson)
C Maswi (Non-Executive Member)
D T Mandivenga (Non-Executive Member)
S G Shereni (Non-Executive Member)

Board Risk Committee

Composition

C Maswi (Non- Executive Chairperson)
Z Dillon (Non-Executive Member)
D T Mandivenga (Non-Executive Member)

Board Remuneration and Nominations Committee

Composition

H Pemhiwa (Non- Executive Chairperson)
M L Bennett (Non-Executive Member)
E Masiyiwa (Non-Executive Member)
D Musengi (Non-Executive Member)

Board Social and Ethics Committee

Composition

M L Bennett (Non- Executive Chairperson)
E Masiyiwa (Non-Executive Member)
D Musengi (Non-Executive Member)

GOVERNANCE AND RISK MANAGEMENT

Risk Management

At Cassava ***we adopt a rigorous approach to understanding and proactively managing the risks we face in our business.*** The business is exposed to a wide variety of risks across the range of business operations. The Board has put in place, in line with good corporate governance practices, comprehensive risk management and internal control structures that enable the business to identify and treat risks proactively and take appropriate action. The Risk Division structure is comprised of independent and objective units namely, Internal Audit, Safety, Health and Environment, Security and Investigations, Stakeholder Management & Sustainability, Revenue Assurance and Enterprise Risk Management (ERM). The Risk Division conducts its activities in line with the recommendations of the ISO 31000 principles. The business's Enterprise Risk Management is focused towards identifying; evaluating and mitigating/exploiting risks through effective measures which can help minimize or eliminate the impact on objectives.

Risk Management Policy and Framework

The business's Governance Risk and Compliance policy prescribes the principles and guidelines for managing risk in a systematic, transparent and credible manner and within any scope and context.

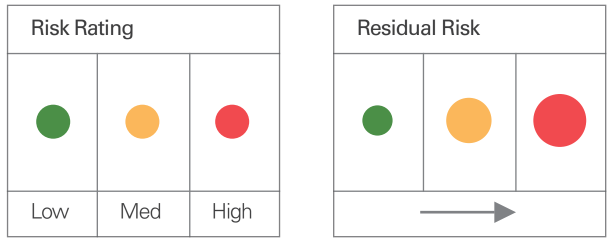
The framework has three major components - Principles, Framework and Process. Risks are identified from multiple sources, including quarterly interviews with functional heads, market intelligence, and regulators' reports, cross functional team and audit reports. The risks identified are assessed, prioritized for treatment and monitored.

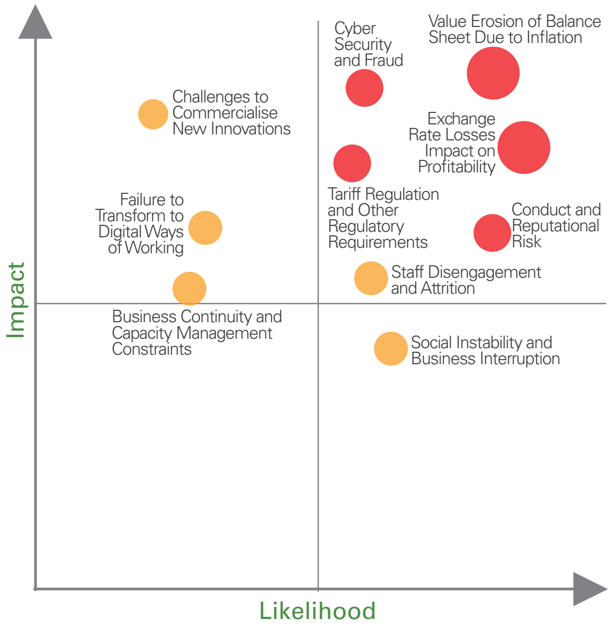
For the institutionalisation of the risk management framework within Cassava, the business has adopted a governance mechanism which is instituted as follows:

External Audit

The role of external audit is to provide an opinion on the truth and fairness of the financial statements, effectiveness of corporate governance, risk management and internal controls. The work required to provide such an opinion will be reduced by having effective risk management arrangements.

Cassava Smartech Top Risks





Cassava Smartech

GOVERNANCE AND RISK MANAGEMENT (continued)

Top Business Risks

STRATEGIC PILLAR	RISK NAME	RISK DESCRIPTION	RISK MITIGATION	Risk Outlook Trend
Customer Experience	Conduct and Reputational Risk	Systems failures, people and processes inefficiencies could impact the business customer experience and reputation of the business.	• Documented processes and system monitoring tools are in place to ensure quick detection of system downtimes • 24hr customer service centre is operational in order to assist customers with queries.	↔
	Business Continuity and capacity management constraints	Business Continuity is crucial for the sustainability of the business. There may be service disruption due to system capacity constraints and general systems downtime	• Investment in Disaster recovery sites and systems with high availability for the critical business systems. • Planned Disaster Recovery testing for all critical systems. • Intensified capacity monitoring.	↔
Staff Engagement & Development	Staff Disengagement and Attrition	The operating environment for the business has continued to erode the value of staff income as high inflation rates have been prevalent within the economy.	• Retention programs to cushion staff through short term and long term incentives were employed • The business conducts Louis Allen Worldwide Engagement Survey (LAWES) annually to determine the level of staff engagements and implement corrective measures on low scoring areas.	↑
Innovation	Challenges to commercialise new innovations.	Cassava has various business units in different growth phases. These business units may be exposed to different issues due to unfavorable economic environment that may hamper them from becoming viable on a commercial basis.	• Robust tracking system of all business units through KPIs has been developed. • Some of the new businesses such as Agritech and Econet Insurance have managed to be profitable ahead of the budgeted payback periods.	↑
	Failure to transform to digital ways of working	Manual systems and lagging technologies may have impact on the customers, revenues, reputation and innovation objective of the business. Emerging tech innovations including robotic process automation, artificial intelligence, and block chain have begun to streamline traditional business processes.	• Digital Transformation plan was rolled out by the business towards digitalisation of processes. • Research on new technologies is continuing in order to take advantage of the opportunities that they bring.	↔

GOVERNANCE AND RISK MANAGEMENT (continued)

Top Business Risks

STRATEGIC PILLAR	RISK NAME	RISK DESCRIPTION	RISK MITIGATION	Risk Outlook Trend
Financial Strength	Value Erosion of Balance Sheet due to inflation	Volatile macroeconomic conditions such as fluctuating foreign exchange and inflation rates may erode balance sheet reduce revenue and impacting negatively on operating costs and weaken customer spending.	• Deliberate strategies to lock in value in assets. • Active portfolio management to ensure timely decisions. • Negotiation with foreign suppliers for payment arrangements.	↔
	Exchange rate losses impact on profitability	Business profits may be negatively impacted by the ever rising exchange rate which increases operating costs. Furthermore devaluation of the local currency has a negative effect on our foreign exchange losses thereby impacting on our profit margins.	• Management has developed plans to manage foreign debt through proactive engagement of key stakeholders. • The business is initiating forex generating projects in order to cushion the business on foreign exchange losses. Bureau de Change, remittances etc.	↔
Corporate Social Investment & Sustainability Management	Social Instability and Business Interruption	The current economic and political outlook has potential to cause social unrests leading to disruption of business operations.	• The business continues to adopt Crisis Management Guidelines in order to help members of staff during periods of disturbances and to ensure smooth continuation of operations.	↔
Risk and Compliance	Tariff Regulation and Other Regulatory Requirements	There may be challenges in adjusting tariffs in line with the deteriorating macro-economic environment. The regulatory environment has been characterised by uncertainty which negative impact on strategies.	• Coordinated stakeholder engagement efforts with the various regulators on the key regulatory areas of concern. • Continuous monitoring of regulatory environment and making intervention as appropriate.	↔
	Cyber Security and Fraud	There may be information security risks that may directly/ indirectly impact brand health, revenues and business value emanating from potential loss of data integrity and confidentiality. The current macro-economic environment heighten risk of both internal and external frauds	• The organization has developed capability to prevent, detect and respond to cyberattacks in line with its risk appetite. • The business continuously improve security programmes to manage cyber security risk.	↑

Bureau de Change

Our digital banking solutions enable customers to access the full suite of banking services via their mobile device. We partner with traditional banks, helping them digitize and transform their business models in order to drive financial inclusion, and new products and services delivered through mobile banking channels. Our model is designed to unlock the value that sits at the nexus of mobile money and banking.

We follow a transactional banking model, with the following as key offerings: Micro-loans, Savings, Agent Banking (designed to reach the previously excluded), Device Financing and Diaspora Banking. The Digital Bank's flagship platform is branded "Square".

STEWARD|BANK
Everyday Banking For Everyday People

CORPORATE GOVERNANCE STATEMENT

The Cassava Smartech Zimbabwe Limited Board of Directors recognises the importance of good corporate governance and is committed to conducting the business with integrity and in accordance with accepted corporate practices in order to safeguard stakeholders' interests.

The Board is committed to the creation and sustenance of shareholder value and is accountable to its shareholders as well as to all other stakeholders including Cassava's employees, customers, suppliers, regulatory authorities and the community from which it operates.

Board Responsibilities

The Board of Directors is responsible for the strategic direction and overall corporate governance of the Bank, ensuring that appropriate controls, systems and policies are in place. The Board monitors the implementation of these policies through a structured approach to reporting and accountability. The Board held five (5) Board meetings during the period to assess risk, review performance and provide guidance to management.

Board Composition

The Board considers that its membership should reflect an appropriate balance between executives possessing extensive direct experience and expertise in core business activities and non-executive members who bring to the Board a broad range of general commercial expertise and experience.

The Board is comprised of ten (10) Directors, which include eight non - Executive directors and two Executive directors (the Chief Executive Officer and the Finance Director). The Board is led by an independent non- Executive Chairperson, thereby ensuring constructive checks and balances between Executive management and the Board.

The Board has a Charter that sets out its authority, duties, responsibilities and arrangements by which it operates. The Board Charter is also available to Directors for reference regarding their duties and obligations. The Charter also clearly establishes the relationship between the Board of Directors and management. The Board will regularly review its structure and policies in line with international best practice.

The non-executive directors proactively engage with management to improve strategy implementation, test and challenge the implementation of controls, processes and policies which enable risk to be effectively assessed and managed.

The Board and the Remunerations and Nominations Committee work together to ensure that the Board continues

Cassava Smartech

CORPORATE GOVERNANCE STATEMENT (continued)

to have the appropriate balance of skills, experience, diversity, independence and depth of working knowledge of Cassava's business necessary to properly and effectively discharge its responsibilities.
New regulatory developments are communicated through the Company Secretary and appropriate action is taken by the Board.

The Board of Directors is committed to upholding the highest standards of corporate governance by ensuring that business is conducted in a transparent, responsible and accountable manner as enshrined in the international and local corporate governance frameworks. Cassava has adopted and continues to work towards compliance with the National Corporate Governance Code for Zimbabwe.

Executive Directors

The executive management team is led by the Chief Executive Officer. The main responsibilities of executive management include reporting to the Board on implementation of strategy, effectiveness of risk management and control systems, business and financial performance, preparation of financial statements and keeping the Board fully informed of any material developments affecting the business.

Transparency

The Board has unrestricted access to Company information, records, documents and management. Efficient and timely procedures for briefing Board members before Board meetings have been developed and implemented. Management is under obligation to provide regular reports or additional information when requested timeously to ensure that the Board discharges its duties effectively. Directors are free to take independent professional advice, at the expense of Cassava, in the furtherance of their duties.

Conflict of Interest

Directors are required to take all reasonable steps to avoid actual, potential or perceived conflicts of interests. Directors are required to disclose any conflicts and abstain from participating in any discussion or voting on any matter in which they have a material interest.

Board Diversity

The Board recognises the importance of diversity and inclusion in its decision-making processes. The Board members have a vast array of experience in areas that include accounting, economics, legal, corporate finance, marketing, business administration and executive management. The Board is made up of five (5) independent non-executive directors and four (4) female directors.

Board Capacity Development

Cassava has in place a Board Training and Development Plan which includes an induction plan for on-boarding new directors and continued training on relevant topics.

Board Structure

As at 29 February 2020, the Board comprised of eight (8) non-Executive directors and two (2) Executive directors. The majority of the Board members are independent non-Executive Directors. The Board has an appropriate balance of skills, experience and expertise.

The Board is comprised as follows:

	Name	
1	Mrs. Sherree Gladys Shereni (Chairperson)	Independent Non – Executive Director
2	Dr. Zienzile Dillon	Independent Non – Executive Director
3	Mr. Michael Louis Bennett	Independent Non – Executive Director
4	Mr. Hardy Pemhiwa	Non – Executive Director
5	Ms. Elizabeth Masiyiwa	Non – Executive Director
6	Mr. Darlington Tafara Mandivenga	Non – Executive Director
7	Mr. Christopher Maswi	Independent Non – Executive Director
8	Mr. Dominic Musengi	Independent Non – Executive Director
9	Mr. Edmore Chibi	Executive Director
10	Mrs. Emilia Chisango	Executive Director

Board Committees

The Board has established and delegated specific roles and responsibilities to standing Committees, to assist it in discharging its mandate. Members of the Executive Committee and other management attend meetings of the various committees by invitation. Each Committee acts within written terms of reference approved by the Board and reviewed at least annually. All Board Committees are chaired by non-Executive Chairpersons.

CORPORATE GOVERNANCE STATEMENT (continued)

To assist the Board in the discharge of its responsibilities, the following standing Committees have been established namely:

i. Board Audit Committee;
ii. Board Risk Committee;
iii. Board Remuneration and Nominations Committee; and
iv. Board Social and Ethics Committee.

The Chair of each Committee (or a person nominated by the Chair of the Committee for that purpose), reports to the Board at the Board's next meeting on any matters relevant to the Committee's duties and responsibilities.

The Board Committees are comprised as below:

Board Audit Committee Composition:

Z Dillon (Non- Executive Chairperson)
C Maswi (Non-Executive Member)
D T Mandivenga (Non-Executive Member)
S G Shereni (Non-Executive Member)

The role of the Audit Committee is to provide an independent evaluation of the adequacy and efficiency of the institution's internal control system, accounting practices, information systems and auditing processes.

The Committee's ultimate goal is to ensure the integrity of financial reporting and implementation of sound internal controls and risk management. The Committee considers and reviews reports from management with a view to assessing the quality of the financial reporting and compliance with disclosure requirements.

The external auditors attend the committee meetings to present their report on key matters and any findings deemed necessary to bring attention to the Committee. Both internal and external auditors have a direct line of communication at any time to, either the Chairperson of the Committee, or the Board Chairperson. The Committee meets at least quarterly or as necessary.

Board Risk Committee Composition:

C Maswi (Non- Executive Chairperson)
Z Dillon (Non-Executive Member)
D T Mandivenga (Non-Executive Member)

The Risk Committee's primary role is to oversee the effectiveness of risk and compliance management within the Group. The Committee focuses on the effectiveness and appropriateness of the enterprise risk management framework, including but not limited to risk strategy, risk tolerance and risk governance. The identification and management of risk are central to the Group's objective of creating long-term shareholder value.

The Committee reviews and assesses the integrity of the Group's risk control systems and ensures that the risk policies and strategies are effectively managed. The Committee also sets policy guidelines for ensuring and monitoring compliance with all regulatory laws and directives and internal policies and procedures.

The Committee has oversight on the overall compliance and management framework.

The Risk Committee assists the Board of Directors in the discharge of its duties relating to corporate accountability and associated risks in terms of management, assurance and reporting. The Committee meets at least quarterly, or as necessary.

Board Remuneration and Nominations Committee Composition:

H Pemhiwa (Non- Executive Chairperson)
M L Bennett (Non-Executive Member)
E Masiyiwa (Non-Executive Member)
D Musengi (Non-Executive Member)

The Board Remuneration and Nominations Committee's overall responsibility is to review, on behalf of the Board, Cassava's remuneration structure and employment policies with a view to ensuring that Cassava provides competitive rewards to attract motivate and retain the required skills.

The Committee considers all human resources issues including industrial relations, the recruitment and retention policy and remuneration terms and packages for management, staff and Directors. The remuneration policy is designed to attract and retain high calibre senior executives and Directors capable of meeting the specific management needs of the business.

The Committee also reviews the structure, size and composition of the Board and makes appropriate recommendations to the Board. The Committee also proposes and advises on suitably qualified candidates for selection and appointment as Directors to the Board. The Committee performs regular reviews of the performance and effectiveness of the Board and the Directors. The Committee meets at least twice a year, or as necessary.

Cassava Smartech

CORPORATE GOVERNANCE STATEMENT (continued)

Board Social and Ethics Committee:

M L Bennett (Non- Executive Chairperson)
E Masiyiwa (Non-Executive Member)
D Musengi (Non-Executive Member)

The Board Social and Ethics Committee has an independent, oversight role with responsibility for monitoring and reporting on Cassava's compliance with legislated social and economic development requirements and other codes of good practice relating to corporate citizenship, the environment, health, public safety and consumer protection.

The Committee assists the Board in monitoring the Cassava's social development programmes and initiatives, in particular, Cassava's progress in relation to social investment. It also monitors ethics and integrity within Cassava, having regard to the need to maintain the highest standards of governance and the strategic direction of Cassava.

The Committee also oversees and monitors certain areas of market disclosure; it reviews Cassava's compliance with market disclosure obligations and sets guidelines for the release of information. The Committee meets at least twice a year or as necessary.

Compliance

Cassava complied with the applicable laws and regulations governing its activities throughout the reporting period.

Board of Directors Attendance Register as at 29 February 2020

As at 29 February 2020, the Bank's Board of directors had held five (5) meetings and the attendance record of each Director is depicted below:

Name of Director	Designation	Total Meetings Held	Total Present
T Mpofu*	Non-Executive Chairperson	5	3
S G Shereni	Non-Executive Director	5	5
Z Dillon	Non-Executive Director	5	5
M L Bennett	Non-Executive Director	5	5
S Masiyiwa*	Non-Executive Director	5	1
H Pemhiwa	Non-Executive Director	5	5
D Mboweni*	Non-Executive Director	5	3
D T Mandivenga	Non-Executive Director	5	4
E Masiyiwa	Non-Executive Director	5	5
E Chibi	Executive Director	5	5
E Chisango	Executive Director	5	5
C Maswi**	Non-Executive Director	5	2
D Musengi**	Non-Executive Director	5	2

** Resigned 30 October 2019*
***Appointed 30 October 2019*

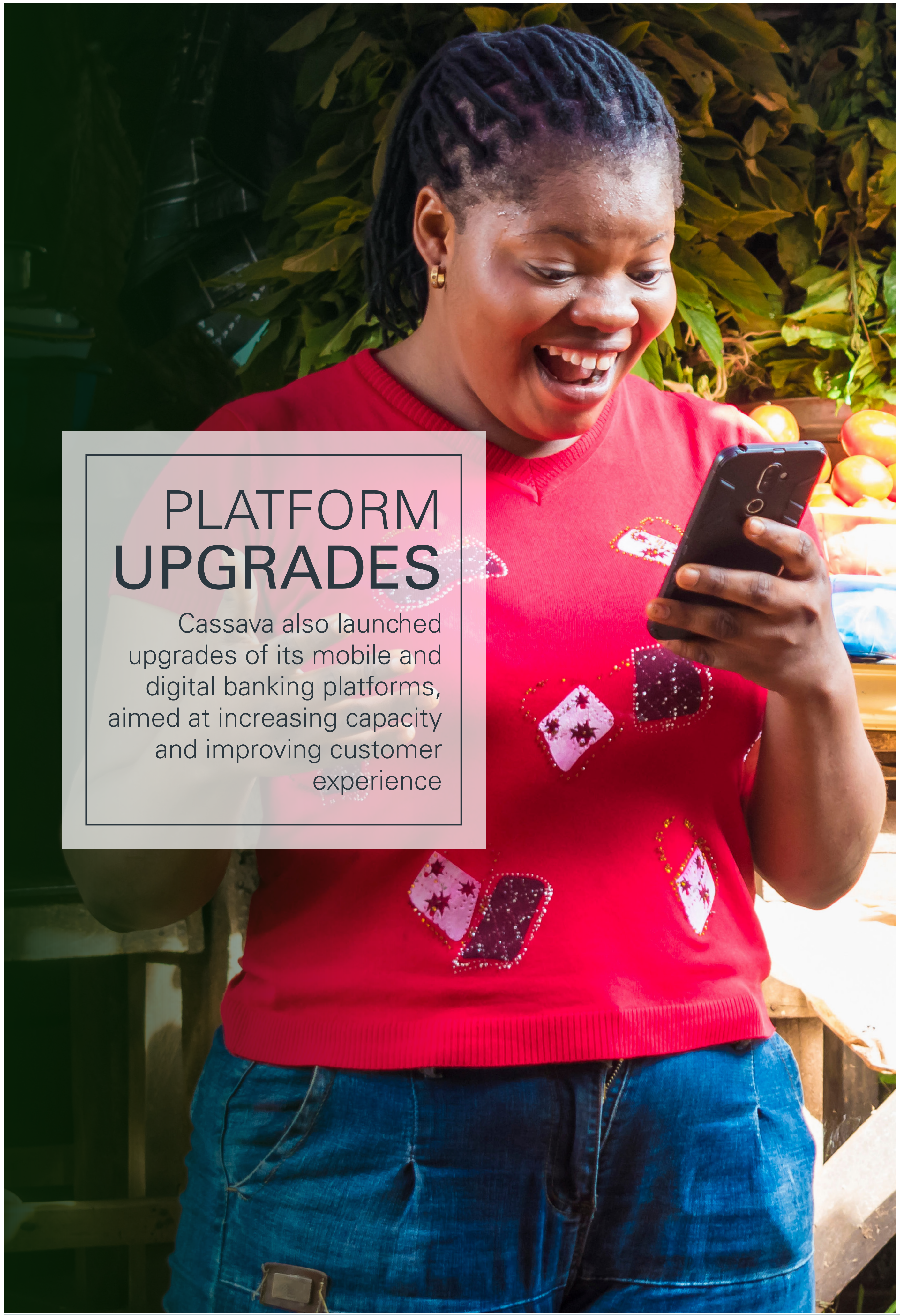
Cassava
Smartech

eCommerce

Mobile e-commerce solutions, namely Online Classifieds and E-Store, which come with payment integration and delivery services. Our mobile solutions are designed to facilitate trade through buyers and sellers by offering a convenient, safe, and secure online transactional environment. In addition to online payments, we offer Pay Protect , which is an escrow service designed to protect both buyer and seller. Cassava On-Demand services completes the overall value proposition by offering quick, secure and efficient delivery services.

ownai

Life is digital



PLATFORM UPGRADES

Cassava also launched upgrades of its mobile and digital banking platforms, aimed at increasing capacity and improving customer experience

Cassava Smartech

COMPLIANCE AND FINANCIAL REPORTING

SHAREHOLDER AND OTHER INFORMATION

Mrs. Charmaine Daniels

GROUP COMPANY SECRETARY

CERTIFICATE BY THE GROUP COMPANY SECRETARY

In my capacity as Group Company Secretary, I hereby confirm, in terms of the Companies and Other Business Entities (Chapter 24:31), that for the year ended 29 February 2020, Cassava Smartech Zimbabwe Limited has lodged with the Registrar of Companies all such returns as are required by a public company in terms of the Companies Act and that all such returns are, to the best of my knowledge and belief, true and correct and up to date.

Mrs. Charmaine Daniels
GROUP COMPANY SECRETARY

30 October 2020

Cassava Smartech

DIRECTORS' REPORT

The Directors present their report and audited financial statements for the year ended 29 February 2020. In the report "Group" or "Company" refers to Cassava Smartech Zimbabwe Limited and its subsidiaries.

Principal Activities and Operations Review

The Group has subsidiaries which are split into three broad business segments namely Fintech, Insurtech and On-Demand services. The Fintech segment comprises the Financial Mobile Money, Digital Banking, Payment Services and International Remittances while the Insurtech segment offers mobile micro-insurance solutions covering Funeral, Auto, Education and Health. The On-Demand services offer a converged platform for all on-demand services across transport, health, agriculture and security services sectors utilising the technology platforms.

People

The Cassava Smartech group firmly believes that superior and sustained business performance requires the business to continually hone its competitive advantage, which is its People. To this end, our people are both business partners and our competitive advantage. Cassava Smartech has developed an Employee Value Proposition aimed at making it not only an employer of choice, but that ensures its employees resonate with, affiliate and are engaged in providing digital solutions to the Cassava Smartech customers. Our people strategy seeks to create a compelling place to work, high-performance work culture, with the right levels of agility to respond to market variations that enhance operational efficiencies, swift execution, and critical thinking.

Cassava Smartech Group believes in inclusive diversity and harnessing differences among its employees as the source of continuous innovation and excellence that matches our fluid customer preferences and desires. This value creation enshrined within the innovation strategic pillar, helps our staff to creatively explore, analyse and inclusively devise the right solutions to group challenges, enhancing the quality of decision making that supports our unique customer base.

The fundamental aim of the group with regards to talent development is to enhance resource capability as well as safeguard the health and wellness of its people. Through a comprehensive Talent Delivery Value Chain and wellness programs, we stimulate and nurture the right stock of intellectual capital to not only sustain the business in the current but also create a pipeline for the future capability requirements of the business aligned to the Cassava Smartech vision and overall innovative culture.

Dividend

The Board has decided not to declare a dividend for the year.

Share Capital

The authorised and issued share capital of the Company as at 29 February 2020 is set out in Note 21 on page 180 of the audited financial statements.

At the Annual General Meeting held on 24 September 2019 the Company received authority from the shareholders to purchase up to 20% of its issued ordinary shares. A resolution asking shareholders to renew the authority will be tabled at the next annual general meeting.

Directors and their Interests

The names and biographical details of the Directors are given on pages 84 to 87 of this report.

In terms of Article 69 of the Company's Articles of Association, it is not mandatory for Directors to hold shares in the Company for them to qualify for directorship.

The Board comprises 10 board members; of these 8 are non-executive Directors, of whom 5 are independent.

The Directors who served during the year are:

Name of Director	Designation
S G Shereni	Non-Executive Chairperson
Z Dillon	Non-Executive Director
M L Bennett	Non-Executive Director
H Pemhiwa	Non-Executive Director
D T Mandivenga	Non-Executive Director
E Masiyiwa	Non-Executive Director
E Chibi	Executive Director
E Chisango	Executive Director
C Maswi	Non-Executive Director
D Musengi	Non-Executive Director

Article 89 of the Company's Articles of Association provides that at each annual general meeting at least one third of the directors must retire and seek re-election. The following Directors shall retire by rotation at the next annual general meeting and, being eligible, shall seek re-election:

- Mr. Darlington Mandivenga
- Mr. Michael Bennett
- Dr. Zienzile Dillon

The shareholding of Directors in the Company, held directly, indirectly or beneficially, appears in Note 22 of the financial statements.

DIRECTORS' REPORT (continued)

Directors and their Interests (continued)
As part of good corporate governance Directors are prohibited from dealing, directly or indirectly, in the shares of the Company during the Company's closed period. Also, Directors have to disclose any direct or indirect interest they may have in any transaction in which the Company is involved.

Register of Members
The Register of Members of the Company is open for inspection to members and the public, during business hours, at the offices of the Company's transfer secretaries, First Transfer Secretaries (Private) Limited.

Borrowing Powers
The details of the Group's borrowings are set out in Note 34 to the financial statements.

Capital Commitments
Details of the Group's capital commitments are to be found in Note 35 to the financial statements.

Donations to political parties
The Group does not, as a matter of policy, contribute to any political party.

Auditors
Following their re-appointment at the last annual general meeting, Deloitte & Touche continued in office as the Group's auditors. At the annual general meeting shareholders will be requested to approve the remuneration of the auditors for the year ended 29 February 2020.

By Order of the Board

Mrs. S.G. Shereni
CHAIRPERSON OF THE BOARD

Mr. E. Chibi
CHIEF EXECUTIVE OFFICER

Mrs. C.R. Daniels
GROUP COMPANY SECRETARY

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors of Cassava Smartech Zimbabwe Limited ('the Company') and its subsidiaries (together, 'the Group') are responsible for the maintenance of adequate accounting records, and the preparation, integrity and fair presentation of the consolidated financial statements and related information. The Group's independent external auditors, Messrs Deloitte & Touche, have audited the consolidated financial statements and their report appears on pages 104 to 110.

The Group prepares consolidated financial statements with the aim to fully comply with International Financial Reporting Standards ('IFRSs'), which comprise standards issued by the International Accounting Standards Board ('IASB') and interpretations developed and issued by the International Financial Reporting Standards Interpretations Committee ('IFRS IC'). Compliance with IFRSs is intended to achieve fair presentation.

In February 2019, the Government of Zimbabwe issued Statutory Instrument 33 of 2019 ('S.I. 33 of 2019') which, among other things, prescribed parity between the United States dollar ('US dollar') and local mediums of exchange as at and prior to the effective date of 22 February 2019 for accounting and other purposes. S.I. 33 of 2019 prescribed the manner in which the values of assets and liabilities were to be determined as a consequence of the recognition of the RTGS dollar, now subsequently called the Zimbabwe dollar ('ZWL'), as currency in Zimbabwe. S.I. 33 of 2019 also had the effect of legally prescribing a date of change in functional currency from the US dollar to the RTGS dollar of 22 February 2019, which differed from a date of change of 1 October 2018 that would have been determined if the requirements of International Accounting Standard ('IAS') 21 'Effects of Changes in Foreign Exchange Rates' had been fully complied with. As a practical expedient, the Directors chose 28 February 2019 as the date of change in functional currency for the Group's entities.

Giving consideration to the guidance issued by the Public Accountants and Auditors Board ('PAAB') on 21 March 2019, the Directors determined that the conflict between S.I. 33 of 2019 and IAS 21 resulted in the consolidated financial statements for the 4 months ended 28 February 2019 being non-compliant with IFRSs. This conflict between S.I. 33 of 2019 and IAS 21 has also had a carryover effect on the Group's financial results for the year ended 29 February 2020, as the legally mandated date of change in functional currency has also led to a hyperinflation restatement approach being adopted for the current year that is not compliant with the requirements of IAS 29 'Financial Reporting in Hyperinflationary Economies'.

Consequently, the Directors advise users of these consolidated financial statements to exercise caution.

The consolidated financial statements for the year ended 29 February 2020 presented from pages 111 to 204 have been prepared, to the extent legally possible, in compliance with IFRSs. The consolidated financial statements have also been prepared, to the extent legally possible, in accordance with the disclosure requirements of the Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules 2019, the Companies and Other Business Entities Act (Chapter 24:31), the Banking Act (Chapter 24:20), the Insurance Act (Chapter 24:07), the Medical Services Act (Chapter 15:13), and related regulations. They are based on accounting policies which have been consistently applied and modified where necessary by the impact of new and revised IFRSs, unless otherwise stated. The application of these accounting policies is supported by reasonable and prudent judgments and estimates to the extent legally possible.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The systems of internal control are designed to provide reasonable, but not absolute, assurance as to the reliability of the consolidated financial statements, and to safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatements and losses. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review, other than as a result of a conflict between a legal requirement and a professional standards requirement. In such instances, the Directors have elected to comply with legal requirements. The Directors have complied with the corporate governance requirements of Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules 2019.

The Directors have reviewed the Group's budgets and cash flow forecasts for the period at least 12 months after the date of authorisation of the consolidated financial statements and, in light of this review and the current financial position, are satisfied that the Group has access to adequate resources to continue in operational existence for the foreseeable future.

The consolidated financial statements were approved by the Board of Directors on 30 October 2020 and are signed on its behalf by:

Mrs. S.G. Shereni
CHAIRPERSON OF THE BOARD

Mr. E. Chibi
CHIEF EXECUTIVE OFFICER

Preparer of the consolidated financial statements

These consolidated financial statements have been prepared under the supervision of Emilia Chisango.

FINANCE DIRECTOR
Registered Public Accountant
PAAB Practice Certificate No: 02711

Deloitte.

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INDEPENDENT AUDITOR'S REPORT
to the Shareholders of Cassava Smartech Zimbabwe Limited

Report on the audit of the inflation adjusted consolidated financial statements

Adverse Opinion

We have audited the inflation adjusted consolidated financial statements of Cassava Smartech Zimbabwe Limited and its subsidiaries ("the Group") set out on pages 111 to 204 which comprise the inflation adjusted consolidated statement of financial position as at 29 February 2020, and the inflation adjusted consolidated statement of profit or loss and other comprehensive income, the inflation adjusted consolidated statement of changes in equity and the inflation adjusted consolidated statement of cash flows for the year then ended and the notes to the inflation adjusted consolidated financial statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the matters described in the Basis for Adverse Opinion section of our report, the accompanying inflation adjusted consolidated financial statements do not present fairly, in all material respects, the inflation adjusted consolidated statement of financial position of the Group as at 29 February 2020, and its inflation adjusted consolidated financial performance and its inflation adjusted consolidated statement of cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules 2019, the Companies and Other Business Entities Act (Chapter 24:31), the Banking Act (Chapter 24:20), the Insurance Act (Chapter 24:07), the Medical Services Act (Chapter 15:13), and related regulations.

Basis for Adverse Opinion

Our basis for adverse opinion was arrived at following consideration of the following matters.

1. **Impact of the Prior Year Misstatements of the Valuation of Property and Equipment on the Accuracy of Current Year Depreciation and Revaluation Restatements Required by IAS 29 – 'Financial Reporting in Hyperinflationary Economies'**

   The Group applied the revaluation model for the valuation of property and equipment as at 28 February 2019. The valuations attributed to property and equipment at that date were based on a directors' valuation performed by Econet Wireless Zimbabwe Limited directors as at 1 September 2018. No independent professional valuer was utilised, and these values were adopted as is by the Group's Directors. Consequently, we were unable to determine the reasonability of the assumptions applied, as no independent professional valuer was engaged for that purpose. The resulting misstatements thereon were also considered to be material.

   Consequently, because of the material misstatement arising from the foregoing matter, there has been a carry-over effect in the current year, which has resulted in the hyperinflation restatements required by IAS 29 on the following items being inaccurate;

   - depreciation and amortisation expenses recognised in respect of items of property and equipment recorded for the year ended 29 February 2020 and 4 month period ended 28 February 2019;
   - revaluation gains recognised in other comprehensive income for revaluations of property and equipment recorded for the year ended 29 February 2020 and 4 month period ended 28 February 2019;

   Inflation adjusted depreciation and amortisation expenses and revaluation gains on property and equipment for the current year and prior period are therefore materially misstated. There is also a corresponding carry-over effect resulting in a misstatement of the net gain/loss on monetary position and retained earnings for the current year and prior period. It is not practicable to quantify the effects, but their impact, when considered in aggregate with the other matters raised in our basis for adverse opinion, is considered to be pervasive.

2. **Unresolved Prior Period Matters and Incorrect Hyperinflation Restatement Approach on the Prior Period Amounts Impacting the Comparability of the Current Year Figures and Corresponding Prior Period Figures**

   An adverse opinion was issued on the Group's consolidated financial statements for the 4-month period ended 28 February 2019. One of the two bases for the adverse opinion related to;

   Non-compliance With the Requirements of IAS 21 – The Effects of Changes in Foreign Exchange Rates
   On 20 February 2019, a currency called the Real Time Gross Settlement Dollar ("RTGS Dollar", now subsequently called the Zimbabwe Dollar ("ZWL")) was legislated through Statutory Instrument 33 of 2019 ("SI 33/2019") with an effective date of 22 February 2019. SI 33/2019 fixed the exchange rate between the RTGS Dollar (and its prior forms) and the United States Dollar ("USD") at a rate of 1:1 for the period up to its effective date. The rate of 1:1 was consistent with the rate mandated by the Reserve Bank of Zimbabwe ("RBZ") at the time it issued the bond notes and coins into the basket of multi currencies. The below events were indicative of economic fundamentals that would require a reassessment of the functional currency prior to 22 February 2019, as required by IAS 21:

   - The Group transacted using a combination of USDs, bond notes and bond coins. The acute shortage of USD cash and other foreign currencies in the country resulted in an increase in the use of different modes of payment for goods and services, such as settlement through the Real Time Gross Settlement ("RTGS") system and mobile money platforms. Prior to 22 February 2019, there was a significant divergence in market perception of the relative values between bond notes, bond coins, mobile money platform and RTGS system balances in comparison to the USD. Although RTGS system balances were not legally recognised as currency up until 22 February 2019, the substance of the economic phenomenon, from an accounting perspective, suggested that they were currency.
   - In October 2018, banks were instructed by the RBZ to separate and create distinct bank accounts for depositors, namely, RTGS Foreign Currency Account ("FCA") and Nostro FCA accounts. This resulted in a separation of transactions on the local RTGS payment platform from those relating to foreign currency (e.g. United States Dollar, British Pound, and South African Rand).

   Prior to October 2018, RTGS FCA and Nostro FCA transactions and balances were co-mingled. As a result of this separation, there was an increased proliferation of multi-tier pricing practices by suppliers of goods and services, indicating a significant difference in purchasing power between the RTGS FCA and Nostro FCA balances, against a legislative framework mandating parity. While RTGS system balances were not legally recognised as currency up until 22 February 2019, in substance, under IAS 21, such balances would have been deemed to be currency from October 2018.

   Based on the legal requirements of SI 33/2019, the Directors used 28 February 2019 as the date of change in functional currency from USD to ZWL for the Group's component entities. The Group came into existence on 1 November 2018, and consequently the decision to use 28 February 2019 as the date of change in functional currency resulted in a material misstatement to the financial performance and cash flows for the 4-month period ended 28 February 2019, as transactions denominated in USD were not appropriately translated. This departure from the requirements of IAS 21 was considered to be pervasive.

   The above matter resulted in material misstatements to the reported financial performance, financial position and cash flows of the Group for the 4-month period ended 28 February 2019. It was impracticable to quantify the effects.

   The Directors have adopted a hyperinflation restatement approach on the prior period amounts that aims to be consistent with the legal implications of SI 33/2019 on hyperinflation restatements. The hyperinflation restatement approach applied on the comparative amounts, as set out in Note B, does not comply with the requirements of IAS 29.

3. **Impact of Incorrect Date of Change of Functional Currency on the Current Year Restated Closing Values of Inventory, Share Capital, Share Premium and Revaluation Reserves, and the Deferred Tax Movement and Net Gain/Loss on Monetary Position for the Year**

   As cited in item 2 of the Basis for Adverse Opinion section of our report, the Directors chose 28 February 2019 as the date of change in functional currency for the Group's component entities. As indicated in Note B.2, 1 March 2019 was therefore also used as the starting point for the Group's restatements of non-monetary items, rather than 1 November 2018.

   Consequently, the restated closing values of inventory, share capital, share premium and revaluation reserves for 2020, and the current year deferred tax movement are materially misstated. The net gain/loss on monetary position for the current year is also misstated in respect of the impact of these items. It is not practicable to quantify the effects, but their impact, when considered in aggregate with the other matters raised in our basis for adverse opinion, is considered to be pervasive.

4. Inability to Obtain Sufficient Appropriate Audit Evidence Due to Limitations Arising from a Forensic Audit on EcoCash (Private) Limited That Was Ongoing at the Time of Issuing Our Auditor's Report

As described in Note 37.2, there was a delay in the publication of the Group's audited inflation adjusted consolidated financial statements. On 3 July 2020, all mobile money operators in Zimbabwe were subjected to a forensic audit by the Financial Intelligence Unit of the Reserve Bank of Zimbabwe. The Group's subsidiary, EcoCash (Private) Limited ("EcoCash") was amongst the mobile money operators within the scope of the forensic audit. At the time of issuing our auditor's report, we had not been able to obtain the results of the forensic audit as it was still ongoing. We have therefore been unable to obtain sufficient appropriate audit evidence as to the impact of the outcome of the forensic investigation on the inflation adjusted consolidated financial statements. We are unable to determine whether there are any additional material misstatements to the inflation adjusted consolidated financial statements that may have been identified if the outcome of the forensic audit had been finalised and known by us at the time of issuing our auditor's report.

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 Inflation Adjusted Consolidated Financial Statements section of our report. We are independent of the Company 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 financial statements in Zimbabwe. We have fulfilled our 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 adverse opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the inflation adjusted consolidated financial statements of the current period. These matters were addressed in the context of our audit of the inflation adjusted consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Adverse Opinion section of our report, we have determined the matters described below to be the key audit matters.

Key audit matter	How the matter was addressed in the audit
Valuation of expected credit losses on loans and advances	
The closing impairment allowances reflected in the statement of financial position as at 29 February 2020 amounted to ZWL 50.52 million. This impairment loss was determined in accordance with IFRS 9 "Financial Instruments" in respect of loans and advances. This was considered a key audit matter as the determination of the expected credit losses (ECL) requires significant judgment on the part of the Directors. The key areas where we identified heightened levels of Directors' judgement and therefore increased levels of audit focus include: • The measurement of modelled provisions, which is dependent on key assumptions relating to Probability of Default (PD – the chance that the borrowers will fail to meet their contractual obligations in the future), Loss Given Default (LGD – estimate of the loss from a transaction given that default has occurred) and expected recoveries discounted to present value; • The identification of exposures with a significant deterioration in credit quality; and • Assumptions used in the ECL model including forward looking information. Note U1 and Note 20 to the financial statements provide detailed information around the determination of the ECL.	In respect of this key audit matter, we performed the following procedures: • Obtained an understanding of the business process around the impairment of financial assets and evaluated the design and assessed implementation of relevant controls; • Obtained an understanding of the inputs into the IFRS 9 model; • Performed procedures to test completeness and accuracy on all such inputs identified; • With the assistance of our IT specialists, tested controls around the system that computes ECL; • For a sample of loans and advances, assessed the appropriateness of the Group's staging; • With the assistance of our auditor's expert, recalculated the ECL for a sample of financial assets in the model and assessing the appropriateness of the balance being recalculated by the model against the requirements of IFRS 9; • Assessed whether forward looking information was incorporated into the Group's ECL computations for all financial assets subject to IFRS 9 impairment and whether it is appropriate in light of the current economic environment; and • Inquired of management about specific considerations that have been made around the probability of default given the current economic environment and assessed whether these were appropriate. • Challenged the reasonability of management assumptions in light of economic circumstances by performing sensitivity analyses and seeking out and considering contradictory evidence impacting the assumptions • Inspected the ECL disclosures to determine that they were relevant and understandable in the context of the audit evidence we had obtained and the requirements of IFRS 9.

Key audit matter	How the matter was addressed in the audit
Revenue recognition	
The entity's revenue streams are characterised by high volumes of transactional data. The revenue computation process is highly automated, complex in nature and dynamic thus requiring the reliance on numerous information technology related controls. Due to the varying terms and conditions, the revenue recognition is determined to being complex. The following are specific areas of the complexities identified: • The recognition criteria for revenue; • Accounting treatment for agency relationships, treatment of discounts, incentives and commissions; and • The potential impact of seemingly small errors is significant due to the possibility of automated replication through the large volumes of transactions. As a result of the above matters and the related timing of revenue recognition and the volume of transactional data involved, this was considered to be a key audit matter. Note N to the financial statements includes details on the revenue recognition accounting policies. Note 2 further provides detailed information around the different classes of revenue.	In addressing this matter, we performed the following procedures: • We performed walkthroughs of the revenue processes and evaluated the design and implementation of controls in this area; • We reviewed a sample of agency contracts and the related treatments; • We obtained an understanding of the process of updating and application of new tariff plans and the relevant controls in the billing process and tested the effectiveness thereof; • We analysed and verified transactional data on a monthly basis; • We engaged our internal Data Analytics specialists to independently re-compute the revenue using data analytical methods; • We performed sensitivity analysis in relation to the key assumptions in order to assess the potential for management bias; • We made use of internal IT specialists to evaluate the design and test implementation of key controls over the loan administration systems and the manner in which data is extracted from these systems into the models used to determine revenue recognition; • We performed detailed substantive testing of journal entries processed around revenue to ensure these were appropriately authorised, complete and accurate; • We confirmed that the related interest enhancing mechanisms, such as loan arrangement fees and establishment fees, were appropriately recognised over the tenure of the facility from which they arose using the effective interest; • We inspected a sample of underlying data for completeness and accuracy; • For a sample of contracts, we reviewed the contract terms and assessed against the 5 step approach of IFRS 15; and • Inspected the revenue disclosures to determine that they were relevant and understandable in the context of the audit evidence we had obtained and the requirements of IFRS 15.
Existence and valuation of suspense accounts	
Suspense accounts are a high-risk area given the nature of operations and the accounts' general susceptibility to fraud. The risk is further enhanced as during the year the Group's banking subsidiary experienced a high volume of transactions passing through the accounts, resulting in the capacity constraints for the core banking system, which resulted in general ledger account mismatches. Furthermore, following currency conversions that were implemented on the core banking system, there was a material trial balance imbalance that arose. To address these matters, the Group engaged an accredited consultant to apply a correction tool to resolve the general ledger account mismatches and trial balance imbalance. Due to the magnitude of the transactions within the suspense accounts and the audit effort required in validating the accounts and the correction tool applied by the consultant, we noted this to be a key audit area. Note 19 and Note 24 include suspense account related balances.	To address the key audit matter, we performed the following procedures: • Obtained an understanding and analysed the nature of suspense accounts; • Tested the design and implementation of controls around the reconciliation of suspense accounts; • Performed tests of details on a sample of transactions within suspense accounts to validate them; • Tested the ageing of a sample of reconciling items and established the validity thereof; • Performed subsequent period tests to evaluate how the suspense accounts were cleared after the year-end date; and • Obtained an understanding of general ledger account mismatches identified in a sample of accounts tested. With regards to the correction tool applied by the consultant, we performed the following procedures with the assistance of our Information Technology specialists: • Obtained an understanding of the data solution tool; • Recomputed expected balances for all account balances and compared with the recorded amounts; • Verified the completeness and accuracy of the data used; and • Re-constructed account balances for all accounts impacted by the general ledger account mismatches and the trial balance imbalance.

Key audit matter	How the matter was addressed in the audit
Going concern	
As at 29 February 2020, the Group has incurred a loss of ZWL 299.54 million in inflation adjusted terms, as a consequence of exchange losses being incurred of ZWL 1.99 billion on foreign denominated liabilities. Subsequent to that date, the ZWL/US dollar exchange rate has weakened significantly. Subsequent to year end, one of the Group's significant operating entities, EcoCash (Private) Limited ("EcoCash") became one of the subjects of a forensic investigation initiated by the Financial Intelligence Unit of the RBZ on all mobile money operators in the country. Subsequent to year end, a number of changes were also made to the regulatory environment in which EcoCash operates which resulted in a number of significant restrictions on the scale and extent of its operating activities. Due to the significant auditor attention and judgement involved in assessing management's use of the going concern assumption as a result of the foregoing matters, this was found to be a key audit matter.	To respond to the key audit matter, we performed the following procedures, with special focus on the impact of EcoCash on the Group: • We assessed the cash flow forecasts and budgets for reasonableness, for at least 12 months after the expected date of sign-off of the financial statements. This involved challenging the key assumptions used in the forecasts and performing sensitivity analyses; • We performed retrospective reviews by comparing historical projected cash flows against actual historical performance to test reasonableness of the budgets; • We assessed management's plans to mitigate the negative impacts of the changes in the regulatory environment for reasonability; • We performed subsequent events review and assessed the potential impact of those events on the going concern assumption; • We corresponded with the Group's legal counsel and assessed the potential impact of the outcomes of the forensic audit and the new regulatory requirements; • We assessed the viability of the interim measures put in place by the Board to ensure business continuity; • We inspected minutes of Board meetings outlining their plans for the Group; and • We considered the adequacy of the going concern disclosure as set out on Note 33.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Cassava Smartech Zimbabwe Limited Consolidated Financial Statements for the year ended 29 February 2020", which includes the 'Director's responsibility for financial reporting', which we obtained prior to the date of our auditor's report. The other information also comprises the information included in the document titled "Cassava Smartech Zimbabwe Limited Annual Report for the year ended 29 February 2020", which we had not yet received as at the date of issuing our auditor's report. The other information does not include the inflation adjusted consolidated financial statements and our auditor's report thereon. The document titled "Cassava Smartech Zimbabwe Limited Annual Report for the year ended 29 February 2020" is expected to be made available to us after the date of this auditor's report.

Our opinion on the inflation adjusted consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the inflation adjusted consolidated statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted consolidated 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 this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Adverse Opinion section above, we have concluded that the other information is also materially misstated for the same reasons.

Responsibility of the Directors for the Inflation Adjusted Consolidated Financial Statements

The Directors are responsible for the preparation and fair presentation of the inflation adjusted consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules 2019, the Companies and Other Business Entities Act (Chapter 24:31), the Banking Act (Chapter 24:20), the Insurance Act (Chapter 24:07), the Medical Services Act (Chapter 15:13), and related regulations. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of inflation adjusted consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the inflation adjusted consolidated financial statements, the Directors are responsible for assessing the Group'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 the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Inflation Adjusted Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the inflation adjusted consolidated 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the inflation adjusted consolidated 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 the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 inflation adjusted consolidated 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 the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the inflation adjusted consolidated financial statements, including the disclosures, and whether the inflation adjusted consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the inflation adjusted consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Inflation Adjusted Consolidated Financial Statements (continued)

We communicate with the Directors 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 the Directors 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 the Directors, we determine those matters that were of most significance in the audit of the inflation adjusted consolidated 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.

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

In fulfilment of the requirements of Section 193 of the Companies and Other Business Entities Act (Chapter 24:31) ("the Act"), we report to the shareholders as follows:

Section 193(1)(a)

As a result of the matters described in the Basis for Adverse Opinion section of our report, the inflation adjusted consolidated financial statements of the Group are not properly drawn up in accordance with the Act and do not give a true and fair view of the state of the Group's affairs as at 29 February 2020.

Section 193(2)

We have no further matters to report in respect of the Section 193(2) requirements of the Act, in addition to those already covered in the Basis for Adverse Opinion section of our report.

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

Deloitte & Touche

Deloitte & Touche
Per Tumai Mafunga
PAAB Practice Certificate No 0442
Partner and Registered Auditor

6 November 2020

Cassava Smartech

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 29 February 2020

	Note	INFLATION ADJUSTED		HISTORICAL*	
		2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000
Revenue	2	**4,575,011**	**1,107,714**	**2,163,431**	**173,037**
Cost of sales and external services rendered		(1,371,148)	(464,628)	(678,372)	(72,580)
Impairment on financial assets charge: expected credit loss allowances		(89,312)	(11,382)	(70,140)	(1,778)
Gross profit		**3,114,551**	**631,704**	**1,414,919**	**98,679**
Other (expenses) / income	7	(10,216)	17,470	192,637	2,729
General administrative and other expenses		(1,530,590)	(266,748)	(972,108)	(41,669)
Marketing and sales expenses		(247,584)	(78,183)	(114,660)	(12,213)
Profit before interest, taxation, depreciation, amortisation and impairment		**1,326,161**	**304,243**	**520,788**	**47,526**
Depreciation, amortisation and impairment		(204,158)	(36,054)	(61,682)	(5,632)
Foreign exchange losses		(1,990,801)	(181,978)	(561,263)	(28,427)
Gain on net monetary position (IAS 29)		1,148,840	-	-	-
Profit / (loss) before net finance costs		**280,042**	**86,211**	**(102,157)**	**13,467**
Finance income	4	2,914	2,343	1,173	366
Finance costs	5	(86,614)	(14,711)	(41,797)	(2,298)
Profit / (loss) before taxation	3	**196,342**	**73,843**	**(142,781)**	**11,535**
Income tax expense	8	(495,886)	(14,359)	(100,612)	(2,243)
(Loss) / profit for the period		**(299,544)**	**59,484**	**(243,393)**	**9,292**
(Loss) / profit for the period attributable to:		**(299,544)**	**59,484**	**(243,393)**	**9,292**
Equity holders of Cassava Smartech Zimbabwe Limited		(279,862)	56,251	(259,047)	8,787
Non-controlling interest		(19,682)	3,233	15,654	505
Items that may not to be reclassified to profit or loss:					
Gain arising on revaluation of property and equipment	6	505,691	614	880,809	96
Taxation effect of other comprehensive income		(124,487)	(166)	(211,223)	(26)
		381,204	448	669,586	70
Total comprehensive income for the period		**81,660**	**59,932**	**426,193**	**9,362**
Other comprehensive income attributable to:					
Equity holders of Cassava Smartech Zimbabwe Limited		373,843	448	660,718	70
Non-controlling interest		7,361	-	8,868	-
		381,204	**448**	**669,586**	**70**
Total comprehensive income / (loss) attributable to:					
Equity holders of Cassava Smartech Zimbabwe Limited		93,981	56,699	401,671	8,857
Non-controlling interest		(12,321)	3,233	24,522	505
		81,660	**59,932**	**426,193**	**9,362**
Basic (loss) / earnings per share (ZWL)	9	**(0.108)**	**0.022**	**(0.100)**	**0.003**
Diluted (loss) / earnings per share (ZWL)	9	**(0.108)**	**0.022**	**(0.100)**	**0.003**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Mr. E. Chibi
CHIEF EXECUTIVE OFFICER

Mrs. S.G. Shereni
CHAIRPERSON OF THE BOARD

Mrs. E. Chisango
FINANCE DIRECTOR

30 October 2020

Cassava Smartech

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 29 February 2020

	Note	INFLATION ADJUSTED 2020 ZWL '000	INFLATION ADJUSTED (Restated) 4 months ended 2019 ZWL '000	HISTORICAL* 2020 ZWL '000	HISTORICAL* (Restated) 4 months ended 2019 ZWL '000
ASSETS					
Intangible assets	13	394,791	286,625	246,191	44,774
Property and equipment	10	1,258,687	609,765	1,019,287	95,252
Right of use asset	11	51,032	-	13,070	-
Deferred tax asset	14.3	-	26,304	-	4,109
Investment properties	12	135,014	122,232	135,014	19,094
Other assets	18	42,875	74,738	7,295	11,675
Current tax assets	24.2	-	81,652	-	12,755
Amounts owed by related party companies	28	51,448	157,127	51,448	24,545
Trade and other receivables	19	943,440	634,066	591,172	99,048
Loans and advances	20	219,852	320,554	219,852	50,074
Treasury bills and government bonds	15.1	956,372	3,000,673	956,372	468,738
Financial assets at fair value through profit or loss	16	136,415	260,750	136,415	40,732
Mobile money trust bank balances -restricted balances	27.4	1,721,664	2,827,587	1,721,664	441,700
Cash and cash equivalents	27.4	527,573	1,332,122	527,573	208,092
Total assets		**6,439,163**	**9,734,195**	**5,625,353**	**1,520,588**
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital and share premium	21	16,587	16,587	2,591	2,591
Retained earnings / (accumulated loss)		120,473	49,209	(251,127)	7,687
Other reserves	23	1,183,118	1,174,604	839,591	183,486
Equity attributable to owners of Cassava Smartech Zimbabwe Limited		1,320,178	1,240,400	591,055	193,764
Non-controlling interest		(94)	12,227	26,432	1,910
Total equity		**1,320,084**	**1,252,627**	**617,487**	**195,674**
Liabilities					
Lease liabilities	32	15,072	-	15,072	-
Provisions	24.1	31,751	16,098	30,212	2,515
Current tax liability	24.2	54,969	-	54,969	-
Deferred tax liabilities	14.3	183,382	-	128,874	-
Borrowings	25	-	14,404	-	2,250
Amounts owed to related party companies	28	871,706	1,800,552	871,706	281,266
Trade and other payables	24	1,128,677	648,060	1,073,511	101,234
Mobile money trust liabilities	27.5	1,721,664	2,827,587	1,721,664	441,700
Deposits due to banks and customers	26	1,110,707	3,174,867	1,110,707	495,949
Other payables		1,151	-	1,151	-
Total liabilities		**5,119,079**	**8,481,568**	**5,007,866**	**1,324,914**
Total equity and liabilities		**6,439,163**	**9,734,195**	**5,625,353**	**1,520,588**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Mr. E. Chibi
CHIEF EXECUTIVE OFFICER

Mrs. S.G. Shereni
CHAIRPERSON OF THE BOARD

Mrs. E. Chisango
FINANCE DIRECTOR

30 October 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 29 February 2020

INFLATION ADJUSTED	Share capital and share premium ZWL '000	Retained earnings ZWL '000	Other reserves (Note 23) ZWL '000	Attributable to equity holders of the entity ZWL '000	Non-controlling interest ZWL '000	Total ZWL '000
Balance at 1 November 2018 (as previously stated)	**-**	**-**	**1,184,341**	**1,184,341**	**8,994**	**1,193,335**
Profit for the period	-	56,251	-	**56,251**	3,233	**59,484**
Other comprehensive income:	-	-	448	**448**	-	**448**
Gain arising on revaluation of property and equipment	-	-	614	**614**	-	**614**
Taxation effect of other comprehensive income	-	-	(166)	**(166)**	-	**(166)**
Total comprehensive income for the period	**-**	**56,251**	**448**	**56,699**	**3,233**	**59,932**
Issue of shares	6,402	-	-	**6,402**	-	**6,402**
Dividend paid	-	(7,042)	-	**(7,042)**	-	**(7,042)**
Reclassification**	10,185	-	(10,185)	**-**	-	**-**
Balance at 28 February 2019 (restated)	**16,587**	**49,209**	**1,174,604**	**1,240,400**	**12,227**	**1,252,627**
Loss for the year	-	(279,862)	-	**(279,862)**	(19,682)	**(299,544)**
Other comprehensive income:	-	-	373,843	**373,843**	7,361	**381,204**
Revaluation of property and equipment and intangible assets	-	-	498,330	**498,330**	7,361	**505,691**
Taxation effect of other comprehensive income	-	-	(124,487)	**(124,487)**	-	**(124,487)**
Total comprehensive (loss) / income for the year	**-**	**(279,862)**	**373,843**	**93,981**	**(12,321)**	**81,660**
Transfers within and out of reserves	-	351,126	(365,329)	**(14,203)**	-	**(14,203)**
Balance at 29 February 2020	**16,587**	**120,473**	**1,183,118**	**1,320,178**	**(94)**	**1,320,084**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

** *The reclassification was in respect of shares issued to shareholders as per the terms of the demerger from EWZL on 1 November 2018.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 29 February 2020

	HISTORICAL*					
	Share capital and share premium ZWL '000	Retained earnings / (accumulated loss) ZWL '000	Other reserves (Note 23) ZWL '000	Attributable to equity holders of the entity ZWL '000	Non-controlling interest ZWL '000	Total ZWL '000
Balance at 1 November 2018 (as previously stated)	**-**	**-**	**185,007**	**185,007**	**1,405**	**186,412**
Profit for the period	-	8,787	-	**8,787**	505	**9,292**
Other comprehensive income:	-	-	70	**70**	-	**70**
Gain arising on revaluation of property and equipment	-	-	96	**96**	-	**96**
Taxation effect of other comprehensive income	-	-	(26)	**(26)**	-	**(26)**
Total comprehensive income for the period	**-**	**8,787**	**70**	**8,857**	**505**	**9,362**
Issue of shares	1,000	-	-	**1,000**	-	**1,000**
Dividend paid	-	(1,100)	-	**(1,100)**	-	**(1,100)**
Reclassification	1,591	-	(1,591)	**-**	-	**-**
Balance at 28 February 2019 (restated)	**2,591**	**7,687**	**183,486**	**193,764**	**1,910**	**195,674**
(Loss) / profit for the year	-	(259,047)	-	**(259,047)**	15,654	**(243,393)**
Other comprehensive income:	-	-	660,718	**660,718**	8,868	**669,586**
Revaluation of property and equipment and intangible assets	-	-	871,941	**871,941**	8,868	**880,809**
Taxation effect of other comprehensive income	-	-	(211,223)	**(211,223)**	-	**(211,223)**
Total comprehensive (loss) / income for the year	**-**	**(259,047)**	**660,718**	**401,671**	**24,522**	**426,193**
Transfers within and out of reserves	-	233	(4,613)	**(4,380)**	-	**(4,380)**
Balance at 29 February 2020	**2,591**	**(251,127)**	**839,591**	**591,055**	**26,432**	**617,487**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

** *The reclassification was in respect of shares issued to shareholders as per the terms of the demerger from EWZL on 1 November 2018.*

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CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 29 February 2020

		INFLATION ADJUSTED		HISTORICAL*	
	Note	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000
Operating activities					
Cash (utilised) / generated from operations	27	(120,274)	1,757,502	2,569,981	274,541
Income tax paid	27.3	(115,396)	(265,180)	(115,396)	(41,424)
Net cash flows from operating activities		**(235,670)**	**1,492,322**	**2,454,585**	**233,117**
Investing activities					
Acquisition of intangible assets	13	(140,212)	(52,704)	(120,263)	(8,233)
Acquisition of financial assets at fair value through profit or loss	16	(43,790)	(126,208)	(28,478)	(19,715)
Net acquisition of held-to-maturity investments	15.1	(1,116,391)	(388,827)	(484,353)	(60,739)
Increase in loans and advances		-	(38,787)	-	(6,059)
Purchase of property and equipment: - to expand operating capacity	10	(381,262)	(96,722)	(284,129)	(15,109)
Proceeds on disposal of property and equipment		107,662	231	107,662	36
Net cash used in investing activities		**(1,573,993)**	**(703,017)**	**(809,561)**	**(109,819)**
Financing activities					
Finance costs		(83,700)	(32,034)	(40,624)	(5,004)
Dividends paid		-	(7,042)	-	(1,100)
(Repayments) / proceeds from borrowings	25	(14,404)	11,209	(2,250)	1,751
(Purchase) / sale of treasury shares		(2,705)	6,402	(2,705)	1,000
Net cashflows used in financing activities		**(100,809)**	**(21,465)**	**(45,579)**	**(3,353)**
Net (decrease) / increase in cash and cash equivalents		**(1,910,472)**	**767,840**	**1,599,445**	**119,945**
Cash and cash equivalents at the beginning of the period		4,159,709	3,391,869	649,792	529,847
Cash and cash equivalents at the end of the period	**27**	**2,249,237**	**4,159,709**	**2,249,237**	**649,792**
Comprising					
Cash and bank balances- restricted		1,721,664	2,827,587	1,721,664	441,700
Cash and bank balances- unrestricted		527,573	1,332,122	527,573	208,092
Total		**2,249,237**	**4,159,709**	**2,249,237**	**649,792**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 29 February 2020

Policy note	IFRS/IAS reference	Content
A	IAS 1	General information
B	IAS 1	Basis of preparation
C	IAS 8	Adoption of new and revised standards and interpretations
D	IAS 21	Foreign currency transactions and balances
E	IFRS 3, 10	Business combinations and goodwill
F	IAS 28	Investments in associates
G	IAS 38	Intangible assets
H	IAS 23	Borrowing costs
I	IAS 16	Property and equipment
J	IAS 40	Investment properties
K	IAS 36	Impairment of non-financial assets
L	IFRS 16	Leases
M	IAS 2	Inventories
N	IFRS 15	Revenue recognition
O		Other income
P	IAS 12	Taxation
Q	IAS 19	Employee benefits
R	IAS 1	Current and non-current classification
S	IFRS 13	Fair value measurement
T	IFRIC 17	Cash dividend and non-cash distribution to equity holders of the parent
U	IFRS 9, IFRS 7	Financial instruments
V	IAS 7	Cash and short term-deposits
W	IAS 32	Treasury shares
X	IAS 37	Provisions
Y	IAS 27	Fiduciary assets
Z	IFRS 8	Operating segment information
AA	IFRS 2	Share based payments
AB	IAS1 (Revised)	Significant assumptions and key sources of estimation uncertainty

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

A. GENERAL INFORMATION

A.1 Corporate information

Cassava Smartech Zimbabwe Limited ("CSZL" or "the Company") and its subsidiaries were demerged from Econet Wireless Zimbabwe Limited ("EWZL"), effective 1 November 2018. The transaction was a common control business combination and outside the scope of IFRS 3 - Business Combinations. The Group accounted for the transaction by recognising the assets, liabilities and reserves that were previously recorded in the individual entities that were transferred to CSZL with corresponding adjustments recognised in equity. The comparative information presented in these consolidated financial statements is in respect of the four-month period ended 28 February 2019.

CSZL and its subsidiaries are incorporated in Zimbabwe. CSZL's registered office is 1906 Borrowdale Road, Harare. The ultimate holding company for the Group is Econet Global Limited. These consolidated financial statements comprise the Company and its subsidiaries (collectively "the Group" and individually the "Group companies"). The Group's subsidiaries and main activities are as follows:

- EcoCash (Private) Limited - (mobile money transfer and payments services);
- Steward Bank Limited - (digital commercial bank);
- Econet Life (Private) Limited - (mobile based funeral and life assurance company)
- Econet Insurance (Private) Limited - (short-term insurance company);
- Econet Services (Private) Limited - (on-demand services, e-commerce, farming technology and digital education services);
- Steward Health (Private) Limited - (medical aid service provider);
- MARS (Private) Limited - (medical air and road rescue services); and
- CSZL – the listed parent company.

A.2 Currency of account

These consolidated financial statements are presented in Zimbabwe Dollars ("ZWL"), which is functional and presentation currency of the primary economic environment in which the Group's entities operate. In the current year, all transactions in currencies other than the ZWL were translated in accordance with the requirements of IAS 21, at the applicable official exchange rates. In the prior period, the Group first complied with the requirements of Statutory Instrument 33 of 2019 ("SI 33/2019") in determining the date of change in functional currency and translating foreign currency transactions and balances. The date of change in functional currency and the related translations required by SI 33/2019 were not fully compliant with the requirements of IAS 21 and this resulted in an adverse audit opinion on the financial statements for the period ended 28 February 2019.

B. BASIS OF PREPARATION

B.1 Statement of compliance

The Group prepares consolidated financial statements with the aim to fully comply with International Financial Reporting Standards ("IFRSs"), which comprise standards issued by the International Accounting Standards Board (IASB) and interpretations developed and issued by the International Financial Reporting Standards Interpretations Committee ("IFRS IC"). Compliance with IFRSs is intended to achieve consistency and comparability of financial statements. Only partial compliance has been achieved for the year ended 29 February 2020, as a result of the carryover impact of non-compliances in the prior period with IAS 21 and IAS 16, and current year non-compliances with IAS 29.

The principal accounting policies of the Group have been applied consistently in all material respects with those of the previous year unless otherwise stated and except for the adoption of standards and amendments effective for the current period as described below in policy Note C.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

B. BASIS OF PREPARATION (CONTINUED)

B.1 Statement of compliance (continued)

Compliance with International Accounting Standard 21 - The Effects of Changes in Foreign Exchange Rates
After the introduction of the RTGS dollar (now currently called the Zimbabwe dollar) as currency in Zimbabwe on 22 February 2019, for the period ended 28 February 2019, the Group's entities applied the legislated change in functional currency translation guidelines set out in SI 33/2019. The guidelines prescribed parity between the RTGS dollar and the US dollar for certain balances as at 22 February 2019. In our opinion, and based on the guidance issued by the Public Accountants and Auditors Board ("PAAB"), the impact of the change in functional currency translation guidelines prescribed by SI 33/2019 on the preparation of the consolidated financial statements resulted in a non-compliance with IAS 21 for the year ended 28 February 2019. This non-compliance has continued to impact the consolidated financial statements for the year ended 29 February 2020. Consequently, the accounting treatments adopted for the comparative amounts and the amounts for the current year are different from those that would have been reported if the Group had been able to fully comply with IAS 21.

As a result of the pervasive impact of the non-compliance with IAS 21 on the current year and comparative period reported amounts, the Directors advise users of the financial results to exercise due caution.

B.2 Application of IAS 29 - Financial Reporting in Hyperinflationary Economies

The year-on-year inflation as measured by the consumer price index closed February 2020 at 640.16%. The high year-on-year inflation, amongst other indicators outlined in IAS 29, resulted in a broad market consensus within the accounting and auditing professions that the Zimbabwe economy had met the characteristics of a hyperinflationary economy. The Public Accountants and Auditors Board (PAAB) confirmed this market consensus and issued a pronouncement in October 2019 prescribing application of inflation accounting for reporting periods ended on or after 1 July 2019. The consolidated financial statements have, however been prepared in accordance with IAS 29 as if the economy had been hyperinflationary from 1 March 2019, which was the commencement date of the current financial year and the immediate date after the adoption of the Zimbabwe dollar as the functional and reporting currency by the Group. Strict application of IAS 29 together with IAS 21 would, however, have required IAS 29 to be applied from 1 October 2018.

In order to account for the rapid loss in purchasing power of the local currency, hyperinflation accounting principles require transactions and balances to be stated in terms of the measuring unit current at the end of the reporting period. The Group adopted the Zimbabwe consumer price index (CPI) as the general price index to restate transactions and balances as appropriate. Non-monetary assets and liabilities carried at historic cost have been restated to reflect the change in the general price index from 1 March 2019 to the end of the reporting period. Monetary assets and liabilities and non-monetary assets and liabilities carried at fair value have not been restated as they are presented at the measuring unit current at the end of the reporting period. Items recognised in the income statement have been restated by applying the change in the general price index from the dates when the transactions were initially incurred, unless they relate to items already accounted for at fair value, with the corresponding adjustment presented in the income statement. A net monetary gain or loss is recognised in the statement of profit or loss. All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.

Comparative amounts in these consolidated financial statements have been restated to reflect the change in the general price index from 1 March 2019 to the end of the reporting period.

The financial statements were restated using the indices below:

	Index	Conversion Factor
29 February 2020	640.16	1.00
28 February 2019	100.00	6.40
1 March 2019 to 29 February 2020 Average	324.08	1.96
1 March 2018 to 28 February 2019 Average	92.15	6.95

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

B. BASIS OF PREPARATION (CONTINUED)

B.3 Compliance with legal and regulatory requirements

These Group financial statements have been prepared in accordance with the accounting policies set out below, and to the extent practicable, in compliance with the disclosure requirements of the Companies and Other Business Entities Act (Chapter 24:31) and other relevant legislation and regulations.

B.4 Use of estimates and judgements

Preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information about the significant areas of accounting judgment; estimations and assumptions in applying accounting policies that have the most significant effect on the amounts recognised in these consolidated financial statements are described in Note AB.

B.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 29 February 2020. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee if, and only if, the Company has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements;
- the Company voting rights and potential voting rights; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The Company re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Company loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

C. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

C.1 New and amended IFRSs that are effective for the current year

Impact of initial application of IFRS 16 Leases

In the current year, the Group has applied IFRS 16 (as issued by the IASB in January 2016) that is effective for annual periods that begin on or after 1 January 2019. IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The impact of the adoption of IFRS 16 on the Group's consolidated financial statements is described below.

The date of initial application of IFRS 16 for the Group is 1 March 2019. As permitted by IFRS 16 transitional provisions, the Group elected not to restate its comparative financial statements. Consequently, the adjustments arising from the adoption of IFRS 16 are recognised in the opening statement of financial position on 1 March 2019 with comparative information reported on an IAS 17 basis. Current year lease disclosures are therefore not fully comparable to prior period and/or prior year information. The Group adopted the following permitted practical expedients to leases previously classified as operating leases under IAS 17:

- applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- accounted for leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- excluded initial direct costs from measuring the right-of-use asset at the date of initial application;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease;
- relied on previous assessments on whether leases are onerous contracts as opposed to performing an impairment review on 1 January 2019; and
- did not reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those contracts entered or modified before 1 March 2019

(a) Impact of the new definition of a lease

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4.

The Group applies the definition of a lease and related guidance set out in IFRS 16 to all contracts entered into or changed on or after 1 March 2019. In preparation for the first-time application of IFRS 16, the Group has carried out an implementation project. The project has shown that the new definition in IFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Group.

(b) Impact on lessee accounting

(i) Former operating leases

IFRS 16 changes how the Group accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet.

Applying IFRS 16, for all leases (except as noted below), the Group:

a) recognises right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments;
b) recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss;
c) separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the consolidated statement of cash flows.

Lease incentives (e.g. rent-free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses generally on a straight-line basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

C. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (CONTINUED)

C.1 New and amended IFRSs that are effective for the current year (continued)

(b) Impact on lessee accounting (continued)

(i) Former operating leases (continued)

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

For short-term leases (lease terms of 12 months or less) and leases of low-value assets (such as personal computers, small items of office furniture and telephones), the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within 'other expenses' in profit or loss.

(ii) Former finance leases

The main differences between IFRS 16 and IAS 17 with respect to contracts formerly classified as finance leases is the measurement of the residual value guarantees provided by the lessee to the lessor. IFRS 16 requires that the Group recognises as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by IAS 17. This change did not have a material effect on the Group's consolidated financial statements.

(c) Impact on lessor accounting

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

However, IFRS 16 has changed and expanded the disclosures required, in particular with regard to how a lessor manages the risks arising from its residual interest in leased assets.

Under IFRS 16, an intermediate lessor accounts for the head lease and the sub-lease as two separate contracts. The intermediate lessor is required to classify the sub-lease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under IAS 17). Because of this change, the Group has reclassified certain of its sub-lease agreements as finance leases. As required by IFRS 9, an allowance for expected credit losses has been recognised on the finance lease receivables. The Group did not have an sub-lease arrangements as at period end.

(d) Financial impact of the initial application of IFRS 16

The tables below show the amount of adjustment for each financial statement line item affected by the application of IFRS 16 for the current and prior years.

On transition to IFRS 16, the Group recognised right-of-use assets and lease liabilities. The impact on transition is summarised below:

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate of 20% at 1 March 2019. On transition to IFRS 16, the Group recognised right-of-use assets and lease Liabilities as summarised below:

	Audited Inflation Adjusted ZWL '000	Unaudited Historic ZWL '000
Right of use asset recognised	54,875	8,572
Lease Liabilities recognised	54,875	8,572

A reconciliation of the operating lease commitments disclosed as at 28 February 2019 discounted using the incremental borrowing rate at the date of initial application of IFRS 16 to the lease liability recognised is disclosed below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

C. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (CONTINUED)

C.1 New and amended IFRSs that are effective for the current year (continued)

Impact of other amendments to IFRS Standards and Interpretations

In the current year, the Group has applied a number of amendments to IFRS Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IFRS 9 Prepayment Features with Negative Compensation	The Group has adopted the amendments to IFRS 9 for the first time in the current year. The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the 'solely payments of principal and interest' (SPPI) condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, financial assets with prepayment features with negative compensation do not automatically fail SPPI.
Annual Improvements to IFRS Standards 2015–2017 Cycle Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs	The Group has adopted the amendments included in the Annual Improvements to IFRS Standards 2015–2017 Cycle for the first time in the current year. The Annual Improvements include amendments to four Standards: *IAS 12 Income Taxes* The amendments clarify that the Group should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the Group originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits. *IAS 23 Borrowing Costs* The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. *IFRS 3 Business Combinations* The amendments clarify that when the Group obtains control of a business that is a joint operation, the Group applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be remeasured includes any unrecognised assets, liabilities and goodwill relating to the joint operation. *IFRS 11 Joint Arrangements* The amendments clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the Group does not remeasure its PHI in the joint operation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

C. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (CONTINUED)

C.1 New and amended IFRSs that are effective for the current year (continued)

Impact of other amendments to IFRS Standards and Interpretations (continued)

Amendments to IAS 19 Employee Benefits Plan Amendment, Curtailment or Settlement	The Group has adopted the amendments of IAS 19 for the first time in the current year. The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). IAS 19 is now clear that the change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income. The paragraphs that relate to measuring the current service cost and the net interest on the net defined benefit liability (asset) have also been amended. The Group will now be required to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In the case of the net interest, the amendments make it clear that for the period post plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as remeasured under IAS 19:99 with the discount rate used in the remeasurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset)).

IFRIC 23 Uncertainty over Income Tax Treatments	The Group has adopted IFRIC 23 for the first time in the current year. IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires the Group to:
	- determine whether uncertain tax positions are assessed separately or as a group; and
	- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
	  - If yes, the Group should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
	  - If no, the Group should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

C.2 New and revised IFRSs in issue but not yet effective

At the date of authorisation of these consolidated financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective.

IFRS 17	Insurance Contracts
IFRS 10 Consolidated Financial Statements and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IFRS 3	Definition of a business
Amendments to IAS 1 and IAS 8	Definition of material
Conceptual Framework	Amendments to References to the Conceptual Framework in IFRS Standards

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods, except as noted below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

C. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (CONTINUED)

C.2 New and revised IFRSs in issue but not yet effective (continued)

FRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

The Standard is effective for annual reporting periods beginning on or after 1 January 2021, with early application permitted. It is applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied. An exposure draft Amendments to IFRS 17 addresses concerns and implementation challenges that were identified after IFRS 17 was published. One of the main changes proposed is the deferral of the date of initial application of IFRS 17 by one year to annual periods beginning on or after 1 January 2022.

For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The Directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

Amendments to IFRS 3 Definition of a business

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

C. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (CONTINUED)

C.2 New and revised IFRSs in issue but not yet effective (continued)

Amendments to IFRS 3 Definition of a business (continued)

Additional guidance is provided that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after 1 January 2020, with early application permitted.

Amendments to IAS 1 and IAS 8 Definition of material

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.

The amendments are applied prospectively for annual periods beginning on or after 1 January 2020, with earlier application permitted.

Amendments to References to the Conceptual Framework in IFRS Standards

Together with the revised Conceptual Framework, which became effective upon publication on 29 March 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The amendments, where they actually are updates, are effective for annual periods beginning on or after 1 January 2020, with early application permitted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

D. FOREIGN CURRENCY TRANSACTIONS AND BALANCES

The Group's consolidated financial statements are presented in Zimbabwe dollars ("ZWL"), which is also the parent Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in currencies other than a Group entity' functional currency (foreign currencies) are initially recorded by the Group's entities at their respective functional currency using spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on re-translation of non-monetary items is treated in line with the recognition of the gain or loss on change in fair value of the item i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss.

E. BUSINESS COMBINATIONS AND GOODWILL

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred to the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-Based Payments at the acquisition date (see below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

E. BUSINESS COMBINATIONS AND GOODWILL (CONTINUED)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Goodwill is subsequently tested for impairment at least on an annual basis and any resulting impairment is recognised immediately in the statement of comprehensive income.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

F INVESTMENTS IN ASSOCIATES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Group's investment in its associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of comprehensive income reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of comprehensive income and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

G. INTANGIBLE ASSETS

The Group has three classes of intangible assets comprising goodwill, operating licenses and computer software. Goodwill is measured at cost and tested for impairment annually. The operating licenses and computer software are measured using the fair value model. There was no change in these accounting policies in the current period.

Cost Model

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

G. INTANGIBLE ASSETS (CONTINUED)

Revaluation
After initial recognition, intangible assets excluding goodwill, are carried at revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Any revaluation increase arising on intangible assets is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such assets is charged as an expense to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset.

If an intangible asset in a class of revalued intangible assets cannot be revalued because there is no active market for the asset, the asset is carried at its cost less any accumulated amortisation and impairment losses.

If the fair value of a revalued intangible asset can no longer be measured by reference to an active market, the carrying amount of the asset shall be its revalued amount at the date of the last revaluation by reference to the active market less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. The fact that an active market no longer exists for a revalued intangible asset may indicate that the asset may be impaired and that it needs to be tested in accordance with IAS 36 Impairment of Assets.

Cost and revaluation model
Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate;
- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- the intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate probable future economic benefits;
- the availability of resources to complete the asset;
- the ability to measure reliably the expenditure attributable to the intangible asset during development; and
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

G. INTANGIBLE ASSETS (CONTINUED)

G.1 Research and development costs (continued)
Subsequent to initial recognition of the development expenditure as an asset, the asset is carried at cost or revaluation as applicable less accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. The intangible is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

G.2 License and software

Software comprises software held by Ecocash (Private) Limited, Steward Bank Limited and EcoSure (Private) Limited.

The software and licenses are amortised as follows:

- Software held by Ecocash (Private) Limited is amortised over 5 years;
- Software held by Steward Bank Limited is amortised over 4 years;
- Software held by EcoSure (Private) Limited is amortised over 5 years; and
- Software held by Econet Insurance (Private) Limited is amortised over 5 years.

H. BORROWING COSTS

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are expensed in the period in which they are incurred.

I. PROPERTY AND EQUIPMENT

The Group voluntarily changed its accounting policy for determining the carrying amount of classes of property and equipment, other than work in progress, from the cost model to the revaluation model with effect from 1 September 2018. The related accounting policies are summarised below for each applicable period:

1 March 2018 – 31 August 2018 (cost model)
Property and equipment and land and buildings are stated at cost, less accumulated depreciation, and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. Software integral to an item of hardware equipment is classified as property and equipment.

All other repair and maintenance costs are recognised in profit or loss as incurred.

Assets in the course of construction for production or for other purposes not yet determined are carried at cost less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for intended use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

I. PROPERTY AND EQUIPMENT (CONTINUED)

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property and equipment is subsequently measured at cost less subsequent depreciation and accumulated impairment charges. (See Note K on impairment of non-financial assets.)

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation is charged to profit or loss.

Depreciation is not provided on freehold land and capital projects under development classified under work in progress. Other assets are depreciated on such bases as are deemed appropriate to reduce book values to estimated residual values over their useful lives as follows:

- Buildings - 40 years
- Switching and network equipment – 3 to 25 years
- Office equipment – 4 to 10 years
- Furniture and fittings – 4 to 10 years
- Motor vehicles – 4 to 5 years

Any item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset, calculated as the difference between the sales proceeds and the carrying amount of the asset is included in profit or loss when the asset is derecognised.

1 September 2018 and onwards (revaluation model)
Property and equipment held for use in the production or supply of goods or services for rental to others (excluding investment properties), or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Any revaluation increase arising on properties is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such assets is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued assets is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

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

Depreciation is recognised so as to write off the valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the same basis as described under the cost model above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

I. PROPERTY AND EQUIPMENT (CONTINUED)

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

J. INVESTMENT PROPERTIES

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect.

Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. Transfers are made to / (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

K. IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU's") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

K. IMPAIRMENT OF NON-FINANCIAL ASSETS (CONTINUED)

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

Goodwill is tested for impairment annually at the reporting date and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the reporting date at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

L. LEASES

(a) The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less and without any renewal option) and leases of low value assets (such as small items of office equipment). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:
- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

L. LEASES (CONTINUED)

(a) The Group as lessee (continued)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:
- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of Non-financial Assets' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other operating expenses" in profit or loss (see Note 3).

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

L. LEASES (CONTINUED)

(b) The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties. The Group also rents equipment to retailers necessary for the presentation and customer fitting and testing of footwear and equipment manufactured by the Group.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

M. INVENTORIES

Measurement
Inventories are measured at the lower of cost or net realisable value. The cost of inventories is based on the first-in first out principle and is determined using the average cost method. The Group first calculates all the costs of the whole area of land inventory (purchase price and development costs) including roads in order to ascertain the total costs of bringing the whole area of land inventory to its resalable condition. When the total costs is obtained it is then divided by the total size of the land inventory (stands) in square meters. This will result in obtaining the cost of the land inventory per square meter. When the individual stands are now sold the cost of each stand is the result of multiplying the size of the individual stand by the cost per square meter.

Impairment
Write downs to net realisable value and inventory losses are expensed in the period in which they occur. Obsolete and slow-moving inventories are identified and written down to their estimated economic or realisable value.

N. REVENUE RECOGNITION

The Group recognises revenue primarily from the rendering of financial technology services using digital platforms. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Revenue consists of commissions, fees, interest income and premiums, and excludes value added tax, where applicable. Intra-group revenue which arises in the normal course of business is excluded from Group revenue.

The Group recognises revenue from the following major sources;

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

N. REVENUE RECOGNITION (CONTINUED)

N1.1 Mobile money transaction fees

Mobile money transaction allows customers to transfer and pay for goods and services using a mobile phone. Revenue is largely earned from transfer fees, cash out fees and payment to merchant fees, based on a graduated tariff structures.

N1.2 Interest income

For all financial instruments measured at amortised cost, financial instruments designated at fair value through other comprehensive income (FVOCI) and financial instruments designated at fair value through profit or loss, interest income is recorded using the effective interest (EIR) method. EIR is the rate that exactly discounts estimated future cash payments receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

The carrying amount of the financial asset or financial liability is adjusted if estimates of payments or receipts are revised. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as 'Interest income' for financial assets and 'Interest expense' for financial liabilities. However, for a reclassified financial asset for which the Group subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the EIR from the date of the change in estimate.

Once the recorded value of a financial asset or a group of similar financial assets has been written down due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

N1.3 Banking fee and commission income

Banking fee and commission income is earned from a diverse range of services offered to customers. Fee income can be divided into the following two categories:
- Fee income earned from services that are provided over a certain period of time; and
- Fees earned for the provision of services over a period of time are accrued over that period.

These fees include commission income and asset management, custody and other management and advisory fees.

Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the EIR on the loan. When it is unlikely that a loan will be drawn down, the loan commitment fees are recognised over the commitment period on a straight line basis.

Fee income from providing transactions services
Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

N. REVENUE RECOGNITION (CONTINUED)

N1.4 Medical aid income

Contribution income
Contribution income is recognised in the accounting period in which contributions are received and membership is granted.

Fees
Fees are recognised as revenue in the accounting period in which the services were rendered, by reference to the completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

N1.5 Insurance income

Premium income
Gross premiums comprise the premiums on contracts entered into during the period. Premiums written include adjustments to premiums written in prior periods. Premium income arising from funeral cover is recognised when paid.

Premiums written comprise the premiums on insurance contracts entered into during the year irrespective of whether they relate in whole or in part to a later accounting period. Premiums are disclosed gross of commission to intermediaries and exclude levies and taxes based on premiums.

Premiums are earned from the date of attached risk, over the indemnity period, based on the pattern of risks underwritten. Premiums income arising from funeral cover is recognised when paid.

O. OTHER INCOME

O.1 Net trading income from financial instruments

Results arising from trading activities include all gains and losses from changes in fair value and related interest income or expense and dividends for financial assets and financial liabilities at fair value through profit or loss.

O.2 Dividend income

Dividend income is recognised when the Group's right to receive the payment is established (provided that it is probable that the economic benefits will flow to the Group), which is generally when shareholders approve the dividend.

O.3 Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight- line basis over the lease terms and is included in other income in profit or loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

P. TAXATION

P.1 Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

P. TAXATION (CONTINUED)

P.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:
- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:
- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

P.3 Current and deferred tax for the period

Current and deferred tax are recognised as income or as an expense in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

P. TAXATION (CONTINUED)

P.4 Value added tax (VAT)

Expenses and assets are recognised net of the amount of VAT, except;

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Q. EMPLOYEE BENEFITS

Employee benefits are all forms of consideration given in exchange for services rendered by employees or for the termination of employment. The classification, recognition and measurement of employee benefits is as follows;

a) Short-term employee benefits
Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. The Group's short term employee benefits comprise remuneration in the form of salaries, wages, bonuses, employee entitlement to leave pay and medical aid. The undiscounted amount of all short-term employee benefits expected to be paid in exchange for service rendered are recognised as an expense or as part of the cost of an asset during the period in which the employee renders the related service. The Group recognises the expected cost of bonuses only when the Group has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

b) Post-employment benefits
Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Post-employment benefits comprise retirement benefits that are provided for Group employees through an independently administered defined contribution fund and by the National Social Security Authority (NSSA), which is also a defined contribution fund from the Group's perspective. Payments to the defined contribution fund and to the NSSA scheme are recognised as an expense when they fall due, which is when the employee renders the service. The Group has no liability for post-employment retirement benefit funds once the current contributions have been paid at the time the employees render service.

During the year, the Group contributed to the Group defined contribution fund and to the NSSA scheme.

c) Termination benefits
Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or contractual date, or an employee's decision to accept voluntary redundancy in exchange for those benefits. The Group recognises termination benefits as a liability and an expense at the earlier of when the offer of termination cannot be withdrawn or when the related restructuring costs are recognised under IAS 37 Provisions, Contingent Liabilities and Contingents Assets.

Termination benefits are measured according to the terms of the termination contract. Where termination benefits are due more than 12 months after the reporting period, the present value of the benefits is determined. The discount rate used to calculate the present value is determined by reference to market yields on high quality corporate bonds at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

R. CURRENT AND NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the statement of financial position based on current or non-current classification.

An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle; or
- held primarily for the purpose of trading; or
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets that do not meet the definition above as non-current.

R. CURRENT AND NON-CURRENT CLASSIFICATION (CONTINUED)

A liability is current when:

- it is expected to be settled in the normal operating cycle; or
- it is held primarily for the purpose of trading; or
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities that do not meet the definition above as non-current. Deferred tax assets and liabilities are classified as non- current assets and liabilities respectively.

S. FAIR VALUE MEASUREMENT

The Group measures financial instruments such as financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss and non-financial assets such as investment properties, at fair value at each statement of financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

S. FAIR VALUE MEASUREMENT (CONTINUED)

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Directors through management determines the policies and procedures for both recurring fair value measurement, such as investment properties, and for non-recurring measurement, such as assets held-for-sale, where applicable.

External values are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually by the Directors. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or reassessed according to the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

T. CASH DIVIDEND AND NON-CASH DISTRIBUTION TO EQUITY HOLDERS OF THE PARENT

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in Zimbabwe, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity. Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of comprehensive income.

U. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

U.1 Financial assets

Classification of financial assets

The Group classifies financial assets at initial recognition as financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income, equity instruments measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

U. FINANCIAL INSTRUMENTS (CONTINUED)

U.1 Financial assets (continued)

Classification of financial assets (continued)

(i) Amortised cost and effective interest method

A financial asset that meets both the following condition is classified as a financial asset measured at amortised cost.

- the financial asset is held within the Group's business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at fair value through other comprehensive income (FVTOCI). For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired.

For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

U. FINANCIAL INSTRUMENTS (CONTINUED)

U.1 Financial assets (continued)

Classification of financial assets (continued)

(ii) Debt instruments classified as at FVTOCI

A debt instrument that meets both the following condition is classified as a financial asset measured at fair value through other comprehensive income.

- the financial asset is held within the Group's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, changes in the carrying amount of debt instruments at FVTOCI as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if the instruments bonds had been measured at amortised cost. All other changes in the carrying amount of the instruments are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in profit or loss.

The Group has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9 (see Note 15).

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

U. FINANCIAL INSTRUMENTS (CONTINUED)

U.1 Financial assets (continued)

Classification of financial assets (continued)

(iv) Financial assets at FVTPL(continued)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in profit or loss. Fair value is determined in the manner described in Note S.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically;

- for financial assets measured at amortised cost, exchange differences are recognised in profit or loss;
- for debt instruments measured at FVTOCI, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss. Other exchange differences are recognised in other comprehensive income in the investments revaluation reserve;
- for financial assets measured at FVTPL, exchange differences are recognised in profit or loss; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime expected credit losses (ECL) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

U. FINANCIAL INSTRUMENTS (CONTINUED)

U.1 Financial assets (continued)

Impairment of financial assets (continued)

(i) Significant increase in credit risk (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

a) the financial instrument has a low risk of default;
b) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
c) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to the Group, in full (without taking into account any collateral held by the Group).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

U. FINANCIAL INSTRUMENTS (CONTINUED)

U.1 Financial assets (continued)

Impairment of financial assets (continued)

(ii) Definition of default (continued)

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the Group fails to collect the amount through legal proceedings, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

U. FINANCIAL INSTRUMENTS (CONTINUED)

U.1 Financial assets (continued)

Impairment of financial assets (continued)

(v) Measurement and recognition of expected credit losses (continued)

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

U.2 Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

(i) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL. A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

U. FINANCIAL INSTRUMENTS (CONTINUED)

U.2 Financial liabilities and equity (continued)

Financial liabilities (continued)

(i) Financial liabilities at FVTPL (continued)

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at FVTPL are recognised in profit or loss. Fair value is determined in the manner described in Note S.

(ii) Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

(iii) Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

U. FINANCIAL INSTRUMENTS (CONTINUED)

U.2 Financial liabilities and equity (continued)

Financial liabilities (continued)

(iii) Financial guarantee contract liabilities (continued)

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9 (see financial assets above); and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability.

It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

V. CASH AND SHORT-TERM DEPOSITS

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short- term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

W. TREASURY SHARES

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in share premium.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

X. PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) 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 amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Y. FIDUCIARY ASSETS

To the extent that the Group provides trust and other fiduciary services that result in the holding or investing of assets on behalf of its clients, the assets held in a fiduciary capacity are not reported in the financial statements, as they are not the assets of the Group.

Z. OPERATING SEGMENT INFORMATION

The Group identifies segments as components of the Group that engage in business activities from which revenues are earned and expenses incurred (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The chief operating decision-maker has been identified as the Group Chief Executive Officer.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment information has been reconciled to the consolidated financial statements to take account of inter-segment transactions and transactions and balances that are not allocated to reporting segments.

AA. SHARE BASED PAYMENTS

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised in employee benefits in profit or loss as disclosed in Note 3, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and / or performance conditions. No expense is recognised for awards that do not ultimately vest because non-market performance and / or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and / or service conditions are satisfied.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

AA. SHARE BASED PAYMENTS (CONTINUED)

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee.

Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note 9).

AB. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:
- Note 30, Capital management
- Note 30, Financial risk management and policies
- Note 30, Sensitivity analysis disclosures

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

AB. 1 Property and equipment - IAS 16

Property and equipment represent 18% (2019: 6%) of the Group's total assets at the respective reporting date.

Residual values of property and equipment

During the year management assessed the residual values of property and equipment. Residual values of each asset category have been assessed by considering the fair value of the assets after taking into account age, usage and obsolescence. These residual values are reassessed each year and adjustments are made where appropriate. The valuation methods adopted in this process involve significant judgment and estimation.

Useful lives of property and equipment

Management performed a review of the useful life of property and equipment based on the outcome of valuation reports from the engaged professional valuers, the age of the equipment, technological advancements and current use of the equipment. The determination of the remaining estimated useful lives of the items of property equipment requires significant judgement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

AB. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

AB. 1 Property and equipment - IAS 16 (continued)

Revaluation of property and equipment

Property and equipment were revalued to their fair value based on the valuation performed by third party professional valuers with reference to recent market transactions on arm's length terms for similar properties. Changes in fair value net of deferred tax were recognised in other comprehensive income.

AB.2 Intangible assets - IAS 38

Intangible assets include goodwill, operating licenses, and computer software. Goodwill was recognised from the acquisition of Steward Bank (Private) Ltd and MARS (Private) Ltd. Other than goodwill, there were no other intangible assets recognised during the period.

The annual goodwill impairment test was conducted together with a sensitivity analysis of the value in use to changes in the key assumptions used to determine its present value. The Directors believe that the changes in key assumptions used in this analysis were within reasonable and likely outcome ranges and would not cause excess of the carrying amount over the respective value in use of the investments.

Operating licenses and computer software were measured using the fair value model based on the valuation of Baard Real Estate, an independent professional valuer at 29 February 2020. The Group uses the expected usage of the assets to determine their useful life; and they had an average remaining useful life of 3 years at year end.

Useful lives of operating licenses and computer software

The useful life used to amortise intangible assets relates to the future performance of the assets acquired and management's judgment of the period over which economic benefit will be derived from the asset. The basis for determining the useful life for the intangible assets is as follows:

AB.2.1 Operating Licenses

The estimated useful life is, generally, the term of the license, unless there is a presumption of renewal at negligible cost. The license term reflects the period over which the Group will receive economic benefits from its use. For technology specific licenses with a presumption of renewal at negligible cost, the estimated useful economic life reflects the Group's expectation of the period over which the Group will continue to receive economic benefit from the license. The economic lives are periodically reviewed, taking into consideration such factors as changes in technology.

AB.2.2 Computer software

The useful life is determined by management at the time the software is acquired and brought into use and is regularly reviewed for appropriateness. For computer software licenses, the useful life represents management's view of the period over which the Group will receive benefits from the software, but not exceeding the license term.

AB.3 Impairment reviews - IAS 36

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cashflow ("DCF") model.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

AB. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

AB.3 Impairment reviews - IAS 36 (continued)

The cash flows are derived from approved budgets for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance or the Cash Generating Unit (CGU) being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

AB.4 Provisions

Provision for unpaid claims
The Group engaged actuaries to estimate the provision for unpaid claims on the insurance business. The incurred but not reported (IBNR) provision is calculated as an estimate of all claims incurred before the reporting date but only reported subsequent to year end.

AB.5 Deferred revenue

Only revenue relating to the expired portion of an insurance contract is earned during that period. The unearned premium reserve (UPR) provision, is an estimate of the amounts of premiums received in respect of insurance cover but that have not yet been earned as at the end of the reporting period, due to the unexpired portion of the insurance contract. The Company engages an actuary to determine the estimate of the amount of the UPR provision at the end of each reporting period. The model, assumptions and inputs to this determination involve elements of subjectivity that give rise to the possibility that actual outcomes could differ from those expected.

AB.6 Valuation of investment property – IAS 40

The Group engages third party independent valuers to determine fair value. Consistent with the prior year, the valuers made use of level 2 inputs by using comparable market evidence based on lease and purchase transactions of similar buildings and residential stands to determine the fair value estimate of investment property. Where the fair values of investment property cannot be derived from an active market, they are determined using a variety of valuation techniques. Determining the valuation technique to use and the inputs requires significant judgment. Refer Note 12 for more detail on valuation of investment property.

AB.7 Impairment losses on loans and advances to bank customers – IFRS 9

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. For the banking subsidiary expected credit losses (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- the bank's internal credit grading model, which assigns probability of defaults (PDs) to the individual grades;
- the criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime expected credit loss basis and the qualitative assessment;
- the segmentation of financial assets when their ECL is assessed on a collective basis;
- development of ECL models, including the various formulas and the choice of inputs;
- determination of associations between macroeconomic scenarios and economic inputs, such as inflation levels and collateral values; and
- selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

Refer to Note 20 for the carrying amount of loans and advances to customers and more information on the impairment of loans and advances to customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

AB. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

AB.8 Taxation – IAS 12

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

These losses relate to subsidiaries that have a history of losses and may not be used to offset taxable income elsewhere in the Group. Further details on taxes are disclosed in Note 14.

AB.9 Functional and presentation currency – IAS 21

The Group changed its functional and reporting currency with effect from 28 February 2019 following the promulgation of Statutory Instrument 33 of 2019 ("SI 33 of 2019") which came into effect on 22 February 2019. As a consequence of the legal requirements prescribed by SI 33 of 2019, the Group reported the statement of profit or loss and other comprehensive income using an exchange rate of 1 to 1 between the RTGS dollar and the US dollar despite the varied exchange rates that were imputed in commercial transactions during that period.

1. OPERATING SEGMENTS

The principal activities set out below are the basis on which the Group reports its primary segment information.

For management purposes, the Group is organised into business units based on their products and services and has the following reportable segments:

Mobile Money Services
Ecocash (Private) Limited provides mobile money transfer and payment services.

Digital Banking Services
Steward Bank Limited provides retail, corporate, and investment banking services in the key economic centres of Zimbabwe.

InsurTech Services
Included in this segment is Ecosure (Private) Limited which is engaged in the business of providing funeral assurance cover, group life cover and credit and medical insurance cover as well as Econet Insurance (Private) Limited which provides short-term insurance cover.

Investments and Projects (Other)
Included in this segment is Econet Services (Private) Limited which is a special purpose vehicle for nascent projects and Cassava Holdings (Private) Limited, the Group's holding company. Steward Health provides medical aid cover to corporates and individuals as well as administration services for closed medical schemes.

Reporting
Management monitors the operating results of its business units separately for the purposes of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit and is measured consistently with operating profit or loss in the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

1. OPERATING SEGMENTS (CONTINUED)

Segment information for the year ended 29 February 2020

	INFLATION ADJUSTED					
	Mobile Money services ZWL '000	Digital Banking services ZWL '000	Insurtech services ZWL '000	Other segments ZWL '000	Adjustment Journal & Eliminations	Total ZWL '000
For the year ended 29 February 2020						
Revenue	3,446,222	718,104	393,903	106,434	(238,929)	**4,425,734**
Interest income from banking operations	-	149,277	-	-	-	**149,277**
Depreciation, amortisation and impairment	(27,247)	(126,410)	(13,170)	(37,129)	-	**(203,956)**
Segment profit / (loss)	512,516	(258,236)	(281,018)	37,278	(310,084)	**(299,544)**
Segment assets	3,568,047	3,658,992	421,362	2,177,688	(3,386,926)	**6,439,163**
Segment liabilities	2,779,379	3,018,112	231,388	896,096	(1,805,896)	**5,119,079**
For the 4 months ended 28 February 2019 (restated)						
Revenue	831,606	170,417	82,363	13,495	(54,817)	**1,043,064**
Interest income from banking operations	-	64,650	-	-	-	**64,650**
Depreciation, amortisation and impairment	(13,335)	(11,977)	(2,401)	(8,341)	-	**(36,054)**
Segment profit	62,147	12,810	28,526	132,532	(176,531)	**59,484**
Segment assets	4,839,290	6,020,109	508,351	1,941,599	(3,575,154)	**9,734,195**
Segment liabilities	4,563,240	5,133,347	105,793	672,302	(1,993,114)	**8,481,568**

	HISTORICAL COST*					
	Mobile Money services ZWL '000	Digital Banking services ZWL '000	Insurtech services ZWL '000	Other segments ZWL '000	Adjustment Journal & Eliminations	Total ZWL '000
For the year ended 29 February 2020						
Revenue	1,613,165	330,640	199,465	63,580	(110,181)	**2,096,669**
Interest income from banking operations	-	66,762	-	-	-	**66,762**
Depreciation, amortisation and impairment	(18,602)	(27,574)	(9,555)	(6,227)	-	**(61,958)**
Segment profit / (loss)	117,217	56,739	105,385	(425,165)	(97,569)	**(243,393)**
Segment assets	3,234,540	3,298,875	403,847	755,122	(2,067,031)	**5,625,353**
Segment liabilities	2,805,036	2,951,845	164,251	889,906	(1,803,172)	**5,007,866**
For the 4 months ended 28 February 2019 (restated)						
Revenue	129,906	26,621	12,866	2,108	(8,563)	**162,938**
Interest income from banking operations	-	10,099	-	-	-	**10,099**
Depreciation, amortisation and impairment	(2,083)	(1,871)	(375)	(1,303)	-	**(5,632)**
Segment profit	9,708	2,001	4,456	20,703	(27,576)	**9,292**
Segment assets	755,950	940,407	79,410	303,299	(558,478)	**1,520,588**
Segment liabilities	712,828	801,885	16,526	105,021	(311,346)	**1,324,914**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

~ *The elimination amount on revenue relates to Steward Bank License Fees to the Mobile Money Platform.*

~~ *The elimination amount on segment profit relates to dividends declared by subsidiaries to the holding company.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

2. REVENUE

The group derives revenue from transfer of goods and services over time and at a point in time in the following major product lines;

	INFLATION ADJUSTED					
	Mobile Money Fees ZWL '000	Interest income ZWL '000	Bank commission income ZWL '000	Insurance revenue ZWL '000	Other ZWL '000	Group total ZWL '000
Year ended 29 February 2020						
Segment revenue	3,446,222	149,277	718,104	393,903	106,434	**4,813,940**
Inter-segment revenue	-	-	(238,929)	-	-	**(238,929)**
Revenue from external customers	**3,446,222**	**149,277**	**479,175**	**393,903**	**106,434**	**4,575,011**
Timing of revenue recognition						
At a point in time	3,446,222	-	479,175	-	106,434	**4,031,831**
Over time	-	149,277	-	393,903	-	**543,180**
Total revenue	**3,446,222**	**149,277**	**479,175**	**393,903**	**106,434**	**4,575,011**
4 months ended 28 February 2019						
Segment revenue	831,606	64,650	170,417	82,363	13,495	**1,162,531**
Inter-segment revenue	-	-	(54,817)	-	-	**(54,817)**
Revenue from external customers	**831,606**	**64,650**	**115,600**	**82,363**	**13,495**	**1,107,714**
Timing of revenue recognition						
At a point in time	831,606	-	115,600	-	13,495	**960,701**
Over time	-	64,650	-	82,363	-	**147,013**
Total revenue	**831,606**	**64,650**	**115,600**	**82,363**	**13,495**	**1,107,714**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

2. REVENUE (CONTINUED)

The group derives revenue from transfer of goods and services over time and at a point in time in the following major product lines;

	HISTORICAL*					
	Mobile Money Fees ZWL '000	Interest income ZWL '000	Bank commission income ZWL '000	Insurance revenue ZWL '000	Other ZWL '000	Group total ZWL '000
Year ended 29 February 2020						
Segment revenue	1,613,165	66,762	330,640	199,465	63,580	**2,273,612**
Inter-segment revenue	-	-	(110,181)	-	-	**(110,181)**
Revenue from external customers	**1,613,165**	**66,762**	**220,459**	**199,465**	**63,580**	**2,163,431**
Timing of revenue recognition						
At a point in time	1,613,165	-	220,459	-	63,580	**1,897,204**
Over time	-	66,762	-	199,465	-	**266,227**
Total revenue	**1,613,165**	**66,762**	**220,459**	**199,465**	**63,580**	**2,163,431**
4 months ended 28 February 2019						
Segment revenue	129,906	10,099	26,621	12,866	2,108	**181,600**
Inter-segment revenue	-	-	(8,563)	-	-	**(8,563)**
Revenue from external customers	**129,906**	**10,099**	**18,058**	**12,866**	**2,108**	**173,037**
Timing of revenue recognition						
At a point in time	129,906	-	18,058	-	2,108	**150,072**
Over time	-	10,099	-	12,866	-	**22,965**
Total revenue	**129,906**	**10,099**	**18,058**	**12,866**	**2,108**	**173,037**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

3. PROFIT / (LOSS) BEFORE TAXATION

Profit / (loss) before taxation is arrived at after taking the following income / (expenditure) into account:

		INFLATION ADJUSTED		HISTORICAL*	
	Note	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000
Impairment of trade and other receivables	19	(1,741)	(288)	(1,741)	(45)
Impairment of loans and advances	20.4	(26,486)	(24,032)	(46,764)	(3,754)
Office expenses		(759,957)	(126,496)	(482,242)	(19,760)
Computer expenses		(203,455)	(15,729)	(125,980)	(2,457)
Other operating expenses*		(306,287)	(331,257)	(281,223)	(51,746)
Auditor's remuneration		(21,138)	(3,899)	(15,323)	(609)
Inventory write-offs	18	(83)	-	(83)	-
Impairment of sundry debtors	19	(194)	-	(194)	-
(Loss) / profit on disposal of property and equipment		(1,011)	32	(995)	5
Employee benefits		(316,896)	(88,867)	(169,910)	(13,882)
- short-term benefits		(229,511)	(64,362)	(123,057)	(10,054)
- termination benefits		(8,150)	(2,285)	(4,369)	(357)
- post-employment benefits		(79,235)	(22,220)	(42,484)	(3,471)
Compensation of directors and key management:		(14,283)	(1,844)	(9,227)	(288)
- For services as directors	28.3	(4,268)	(551)	(2,755)	(86)
- For management services - short term benefits	28.3	(7,536)	(973)	(4,870)	(152)
- For management services - post employment benefits	28.3	(2,479)	(320)	(1,602)	(50)

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** Included in other expenses are call centre costs, consultancy fees, legal costs, motor vehicles, rent and related costs, professional costs, research and development costs and travelling costs.*

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

4. FINANCE INCOME

	INFLATION ADJUSTED		HISTORICAL*	
	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000
Interest earned from bank deposits	1,399	1,280	662	200
Interest earned from other receivables	1,515	1,063	511	166
	2,914	**2,343**	**1,173**	**366**

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5. FINANCE COSTS

	INFLATION ADJUSTED		HISTORICAL*	
	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000
Interest on loans and bank overdrafts	(15,719)	(2,612)	(7,908)	(408)
Interest to group entities	(65,833)	(12,099)	(31,875)	(1,890)
Finance lease charges	(5,062)	-	(2,014)	-
	(86,614)	**(14,711)**	**(41,797)**	**(2,298)**

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The interest rate applied is based on an effective interest rate calculated using the cash flow obligations arising under the terms of the loans.

6. DISCLOSURE OF TAX EFFECTS RELATING TO EACH COMPONENT OF OTHER COMPREHENSIVE INCOME

	INFLATION ADJUSTED			HISTORICAL*		
	Gross amount ZWL '000	Tax effect ZWL '000	Net Amount ZWL '000	Gross amount ZWL '000	Tax effect ZWL '000	Net Amount ZWL '000
29 February 2020						
Items that will not be reclassified subsequently to profit or loss						
Gain arising on revaluation of property and equipment and intangible assets	505,691	(124,487)	381,204	880,809	(211,223)	669,586
Other comprehensive income, net of tax	**505,691**	**(124,487)**	**381,204**	**880,809**	**(211,223)**	**669,586**
28 February 2019						
Items that will not be reclassified subsequently to profit or loss						
Gain arising on revaluation of property and equipment and intangible assets	614	(166)	448	96	(26)	70
Other comprehensive income, net of tax	**614**	**(166)**	**448**	**96**	**(26)**	**70**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

6. DISCLOSURE OF TAX EFFECTS RELATING TO EACH COMPONENT OF OTHER COMPREHENSIVE INCOME (CONTINUED)

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

7. OTHER (EXPENSES) / INCOME

	INFLATION ADJUSTED		HISTORICAL*	
	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000
Sundry income	15,729	871	6,231	136
Fair value adjustment on Financial Assets (Note 16)	(164,844)	(5,269)	70,486	(823)
Fair value adjustment on investment property (Note 12)	138,899	21,868	115,920	3,416
	(10,216)	**17,470**	**192,637**	**2,729**

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8. INCOME TAX EXPENSE

		INFLATION ADJUSTED		HISTORICAL*	
	Note	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000
Current income tax		(440,090)	43,127	(177,684)	6,737
Deferred tax	14.3	(55,743)	(57,486)	76,905	(8,980)
Withholding tax		(53)	-	167	-
Income tax expense		**(495,886)**	**(14,359)**	**(100,612)**	**(2,243)**
Tax rate reconciliation					
Profit / (loss) before taxation		196,342	73,843	(142,781)	11,535
Reconciliation of tax charge:					
Normal tax at 24.72%		(48,536)	(18,254)	35,295	(2,970)
Net disallowable expenses		(447,350)	3,895	(135,907)	727
Income tax expense		**(495,886)**	**(14,359)**	**(100,612)**	**(2,243)**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

9. EARNINGS PER SHARE

	INFLATION ADJUSTED		HISTORICAL*	
	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000
(Loss) / profit for the period attributable to ordinary shareholders	(279,862)	56,251	(259,047)	8,787
Adjustment for capital items:				
Loss on disposal of property and equipment	1,011	32	995	5
Headline (loss) / earnings attributable to ordinary shareholders	**(278,851)**	**56,283**	**(258,052)**	**8,792**

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Basic earnings per share basis

The calculation is based on the profit attributable to ordinary shareholders and the weighted average number of shares in issue for the year which participated in the profit of the Group.

Diluted earnings per share basis

The calculation is based on the profit attributable to ordinary shareholders and the weighted average number of shares in issue after adjusting for conversion of share options not yet exercised and convertible instruments (as applicable). There were no instruments with a dilutive effect at the end of the financial year.

Headline earnings per share basis

Headline earnings comprise basic earnings attributable to ordinary shareholders adjusted for profits, losses and items of a capital nature that do not form part of the ordinary activities of the Group, net of their related tax effects.

	INFLATION ADJUSTED		HISTORICAL*	
	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000
Weighted average number of ordinary shares for the purposes of basic, diluted and headline earnings per share	2,590,577,241	2,590,577,241	2,590,577,241	2,590,577,241
Basic (loss) / earnings per share (ZWL)	**(0.108)**	**0.022**	**(0.100)**	**0.003**
Headline (loss) / earnings per share (ZWL)	**(0.108)**	**0.022**	**(0.100)**	**0.003**
Diluted basic (loss) / earnings per share (ZWL)	**(0.108)**	**0.022**	**(0.100)**	**0.003**
Diluted headline (loss) / earnings per share (ZWL)	**(0.108)**	**0.022**	**(0.100)**	**0.003**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

10. PROPERTY AND EQUIPMENT

	INFLATION ADJUSTED						
	Land and Buildings ZWL '000	Switching and Network Equipment ZWL '000	Office Equipment ZWL '000	Furniture and Fittings ZWL '000	Vehicles ZWL '000	Work-in-Progress ZWL '000	Total ZWL '000
At Cost / Valuation							
At 1 Nov 2018	**21,247**	**355,967**	**226,745**	**154,189**	**30,273**	**147,128**	**935,549**
Additions	-	-	2,484	3,271	442	90,525	96,722
Disposals	-	-	(256)	(13)	-	-	(269)
Revaluation of property and equipment	448	-	-	-	-	-	448
At 28 February 2019	**21,695**	**355,967**	**228,973**	**157,447**	**30,715**	**237,653**	**1,032,450**
Acquisition of subsidiaries	2,300	-	89	61	1,142	10	3,602
Additions	-	39,358	8,840	9,426	46,114	277,524	381,262
Disposals	(216)	(8,264)	(1,045)	(723)	-	(107,439)	(117,687)
Transfer to intangible assets	-	-	1,754	-	-	(3,020)	(1,266)
Impairment	-	(20)	(391)	(1,081)	(9,547)	-	(11,039)
Revaluation of property and equipment	42,695	158,099	(21,298)	(78,863)	70,967	-	171,600
At 29 February 2020	**66,474**	**545,140**	**216,922**	**86,267**	**139,391**	**404,728**	**1,458,922**
Accumulated depreciation and impairment							
At 1 Nov 2018	**(1,850)**	**(156,961)**	**(117,124)**	**(103,725)**	**(17,950)**	**-**	**(397,610)**
Charge for the period	(147)	(10,550)	(10,953)	(2,830)	(595)	-	(25,075)
At 28 February 2019	**(1,997)**	**(167,511)**	**(128,077)**	**(106,555)**	**(18,545)**	**-**	**(422,685)**
Acquisition of subsidiaries	-	-	(5)	(3)	(38)	-	(46)
Charge for the period	(6,837)	(17,942)	(59,876)	(10,471)	(9,900)	-	(105,026)
Revaluation of property and equipment	6,173	75,816	128,299	93,294	11,784	-	315,366
Disposals	216	8,264	1,709	238	1,729	-	12,156
At 29 February 2020	**(2,445)**	**(101,373)**	**(57,950)**	**(23,497)**	**(14,970)**	**-**	**(200,235)**
CARRYING AMOUNT							
At 29 February 2020 (Revalued)	**64,029**	**443,767**	**158,972**	**62,770**	**124,421**	**404,728**	**1,258,687**
At 28 February 2019 (Revalued)	**19,698**	**188,456**	**100,896**	**50,892**	**12,170**	**237,653**	**609,765**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

10. PROPERTY AND EQUIPMENT (CONTINUED)

	HISTORICAL*						
	Land and Buildings ZWL '000	Switching and Network Equipment ZWL '000	Office Equipment ZWL '000	Furniture and Fittings ZWL '000	Vehicles ZWL '000	Work-in-Progress ZWL '000	Total ZWL '000
At Cost / Valuation							
At 1 Nov 2018	**3,319**	**55,606**	**35,420**	**24,086**	**4,729**	**22,983**	**146,143**
Additions	-	-	388	511	69	14,141	15,109
Disposals	-	-	(40)	(2)	-	-	(42)
Revaluation of property and equipment	70	-	-	-	-	-	70
At 28 February 2019	**3,389**	**55,606**	**35,768**	**24,595**	**4,798**	**37,124**	**161,280**
Acquisition of subsidiaries	2,300	-	89	61	1,142	10	3,602
Additions	-	13,887	3,813	5,058	22,213	239,158	284,129
Disposals	(929)	(35,504)	(2,937)	(3,107)	-	(107,669)	(150,146)
Reclassification	-	-	1,753	-	-	(3,020)	(1,267)
Revaluation of property and equipment	61,713	511,151	178,436	59,660	110,963	-	921,923
At 29 February 2020	**66,473**	**545,140**	**216,922**	**86,267**	**139,116**	**165,603**	**1,219,521**
Accumulated depreciation and impairment							
At 1 Nov 2018	**(289)**	**(24,519)**	**(18,296)**	**(16,203)**	**(2,804)**	**-**	**(62,111)**
Charge for the period	(23)	(1,648)	(1,711)	(442)	(93)	-	(3,917)
At 28 February 2019	**(312)**	**(26,167)**	**(20,007)**	**(16,645)**	**(2,897)**	**-**	**(66,028)**
Acquisition of subsidiaries	-	-	(5)	(3)	(38)	-	(46)
Charge for the period	(2,116)	(14,862)	(20,741)	(4,486)	(4,127)	-	(46,332)
Revaluation of property and equipment	(945)	(95,847)	(19,999)	(4,617)	(7,908)	-	(129,316)
Disposals	929	35,503	2,802	2,254	-	-	41,488
At 29 February 2020	**(2,444)**	**(101,373)**	**(57,950)**	**(23,497)**	**(14,970)**	**-**	**(200,234)**
CARRYING AMOUNT							
At 29 February 2020 (Revalued)	**64,029**	**443,767**	**158,972**	**62,770**	**124,146**	**165,603**	**1,019,287**
At 28 February 2019 (Revalued)	**3,077**	**29,439**	**15,761**	**7,950**	**1,901**	**37,124**	**95,252**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

10.1 Values of property and equipment under historic cost convention

Had the Group's property, plant and equipment been measured on a historic cost basis, the related carrying amounts at year-end would have been as follows;

	INFLATION ADJUSTED						
	Land and Buildings ZWL '000	Switching and Network Equipment ZWL '000	Office Equipment ZWL '000	Furniture and Fittings ZWL '000	Vehicles ZWL '000	Work-in-Progress ZWL '000	Total ZWL '000
At 29 February 2020	15,161	209,852	51,971	48,339	41,760	404,728	**771,721**
At 28 February 2019	19,250	188,456	100,896	50,892	12,170	237,653	**609,317**

	HISTORICAL*						
	Land and Buildings ZWL '000	Switching and Network Equipment ZWL '000	Office Equipment ZWL '000	Furniture and Fittings ZWL '000	Vehicles ZWL '000	Work-in-Progress ZWL '000	Total ZWL '000
At 29 February 2020	3,261	28,464	535	7,727	21,091	165,604	**226,682**
At 28 February 2019	3,007	29,439	15,761	7,950	1,901	37,124	**95,182**

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10.2 Fair values of property and equipment

The carrying amounts of property and equipment as disclosed in the statement of financial position approximate their fair values.

The Group's property and equipment are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Group's property and equipment as at 29 February 2020 were performed by Bard Real Estate, independent valuers not related to the Group. Bard Real Estate are members of the Royal Institute of Chartered Surveyors, and they have appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties. Prior Year values were determined by the Directors.

The fair values were determined using the gross replacement cost approach that reflects the cost to a market participant to construct or purchase an asset of comparable utility and age, adjusted for obsolescence and physical deterioration. There has been no change to the valuation technique during the year.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique;

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

10.2 Fair values of property and equipment (continued)

	Total ZWL '000	Level 1 ZWL '000	Level 2 ZWL '000	Level 3 ZWL '000
At 29 February 2020				
Land and Buildings	64,029	-	64,029	-
Switching and Network Equipment	443,767	-	443,767	-
Office Equipment	158,972	-	158,972	-
Furniture and Fittings	62,770	-	62,770	-
Vehicles	124,421	-	124,421	-
Work-in- Progress	404,728	-	404,728	-
	1,258,687	**-**	**1,258,687**	**-**

10.3 Debt collateralisation and borrowing costs

Property and equipment is unencumbered. No borrowings costs were capitalised during the year and in the prior period.

11. RIGHT-OF-USE ASSETS

	INFLATION ADJUSTED ZWL '000	HISTORICAL* ZWL '000
LAND AND BUILDINGS		
COST		
At 1 March 2019	-	-
Additions	75,759	18,335
At 29 February 2020	**75,759**	**18,335**
ACCUMULATED DEPRECIATION AND IMPAIRMENT		
At 1 March 2019	-	-
Charge for the year	(24,727)	(5,265)
At 29 February 2020	**(24,727)**	**(5,265)**
CARRYING AMOUNT		
At 29 February 2020	**51,032**	**13,070**
At 28 February 2019 (restated)	**-**	**-**

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As a lessee, the Group recognised right-of-use assets, representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's weighted average incremental borrowing rate at 1 March 2019. Generally, the Group uses the weighted average incremental borrowing rate for discounting purposes. Right-of-use assets were measured at the amount equal to the lease liability, adjusted by prepaid or accrued lease payments and initial direct costs, if any, relating to that lease recognised on the balance sheet at 29 February 2020. Lessor accounting remains similar to previous accounting policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

11. RIGHT-OF-USE ASSETS (CONTINUED)

11.1 Lease occupied property - land and buildings

The Group leases Land and buildings. The average lease term is 3 years. The Group has no options to purchase certain land and buildings for a nominal amount at the end of the lease term. The Group's obligations are secured by the lessors' title to the leased assets for such leases. IFRS 16:53(h) Approximately one fifth of the leases for Land and buildings expired in the current financial year. The expired contracts were replaced by new leases for identical underlying assets. This resulted in additions to right-of-use assets of ZWL18,3million in the period ended 29 February 2020. The maturity analysis of lease liabilities is presented in Note 32.

	INFLATION ADJUSTED 2020 ZWL '000	HISTORICAL* 2020 ZWL '000
Amounts recognised in profit and loss		
Depreciation expense on right-of-use assets	24,727	5,265
Interest expense on lease liabilities	5,062	2,014
Total cash outflow for leases	**63,350**	**7,874**

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At 29 February 2020, the Group is committed to ZWL1.2million for short-term leases and ZWL13.9million for long term leases. Some of the property leases in which the Group is the lessee contain variable lease payment terms that are linked to changes in exchange rates.

In determining the lease tenure, consideration is given to all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Management applies judgement in assessing whether it is reasonably likely that options will be exercised. Factors considered include how far in the future an option occurs, the Group's business planning cycle and past history of terminating/not renewing leases.

12. INVESTMENT PROPERTIES

	INFLATION ADJUSTED		HISTORICAL*	
	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000
Opening balance	**122,232**	**102,931**	**19,094**	**16,079**
Reclassification to inventories	-	(2,567)	-	(401)
Gain on fair value of investment property	138,899	21,868	115,920	3,416
Inflation (IAS 29) adjustment	(126,117)	-	-	-
Closing balance	**135,014**	**122,232**	**135,014**	**19,094**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

12. INVESTMENT PROPERTIES (CONTINUED)

Investment property contains commercial buildings and residential properties leased to third parties and undeveloped residential land. The Group holds investment properties for long term rental yields and capital appreciation. The investment properties were measured using the fair value model based on the valuation of Integrated Property Consultants, an independent professional valuer at 29 February 2020. Integrated Property Consultants has experience in property transactions in the real estate market the Group's investment property falls under. The valuation was prepared in accordance with requirements of the Valuers Act 1996, the Real Estate Institute of Zimbabwe Standards, the RICS – Professional Standards 2011 which are in conformity with the International Valuation Standards (IVS) 2011 and the International Financial Reporting Standards (IFRS).
During the period; the majority of the Group's investment property did not attract any rental income. Rental income recognised in the statement of profit or loss and other comprehensive income in respect of investment property amounted to ZWL42,000 [2019: ZWL14,000].

In determining fair value; the valuers made use of level 2 inputs by using comparable market evidence based on lease and purchase transactions of similar buildings and residential stands to determine the fair value estimate of investment property.

The fair value techniques applied in determining the fair values of these assets are categorised in the following hierarchy
Level 1: fair value is determined from quoted (unadjusted) prices in active markets for identical assets and liabilities.
Level 2: fair value is determined using techniques that maximise use of observable market data as inputs, with little reliance on entity specific estimates.
Level 3: fair value is determined using techniques whose inputs are not observable market data.

	INFLATION ADJUSTED			
	Level 1 ZWL '000	Level 2 ZWL '000	Level 3 ZWL '000	Total ZWL '000
Commercial Buildings	-	51,729	-	51,729
Residential Properties	-	83,285	-	83,285
Fair Value as at 29 February 2020	**-**	**135,014**	**-**	**135,014**
Commercial Buildings	-	48,012	-	48,012
Residential Properties	-	74,220	-	74,220
Fair Value as at 28 February 2019	**-**	**122,232**	**-**	**122,232**

	HISTORICAL*			
	Level 1 ZWL '000	Level 2 ZWL '000	Level 3 ZWL '000	Total ZWL '000
Commercial Buildings	-	51,729	-	51,729
Residential Properties	-	83,285	-	83,285
Fair Value as at 29 February 2020	**-**	**135,014**	**-**	**135,014**
Commercial Buildings	-	7,500	-	7,500
Residential Properties	-	11,594	-	11,594
Fair Value as at 28 February 2019	**-**	**19,094**	**-**	**19,094**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

13. INTANGIBLE ASSETS

	INFLATION ADJUSTED			
	Goodwill ZWL '000	Operating Licence ZWL '000	Computer Software and other ZWL '000	Total ZWL '000
Cost				
At 1 November 2018:	**38,992**	**69,673**	**216,989**	**325,654**
Additions	-	-	52,704	52,704
At 28 February 2019:	**38,992**	**69,673**	**269,693**	**378,358**
Acquisition of subsidiaries	11,329	-	-	11,329
Additions	-	196	140,016	140,212
Revaluation of intangible assets	-	11,498	1,249	12,747
Transfer from property and equipment	-	-	1,266	1,266
At 29 February 2020:	**50,321**	**81,367**	**412,224**	**543,912**
Accumulated Amortisation and Impairment				
At 1 November 2018	**-**	**(32)**	**(80,865)**	**(80,897)**
Amortisation	-	(4,602)	(6,234)	(10,836)
At 28 February 2019	**-**	**(4,634)**	**(87,099)**	**(91,733)**
Amortisation	-	(13,994)	(20,881)	(34,875)
Impairment	-	-	(28,491)	(28,491)
Revaluation of intangible assets		2,353	3,625	5,978
At 29 February 2020	**-**	**(16,275)**	**(132,846)**	**(149,121)**
Revalued Carrying Amount				
At 29 February 2020:	**50,321**	**65,092**	**279,378**	**394,791**
At 28 February 2019:	**38,992**	**65,039**	**182,594**	**286,625**

Had the Group's intangible assets been measured on a historic cost basis, the related carrying amounts at year-end would have been as follows;

	Goodwill ZWL '000	Operating Licence ZWL '000	Computer Software and other ZWL '000	Total ZWL '000
At 29 February 2020:	**50,321**	**53,594**	**306,620**	**410,535**
At 28 February 2019:	**38,992**	**65,039**	**182,594**	**286,625**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

13. INTANGIBLE ASSETS (CONTINUED)

	HISTORICAL*			
	Goodwill ZWL '000	Operating Licence ZWL '000	Computer Software and other ZWL '000	Total ZWL '000
Cost				
At 1 November 2018:	**6,091**	**10,906**	**33,896**	**50,893**
Additions	-	-	8,233	8,233
At 28 February 2019:	**6,091**	**10,906**	**42,129**	**59,126**
Acquisition of subsidiaries	1,770	-	-	1,770
Additions	-	86	120,177	120,263
Revaluation of intangible assets	-	70,374	32,851	103,225
Transfer from property and equipment	-	-	1,267	1,267
At 29 February 2020:	**7,861**	**81,366**	**196,424**	**285,651**
Accumulated Amortisation and Impairment				
At 1 November 2018	**-**	**(5)**	**(12,632)**	**(12,637)**
Amortisation	-	(727)	(988)	(1,715)
At 28 February 2019	**-**	**(732)**	**(13,620)**	**(14,352)**
Amortisation	-	(2,196)	(7,854)	(10,050)
Impairment	-	-	(35)	(35)
Revaluation of intangible assets	-	(13,347)	(1,676)	(15,023)
At 29 February 2020	**-**	**(16,275)**	**(23,185)**	**(39,460)**
Revalued Carrying Amount				
At 29 February 2020:	**7,861**	**65,091**	**173,239**	**246,191**
At 28 February 2019:	**6,091**	**10,174**	**28,509**	**44,774**

Had the Group's intangible assets been measured on a historic cost basis, the related carrying amounts at year-end would have been as follows;

At 29 February 2020:	**7,861**	**(5,282)**	**140,423**	**143,002**
At 28 February 2019:	**6,091**	**10,174**	**28,509**	**44,774**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

13. INTANGIBLE ASSETS (CONTINUED)

Intangible assets pertain to goodwill, licences and computer software held by EcoCash (Private) Limited and Steward Bank Limited. The Group uses the expected usage of the asset to determine the useful life of intangible assets. At 28 February 2019 the computer software had an average remaining useful life of 3 years. Software integral to an item of hardware equipment is classified as property and equipment (refer to Note 10).

Goodwill

The goodwill relates to the investment in Steward Bank and MARS. The Group performed its annual impairment test as at 29 February 2020. The Group considers the relationship between the investment in subsidiary and its value in use, among other factors, when reviewing for indicators of impairment. The pre-tax discount rate applied to cash flow projections used in calculating the value in use is 20%. Based on the results of this analysis, management did not identify any indicators of impairment of goodwill.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

Pursuant to the annual impairment test, the Group performed a sensitivity analysis of the impairment to changes in the key assumptions used to determine the value in use for the investment in Steward Bank and MARS. The Directors believe that the changes in key assumptions used in this analysis were within reasonable and likely outcome ranges and would not cause excess of the carrying amount over the respective value in use of the investments. The analysis revealed that the value in use is most sensitive to changes in the discount rate.

Discount rate

The discount rate represents the current market assessment of the risks specific to the Group, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

A rise in pre-tax discount rate to 22% (i.e. +2%) would not result in the carrying amount of either investments being in excess of their value in use.

Operating Licenses and Computer Software

Operating Licenses comprise of rights to use software held by the Groups Subsidiaries. Computer Software integral to an item of hardware equipment is classified as property and equipment (refer to Note 10).

The intangible assets were measured using the fair value model based on the valuation of Baard Real Estate, an independent professional valuer at 29 February 2020. The Group uses the expected usage of the asset to determine the useful life of intangible assets. At 29 February 2020 the computer software had an average remaining useful life of 3 years.

Had the revalued intangible assets been measured at cost, their carrying amounts would have been as follows:

	INFLATION ADJUSTED ZWL '000	HISTORICAL* ZWL '000
Operating License	53,594	5,282
Computer Software and Other	306,620	140,423

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

13. INTANGIBLE ASSETS (CONTINUED)

13.1 Acquisition of subsidiaries

On 1 March 2019, the Group acquired 100 per cent of the issued share capital of MARS (Private) Limited ('MARS'), obtaining full control of the subsidiary. MARS is predominantly an ambulance services provider and qualifies as a business as defined in IFRS 3. MARS was acquired for business diversification purposes. The at acquisition amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	INFLATION ADJUSTED 2020 ZWL '000	HISTORICAL* 2020 ZWL '000
Financial assets	11,622	1,816
Property and equipment	22,764	3,556
Financial liabilities	(45,715)	(7,142)
Total identifiable assets acquired and liabilities assumed	**(11,329)**	**(1,770)**
Goodwill	11,329	1,770
Total consideration	-	-
Satisfied by:		
Cash	-	-
Total	**-**	**-**
Net cash Inflow arising on acquisition:		
Cash consideration	-	-
Less: cash and cash equivalent balances acquired	(369)	(58)
	(369)	**(58)**

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The fair value of the financial assets includes trade receivables and prepayments with a fair value of ZWL1.8 million and a gross contractual value of ZWL1.8 million.

14. DEFERRED TAX

The following are the major deferred tax liabilities and assets recognised by the Group, and the movements thereon.

INFLATION ADJUSTED	Assessed losses ZWL '000	Accelerated Wear & Tear ZWL '000	Fair value adjustments ZWL '000	Provisions and Other ZWL '000	Total ZWL '000
14.1 Deferred Tax asset					
At 1 November 2018	**-**	**-**	**-**	**1,607**	**1,607**
Charge to profit for the period	18,520	-	-	37,104	55,624
Reclassification	-	-	-	(6,236)	(6,236)
At 28 February 2019 (restated)	**18,520**	**-**	**-**	**32,475**	**50,995**
Charge to profit for the period	5,242	-	-	37,703	42,945
Charge to other comprehensive income	-	-	-	(3,467)	(3,467)
Inflation (IAS 29) adjustment	-	-	-	1,679	1,679
Reallocation	1,238	-	-	(1,238)	-
At 29 February 2020	**25,000**	**-**	**-**	**67,152**	**92,152**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

14. DEFERRED TAX (CONTINUED)

HISTORICAL*	Assessed losses ZWL '000	Accelerated Wear & Tear ZWL '000	Fair value adjustments ZWL '000	Provisions and Other ZWL '000	Total ZWL '000
14.1 Deferred Tax asset					
At 1 November 2018	**-**	**-**	**-**	**251**	**251**
Charge to profit for the period	2,893	-	-	5,796	8,689
Reclassification	-	-	-	(974)	(974)
At 28 February 2019 (restated)	**2,893**	**-**	**-**	**5,073**	**7,966**
Charge to profit for the period	7,995	-	-	61,418	69,413
Charge to other comprehensive income	-	-	-	(3,989)	(3,989)
At 29 February 2020	**10,888**	**-**	**-**	**62,502**	**73,390**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

The Group has accounted for a deferred tax asset pertaining to deferred revenue since the temporary difference is expected to reverse in the foreseeable future. Further, the Group has also accounted for a deferred tax asset arising from losses incurred by Steward Bank Limited in anticipation of the bank's return to profitability.

The unrecognised deferred tax assets arising from unused tax losses for subsidiaries of the Group amount to ZWL121 million.

INFLATION ADJUSTED	Assessed losses ZWL '000	Accelerated Wear & Tear ZWL '000	Fair value adjustments ZWL '000	Provisions and Other ZWL '000	Total ZWL '000
14.2 Deferred tax liability					
At 1 November 2018	**-**	**22,284**	**4,276**	**-**	**26,560**
Charge to profit for the period	-	(1,869)	-	-	(1,869)
At 28 February 2019 (restated)	**-**	**20,415**	**4,276**	**-**	**24,691**
Charge to profit for the period	-	87,895	10,794	-	98,689
Charge to other comprehensive income	-	121,021	-	-	121,021
Inflation (IAS 29) adjustment	-	37,788	1,891	-	39,679
Prior year over statement	-	(8,546)	-	-	(8,546)
At 29 February 2020	**-**	**258,573**	**16,961**	**-**	**275,534**

HISTORICAL*	Assessed losses ZWL '000	Accelerated Wear & Tear ZWL '000	Fair value adjustments ZWL '000	Provisions and Other ZWL '000	Total ZWL '000
14.2 Deferred tax liability					
At 1 November 2018	**-**	**3,481**	**668**	**-**	**4,149**
Charge to profit for the period	-	(292)	-	-	(292)
At 28 February 2019 (restated)	**-**	**3,189**	**668**	**-**	**3,857**
Charge to profit for the period	-	1,567	(9,060)	-	(7,493)
Charge to other comprehensive income	-	152,167	55,068	-	207,235
Prior year over statement	-	(1,335)	-	-	(1,335)
At 29 February 2020	**-**	**155,588**	**46,676**	**-**	**202,264**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

The deferred tax liability arises mainly from the difference between accounting and tax treatment of depreciation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

14. DEFERRED TAX (CONTINUED)

	INFLATION ADJUSTED				
	Assessed losses ZWL '000	Accelerated Wear & Tear ZWL '000	Fair value adjustments ZWL '000	Provisions and Other ZWL '000	Total ZWL '000
14.3 Net Deferred tax asset / (liability)					
At 1 November 2018	**-**	**(22,284)**	**(4,276)**	**1,607**	**(24,953)**
Charge to profit for the period	18,520	1,869	-	37,103	**57,492**
Reallocation	-	-	-	(6,235)	**(6,235)**
At 28 February 2019 (restated)	**18,520**	**(20,415)**	**(4,276)**	**32,475**	**26,304**
Charge to profit for the period	5,242	(87,895)	(10,794)	37,704	**(55,743)**
Charge to other comprehensive income	-	(121,021)	-	(3,466)	**(124,487)**
Inflation (IAS 29) adjustment	-	(37,788)	(1,891)	1,677	**(38,002)**
Reallocation	1,238	-	-	(1,238)	**-**
Prior year over statement	-	8,546	-	-	**8,546**
At 29 February 2020	**25,000**	**(258,573)**	**(16,961)**	**67,152**	**(183,382)**

	HISTORICAL*				
	Assessed losses ZWL '000	Accelerated Wear & Tear ZWL '000	Fair value adjustments ZWL '000	Provisions and Other ZWL '000	Total ZWL '000
14.3 Net Deferred tax asset / (liability)					
At 1 November 2018	**-**	**(3,481)**	**(668)**	**251**	**(3,898)**
Charge to profit for the period	2,893	292	-	5,796	**8,981**
Reallocation	-	-	-	(974)	**(974)**
At 28 February 2019 (restated)	**2,893**	**(3,189)**	**(668)**	**5,073**	**4,109**
Charge to profit for the period	7,995	(1,567)	9,060	61,417	**76,905**
Charge to other comprehensive income	-	(152,167)	(55,068)	(3,988)	**(211,223)**
Prior year over statement	-	1,335	-	-	**1,335**
At 29 February 2020	**10,888**	**(155,588)**	**(46,676)**	**62,502**	**(128,874)**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

15. FINANCIAL INSTRUMENTS

		INFLATION ADJUSTED		HISTORICAL*	
	Note	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000
Financial Assets					
Financial assets at amortised cost					
Trade and other receivables	19	505,630	220,574	504,366	34,456
Treasury bills and government bonds	15.1	956,372	3,000,673	956,372	468,738
Loans and advances to the bank customers	20	219,852	320,554	219,852	50,074
Amounts owed by related party companies	28	51,448	157,127	51,448	24,545
Financial Assets at Fair Value through profit and loss					
Listed equity securities	16	136,415	260,750	136,415	40,732
Cash and cash equivalents	27.4	2,249,237	4,159,709	2,249,237	649,792
Total financial assets		**4,118,954**	**8,119,387**	**4,117,690**	**1,268,337**
Financial Liabilities					
Liabilities at amortised cost					
Trade and other payables	24	1,128,677	648,060	1,073,511	101,234
Borrowings	25	-	14,404	-	2,250
Amounts owed to related party companies	28	871,706	1,800,552	871,706	281,266
Mobile money trust liabilities	27.5	1,721,664	2,827,587	1,721,664	441,700
Deposits due to banks and customers	26	1,110,707	3,174,867	1,110,707	495,949
Total financial liabilities		**4,832,754**	**8,465,470**	**4,777,588**	**1,322,399**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

15.1 Treasury Bills and Government Bonds

	INFLATION ADJUSTED		HISTORICAL*	
	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000
Opening Balance	**3,000,673**	**2,666,798**	**468,738**	**416,583**
Additions	1,116,391	333,875	484,353	52,155
Reclassification	3,281	-	3,281	-
Inflation (IAS 29) adjustment	(3,163,973)	-	-	-
Closing Balance	**956,372**	**3,000,673**	**956,372**	**468,738**

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The average tenor of the Treasury Bills is 2 years, with an average rate of 5.6%. The Treasury Bills are held at amortised cost. There were no Treasury Bills that were pledged as collateral as at 29 February 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	INFLATION ADJUSTED		HISTORICAL*	
	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000
Opening Balance	**260,750**	**169,656**	**40,732**	**26,502**
Additions	43,790	96,363	28,478	15,053
(Loss) / gain on fair value of financial assets	(164,844)	(5,269)	70,486	(823)
Reclassification to financial assets held at amortised cost	(3,281)	-	(3,281)	-
Closing Balance	**136,415**	**260,750**	**136,415**	**40,732**

The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.

The financial assets measured at fair value through profit or loss comprise equity investments listed on the Zimbabwe Stock Exchange. The fair value of the equity investments is based on the Zimbabwe Stock Exchange published share prices.

17. FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments are disclosed in the consolidated statement of financial position at their carrying amount which approximates their respective fair value.

Fair value hierarchy

The Group is guided by the following hierarchy as fair value measurement criteria for assets measured using the fair value model. The hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	INFLATION ADJUSTED			
	Total ZWL '000	Level 1 ZWL '000	Level 2 ZWL '000	Level 3 ZWL '000
At 29 February 2020				
Investment in financial assets	136,415	136,415	-	-
	136,415	**136,415**	**-**	**-**
At 28 February 2019				
Investment in financial assets	260,750	260,750	-	-
	260,750	**260,750**	**-**	**-**

	HISTORICAL*			
	Total ZWL '000	Level 1 ZWL '000	Level 2 ZWL '000	Level 3 ZWL '000
At 29 February 2020				
Investment in financial assets	136,415	136,415	-	-
	136,415	**136,415**	**-**	**-**
At 28 February 2019				
Investment in financial assets	40,732	40,732	-	-
	40,732	**40,732**	**-**	**-**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

17. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.

During the reporting periods presented, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

18. OTHER ASSETS

	INFLATION ADJUSTED		HISTORICAL*	
	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000
Inventory	42,875	42,231	7,295	6,597
Other current assets	-	32,507	-	5,078
	42,875	**74,738**	**7,295**	**11,675**

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The directors are of the opinion that the inventory amounts are recorded at values that are not in excess of their recoverable amounts. All inventories are expected to be recovered within twelve (12) months. The cost of inventories recognised as an expense during the period amounted to ZWL34.7 million and an impairment of ZWL0.08million was recognized. No inventories were pledged as security for both 2019 and 2020.

19. TRADE AND OTHER RECEIVABLES

	INFLATION ADJUSTED		HISTORICAL*	
	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000
Trade and other receivables	505,630	220,574	504,366	34,456
Prepayments to suppliers for services provided	439,551	413,780	88,547	64,637
Expected credit losses	(1,741)	(288)	(1,741)	(45)
	943,440	**634,066**	**591,172**	**99,048**
Provision for Expected Credit Losses				
Balance at the beginning of the year	**(288)**	**-**	**(45)**	**-**
Impact of initial application of IFRS 9	-	(288)	-	(45)
Provision for expected credit losses	(1,741)	-	(1,741)	-
Reversal of expected credit losses	45	-	45	-
Inflation (IAS 29) adjustment	243	-	-	-
	(1,741)	**(288)**	**(1,741)**	**(45)**
Monetary Assets	423,726	220,574	423,726	34,456
Non-Monetary Asset	521,455	413,780	169,187	64,637
Expected Credit Loss Allowance	(1,741)	(288)	(1,741)	(45)
Total	**943,440**	**634,066**	**591,172**	**99,048**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

19. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
Before accepting any new individual customer, the Group conducts trade reference checks to establish the credit history of the applicant. The Group also conducts due diligence assessments on individuals, companies and their directors.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. During the period the Group recognized an impairment of ZWL0.19million on its sundry debtors.
Below is an analysis of trade receivables as at 29 February 2020:

	INFLATION ADJUSTED					
	Current ZWL '000	31-60 ZWL '000	61-90 ZWL '000	91-120 ZWL '000	>120 ZWL '000	Total ZWL '000
Trade Receivables Days Past Due						
Trade Receivables External	68,522	16,377	6,711	2,866	159	94,635
Other Receivables	10,306	44,349	733,277	40,298	22,316	850,546
ECL Allowance	(17)	(87)	(157)	(261)	(1,219)	(1,741)
Closing Balance	**78,811**	**60,639**	**739,831**	**42,903**	**21,256**	**943,440**

	HISTORICAL*					
	Current ZWL '000	31-60 ZWL '000	61-90 ZWL '000	91-120 ZWL '000	>120 ZWL '000	Total ZWL '000
Trade Receivables Days Past Due						
Trade Receivables External	80,227	1,702	2,595	1,186	8,721	94,431
Other Receivables	10,306	44,349	382,313	40,298	21,216	498,482
ECL Allowance	(17)	(88)	(157)	(261)	(1,218)	(1,741)
Closing Balance	**90,516**	**45,963**	**384,751**	**41,223**	**28,719**	**591,172**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

20. LOANS AND ADVANCES TO BANK CUSTOMERS

	INFLATION ADJUSTED		HISTORICAL*	
	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000
20.1 Total loans and advances to bank customers				
Corporate loans	125,945	4,507	125,945	704
Small-to-medium enterprise lending	38,596	31,918	38,596	4,986
Consumer lending	105,829	307,392	105,829	48,018
	270,370	**343,817**	**270,370**	**53,708**
Less: Allowance for impairment losses	(50,518)	(24,032)	(50,518)	(3,754)
Add: Suspended interest	-	769	-	120
	219,852	**320,554**	**219,852**	**50,074**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

20. LOANS AND ADVANCES TO BANK CUSTOMERS (CONTINUED)

	INFLATION ADJUSTED		HISTORICAL*	
	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000
20.2 Maturity analysis				
Due within 1 year				
Less than one month	226	64,266	226	10,039
1 to 3 months	3,379	1,344	3,379	210
3 to 6 months	981	4,302	981	672
6 months to 1 year	32,461	13,443	32,461	2,100
Gross loans and advances due within 1 year	**37,047**	**83,355**	**37,047**	**13,021**
Allowance for impairment losses	(6,922)	(5,826)	(6,922)	(910)
Add: Suspended interest	-	768	-	120
Total due within 1 year	**30,125**	**78,297**	**30,125**	**12,231**
Due after 1 year				
1 to 5 years	136,370	89,488	136,370	13,979
Over 5 years	96,953	170,974	96,953	26,708
Gross loans and advances due after 1 year	**233,323**	**260,462**	**233,323**	**40,687**
Allowance for impairment losses	(43,596)	(18,205)	(43,596)	(2,844)
Add: Suspended interest	-	-	-	-
Net loans and advances due after 1 year	**189,727**	**242,257**	**189,727**	**37,843**
Total gross loans	**270,370**	**343,817**	**270,370**	**53,708**
Total loans net of impairment losses	**219,852**	**320,554**	**219,852**	**50,074**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

	INFLATION ADJUSTED		HISTORICAL*	
	2020 ZWL'000	Percentage	2019 ZWL '000	Percentage
20.3 Sectorial analysis of utilisations				
Mining	2,145	1.0%	3	0.0%
Manufacturing	45,742	17.0%	516	1.0%
Agriculture	54,809	20.0%	515	1.0%
Distribution	31,290	12.0%	1,040	2.0%
Services	22,955	8.0%	3,616	7.0%
Individuals	113,429	42.0%	48,018	89.0%
	270,370	**100%**	**53,708**	**100%**

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There is a material concentration of loans and advances in the Individuals category constituting 42% of gross loss and advances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

20. LOANS AND ADVANCES TO BANK CUSTOMERS (CONTINUED)

20.4 ECL Allowance for impairment of loans and advances

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Loans and Advances is, as follows:

	INFLATION ADJUSTED			
	Stage 1 ZWL'000	Stage 2 ZWL'000	Stage 3 ZWL'000	Total ZWL'000
Gross carrying amounts				
Gross carrying amounts as at 1 November 2018	171,435	51,200	40,356	262,991
New loans and advances originated	149,170	2,164	11,773	163,107
Loans and advances derecognised or repaid (excluding write offs)	(57,179)	(2,644)	(21,613)	(81,435)
Transfers to Stage 1	36,035	(28,333)	(7,702)	-
Transfers to Stage 2	(134)	2,593	(2,459)	-
Transfers to Stage 3	(2,567)	(96)	2,663	-
Loans and advances written off	-	-	(845)	(845)
At 28 February 2019 (restated)	**296,760**	**24,884**	**22,173**	**343,817**
New loans and advances originated	261,913	26,840	5,551	294,304
Loans and advances derecognised or repaid (excluding write offs)	(73,011)	(3,381)	(1,249)	(77,641)
Transfers to Stage 1	3	-	(3)	-
Transfers to Stage 2	(73)	73	-	-
Transfers to Stage 3	(1,473)	-	1,473	-
Inflation (IAS 29) adjustment	(250,584)	(25,060)	(14,466)	(290,110)
At 29 February 2020	**233,535**	**23,356**	**13,479**	**270,370**
ECL Allowance				
ECL allowance as at 1 November 2018	4,820	3,124	18,053	25,997
New loans and advances originated	9,718	205	5,294	15,217
Loans and advances derecognised or repaid (excluding write offs)	(2,458)	(1,991)	1,287	(3,162)
Transfers to Stage 1	1,709	(525)	(1,184)	-
Transfers to Stage 2	(45)	730	(685)	-
Transfers to Stage 3	(1,152)	(45)	1,197	-
Amounts written off	-	-	(14,020)	(14,020)
At 28 February 2019 (restated)	**12,592**	**1,498**	**9,942**	**24,032**
New loans and advances originated	32,446	12,278	2,845	47,569
Loans and advances derecognised or repaid (excluding write offs)	(156)	(251)	(398)	(805)
Transfers to Stage 1	1	-	(1)	-
Transfers to Stage 2	(45)	45	-	-
Transfers to Stage 3	(1,044)	-	1,044	-
Inflation (IAS 29) adjustment	(12,544)	(3,887)	(3,847)	(20,278)
At 29 February 2020	**31,250**	**9,683**	**9,585**	**50,518**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

20. LOANS AND ADVANCES TO BANK CUSTOMERS (CONTINUED)

20.4 ECL Allowance for impairment of loans and advances (continued)

	HISTORICAL*			
	Stage 1 ZWL'000	Stage 2 ZWL'000	Stage 3 ZWL'000	Total ZWL'000
Gross carrying amounts				
Gross carrying amounts as at 1 November 2018	26,780	7,998	6,304	41,082
New loans and advances originated	23,302	338	1,839	25,479
Loans and advances derecognised or repaid (excluding write offs)	(8,932)	(413)	(3,376)	(12,721)
Transfers to Stage 1	5,629	(4,426)	(1,203)	-
Transfers to Stage 2	(21)	405	(384)	-
Transfers to Stage 3	(401)	(15)	416	-
Loans and advances written off	-	-	(132)	(132)
At 28 February 2019 (restated)	**46,357**	**3,887**	**3,464**	**53,708**
New loans and advances originated	261,913	26,840	5,550	294,303
Loans and advances derecognised or repaid (excluding write offs)	(73,011)	(3,381)	(1,249)	(77,641)
Transfers to Stage 1	3	-	(3)	-
Transfers to Stage 2	(73)	73	-	-
Transfers to Stage 3	(1,473)	-	1,473	-
Loans and advances written off	-	-	-	-
At 29 February 2020	**233,716**	**27,419**	**9,235**	**270,370**
ECL Allowance				
ECL allowance as at 1 November 2018	753	488	2,820	4,061
New loans and advances originated	1,518	32	827	2,377
Loans and advances derecognised or repaid (excluding write offs)	(384)	(311)	201	(494)
Transfers to Stage 1	267	(82)	(185)	-
Transfers to Stage 2	(7)	114	(107)	-
Transfers to Stage 3	(180)	(7)	187	-
Amounts written off	-	-	(2,190)	(2,190)
At 28 February 2019 (restated)	**1,967**	**234**	**1,553**	**3,754**
New loans and advances originated	32,446	12,278	2,845	47,569
Loans and advances derecognised or repaid (excluding write offs)	(156)	(251)	(398)	(805)
Transfers to Stage 1	1	-	(1)	-
Transfers to Stage 2	(45)	45	-	-
Transfers to Stage 3	(1,044)	-	1,044	-
Amounts written off	-	-	-	-
At 29 February 2020	**33,169**	**12,306**	**5,043**	**50,518**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

21. SHARE CAPITAL

21.1 Group and Company

	INFLATION ADJUSTED		HISTORICAL*	
	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000
(a) Authorised share capital				
4 200 000 000 Shares consisting of:				
4 200 000 000 Ordinary shares of $0.001 each	26,887	26,887	4,200	4,200
	26,887	**26,887**	**4,200**	**4,200**
(b) Issued and fully paid share capital				
2 590 577 241 Shares consisting of:				
2 590 577 241 Ordinary shares of $0.001 each	16,587	16,587	2,591	2,591
Balance at end of period	**16,587**	**16,587**	**2,591**	**2,591**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Unissued shares are under the control of Directors, subject to the Companies and Other Business Entities Act (Chapter 24:31) and the Memorandum and Articles of Association.

(c) Share premium
Share premium reflects additional funds received by the company on issued share capital in excess of the par value of the shares

(d) Revaluation reserve
Revaluation reserve is an accumulation of gains arising on the revaluation of property and equipment.

(e) Retained earnings
Retained earnings are an accumulation of profits and losses realised by the company from operating and investing activities.

21.2 Capital and Reserves

Movement in share capital and share premium

		INFLATION ADJUSTED			HISTORICAL*		
	Number of shares	Share capital ZWL '000	Share premium ZWL '000	Total ZWL '000	Share capital ZWL '000	Share premium ZWL '000	Total ZWL '000
Balance at 28 February 2019 (restated)	**2,590,577,241**	16,587	-	**16,587**	2,591	-	**2,591**
Balance at 29 February 2020	**2,590,577,241**	16,587	-	**16,587**	2,591	-	**2,591**

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No share capital movements occurred in both the current and prior period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

22. DIRECTORS' SHAREHOLDING

	Number of shares 2020	Number of shares 2019
T.P. Mpofu	88,312	14,548,941
E. Chibi	4,358	4,358
E. Chisango	770	770
S. Masiyiwa*	8,637	10,231
E.T. Masiyiwa	786,925	786,925
D. Mboweni	-	9,831,457
S. Shereni	1,694	1,694
Total	890,696	25,184,376

Mr. S. Masiyiwa is a beneficial shareholder of Econet Global Limited. Econet Global Limited holds directly or indirectly 2 023 912 845 shares in Cassava Smartech Zimbabwe Limited.

With the exception of the Directors listed above, other Directors had no direct or indirect shareholding in the Company.

23. OTHER RESERVES

	INFLATION ADJUSTED			HISTORICAL*		
	Revaluation ZWL '000	Unbundling Reserve ZWL '000	Total ZWL '000	Revaluation ZWL '000	Unbundling Reserve ZWL '000	Total ZWL '000
Balance at 1 November 2018	**-**	**1,184,341**	**1,184,341**	**-**	**185,007**	**185,007**
Reclassification	-	(10,185)	**(10,185)**	-	(1,591)	**(1,591)**
Revaluation gain on property and equipment	448	-	**448**	70	-	**70**
Balance at 28 February 2019 (restated)	**448**	**1,174,156**	**1,174,604**	**70**	**183,416**	**183,486**
Restatement	49	(9,525)	**(9,476)**	8,533	(9,455)	**(922)**
Change in ownership	-	(2,705)	**(2,705)**	-	(2,705)	**(2,705)**
Revaluation gain on property and equipment and intangible assets	498,330	-	**498,330**	871,941	-	**871,941**
Deferred tax arising out of reserves	(124,487)	-	**(124,487)**	(211,223)	-	**(211,223)**
Transfer to retained earnings	(353,148)	-	**(353,148)**	(986)	-	**(986)**
Balance at 29 February 2020	**21,192**	**1,161,926**	**1,183,118**	**668,335**	**171,256**	**839,591**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

The unbundling reserve arose from the acquisition of net assets of certain EWZL subsidiaries on the effective demerger date.

The transaction was accounted for as a common control transaction by recognizing the assets, liabilities and reserves with corresponding adjustment recognised in the unbundling reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

23. OTHER RESERVES (CONTINUED)

Property revaluation reserve

The property revaluation reserve arises on the revaluation of property, plant and equipment and intangible assets. When revalued properties are sold, the portion of the property revaluation reserve that relates to that asset is transferred directly to retained earnings. Items of other comprehensive income included in the property revaluation reserve will not be reclassified subsequently to profit or loss.

The unbundling reserve arises from the acquisition of net assets of certain EWZL subsidiaries on the effective demerger date.

The transaction was accounted for as a common control transaction by recognizing the assets, liabilities and reserves with corresponding adjustment recognised in the unbundling reserve.

24. TRADE AND OTHER PAYABLES

	INFLATION ADJUSTED		HISTORICAL*	
	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000
Local trade accounts payable	52,255	36,483	52,255	5,699
Foreign trade accounts payable	220,637	211,336	220,637	33,013
Other Payables	494,176	189,148	432,074	29,547
Accruals	361,609	211,093	368,545	32,975
Balance at end of period	**1,128,677**	**648,060**	**1,073,511**	**101,234**
Analysed As:				
Monetary Assets	479,522	312,728	479,521	48,867
Non-Monetary Assets	649,155	335,332	593,990	52,367
Balance at end of period	**1,128,677**	**648,060**	**1,073,511**	**101,234**

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Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs together with credit granted on equipment purchases. The average credit period on purchases is between 7 and 30 days. The Group has financial risk management policies in place to ensure that all payables are settled within the agreed credit timeframe.

Other liabilities comprise of the accruals of certain operational expenses.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

24. TRADE AND OTHER PAYABLES (CONTINUED)

24.1 Provisions

	INFLATION ADJUSTED		HISTORICAL*	
	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000
Provision for claims	15,723	12,361	13,466	1,931
Other	16,028	3,737	16,746	584
	31,751	**16,098**	**30,212**	**2,515**
Current	**31,751**	**16,098**	**30,212**	**2,515**
Non-Current	**-**	**-**	**-**	**-**

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Reconciliation for the year ended 29 February 2020

	INFLATION ADJUSTED		HISTORICAL*	
	Provision for claims	Other	Provision for claims	Other
Balance as at 1 March 2019	**12,361**	**3,737**	**1,931**	**584**
Additional	12,915	15,446	12,915	16,162
Utilised	(9,553)	(3,155)	(1,380)	-
Balance as at 29 February 2020	**15,723**	**16,028**	**13,466**	**16,746**

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- The provision for claims represents management's best estimate for the insurance claims incurred but not yet reported.
- Other provisions relate to network costs provisions for invoices not yet received from Econet Wireless Zimbabwe.

24.2 CURRENT TAXATION

	INFLATION ADJUSTED		HISTORICAL*	
	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000
24.2.1 Tax Liability Reconciliation				
Current tax charge	443,527	-	175,578	-
Tax Paid	(114,502)	-	(114,502)	-
Inflation (IAS 29) adjustment	(267,949)	-	-	-
Closing balance	**61,076**	**-**	**61,076**	**-**
24.2.2 Tax Asset Reconciliation				
Opening Balance	**81,652**	**293,500**	**12,755**	**45,848**
Current tax charge	3,437	53,332	2,106	8,331
Tax Paid	894	(265,180)	894	(41,424)
Inflation (IAS 29) adjustment	(74,681)	-	-	-
Reclassification to deferred tax	(5,195)	-	(5,436)	-
Closing balance	**6,107**	**81,652**	**6,107**	**12,755**
Current Tax (Liabilities) /Assets	**(54,969)**	**81,652**	**(54,969)**	**12,755**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

25. LOANS AND BORROWINGS

Lines of credit

	INFLATION ADJUSTED 2020 ZWL '000	HISTORICAL* 2020 ZWL '000
Balance at 1 November 2018	**18,053**	**2,820**
Repayments	(3,649)	(570)
Balance at 28 February 2019 (restated)	**14,404**	**2,250**
Repayments	(14,404)	(2,250)
Balance at 29 February 2020	**-**	**-**

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The weighted average interest rate on long-term borrowings for the Group as at 29 February 2020 was 5%.

Summary of borrowing covenants

Foreign Line of Credit
Lines of credit were advanced to the Bank for disbursement to entities in the agriculture value chain. The facility is priced at 8% per annum and payable over a tenor of 12months.These were settled during the course of the year

Debentures
In the prior year consolidated financial statements, it was disclosed that, pursuant to the demerger of the Group from EWZL on 1 November 2018, the Group assumed 50% of the EWZL debenture obligations equitably, giving the debenture holders the same security on a joint and several, but shared basis. 1 166 906 618 unsecured redeemable debentures with an annual compounding coupon rate of 5% were issued at a subscription price of 4.665 US cents per debenture and the same was accounted for as a third-party borrowing based on information available at that time. The value of the debenture liability attributable to the CSZL was classified as part of the Group's borrowings for the 4-month period ended 28 February 2019.

However, following the conclusion of extensive legal consultations in the current year on the legal form and transferability of the debentures, the Directors concluded that it is more appropriate to treat and account for the commitment by the Group to settle 50% of the debentures as a long term related party payable. Therefore, a reclassification of the full carrying amount of the debentures to amounts owed to related parties has been done retrospectively. The commitment by the Group to settle the debentures should have been accounted for and disclosed separately as a related party payable instead of recognising a debenture obligation for the 4-month period ended 28 February 2019. The correction will provide clearer disclosure of the legal form of the debentures in the context of EWZL and the Group being separate legal entities.

The prior year treatment has been corrected by restating each of the affected financial statement line items for prior year as follows:

	INFLATION ADJUSTED			HISTORICAL*		
	As previously presented ZWL '000	Adjustment ZWL '000	Restated ZWL '000	As previously presented ZWL '000	Adjustment ZWL '000	Restated ZWL '000
Statement of Financial Position						
Borrowings	419,164	(404,760)	14,404	65,478	(63,228)	2,250
Amounts owed to related party companies	1,395,792	404,760	1,800,552	218,038	63,228	281,266

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

26. DEPOSITS DUE TO BANKS AND CUSTOMERS

	INFLATION ADJUSTED		HISTORICAL*	
	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000
Current accounts	1,106,388	3,144,818	1,106,388	491,255
Term deposits	4,319	30,049	4,319	4,694
	1,110,707	**3,174,867**	**1,110,707**	**495,949**

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

The amounts due to customers as at 29 February 2020 is shown after elimination of Inter Group Deposits amounting ZWL1.34billion.

A concentration of risk therefore exists in the event that the business of the counterparty is adversely affected by changes in economic or other conditions. However, at 29 February 2020 the Group's management was not aware of any economic or other conditions that may adversely affect the business of the counterparty.

26.1 Maturity analysis of deposits

	INFLATION ADJUSTED		HISTORICAL*	
	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000
Less than 1 month	1,106,388	3,147,014	1,106,388	491,598
1 to 3 months	4,319	27,853	4,319	4,351
	1,110,707	**3,174,867**	**1,110,707**	**495,949**

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26.2 Sectorial analysis of deposits

	INFLATION ADJUSTED		HISTORICAL*	
	2020 ZWL '000	%	2020 ZWL '000	%
Financial	53,217	5%	5,039	1%
Transport and telecommunications	507,186	46%	380,171	76%
Mining	3,196	0%	480	0%
Manufacturing	17,347	2%	6,424	1%
Agriculture	3,131	0%	1,760	0%
Distribution	12,767	1%	4,466	1%
Services	30,609	3%	27,204	6%
Government and parastatals	18	0%	423	0%
Individuals	4,692	0%	61,735	13%
Other	478,544	43%	8,247	2%
	1,110,707	**100%**	**495,949**	**100%**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

27. CASH FLOW INFORMATION

	Note	INFLATION ADJUSTED 2020 ZWL '000	INFLATION ADJUSTED (Restated) 4 months ended 2019 ZWL '000	HISTORICAL* 2020 ZWL '000	HISTORICAL* (Restated) 4 months ended 2019 ZWL '000
27.1 Cash generated from operations					
Profit before tax and net finance charges		**280,042**	**86,211**	**(102,157)**	**13,467**
Adjustments for :					
Depreciation and impairment of property and equipment	10	116,065	25,075	46,332	3,917
Amortisation and impairment of intangible assets	13	63,366	10,979	10,085	1,715
Right of use depreciation	11	24,727	-	5,265	-
Bad debts written off		1,741	2,689	1,741	420
Expected credit loss charge	3	26,486	24,320	46,764	3,799
(Loss) / profit on disposal of property, and equipment	3	1,011	(32)	995	(5)
Fair value losses / (gains) on financial assets	16	164,844	5,269	(70,486)	823
Gain on fair value of investment property	12	(138,899)	(21,868)	(115,920)	(3,416)
Increase in deferred revenue		-	6,690	-	1,045
Increase in provisions	24.1	15,653	2,093	27,697	327
Net forex losses unrealised		1,990,801	-	561,263	-
Other non-cash items		3,052,706	-	(2,579)	-
Cash generated from operations before working capital changes		**5,598,543**	**141,426**	**409,000**	**22,092**
27.2 Adjustments for working capital changes					
Increase in other assets		31,863	-	4,380	-
Increase in trade and other receivables		(216,934)	(240,822)	(524,184)	(37,619)
Decrease / (increase) in trade and other payables		(2,439,030)	247,690	1,001,454	38,692
Increase in other liabilities		1,151	140,867	1,151	22,005
(Increase) / decrease in financial instruments		(1,105,923)	405,221	1,279,964	63,300
Decrease / (increase) in loans and advances to customers		74,216	(59,112)	(216,542)	(9,234)
(Decrease) / increase in deposits due to banks and customers		(2,064,160)	1,125,881	614,758	175,875
Decrease in loans and borrowings		-	(3,649)	-	(570)
Cash (utilised) / generated from operations		**(120,274)**	**1,757,502**	**2,569,981**	**274,541**
27.3 Income tax paid					
Opening balance		(81,652)	293,500	(12,755)	45,848
Add: current taxation charge for the period (Note 8)		440,090	53,332	177,684	8,331
Reclassification		(188,073)	-	5,436	-
Less: closing balance of liability		(54,969)	(81,652)	(54,969)	(12,755)
Tax paid		**115,396**	**265,180**	**115,396**	**41,424**
27.4 Cash and cash equivalents					
Cash and cash equivalents comprise of:					
Balances and Cash - unrestricted		527,573	1,332,122	527,573	208,092
Balances and Cash - restricted (27.5)		1,721,664	2,827,587	1,721,664	441,700
		2,249,237	**4,159,709**	**2,249,237**	**649,792**

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Restricted Cash balances represent amounts held in trust for the EcoCash customers.

Additions to buildings and equipment during the year amounting to ZWL 72,096 (2019 : Nil) were financed by new leases.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

27. CASH FLOW INFORMATION (CONTINUED)

	INFLATION ADJUSTED 2020 ZWL '000	INFLATION ADJUSTED (Restated) 4 months ended 2019 ZWL '000	HISTORICAL* 2020 ZWL '000	HISTORICAL* (Restated) 4 months ended 2019 ZWL '000
27.5 Mobile money trust liabilities				
Opening Balance	2,827,587	3,132,393	441,700	489,314
Deposits	1,919,946	22,799,676	1,919,946	3,561,559
Withdrawals	(639,982)	(23,104,482)	(639,982)	(3,609,173)
Inflation (IAS 29) adjustment	(2,385,887)	-	-	-
Closing Balance	**1,721,664**	**2,827,587**	**1,721,664**	**441,700**

**The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

28. RELATED PARTY TRANSACTIONS

	INFLATION ADJUSTED 2020 ZWL '000	INFLATION ADJUSTED (Restated) 4 months ended 2019 ZWL '000	HISTORICAL* 2020 ZWL '000	HISTORICAL* (Restated) 4 months ended 2019 ZWL '000
28.1 Transactions				
Transactions with members of Econet Wireless Global Limited Group				
Sales of goods and services to fellow subsidiaries	235,088	157,127	119,079	24,545
Purchases of goods and services from fellow subsidiaries	(483,324)	(192,048)	(244,819)	(30,000)
28.2 Balances				
Amounts owed to fellow subsidiaries**	(871,706)	(1,800,552)	(871,706)	(281,266)
Amounts owed by fellow subsidiaries	51,448	157,127	51,448	24,545
Bank balances due to fellow subsidiaries	(487,295)	(508,724)	(487,295)	(79,468)
Net amount payable	**(1,307,553)**	**(2,152,149)**	**(1,307,553)**	**(336,189)**

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** *Included in amounts owed to fellow subsidiaries includes an amount of ZWL 548,378 (2019 : ZWL 404,760) which relates to the balances that were attributable to debentures which have been reclassified from borrowings as described in Note 25.*

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

28. RELATED PARTY TRANSACTIONS (CONTINUED)

28.3 Compensation of Directors and key management

The remuneration of Directors and other members of key management during the year was as follows:

	INFLATION ADJUSTED		HISTORICAL*	
	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000
For services as directors	4,268	551	2,755	86
Short-term – benefits for management services	7,536	973	4,870	152
Short term – post employment benefits	2,479	320	1,602	50
	14,283	**1,844**	**9,227**	**288**

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Terms of balances with fellow subsidiaries

Included in amounts receivable from members of the Cassava Smartech Zimbabwe Limited Group are balances accruing interest at 8%.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. For the period ended 29 February 2020, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial period through examining the financial position of the related parties and the market in which the related parties operate.

29. GROUP EMPLOYEE BENEFITS

Econet Wireless Group Pension Fund

Contributions are made to the defined contribution scheme through monthly deduction by the Group on members' salaries and remitted to the Fund.

National Social Security Authority Scheme

This is a defined contribution scheme promulgated under the National Social Security Act of 1989. The Group's obligation under the scheme are limited to specific contributions legislated from time to time.

30. FINANCIAL RISK MANAGEMENT

30.1 Capital risk management

The objective of the Group's capital management is to ensure that it complies with the Reserve Bank of Zimbabwe (RBZ) and Insurance and Pensions Commissions (IPEC) requirements. In implementing the current capital requirements, the RBZ and IPEC require the Group companies to maintain a prescribed ratio of total capital to total risk weighted assets. Risk weighted assets are arrived at by applying the appropriate risk factor as determined by the RBZ to the monetary value of the various assets as they appear on the Bank's statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.1 Capital risk management (continued)

Regulatory capital for Steward Bank Limited consists of:

- Tier 1 Capital ("the core capital"), which comprises of share capital, share premium, retained earnings (including the current period profit or loss), the statutory reserve and other equity reserves.
- Tier 2 Capital ("supplementary capital"), which includes subordinated term debt, revaluation reserves and portfolio provisions.
  The core capital shall comprise not less than 50% of the capital base and portfolio provisions are limited to 1.25% of total risk weighted assets.
- Tier 3 Capital ("tertiary capital") relates to an allocation of capital to meet market and operational risks.

	INFLATION ADJUSTED		HISTORICAL*	
	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000	2020 ZWL '000	(Restated) 4 months ended 2019 ZWL '000
Steward Bank Limited Regulatory Capital				
Share capital	4	26	4	4
Share premium	106,318	680,605	106,318	106,318
Retained earnings	(82,631)	138,788	62,998	8,342
	23,691	**819,419**	**169,320**	**114,664**
Less: Capital allocated for market and operational risk	(27,902)	(37,673)	(27,902)	(5,885)
Advances to insiders	(67,993)	(89,942)	(67,993)	(14,050)
Tier 1 capital	**(72,204)**	**691,804**	**73,425**	**94,729**
Tier 2 capital	**57,273**	**-**	**186,855**	**22,959**
Other reserves	57,273	-	186,855	22,959
Total Tier 1 and 2 capital	**(14,931)**	**691,804**	**260,280**	**117,688**
Tier 3 capital (sum of market and operational risk capital)	27,902	37,673	27,902	5,885
Total Capital Base	**12,971**	**729,477**	**288,182**	**123,573**
Total risk weighted assets	**1,436,092**	**1,137,820**	**1,436,092**	**177,740**
Tier 1 ratio	-5%	61%	5%	53%
Tier 2 ratio	4%	0%	13%	13%
Tier 3 ratio	1%	64%	20%	70%
Total capital adequacy ratio	**20%**	**20%**	**20%**	**20%**
RBZ minimum requirement	12%	12%	12%	12%

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The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Overall, the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. The Group and its individually regulated operations have always complied with all externally imposed capital requirements throughout the period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.1 Capital risk management (continued)

The following subsidiaries have their capital regulated by the respective regulatory authorities:

	Regulatory authority	Minimum capital required	Computed Regulatory capital	Total equity
Company				
Steward Bank Limited	RBZ	USD 30 million	ZWL 73.4 million	ZWL 356.1 million
Econet Life (Pvt) Ltd	IPEC	ZWL 5 million	ZWL 16.85 million	ZWL 25.03 million
Econet Insurance (Pvt) Ltd	IPEC	ZWL 2.5 million	ZWL 31.56 million	ZWL 34.93 million

30.2 Financial risk management objectives

The Group's Corporate Treasury function (embedded in the Group Finance function) provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group's Audit Committee, consisting of executive and non-executive directors, meet on a regular basis to analyse, amongst other matters, currency and interest rate exposures and re-evaluate treasury management strategies against revised economic forecasts. Compliance with Group policies and exposure limits is reviewed at quarterly Board meetings.

The Group has a dedicated committee of the Board which reviews the loan exposures on a regular basis and monitors repayment plans. The Group has been able to meet its obligations in the current financial period and the Directors believe that appropriate measures have been implemented to ensure that the Group has the ongoing capacity to meet its obligations arising from these exposures.

30.3 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group invests in money market instruments which are subject to changes in interest rates on the local money markets. The Group's policy is to adopt a non-speculative approach to managing interest rate risk. Approved funding instruments include bankers acceptances, call loans, overdrafts, foreign loans and where appropriate, long-term loans.

The Group currently has no borrowings (2019 Restated : ZWL 14.4 million) that are subject to both fixed interest rates and floating interest rates. Details of the Group's borrowings are described in Note 25.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.3 Interest rate risk management (continued)

30.3.1 Interest rate repricing and gap analysis

The table below analyses the Group's interest rate risk exposure on assets and liabilities. The financial assets and liabilities are categorised by the earlier of contractual repricing or maturity dates. Amounts presented reflect both inflation adjusted and historical figures, as they relate to monetary items as at 29 February 2020.

	Up to 1 Month ZWL'000	1 month to 3 months ZWL'000	3 months to 1 period ZWL'000	1 to 5 periods ZWL'000	Non-interest bearing ZWL'000	Total ZWL'000
TOTAL POSITION						
At 29 February 2020						
Assets:						
Cash and cash equivalents	-	-	-	-	1,051,306	**1,051,306**
Loans and advances to customers	184	2,748	27,193	189,727	-	**219,852**
Debt instruments measured at amortised cost	26,463	179,589	692,322	211,898	-	**1,110,272**
Other receivables	-	-	-	-	379,338	**379,338**
Inventories	-	-	-	-	5,932	**5,932**
Investment property	-	-	-	-	96,575	**96,575**
Property and equipment	-	-	-	-	284,556	**284,556**
Intangible assets	-	-	-	-	151,882	**151,882**
Right of use assets	-	-	-	-	7,330	**7,330**
	26,647	**182,337**	**719,515**	**401,625**	**1,976,919**	**3,307,043**
Liabilities and equity:						
Deposits due to banks and customers	2,445,164	3,999	-	-	-	**2,449,163**
Provisions	-	-	-	-	19,917	**19,917**
Other liabilities	-	-	-	-	429,496	**429,496**
Deferred tax liability	-	-	-	-	43,358	**43,358**
Lease liability	-	-	-	-	8,934	**8,934**
Equity	-	-	-	-	356,175	**356,175**
	2,445,164	**3,999**	**-**	**-**	**857,880**	**3,307,043**
Interest rate repricing gap	**(2,418,518)**	**178,339**	**719,515**	**401,625**	**1,119,039**	**-**
Cumulative gap	**(2,418,518)**	**(2,240,180)**	**(1,520,665)**	**(1,119,039)**	**-**	**-**

30.4 Other price risks

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk) whether those changes are caused by factors specific to the individual financial instrument or to its issuer or factors affecting all similar financial instruments traded in that market.

The Group invests in tradable securities that are quoted on the Zimbabwe Stock Exchange and maintains two portfolios for these investments, a trading portfolio and a long-term investment portfolio.

At the reporting date, the exposure to listed equity securities at fair value was ZWL 40 732 177. A decrease of 5% on the share price could have an impact of approximately ZWL 2 036 609 on the income or equity attributable to the Group, depending on whether the decline is significant or prolonged. An increase of 5% in the value of the listed securities would only impact equity, but would not have an effect on profit or loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.5 Credit risk management

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. This risk arises principally from the Bank's loans and advances to customers and placements with Government and other banks. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

Financial assets, which potentially subject the Group to concentrations of credit risk, consist principally of bank balances, loans and advances and trade receivables. The Group's cash equivalents are placed with high quality financial institutions. Loans and advances are presented net of the allowance for impairment losses. Credit risk with respect to debtors is limited due to the widespread customer base and ongoing credit evaluations to maintain credit worthiness of the customers.

The Board of Directors have delegated responsibility for the oversight of credit risk to the Bank Credit Committee. A separate Credit department, reporting to the Bank Credit Committee, is responsible for managing the Bank's credit risk including the following:

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business Credit Officers. Larger facilities require approval by the Head of Credit, the Bank Credit Committee or the Board of Directors as appropriate.
- Reviewing and assessing credit risk: The Credit department assesses all credit exposures in excess of designated limits before facilities are committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- Limiting concentrations of exposures to counterparties, geographies and industries (for loans and advances, financial guarantees and similar exposures), and by issuer, credit rating band, market and liquidity.
- Developing and maintaining the Bank's risk grading to categorise exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks. The risk grading system is used in determining where impairment provisions may be required against specific credit exposures. The current risk grading framework consists of ten grades reflecting various degrees of risk default and the availability of collateral or other credit risk mitigation. The responsibility for setting risk grades lies with the final approving executive committee, as appropriate. Risk grades are subject to regular reviews by the Risk and Capital Management Committee.
- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports on the credit quality of local portfolios are provided to the Credit department, which may require appropriate corrective action to be taken.
- Providing advice, guidance and specialist skills to business units to promote best practise throughout the Bank in the management of credit risk.

Regular audits of business units and the Credit department processes are undertaken by Internal Audit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.5 Credit risk management (continued)

30.5.1 Impairment assessments

Definition of default and cure

The Bank considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments. The Bank considers treasury and interbank balances defaulted and takes immediate action when the required intraday payments are not settled by the close of business as outlined in the individual agreements.

As a part of a qualitative assessment of whether a customer is in default, the Bank also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Bank carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- Internal rating of the borrower indicating default or near-default
- The borrower requesting emergency funding from the Bank
- The borrower having past due liabilities to public creditors or employees
- The borrower is deceased
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral
- A material decrease in the borrower's turnover or the loss of a major customer
- A covenant breach not waived by the Bank
- The debtor (or any legal entity within the debtor's group) filing for bankruptcy application/protection
- Debtor's listed debt or equity suspended at the primary exchange because of rumours or facts about financial difficulties.

It is the Group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least six consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition. The Bank's criterion for 'cure' for ECL purposes is less stringent than the 24 months requirement for forbearance.

30.5.2 The Bank's internal rating and PD estimation process

The Bank's Credit Risk function operates its internal rating models. The Bank runs separate models for its key portfolios in which its customers are rated from 1 to 10 using internal grades. The models incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilise supplemental external information that could affect the borrower's behaviour. Where practical, they also build on information from Global Credit Ratings (GCR) Agency. These information sources are first used to determine the PDs within the Bank's Basel framework.

The internal credit grades are assigned based on these Based grades. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information and the IFRS 9 Stage classification of the exposure. This is repeated for each economic scenarios as appropriate.

30.5.3 Treasury, trading and interbank relationships

The Group's treasury, trading and interbank relationships and counterparties comprise financial services institutions, banks, broker-dealers, exchanges and clearing-houses. For these relationships, the Bank's Credit Risk section analyses publicly available information such as financial information and other external data, e.g., the rating of Global Credit Ratings (GCR) Agency, and assigns the internal rating.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.5 Credit risk management (continued)

30.5.4 Corporate and small business lending

For corporate and investment banking loans, the borrowers are assessed by specialised credit risk employees of the Group. The credit risk assessment is based on a credit scoring model that takes into account various historical, current and forward-looking information such as:

- Historical financial information together with forecasts and budgets prepared by the client. This financial information includes realised and expected results, solvency ratios, liquidity ratios and any other relevant ratios to measure the client's financial performance. Some of these indicators are captured in covenants with the clients and are, therefore, measured with greater attention.
- Any publicly available information on the clients from external parties. This includes external rating grades issued by rating agencies, independent analyst reports, or press releases and articles.
- Any macro-economic or geopolitical information, e.g., GDP growth relevant for the specific industry and geographical segments where the client operates.
- Any other objectively supportable information on the quality and abilities of the client's management relevant for the company's performance.

The complexity and granularity of the rating techniques varies based on the exposure of the Bank and the complexity and size of the customer. Some of the less complex small business loans are rated within the Group's models for retail products.

30.5.5 Consumer lending and retail mortgages

Consumer lending comprises unsecured personal loans, credit cards and overdrafts. These products along with retail mortgages and some of the less complex small business lending are rated by an automated scorecard tool primarily driven by days past due. Other key inputs into the models are:

- Consumer lending products: use of limits and volatility thereof, GDP growth, unemployment rates, changes in personal income/salary levels based on records of current accounts, personal indebtedness and expected interest repricing
- Retail mortgages: GDP growth, unemployment rates, changes in personal income/salary levels based on records of current accounts, personal indebtedness and expected interest repricing.

30.5.6 Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too. To calculate the EAD for a Stage 1 loan, the Bank assesses the possible default events within 12 months for the calculation of the 12 months ECL. However, if a Stage 1 loan that is expected to default in the 12 months from the balance sheet date and is also expected to cure and subsequently default again, then all linked default events are taken into account. For Stage 2, Stage 3 and POCI financial assets, the exposure at default is considered for events over the lifetime of the instruments.

The Group determines EADs by modelling the range of possible exposure outcomes at various points in time, corresponding the multiple scenarios. The IFRS 9 PDs are then assigned to each economic scenario based on the outcome of Bank's models.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.5 Credit risk management (continued)

30.5.7 Loss given default

For corporate and investment banking financial instruments, LGD values are assessed at least every three months by account managers and reviewed and approved by the Bank's specialised credit risk department.

The credit risk assessment is based on a standardised LGD assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held.

The Group segments its retail lending products into smaller homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g., product type, wider range of collateral types) as well as borrower characteristics.

Further recent data and forward-looking economic scenarios are used in order to determine the IFRS 9 LGD rate for each group of financial instruments. When assessing forward-looking information, the expectation is based on multiple scenarios. Examples of key inputs involve changes in, collateral values including property prices for mortgages, commodity prices, payment status or other factors that are indicative of losses in the group. The Bank estimates regulatory and IFRS 9 LGDs on a different basis. Under IFRS 9, LGD rates are estimated for the Stage 1, Stage 2, Stage 3 and POCI IFRS 9 segment of each asset class. The inputs for these LGD rates are estimated and, where possible, calibrated through back testing against recent recoveries. These are repeated for each economic scenario as appropriate.

30.5.8 Significant increase in credit risk

The Group continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or LTECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition.

The Group applies a qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer/facility to the watch list, or the account becoming forborne. Regardless of the change in credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a group of similar assets, the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition."

30.5.9 Grouping of financial assets measured on a collective basis

Dependent on the factors below, the Group calculates ECLs either on a collective or an individual basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.5 Credit risk management (continued)

30.5.10 Asset classes where the Group calculates ECL on an individual basis include:

- All Stage 3 assets, regardless of the class of financial assets The Corporate lending portfolio
- The large and unique exposures of the Small business lending portfolio
- The treasury, trading and interbank relationships (such as Due from Banks, Cash collateral on securities borrowed and reverse repurchase agreements and debt instruments at amortised cost/ FVOCI
- Exposures that have been classified as POCI when the original loan was de-recognised and a new loan was recognised as a result of a credit driven debt restructuring
- The smaller and more generic balances of the Bank's Small business lending
- Stage 1 and 2 Retail mortgages and Consumer lending
- Purchased POCI exposures managed on a collective basis.

30.5.11 Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

30.5.12 The main types of collateral obtained are, as follows:

- For securities lending and reverse repurchase transactions, cash or securities
- For corporate and small business lending, charges over real estate properties, inventory and trade receivables and, in special circumstances, government guarantees for retail lending, mortgages over residential properties.

The Group also obtains guarantees from parent companies for loans to their subsidiaries. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

In its normal course of business, the Group does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet and not treated as non–current assets held for sale. Disclosure of credit quality and the maximum exposure for credit risk per categories based on the Bank's internal credit rating system and period-end stage classification are further disclosed in Note 30.5.14.

The tables on the following pages show the maximum exposure to credit risk by class of financial asset. They also shows the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk.

30.5.13 Credit related commitment risks:

The Bank makes available to its customers guarantees that may require that the Bank makes payments on their behalf and enters into commitments to extend credit lines to secure their liquidity needs. Letters of credit and guarantees (including standby letters of credit) commit the Bank to make payments on behalf of customers in the event of a specific act. Such commitments expose the Bank to similar risks to loans and are mitigated by the same control processes and policies.

Cassava Smartech

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.5 Credit risk management (continued)

30.5.14 Analysis of maximum exposure to credit risk and collateral or other credit enhancements held

		Fair Value of Collateral and Credit Enhancements Held				
	Maximum exposure to credit risk ZWL'000	Listed securities ZWL'000	Letters of credit/ guarantees ZWL'000	Property ZWL'000	Other ZWL'000	Net exposure to credit Risk ZWL'000
At 29 February 2020:						
Financial assets:						
Cash and cash equivalents	1,009,306	-	-	-	-	1,009,306
Loans and advances to customers	270,370	-	-	(59,933)	-	210,437
Debt instruments at amortised cost	1,145,874	-	-	-	-	1,145,874
Other receivables	345,739	-	-	-	-	345,739
Total credit risk exposure	**2,771,289**	**-**	**-**	**(59,933)**	**-**	**2,711,356**

Amounts presented reflect both inflation adjusted and historical figures, as they relate to monetary items as at 29 February 2020.

30.5.15 Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The Bank also obtains guarantees from parent companies for loans to their subsidiaries.

Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

30.5.16 Credit quality analysis

The table below shows the credit quality of the Group's financial instruments and the maximum exposure to credit risk, based on the Group's internal credit rating system and period end stage classification.

30.5.17 Commitments and guarantees

To meet the financial needs of customers, the Group enters into various irrevocable commitments and contingent liabilities. Even though these obligations may not be recognised on the statement of financial position, they do contain credit risk and are therefore part of the overall risk of the Bank.

The table below shows the Group's maximum credit risk exposure for commitments and guarantees.

The maximum exposure to credit risk relating to a financial guarantee is the maximum amount the Group could have to pay if the guarantee is called upon. The maximum exposure to credit risk relating to a loan commitment is the full amount of the commitment. In both cases, the maximum risk exposure is significantly greater than the amount recognised as a liability in the statement of financial position.

	2020 ZWL '000	2020 ZWL '000
Financial guarantees	-	319
Commitments to lend	30,126	7,543
	30,126	**7,862**

Amounts presented reflect both inflation adjusted and historical figures, as they relate to monetary items as at 29 February 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.5 Credit risk management (continued)

30.5.18 Exchange rate risk

Foreign currency risk is the risk that the Group may be affected adversely as a result of foreign currency fluctuations on the various currencies that the entity holds. The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting period were as follows:

30.6 Stage 1 and 2 Retail mortgages and Consumer lending

Purchased POCI exposures managed on a collective basis

	BWP	Euro	ZAR	USD	GBP
2020					
Foreign monetary assets	9,387	721 ,009	16 ,372	995,058	53,547
Foreign monetary liabilities	(9,387)	(721,009)	(16,372)	(995,058)	(53,547)
Net foreign asset / (liability)	-	-	-	-	-

The following table details the Group's sensitivity to a 20% depreciation of the RTGS Dollar against the United States Dollar, South African Rand, Euro, Great British Pound and Botswana Pula, respectively. The 20% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a percentage change in foreign currency rates. A positive number below indicates an increase in profit where the RTGS Dollar strengthens or weakens in a favourable manner against the net exposure.

	BWP ZWL'000	Euro ZWL'000	ZAR ZWL'000	USD ZWL'000	GBP ZWL'000
Profit or (loss)	227	63,893	(7,466)	(18,514,920)	(7,298)

Amounts presented reflect both inflation adjusted and historical figures, as they relate to monetary items as at 29 February 2020.

30.7 Liquidity risk management

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Bank might be unable to meet its payment obligations when they fall due under both normal and stress circumstances. To limit this risk, management has arranged diversified funding sources in addition to its core deposit base, and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis. The Bank has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure additional funding if required.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Bank maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption of cash flow. The Bank places emphasis on lines of credit that it can access to meet liquidity needs. In accordance with the Bank's policy, the liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Bank. The most important of these is to maintain limits on the ratio of net liquid assets to customer liabilities, to reflect market conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.7 Liquidity risk management (continued)

The key ratios during the period were, as follows:

	At 29 February	Maximum during period	Minimum during period
Loans to deposits ratio	7%	9%	7%
Net liquid assets to customer liabilities ratio	75%	82%	49%

The Bank stresses the importance of current accounts and savings accounts as sources of funds to finance lending to customers. They are monitored using the advances to deposit ratio, which compares loans and advances to customers as a percentage of core customer current and savings accounts, together with term funding with a remaining term to maturity in excess of one period. Loans to customers that are part of reverse repurchase arrangements, and where the Bank receives securities which are deemed to be liquid, are excluded from the advances to deposits ratio.

The Bank defines liquid assets for the purposes of the liquidity ratio as cash balances, short–term interbank deposits and highly-rated debt securities available for immediate sale and for which a liquid market exists.

Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Bank expects that many customers will not request repayment on the earliest date the Bank could be required to pay and the table does not reflect the expected cash flows indicated by the Bank's deposit retention history.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	On demand ZWL'000	Less than 3 months ZWL'000	3 months to 1 period ZWL'000	1 to 5 periods ZWL'000	Over 5 periods ZWL'000	Total ZWL'000
At 29 February 2020:						
Financial assets:						
Cash and cash equivalents	650	-	-	-	-	650
Financial assets at fair value through profit or loss	43	-	-	-	-	43
Loans and advances to customers	10	-	3	14	27	54
Debt instruments at amortised cost	4	203	74	200	-	481
Amounts owing from Group companies	25	-	-	-	-	25
Trade and other receivables	47	-	-	-	-	47
Total undiscounted financial assets	**779**	**203**	**77**	**214**	**27**	**1,300**
Financial liabilities:						
Trade and other payables	104	-	-	-	-	104
Amounts owing to Group companies	218	-	-	-	-	218
Deposits due to banks and customers	492	4	-	-	-	496
Mobile money trust balances	442	-	-	-	-	442
Loans and borrowings	-	-	2	63	-	65
Total undiscounted financial liabilities	**1,256**	**4**	**2**	**63**	**-**	**1,325**
Net undiscounted financial assets / (liabilities)	**(476)**	**198**	**75**	**151**	**27**	**(25)**
Cumulative gap	**(476)**	**(278)**	**(203)**	**(52)**	**(25)**	**(25)**

Amounts presented reflect both inflation adjusted and historical figures, as they relate to monetary items as at 29 February 2020.

The disclosed financial instruments in the above table are the gross undiscounted cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

30.7 Liquidity risk management (continued)

The table below shows the contractual expiry by maturity of the bank's contingent liabilities and commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

	On demand ZWL'000	Less than 3 months to 3 months ZWL'000	1 period ZWL'000	1 to 5 periods ZWL'000	Total ZWL'000
At 29 February 2020:					
Financial guarantees	30	-	-	-	30
Commitments to lend	6,116	-	-	-	6,116
Total commitments and guarantees	**6,146**	**-**	**-**	**-**	**6,146**

Amounts presented reflect both inflation adjusted and historical figures, as they relate to monetary items as at 29 February 2020.

The Group expects that not all of the contingent liabilities or commitments will be drawn before expiry of the commitments.

30.8 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

31 RISK MANAGEMENT

31.1 Operational Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

31.2 Compliance Risk

Compliance risk is the current and prospective risk to earnings or capital arising from violations of, or non-conformance with, law, rules, regulations, prescribed practices, internal policies, and procedures, or ethical standards. This risk exposes the institution to fines and payment of damages. Compliance risk can lead to diminished reputation, limited business opportunities, reduced expansion potential, and an inability to enforce contracts. The Internal Audit and the Risk Department ensure that the Group fully complies with all relevant laws and regulations.

Reputational risk is the current and prospective impact on earnings and capital arising from negative public opinion. This affects the institution's ability to establish new relationships or services or continue servicing existing relationships. This risk may expose the institution to litigation, financial loss, or a decline in its customer base. The Group has a Business Development department whose mandate is to manage this risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

32. LEASE LIABILITIES

The Group adopted IFRS 16 in current year as a replacement of IAS 17. As permitted by IFRS 16 transitional provisions, the Group elected not to restate its comparative financial statements.

	INFLATION ADJUSTED 2020 ZWL '000	HISTORICAL* 2020 ZWL '000
Maturity analysis		
Not later than one year	1,189	1,189
Later than one year and not later than five years	13,883	13,883
Later than five years	-	-
	15,072	**15,072**
Analysed as:		
Non-current	13,883	13,883
Current	1,189	1,189
	15,072	**15,072**
Maturity analysis		
Year 1	7,478	7,478
Year 2	5,146	5,146
Year 3	2,448	2,448
Year 4 onwards	-	-

** The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function. All lease obligations are denominated in ZWL.

33. GOING CONCERN

The Directors are mandated by IFRSs and part of good governance to assess the ability of the Group to continue in operational existence into the foreseeable future at each reporting date. As at 29 February 2020, and subsequently as at the date of authorisation of the consolidated financial statements, the Directors have assessed the ability of the Group to continue operating as a going concern and believe that the preparation of these consolidated financial statements on a going concern basis remains appropriate.

The Board is concerned about the challenging operating environment as indicated by;

i. frequent regulatory interventions and changes in the operating environment for mobile money operators that have been impacting the EcoCash business,
ii. hyperinflationary pressures in the economy;
iii. global and local uncertainties created by the impact of COVID-19; and
iv. the strict criteria to be met in order to access foreign currency

The Group will continue to adopt mitigatory measures, within the bounds of the country's laws, to minimise the adverse impacts of the challenging operating environment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

33. GOING CONCERN (CONTINUED)

In guiding it's going concern assessments, the Group has given consideration to the following key internal and external matters that it has observed for the period 1 March 2020 through to the date of authorisation of the consolidated financial statements;

i. COVID-19 has had a negative impact on the level of business operation with decreases in transactional volumes of about 30% across all business entities being witnessed during the initial lockdown period. As the economy is reopening, we have seen an increase in transactional activities back to the pre-lockdown levels.
ii. While the regulatory measures currently undertaken have had an impact on the operating model of the business, the financial impact on the group has not been significantly material to affect the ability of the group to continue as a going concern.
iii. The group's business model is structured to ride the tide of the effects of hyperinflationary pressures as performance is predominantly premised on the values transacted

The going concern assessment has been extended for the 12 month period commencing from the date of approval of these consolidated financial statements for issue and incorporated all available information on the operating environment and future risks and uncertainties on which sensitivity analysis were also made.

Matters in Note 37 (Events After The Reporting Date) were incorporated in a downside analysis assessing the potential negative economic impact of the possible outcomes on the Group's profitability and subsequent impact on the ability of the Group to continue as a going concern.

The Group's largest operating unit is the fintech business unit, which constitutes 80% of the total Group revenue. Within the fintech business unit, 80% of the revenue comes from the mobile money business unit, Ecocash and an analysis has been made on both the ability of the Group and the biggest cash generating unit, Ecocash, to continue as going concerns. Business performance for the period 1 March 2020 to the end of September 2020 has been in line with business forecasts at the beginning of the year, after taking into consideration the negative impact of the COVID-19 induced restrictions on business performance. Management is confident that the 12 month forecasts used in arriving at the going concern assessment are attainable.

The Group has also implemented measures on cutting costs and revenue generating initiatives to counter the effects of the COVID-19 pandemic. The Group has successfully rolled out telecommuting as a new way of work across all its operations and has increased its digital marketing activities. As such, there has been minimal interruption of the Group's operations up to the date of approval of the consolidated financial statements and the same is expected for the assessed period 12 months post approval.

34. BORROWING POWERS

In terms of the Company's Articles of Association, the Directors may exercise the powers of the Company to borrow up to 200% of the aggregate of:

- the issued share capital and share premium or stated capital of the Company; and
- the distributable and non-distributable reserves, including unappropriated profits of the Company reduced by any adverse amount reflected in the statement of comprehensive income, excluding; goodwill, revaluation reserves arising prior to 28 February of each year, and provision for taxation, deferred tax, and any balance standing to the credit of the tax equalisation account.

The current borrowings are within the limit.

Cassava Smartech

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 29 February 2020

35. CAPITAL COMMITMENTS

The capital expenditure is to be financed from internal cash generation, extended supplier credits and bank credit.

	INFLATION ADJUSTED 2020 ZWL '000	HISTORICAL* 2020 ZWL '000
Authorised and contracted for	1,267,927	198,064
Authorised and not contracted for	6,327,682	988,453
	7,595,609	**1,186,517**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

36. CONTINGENT LIABILITIES

36.1 Tax

The Group is regularly subject to an evaluation by tax authorities on its direct and indirect tax filings. The consequence of such reviews and pending matters is that disagreements can arise with tax authorities over the interpretation or application of certain tax rules applicable to the Group's business. Such disagreements may not necessarily be resolved in a manner that is favourable to the Group. The Group has pending matters with the tax authorities arising from the normal course of business and the resolution of the disputes and pending matters could result in an obligation to the Group.

Pending tax investigations
Subsequent to the reporting date, the Zimbabwe Revenue Authority (ZIMRA) issued an assessment against Ecocash (Private) Ltd. The matter was with regards to an alleged non-withholding and non-remittance of Intermediated Money Transfer Tax (IMTT) on Agent to Agent, Cash In, Cash Out and Bulk Payer transactions amounting to ZWL 918 million including penalties. The Group have since submitted objections with the Revenue Authority and the Directors are view that they will be successful with their objections. This position is supported by consultations from with legal counsel.

37. EVENTS AFTER THE REPORTING DATE

37.1 Covid 19

The World Health Organisation (WHO) declared the COVID 19 outbreak as a pandemic mid-March 2020. The local government imposed a nationwide lockdown in response to the guidelines from WHO to contain the spread of the virus. The Group has taken an active role of participation in the fight to contain the virus through provision of financial and other resources to aid health-workers and support less privileged individuals as well as adopting preventative measures within the group such as operating through a telecommuting model to minimise human contact and ensuring the adherence to the set enhanced hygiene standards.

The pandemic has affected the level of transactions across the Group companies, however, the Directors continue to monitor business continuity initiatives to manage the impact of the changing economic conditions on the Group. The financial impact of COVID 19 has been discussed in Note 33.

37. EVENTS AFTER THE REPORTING DATE (CONTINUED)

37.2 Forensic Audit

In July 2020, the Reserve Bank of Zimbabwe's Financial Intelligence Unit ("the FIU") instituted a forensic investigation into the transactions being handled through mobile money operators' systems. The transactions and systems of the Group's mobile money operator, EcoCash, also fell within the scope of this investigation. The major concern of the regulator was about the validity of the transactions as well as compliance with rules and regulations. Based on publicly available information the Group's current understanding is that the general objectives of the forensic audit are broadly;

i. to investigate the integrity of mobile money operators' systems and the electronic values created thereon over periods of time; and
ii. assess general compliance with country's relevant banking, anti-money laundering and know your customer laws and regulations that are applicable to mobile money operators.

At the date of authorisation of the consolidated financial statements, the forensic audit was still in progress and the outcome of the investigation was not yet known. However, in response to the allegations, the company engaged the group's own internal audit to reconfirm the controls in place at Ecocash. The Directors are committed to working with relevant authorities and believe that the results of the forensic audit will not impact the operations of the Ecocash in a significant way. In view of this the Directors have authorised these financial statements to be issued before the finalisation of the forensic audit.

38. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 30 October 2020.

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INDEPENDENT AUDITOR'S REPORT
to the Shareholders of Cassava Smartech Zimbabwe Limited

Report on the audit of the financial statement

Adverse Opinion

We have audited the inflation adjusted statement of financial position of Cassava Smartech Zimbabwe Limited ("the Company") as at 29 February 2020 and notes to the financial statement, including a summary of significant accounting policies (together, "the financial statement"), set out on pages 209 to 211.

In our opinion, because of the significance of the matters described in the Basis for Adverse Opinion section of our report, the accompanying financial statement does not present fairly, in all material respects, financial position of the Company as at 29 February 2020 in accordance with requirements of International Financial Reporting Standards and the Companies and Other Business Entities Act (Chapter 24:31) specifically applicable to a statement of financial position.

Basis for Adverse Opinion

Our basis for adverse opinion was arrived at following consideration of the following matters.

1. Non-compliance With the Requirements of IAS 21 – The Effects of Changes in Foreign Exchange Rates Impacting the Comparability of the Current Year Figures and Corresponding Prior Period Figures

An adverse opinion was issued on the Company's financial statements for the 4-month period ended 28 February 2019, as a result of non-compliance with IAS 21.

On 20 February 2019, a currency called the Real Time Gross Settlement Dollar ("RTGS Dollar", now subsequently called the Zimbabwe Dollar ("ZWL")) was legislated through Statutory Instrument 33 of 2019 ("SI 33/2019") with an effective date of 22 February 2019. SI 33/2019 fixed the exchange rate between the RTGS Dollar (and its prior forms) and the United States Dollar ("USD") at a rate of 1:1 for the period up to its effective date. The rate of 1:1 was consistent with the rate mandated by the Reserve Bank of Zimbabwe ("RBZ") at the time it issued the bond notes and coins into the basket of multi currencies. The below events were indicative of economic fundamentals that would require a reassessment of the functional currency prior to 22 February 2019, as required by IAS 21:

- The Company transacted using a combination of USDs, bond notes and bond coins. The acute shortage of USD cash and other foreign currencies in the country resulted in an increase in the use of different modes of payment for goods and services, such as settlement through the Real Time Gross Settlement ("RTGS") system and mobile money platforms. Prior to 22 February 2019, there was a significant divergence in market perception of the relative values between bond notes, bond coins, mobile money platform and RTGS system balances in comparison to the USD. Although RTGS system balances were not legally recognised as currency up until 22 February 2019, the substance of the economic phenomenon, from an accounting perspective, suggested that they were currency.
- In October 2018, banks were instructed by the RBZ to separate and create distinct bank accounts for depositors, namely, RTGS Foreign Currency Account ("FCA") and Nostro FCA accounts. This resulted in a separation of transactions on the local RTGS payment platform from those relating to foreign currency (e.g. United States Dollar, British Pound, and South African Rand).

Basis for Adverse Opinion (continued)

Prior to October 2018, RTGS FCA and Nostro FCA transactions and balances were co-mingled. As a result of this separation, there was an increased proliferation of multi-tier pricing practices by suppliers of goods and services, indicating a significant difference in purchasing power between the RTGS FCA and Nostro FCA balances, against a legislative framework mandating parity. While RTGS system balances were not legally recognised as currency up until 22 February 2019, in substance, under IAS 21, such balances would have been deemed to be currency from October 2018.

Based on the legal requirements of SI 33/2019, the Directors used 28 February 2019 as the date of change in functional currency from USD to ZWL for the Company. The Company came into existence on 1 November 2018, and consequently the decision to use 28 February 2019 as the date of change in functional currency resulted in a material misstatement to the financial performance and cash flows for the 4-month period ended 28 February 2019, as transactions denominated in USD were not appropriately translated. This departure from the requirements of IAS 21 was considered to be pervasive.

The above matter resulted in material misstatements to the reported financial performance, financial position and cash flows of the Company for the 4-month period ended 28 February 2019. It was impracticable to quantify the effects.

The Directors have adopted a hyperinflation restatement approach on the prior period amounts that aims to be consistent with the legal implications of SI 33/2019 on hyperinflation restatements. The hyperinflation restatement approach applied on the comparative amounts, as set out in Note B and note 45 to the inflation adjusted consolidated financial statements of the Company and its subsidiaries, does not comply with the requirements of IAS 29.

2. Impact of Incorrect Date of Change of Functional Currency on the Current Year Restated Closing Values of Deferred Income Tax, Investment in Subsidiaries, and Share Capital and Reserves for the Year

As cited in item 1 of the Basis for Adverse Opinion section of our report, the Directors chose 28 February 2019 as the date of change in functional currency for the Company. As indicated in Note B2 to the inflation adjusted consolidated financial statements of the Company and its subsidiaries, 1 March 2019 was therefore also used as the starting point for the Company's restatements of non-monetary items, rather than 1 November 2018.

Consequently, the restated closing values of deferred income tax, investment in subsidiaries, and share capital and reserves are materially misstated. It is not practicable to quantify the effects, but their impact, when considered in aggregate with the other matters raised in our basis for adverse opinion, is considered to be pervasive.

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 Statement section of our report. We are independent of the Company 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 financial statements in Zimbabwe. We have fulfilled our 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 adverse opinion.

Key Audit Matters

Except for the matters described in the Basis for Adverse Opinion section of our report, we have determined that there are no other key audit matters to communicate in our report.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Cassava Smartech Zimbabwe Limited Annual Report for the year ended 29 February 2020", which we had not yet received as at the date of issuing our auditor's report. The other information does not include the inflation adjusted consolidated financial statements, the financial statement and our auditor's reports thereon. The document titled "Cassava Smartech Zimbabwe Limited Annual Report for the year ended 29 February 2020" is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statement does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

Other Information (continued)

In connection with our audit of the financial statement, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statement 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 this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Adverse Opinion section above, and the bases for adverse opinion set out in the audit report on the inflation adjusted consolidated financial statements of the Company and its subsidiaries, we have concluded that the other information is also materially misstated for the same reasons.

Responsibility of the Directors for the Financial Statement

The Directors are responsible for the preparation and fair presentation of the financial statement in accordance with the of requirements of International Financial Reporting Standards and the Companies and Other Business Entities Act (Chapter 24:31) specifically applicable to a statement of financial position. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, the Directors are responsible for assessing the Company'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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 the financial statement.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statement, 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 the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 inflation adjusted statement of financial position 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 the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statement. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statement (continued)

We communicate with the Directors 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 the Directors 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 the Directors, we determine those matters that were of most significance in the audit of the financial statement 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.

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

In fulfilment of the requirements of Section 193 of the Companies and Other Business Entities Act (Chapter 24:31) ("the Act"), we report to the shareholders as follows:

Section 193(1)(a)

As a result of the matters described in the Basis for Adverse Opinion section of our report, the financial statement of the Company is not properly drawn up in accordance with the requirements applicable to a statement of financial position as set out in the Act and does not give a true and fair view of the state of the Company's affairs as at 29 February 2020.

Section 193(2)

We have no further matters to report in respect of the Section 193(2) requirements of the Act, in addition to those already covered in the Basis for Adverse Opinion section of our report.

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

Deloitte & Touche

Deloitte & Touche
Per Tumai Mafunga
PAAB Practice Certificate No: 0442
Partner and Registered Auditor

6 November 2020

Cassava Smartech

COMPANY STATEMENT OF FINANCIAL POSITION

As at 29 February 2020

	Note	INFLATION ADJUSTED 2020 ZWL '000	INFLATION ADJUSTED (Restated) 4 months ended 2019 ZWL '000	HISTORICAL* 2020 ZWL '000	HISTORICAL* (Restated) 4 months ended 2019 ZWL '000
ASSETS					
Deferred income tax		206	-	206	-
Investment in subsidiaries		1,619,706	1,580,229	253,016	246,849
Amounts owed by related party companies	(iv)	155,591	223,230	155,591	34,871
Trade and other receivables		1,702	1,319	1,702	206
Treasury bills and government bonds		36,461	-	36,461	-
Financial assets at fair value through profit or loss		4,039	-	4,039	-
Cash and cash equivalents		12,862	-	12,862	-
Total Assets		**1,830,567**	**1,804,777**	**463,877**	**281,926**
EQUITY AND LIABILITIES					
EQUITY					
Share capital and reserves		1,164,186	1,333,652	(202,214)	208,331
Equity attributable to equity holders of Cassava Smartech Zimbabwe Limited		**1,164,186**	**1,333,652**	**(202,214)**	**208,331**
LIABILITIES					
Amounts owed to related party companies	(iv)	665,312	441,698	665,312	68,998
Trade and other payables		1,069	29,428	779	4,597
Total Liabilities		**666,381**	**471,126**	**666,091**	**73,595**
Total equity and liabilities		**1,830,567**	**1,804,777**	**463,877**	**281,926**

* *The unaudited historical financial results have been presented as supplementary information, in line with the PAAB's recommendation set out in Pronouncement 01/2019. The audited inflation adjusted results represent the primary financial information required by IAS 29 and in respect of which the auditors have expressed their opinion.*

Mr. E. Chibi
CHIEF EXECUTIVE OFFICER

Mrs. E. Chisango
FINANCE DIRECTOR

21 June 2020

NOTES TO THE COMPANY STATEMENT OF FINANCIAL POSITION

For the year ended 29 February 2020

(i) BASIS OF PREPARATION

The Company statement of financial position has been prepared with the aim to fully comply with International Financial Reporting Standards (IFRS).

The accounting policies are similar to those applied in the Group's consolidated financial statements. Refer to Note B of the notes to the consolidated financial statements in this annual report. The Company statement of financial position has been prepared for inclusion in the Group's annual report, wherein the Group's consolidated financial statements have been presented, in order that it may be presented together with those consolidated financial statements at the Company's annual general meeting as required by Section 144 (1) of the Companies and Other Business Entities Act (Chapter 24:31). As a result, the Company statement of financial statement may not be suitable for any other purpose if read in isolation.

(ii) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY NOTES

Except as presented in Note C, the summary of significant accounting policies and other explanatory notes relevant to the Company statement of financial position are similar in all material respects to those applicable to the Group's consolidated financial statements.

(iii) INVESTMENTS AND LOANS IN SUBSIDIARIES

		INFLATION ADJUSTED		HISTORICAL	
	Percentage	2020 ZW$ '000	2019 ZW$ '000	2020 ZW$ '000	2019 ZW$ '000
EcoCash (Private) Limited (Mobile money service provider in Zimbabwe)	**100%**	345,891	345,891	54,032	54, 032
Steward Bank Limited (Banking Operations in Zimbabwe)	**100%**	852,258	852,258	133,132	133,132
Econet Life (Private) Limited (Funeral Assurance company in Zimbabwe)	**85%**	152,960	152,960	23,894	23, 894
Econet Insurance (Private) Limited (Short term insurance company in Zimbabwe)	**90%**	229,120	229,120	35,791	35, 791
Mars (Private) Limited (Medical Air rescue services)	**100%**	39,478	-	6,167	-
Steward Health (Private) Limited (Medical aid company in Zimbabwe)	**100%**	-	-	-	-
Econet Services (Private) Limited (On-Demand Services, e-commerce, farming technology and digital Education services provider in Zimbabwe)	**100%**	-	-	-	-
Total Investments in Subsidiaries		**1,619,707**	**1,580,229**	**253,016**	**246,849**

(i) At the beginning of the year the Group acquired an additional entity Mars (Pvt) Ltd.

Cassava Smartech

NOTES TO THE COMPANY STATEMENT OF FINANCIAL POSITION (continued)

For the year ended 29 February 2020

(iv) RELATED PARTY BALANCES

	INFLATION ADJUSTED		HISTORICAL*	
	2020 ZW$ '000	(Restated) 4 months ended 2019 ZW$ '000	2020 ZW$ '000	(Restated) 4 months ended 2019 ZW$ '000
Amounts owed to subsidiaries**	(665,312)	(441,698)	(665,312)	(68,998)
Amounts owed by subsidiaries	155,591	223,230	155,591	34,871
Net amount payable	**(509,721)**	**(218,468)**	**(509,721)**	**(34,127)**

** Included in amounts owed to subsidiaries includes an amount of ZWL 548,378 (2019: ZWL 404,760) which relates to the balances that were attributable to debentures which have been reclassified from borrowings to related party payables as described in Note 25.

(v) PARTIES RELATED TO THE COMPANY

The parent company of Cassava Smartech Zimbabwe Limited is Econet Global Limited which is domiciled in Mauritius.

Fellow Members of Econet Wireless Global Group:

Data Control & Systems (1996) (Private) Limited (trading as LTZ Company)
Econet Global Limited - Company
Econet Leo
Econet Media Zimbabwe (Private) Limited
Econet Projects Company
Econet Wireless Private Limited
Econet Wireless Zimbabwe Holding
Mutare Bottling Company (Private) Limited
Transaction Payment Solutions (Private) Limited
Transaction Payment Solutions International Limited - Company
Zimbabwe On Line Private Limited – Company

Fellow Associate

Cumii Zimbabwe (Private) Limited

SHAREHOLDER ANALYSIS

For the year ended 29 February 2020

Consolidated Top 10

For the year ended 29 February 2020

Rank	Account Name	Total Shares	Percentage
1	ECONET GLOBAL LIMITED	783,882,701	30.26
2	ECONET WIRELESS ZIMBABWE LIMITED	518,115,366	20.00
3	STANBIC NOMINEES (PRIVATE) LIMITED (NNR)	302,331,472	12.67
4	STANBIC NOMINEES (PRIVATE) LIMITED	185,935,629	7.18
5	OLD MUTUAL LIFE ASSURANCE COMPANY OF ZIMBABWE LIMITED	152,789,983	5.903
6	ECONET WIRELESS ZIMBABWE SPV LIMITED,	103,623,090	4.00
7	ECONET EMPLOYEES BENEFICIARY TRUST	77,717,305	3.00
8	NEW ARX TRUST (NNR)	71,455,342	2.76
9	AUSTIN ECO HOLDINGS LIMITED - NNR	41,521,077	1.60
10	NATIONAL SOCIAL SECURITY AUTHORITY	23,199,981	0.90
	Other	**330,005,295**	**12.74**
	Total	**2,260,571,946**	**87.26**
	TOTAL NUMBER OF SHARES IN CONSOLIDATED REGISTER	**2,590,577,241**	**100**

Consolidated Top 10

For the year ended 29 February 2020

Range	Holders	% of Holders	Shares	% of Shares
- 100	2833	28.69	97,748	0.00
101 - 200	825	8.35	123,127	0.00
201 - 500	1,392	14.09	468,678	0.02
501 - 1,000	1,337	13.54	1,005,791	0.04
1,001 - 5,000	1,948	19.72	4,466,051	0.17
5,001 - 10,000	467	4.73	3,347,575	0.13
10,001 - 50,000	554	5.61	12,509,161	0.48
50,001 - 100,000	146	1.48	10,535,675	0.41
100,001 - 500,000	195	1.97	47,024,590	1.82
500,001 - 1,000,000	70	0.71	49,976,576	1.93
1,000,001 - 10,000,000	92	0.93	262,343,427	10.13
10,000,001 -	17	0.17	2,198,678,842	84.87
Total	**9,876**	**100.00**	**2,590,577,241**	**100.00**

CORPORATE AND ADVISORY INFORMATION

Registered office

Incorporated in the Republic of Zimbabwe
Company registration number 2487/2012
Cassava Smartech Zimbabwe Limited, 1906 Borrowdale Road, Harare, Zimbabwe

Telephone: +263 242 486121/6, +263 772 023 000, Fax:+263 4 486120/486867
E-mail: investor@cassavasmartech.co.zw,
Website: www.cassavasmartech.co.zw

Group company secretary

Charmaine Daniels
Cassava Smartech, 1906 Borrowdale Road, Borrowdale, Harare, Zimbabwe

Independent auditors

Deloitte & Touche (Zimbabwe)
Registered Public Auditors
West Block, Borrowdale Office Park, Borrowdale Road, Borrowdale, P.O. Box 267, Harare, Zimbabwe

Principal bankers

Stanbic Bank Zimbabwe Limited
Stanbic Centre, 59 Samora Machel Avenue, Harare, Zimbabwe

Steward Bank Limited
2nd Floor, 101 Union Avenue Building, 101 Kwame Nkrumah Avenue, Harare, Zimbabwe

CBZ Bank Limited
Union House, 60 Kwame Nkrumah Avenue, Harare, Zimbabwe

Ecobank Zimbabwe Limited
Block A, Sam Levy's Office Park, Borrowdale, Harare, Zimbabwe

Principal legal advisors

Mtetwa and Nyambirai
Legal Practitioners
2 Meredith Drive, Eastlea, Harare, Zimbabwe

Registrars and transfer secretaries

First Transfer Secretaries (Private) Limited
1 Armagh Avenue, Eastlea, Harare, Zimbabwe

FINANCIAL DIARY

For the year ended 29 February 2020

November 2020	Interim reviewed abridged consolidated financial results publication
28 February 2021	Financial year end
March 2021	Second Annual General Meeting of Shareholders, 1906 Borrowdale Road, Borrowdale, Harare, Zimbabwe
May 2021	Audited abridged consolidated financial results publication
July 2021	Integrated report 2021 publication
August 2021	Third Annual General Meeting of Shareholders, 1906 Borrowdale Road, Borrowdale, Harare, Zimbabwe

Cassava Smartech

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Second Annual General Meeting of the members of Cassava Smartech Zimbabwe Limited will be held at the Registered Office of the Company at 1906 Borrowdale Road, Harare on **Friday, 5 March 2021 at 1200hrs** for the purposes of transacting the business indicated below. However, owing to COVID–19 restrictions, the Chairperson has determined in accordance with Article 55, that the shareholders connect virtually. The Company has put in place an audio -visual communication facility that will enable members to be heard and seen by all other persons so present whether physically or virtually, by logging onto https://cassava.escrowagm.com/. The Chairperson is satisfied that the measures for an audio-visual communication system set up by the company meets the requirements of Article 55.

ORDINARY BUSINESS

To consider and adopt, with or without amendment, the following resolutions:

1. Adoption of Financial Statements for the year ended 29 February 2020

To receive and adopt the financial statements for the year ended 29 February 2020 together with the reports of the Directors and auditors thereon.

2. Election of Directors

To appoint/ reappoint directors. In accordance with Article 81 of the Company's Articles of Association Mr. D T Mandivenga, Mr. M L Bennett and Dr Z Dillon retire by rotation at the Company's Annual General Meeting and, being eligible, offer themselves for re-election. Each Director listed below shall be separately elected:

2.1 Mr. D T Mandivenga
2.2 Mr. M L Bennett
2.3. Dr. Z Dillon

3. Directors' Remuneration

To approve the remuneration of Directors for the year ended 29 February 2020.

4. Approval of Auditors' Fees and Appointment of Auditors

4.1 To approve the auditors' fees for the previous year.
4.2 To consider the re-appointment of Deloitte & Touche as auditors of the Company until the next Annual General Meeting.

(Note The Group has adopted the requirements of the Companies and Other Business Entities Act (Chapter 24:31): Section 191 (11) and the ZSE Listing Requirements (SI 134/2019): Section 69 (6) from the date of enactment. Messrs. Deloitte and Touche have been auditors to the Group for a period of 3 years. The Group is in compliance with the relevant laws and regulations.)

SPECIAL BUSINESS

5. Renewal of Share Buy-back Authority

To consider and adopt, with or without amendment, the following resolutions:

As an Ordinary Resolution: "That the Company, as duly authorised by Article 10 of its Articles of Association, may undertake the purchase of its own ordinary shares in such manner or on such terms as the Directors may from time to time determine, provided that the repurchases are not made at a price greater than 5% above the weighted average of the market value for the securities for the five business days immediately preceding the date of the repurchase and also provided that the maximum number of shares authorized to be acquired shall not exceed 10% (ten percent) of the Company's issued ordinary share capital.

"That this authority shall expire at the next Annual General Meeting and shall not exceed 15 months from the date of the resolution."

NOTICE OF ANNUAL GENERAL MEETING (continued)

5. Share Buyback (continued)

After considering the effect of the maximum repurchase of the shares, the Directors are confident that:

a) The Company will be able to pay its debts for a period of 12 months after the date of the Annual General Meeting.
b) The assets of the Company will be in excess of liabilities.
c) The share capital and reserves of the Company are adequate for a period of 12 months after the date of the notice of the Annual General Meeting.
d) The Company will have adequate working capital for a period of 12 months after the date of the notice of the Annual General Meeting.

NOTES:

i. The 2020 Annual Report can be accessed on the Company's website: www.cassavasmartech.co.zw. Electronic copies of the 2020 Annual Report (which includes the financial statements, Directors' and Auditors' Report) shall be emailed to those shareholders whose email addresses are on record.
ii. In terms of the Companies and Other Business Entities Act [Chapter 24:31], a member of the Company is entitled to appoint a proxy to attend, vote and speak in his/her stead at this meeting. A proxy need not be a member of the Company. Proxy forms should be forwarded to reach the office of the Transfer Secretaries at info@fts-net.com, or the Group Company Secretary at companysecretary@cassavasmartech.co.zw not less than 48 hours before the scheduled meeting time.
iii. Members are requested to advise the Transfer Secretaries of their e-mail addresses and any changes to their contact numbers and/ or postal addresses.
iv. Members are hereby advised to use the following dedicated helplines for assistance with the virtual eAGM process:
Telephone: +263772289768;
Econet toll free: 08080277;
WhatsApp: 0737594405

By Order of the Board

Mrs. C.R. Daniels
Group Company Secretary

10 February 2021

Registered Office:
1906 Borrowdale Road, Borrowdale, Harare, Zimbabwe
Email: info@cassava.co.zw
website: www.cassavasmartech.co.zw

Registrars and Transfer Secretaries:
First Transfer Secretaries (Private) Limited
1 Armagh Avenue, Eastlea, Harare, Zimbabwe

Cassava Smartech

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

This report is in accordance with the Global Reporting Initiative (GRI) standards: Core option. To locate the topics and standards contained within the guidelines and our responses to these standards please use the index below. For a detailed explanation and understanding of the standards please visit the GRI website.

GRI STANDARD	GRI DISCLOSURE	PAGE	LOCATION AND NOTES
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GRI:102-GENERAL DISCLOSURES 2016			
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102-2	Activities, brands, products, and services	16	Unbundling for strategic focus and growth: key products and services
102-3	Location of headquarters	7	Company details
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102-6	Markets served		
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102-14	Statement from senior decision-maker	24	Chairman's statement
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102-17	Mechanisms for advice and concerns about ethics	103	Board Social and Ethics Committee
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102-40	List of stakeholder groups	39	Key Engagements for Our Inaugural Year
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GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX (continued)

GRI STANDARD	GRI DISCLOSURE	PAGE	LOCATION AND NOTES
GRI:400 SOCIAL STANDARDS SERIES (CONTINUED)			
OCCUPATIONAL HEALTH AND SAFETY			
403-1	Occupational health and safety management system	140	Health and Safety
404-2	Programs for upgrading employee skills and transition assistance programs Hazard identification, risk assessment, and incident investigation	88 41	Talent and Organisational Development Health and Safety
403-3	Occupational health services		
403-4	Worker participation, consultation, and communication on occupational health and safety	85	Safety and Health Training
403-5	Worker training on occupational health and safety	85	Safety and Health Training
403-6	Promotion of worker health	85 85 85 85 85 85	Employee Wellness Initiatives Employee Wellness Initiatives Financial Wellness Seminars Wellness Seminars for Managers Voluntary Counselling & Testing and Cancer Screening Sponsored Marathons and Walks
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	85	Safety and Health Training
TRAINING AND EDUCATION			
404-1	Average hours of training per year per employee	30	**Key performance highlights** | Social value creation
404-3	Percentage of employees receiving regular performance and career development reviews	88	Talent and Organisational Development
LOCAL COMMUNITIES			
413-1	Operations with local community engagement, impact assessments, and development programs	26 49 60-77 34 34	**Chairperson's statement** | Social Investment **Key Engagements for Our Inaugural Year** | Communities and Local authorities Social Value creation **Key performance highlights** | Social value creation **Key performance highlights** | Environmental value creation **Key performance highlights** | Environmental value creation
413-2	Operations with significant actual and potential and negative impacts on local communities	60-77	Social Value Creation
HUMAN RIGHTS ASSESSMENT			
412-1	Operations that have been subject to human rights reviews or impact assessments	45	Our Sustainability Approach- Human Rights
412-2	Employee training on human rights policies or procedures	43	Our Sustainability Approach – Sustainability governance
CUSTOMER HEALTH AND SAFETY			
416-1	Assessment of the health and safety impacts of product and service categories	48	**Key Engagements for Our Inaugural Year** | Communities and Local authorities

CASSAVA SMARTECH ZIMBABWE LIMITED

(Incorporated in Zimbabwe on 29 March 2012 under Company Registration Number 2487/2012)
ZSE Alpha Code: CSZL ISIN ZW0009012361

PROXY FORM – ANNUAL GENERAL MEETING

PROXY FORM for the Second Annual General Meeting of the members of Cassava Smartech Zimbabwe Limited which will be held at the Registered Office of the Company at 1906 Borrowdale Road, Harare on **Friday, 5 March 2021 at 1200hrs**. However, owing to COVID–19 restrictions, the Chairperson has determined in accordance with Article 55, that the shareholders connect virtually. The Company has put in place an audio -visual communication facility that will enable members to be heard and seen by all other persons so present whether physically or virtually, by logging onto https://cassava.escrowagm.com/

I/We .... being the

registered holders of .... **Ordinary shares / Class A** Shares in Cassava Smartech Zimbabwe Limited

hereby appoint: 1. .... or failing him/her,

2. ...., as my proxy to act for me/us at the Annual General Meeting of the Company to be held at 1906 Borrowdale Road, Harare on the 5th of March 2021 at 1200hrs and at any adjournment thereof, and vote for me/us on my/our behalf or to abstain from voting.

Do hereby record my votes for the resolutions to be submitted as follows:		Tick "√" or place and "X" inside the BOX. Please note that alterations made to your initial response should be signed for. IN FAVOUR	AGAINST	ABSTAIN
ORDINARY BUSINESS To consider and adopt, with or without amendment, the following resolutions:				
1.	**Adoption of Financial Statements for the year ended 29 February 2020** To receive and adopt the financial statements for the year ended 29 February 2020 together with the reports of the Directors and auditors thereon.			
2.	**Election of Directors** To re-elect Mr. D T Mandivenga, Mr. M L Bennett and Dr. Z Dillon as Directors of the Company. In accordance with Article 81 of the Company's Articles of Association they retire by rotation at the Company's Annual General Meeting and, being eligible, offer themselves for re-election. Each Director shall be separately elected.			
2.1.	Mr. D T Mandivenga			
2.2.	Mr. M L Bennett			
2.3.	Dr. Z Dillon			
3.	**Directors' Remuneration** To approve the remuneration of Directors for the year ended 29 February 2020.			
4.	**Approval of Auditors' Fees and Appointment of Auditors**			
4.1.	To approve the auditors' fees for the previous year.			
4.2.	To consider the re-appointment of Deloitte & Touche as auditors of the Company until the next Annual General Meeting.			
SPECIAL BUSINESS To consider and adopt, with or without amendment, the following resolutions::				
5.	**Share Buyback** That the Company be authorised in terms of Section 129 of the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange (ZSE) Listing Requirements, to purchase its own shares, subject to certain conditions.			

PROXY FORM – ANNUAL GENERAL MEETING (CONTINUED)

Signature of Shareholder ....

PLEASE NOTE

Please fill in the correct details below and return to the Company Secretary.

Name ....

Postal Address ....

Email Address..

Contact telephone number ....

Please read the notes below:

NOTE:

1) Shareholders may insert the name of a proxy or the name of two alternative proxies of the shareholder's choice in the space provided. The person whose name appears first on the form of proxy and whose name has not been deleted shall be entitled to act as proxy to the exclusion of those whose names follow.
2) The authority of the person signing a proxy or representing an institutional shareholder should be attached to the proxy form in the form of a Board resolution confirming that the proxy has been appointed to represent the shareholder at the Company's General Meeting.
3) The completion and lodging of this form of proxy shall not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof should the shareholder wish to do so.
4) The Chairperson of the Annual General Meeting may accept a proxy form which is completed and /or received other than in accordance with these instructions, provided that he is satisfied as to the manner in which a shareholder wishes to vote.
5) Any alteration or correction to this form must be initialed by the signatory/signatories.
6) Forms of proxy must be submitted electronically, or lodged at or posted to be received at the registered office of the Company Secretary not less than 48 hours before the time of the meeting.

The Group Company Secretary
Registered Office:
1906 Borrowdale Road, Borrowdale, Harare, Zimbabwe.
Email: companysecretary@cassavasmartech.co.zw

Registrars and Transfer Secretaries:
First Transfer Secretaries (Private) Limited
1 Armagh Avenue, Eastlea, Harare, Zimbabwe.
Email: info@fts-net.com

Cassava
Smartech
www.cassavasmartech.com