



Parker Russell

FAMBIDZANAI PERMACULTURE CENTRE

Financial Statements

For the year ended 31 December 2021

FAMBIDZANAI PERMACULTURE CENTRE

FINANCIAL STATEMENTS
31 December 2021

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SUMMARISED INFORMATION FOR THE ENTITY

NATURE OF BUSINESS

Fambidzanai Permaculture Centre is a non-governmental organization training centre and operates as a branch of the Zimbabwe Institute of Permaculture ("ZIP"). ZIP was registered as a trust organization in Zimbabwe in 1992. The Entity aims at enriching the quality of rural and urban communities in Zimbabwe and other regions at large through participatory training in sustainable agriculture.

BOARD OF TRUSTEES	:	Prof. Christopher Gadzirayi (PhD) (Chairperson) Mrs. Ruth Nhongonhema (Vice Chairperson) Mr. Masimba Zaranyika (Treasurer) Ms. Linda Motsi (Vice Treasurer) Father. B. McGarry (Honorary Member) Mr. Ebbie Dengu (Development Work Advisor) Mr. Henry Chimbodza (Business Development Advisor) Mrs. Joyce Chavarika (Honorary Member) Mr. Oscar Ngwende (Legal Advisor) Mr. Joseph Gondo (Government Representative) Mr. Kudzanai Lewis Mashingaidze (Executive Director)
BANKERS	:	ZB Bank Avondale Branch HARARE FBC bank Belgravia Branch HARARE BancABC Francistown Branch BOTSWANA
OPERATING OFFICE	:	Fambidzanai Permaculture Centre 4 Dovedale Road Mt Hampden HARARE
AUDITORS	:	Parker Russell Chartered Accountants (Zimbabwe) 44 Arthur Davies, Cranborne HARARE Email : info@parkerrussell.co.zw Tel : +263-242-572633 Cell : +263-773 406 876/+263-719 406 876

THE BOARD OF TRUSTEES OF FAMBIDZANAI PERMACULTURE CENTRE'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Board of Trustees ("Trustees") of Fambidzanai Permaculture Centre ("FPC" or "the Entity") are required in terms of the National Trust Act [Chapter 25:12] and Trustees Act [Chapter 24: 04] to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Entity as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The Entity's external auditors, **Parker Russell Chartered Accountants**, were engaged to express an independent opinion on the financial statements.

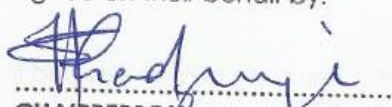
The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The Trustees have reviewed the Entity's cash flow forecast for the year to 31 December 2022 and, in the light of this review and the current financial position, they are satisfied that the Entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The financial statements set out on pages 7 to 26, which have been prepared on the going concern basis, were approved by the Trustees on 05 DEC 2022 and were signed on their behalf by:


CHAIRPERSON


TREASURER


EXECUTIVE DIRECTOR



CHARTERED ACCOUNTANTS (ZIMBABWE)
Member Firm of Parker Russell International.

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PAAB Reg Number: Z10076

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

FAMBIDZANAI PERMACULTURE CENTRE

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial of Fambidzanai Permaculture Centre as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

We have audited the financial statements of the Entity, set out on pages **7 to 26** which comprise the following;

- The statement of financial position as at 31 December 2021;
- The statement of comprehensive income for the year ended 31 December 2021;
- Statement of changes in accumulated funds for the year ended 31 December 2021;
- Statement of cash flows for the year then ended, and
- Notes on the financial statements, including a summary of significant accounting policies.

Basis for Opinion

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

Key Audit Matters

This section of our audit report is intended to describe the matters selected from those communicated with those charged with governance that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 31 December 2021.

These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on them.

Conversions of amounts from ZWL\$ into US\$

The Government of Zimbabwe issued Statutory Instrument 33 of 2019 which prescribes parity between

Names of partners are available at our offices.

the US Dollar and the local currency as at and up to the effective date of 22 February 2019 with the opening rate for USD: RTGS\$ pegged at 1:2.5. Furthermore, Central Bank introduced the local currency in place of multi-currency system in June 2019 and all local transactions were to be denominated in local currency (ZWL\$) from June 2019 onwards.

As part of our risk assessment, we reviewed the existing foreign exchange control, put in place by Monetary Authorities in Zimbabwe and compared it to compliance by the entity. We noted that FPC incurred some of its transactions in ZWL\$ and converted them to US\$ using the interbank exchange rate for reporting purposes.

Going Concern

The Entity's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the Entity's financial statements is appropriate.

The Trustees of Fambidzanai Permaculture Centre have not identified a material uncertainty that may cast significant doubt on the Entity's ability to continue as a going concern, and accordingly none is disclosed in the financial statements. Based on our audit of the financial statements, we also have not identified such a material uncertainty. However, due to unforeseen events, neither management nor the auditor can guarantee the Entity's ability to continue as a going concern.

Responsibilities of Trustees for the Financial Statements

The Trustees of Fambidzanai Permaculture Centre are responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, and for such internal control as Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Trustees are responsible for overseeing the Entity financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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

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



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are required to communicate with the Trustees 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 are also required to provide the Trustees 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.

Report on legal and regulatory requirements

In our opinion, the financial statements have been properly prepared in accordance with the accounting policies set out on **pages 11 to 16** and comply with the provisions of the National Trust Act [Chapter 25: 12] and Trustees Act [Chapter 24: 04] and related donor agreements.

Parker Russell

**PARKER RUSSELL CHARTERED ACCOUNTANTS
Harare, Zimbabwe**

Name of engagement partner: Dumisani Nderere

PAAB practising number: 0551

12 December2022

FAMBIDZANAI PERMACULTURE CENTRE

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2021

	Note	2021 US\$	2020 US\$
INCOME			
Grants received	2	336 319	592 227
Fambidzanai Permaculture Centre contribution	3	12 944	31 315
Gross income from trading activities	4	11 621	73 791
Interest received on grants income		35	60
		<u>360 919</u>	<u>697 393</u>
EXPENDITURE			
Programme expenses	5	(402 061)	(574 299)
Lands costs	6	(6 913)	(6 874)
Catering and accommodation costs	7	(600)	(5 390)
Training costs	8	(4 590)	(1 234)
Employee benefit costs	9	(11 749)	(21 245)
Administration expenses	10	(60 541)	(14 989)
		<u>(486 454)</u>	<u>(624 031)</u>
Surplus / (deficit) for the year		<u>(125 535)</u>	<u>73 362</u>


FAMBIDZANAI PERMACULTURE CENTRE

STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

	Note	2021 US\$	2020 US\$
ASSETS			
Non-current assets			
Property, plant and equipment	24	945 285	954 841
Work in progress - hostel construction	23	18 614	-
		<u>963 899</u>	<u>954 841</u>
Current assets			
Inventories	11	9 206	10 693
Biological assets	12	-	944
Accounts receivables	13	17 106	43 525
Cash and cash equivalents	14	18 408	145 069
		<u>44 720</u>	<u>200 231</u>
Total assets		<u>1 008 619</u>	<u>1 155 072</u>
ACCUMULATED FUNDS AND LIABILITIES			
Accumulated funds		940 263	1 065 798
Current liabilities			
Accounts payables	15	6 005	65 983
Short-term provisions	16	62 351	23 291
		<u>68 356</u>	<u>89 274</u>
Total accumulated funds and liabilities		<u>1 008 619</u>	<u>1 155 072</u>


CHAIRPERSON


EXECUTIVE DIRECTOR


TREASURER



05. DEC. 2022

FAMBIDZANAI PERMACULTURE CENTRE

STATEMENT OF CHANGES IN ACCUMULATED FUNDS
For the year ended 31 December 2021

	Non-distributable Reserve US\$	Accumulated Funds US\$	Total US\$
Balance as at 31 December 2019	1 032 519	(51 898)	980 621
Revaluation of non-current assets	7 590	-	7 590
Surplus for the year	-	73 362	73 362
Balance as at 31 December 2020	1 040 109	21 464	1 061 573
Prior period adjustment (See note 17)	-	4 225	4 225
Adjusted balance as at 31 December 2020	1 040 109	25 689	1 065 798
Deficit for the year	-	(125 535)	(125 535)
Balance as at 31 December 2021	1 040 109	(99 346)	940 263

FAMBIDZANAI PERMACULTURE CENTRE

STATEMENT OF CASHFLOWS
For the year ended 31 December 2021

	Note	2021 US\$	2020 US\$
Cash flows from operating activities			
Surplus/ (deficit) for the year		(125 535)	73 362
Adjustments for non-cash items:			
Depreciation	10	10 711	10 022
Movement in leave day provisions	16	2 402	(24 367)
Movement in gratuity payable provisions	16	36 658	-
Cash generated by operating activities before working capital changes		<u>(75 764)</u>	<u>59 017</u>
Movement in working capital items:			
(Increase)/decrease in inventories		1 487	(155)
(Increase)/decrease in biological assets		944	-
(Increase)/decrease in accounts receivables		26 419	(10 543)
Increase/(decrease) in accounts payables		(59 978)	(37 050)
		<u>(106 892)</u>	<u>11 269</u>
CASH FLOWS ON INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	24	(1 155)	-
Work in progress – warehouse construction	23	(18 614)	-
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		<u>(126 661)</u>	<u>11 269</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		145 069	133 800
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	14	<u>18 408</u>	<u>145 069</u>

FAMBIDZANAI PERMACULTURE CENTRE

STATEMENT OF ACCOUNTING POLICIES For the year ended 31 December 2021

1. GENERAL INFORMATION

Fambidzanai Permaculture Centre ("the Entity") is a non-governmental organization training centre registered as a trust in Zimbabwe in 1992. It aims to enrich the quality of for rural and urban communities in Zimbabwe and other regions at large through participatory training in sustainable agriculture.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies will be consistently applied to all the years presented, unless otherwise stated.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards. The financial statements have been prepared on the historical cost basis, from statutory records that are maintained under the historical cost convention and incorporate the principal accounting policies set out below. They are presented in US Dollars.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment

i) Initial Recognition

Property, plant and equipment is carried at historical cost less accumulated depreciation. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and, for qualifying assets (where relevant), borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The capitalized value of a finance lease is also included in property, plant and equipment. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. Gains and losses on disposal of an asset, which are determined by comparing proceeds with carrying amounts, are included in the statement of comprehensive income.

ii) Subsequent measurement

Land and buildings office buildings and staff houses. Land is not depreciated. Depreciation on other assets is calculated using the straight-line method over their estimated useful lives, as follows:

Land	Nil
Buildings	5%
Plant and Equipment	10%
Motor vehicles	20%
Computer equipment	25%
Motor bikes	20%
Furniture and fittings	10%
Kitchen equipment	25%
Bedding and linen	33%
Loose tools	20%
Other	25%

FAMBIDZANAI PERMACULTURE CENTRE

STATEMENT OF ACCOUNTING POLICIES **For the year ended 31 December 2021**

3.2 Biological assets

Biological assets which comprise of living animals and plants are measured at cost on initial recognition and subsequently at fair value less cost to sell.

The Entity recognizes a biological asset or agricultural produce when:

- the entity controls the assets as a result of past events;
- future economic benefit is probable; and
- fair value or cost of asset can be measured reliably.

3.3 Inventories

Inventories are measured at lower of cost and net realizable value on the first-in-first-out basis. Net realizable value is the estimated selling price in the ordinary course of business less the related variable selling expenses.

The cost of inventories comprises of all costs of purchase, costs of publication and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

When inventories are sold, the carrying amount of those inventories are recognized as expenses in the period in which the related revenue is recognized. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write down of loss occurs.

3.4 Account receivables

Accounts receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected within one year, they are classified as current assets. If not, they are presented as non-current assets.

3.5 Cash and cash equivalents

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 and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts.

3.6 Account payables

Accounts payables present obligations to transfer resources embodying economic benefits for goods or services that have been acquired in the ordinary course of business from suppliers. They are classified as current liabilities if settlement or payment is due within one year, otherwise they are classified as non-current liabilities. Accounts payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

FAMBIDZANAI PERMACULTURE CENTRE

STATEMENT OF ACCOUNTING POLICIES For the year ended 31 December 2021

3.7 Employee benefits

a) Terminal benefits

Terminal benefits are payable when employment is terminated by the Entity before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Entity recognizes terminal benefits when it is demonstrably committed to a termination when the Entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the end of the reporting period are discounted to their present value.

b) Short-term employee benefits

These benefits include salaries and related payments, leave pay and medical scheme payments and other employee payments related to employment conditions.

3.8 Revenue recognition

a) Sales of goods

Revenue from the sale of goods is recognized when the Entity satisfies performance obligation. The performance obligation is usually satisfied when significant risks and rewards of ownership of the goods have passed to the buyer (when the goods are physically or constructively delivered) such that the Entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

b) Grant income

This represents funds received or receivable for specific projects or general purpose. The donations are recognized either upon the amounts being credited to the current account of the Entity or upon the transaction being approved by the donor.

c) Interest income

Interest income is recognized on a time-proportion basis using the effective interest rate method. When a receivable is impaired, the Entity reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognized using the original effective interest rate.

3.9 Financial instruments

Classification

The Entity classifies financial assets and financial liabilities into the following categories: Classification depends on the purpose for which the financial instruments were obtained or incurred and takes place at initial recognition. Classification is re-assessed on an annual basis.

FAMBIDZANAI PERMACULTURE CENTRE

STATEMENT OF ACCOUNTING POLICIES For the year ended 31 December 2021

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FAMBIDZANAI PERMACULTURE CENTRE

STATEMENT OF ACCOUNTING POLICIES For the year ended 31 December 2021

Initial recognition and measurement

Financial instruments are recognised initially when the Entity becomes a party to the contractual provisions of the instruments.

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

Financial instruments are measured initially at fair value.

For financial instruments which are not at fair value through surplus and deficit, transition costs are included in the initial measurement of the instrument.

Subsequent measurement

Financial instruments at fair value through surplus or deficit are subsequently measured at fair value with gains and losses arising from changes in fair value being included in surplus or deficit for the period.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investment have expired or have been transferred and the Entity has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

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

Impairment losses are recognised in surplus or deficit.

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

Where financial assets are impaired through use of an allowance account, the amount of the loss recognized in surplus or deficit within operating expenses. When such assets are written off, the write off is made against relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

3.10 Impairment of assets

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

FAMBIDZANAI PERMACULTURE CENTRE

STATEMENT OF ACCOUNTING POLICIES

For the year ended 31 December 2021

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss. An Entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated. The increased carrying amount of an asset other than goodwill attributed to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

3.11 Provisions

Provisions are recognised when:

- The Entity has a present obligation as a result of a past event
- It is probable that the Entity will be required to transfer economic benefits in settlement; and
- The amount of the obligation can be estimated reliably.

3.12 Translation of foreign currencies

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

At the end of the reporting period:

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

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

When a gain or loss on a non-monetary item is recognized to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognized to other comprehensive income and accumulated in equity.

When a gain or loss on a non-monetary item is recognized in surplus or deficit, any exchange component of that gain or loss is recognized in surplus or deficit.

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

FAMBIDZANAI PERMACULTURE CENTRE

STATEMENT OF ACCOUNTING POLICIES For the year ended 31 December 2021

4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Entity's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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.

In particular, the Entity has identified the following areas where significant judgments, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements.

4.1 Going concern

The board of trustees assess the ability of the Entity to continue as a going concern at the end of each financial year. The assessment involves making assumptions in the budgets and forecasts and the consideration of the remaining life of the mine.

4.2 Depreciation

The Entity's management determines the useful lives, residual values and related depreciation charges for its property, plant and equipment. This estimate is based on projected lives of these assets. Estimates of economically recoverable reserves are used in determining the depreciation and/or amortisation charges for mine specific assets. This results in a depreciation/amortisation charge proportional to the depletion of the anticipated production over the remaining life of mine. Each item's life, which is assessed annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves of the mine property at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. Changes in estimates are accounted for prospectively. Refer to note 23 for the carrying amount of property, plant and equipment and accounting policy note 3.1 for the useful lives of property, plant and equipment.

4.3 Inventories

Net realisable value tests are performed at each reporting date and represent the estimated future sales price of the product the entity expects to realise when the product is processed and sold, less estimated costs to complete production and bring the product to sale. Where the time value of money is material, these future prices and costs to complete are discounted.

4.4 Contingencies

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

FAMBIDZANAI PERMACULTURE CENTRE

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

1 INCORPORATION

Fambidzanai Permaculture Centre ("the Entity") is a non-governmental organization training centre and operates as a branch of the Zimbabwe Institute of Permaculture ("ZIP"). ZIP was registered a trust in Zimbabwe in 1992. The Entity aims at enriching the quality of for rural and urban communities in Zimbabwe and other regions at large through participatory training in sustainable agriculture.

	2021	2020
	US\$	US\$
2 GRANTS RECEIVED		
Bread For The World (See note 2.1)	171 261	224 185
Dan Church Aid	-	64 763
Isle on Man	-	226 703
Pelum Zimbabwe	9 490	2 500
Trocaire	59 650	57 185
Tudor Trust	20 404	16 891
Garden Africa	4 357	-
Practical Action	23 976	-
FAO	19 825	-
Lush	27 356	-
	336 319	592 227

2.1 Grants received – Bread For The World

During the year, in addition to cash grants, the Entity received a motor vehicle valued at US\$24 836 from the donor. Funds amounting to US\$24 836 were transferred directly to the supplier of the vehicle by the donor. The motor vehicle remained the property of the donor during the project implementation period and was donated to the Entity on the 16th of February 2022 (See note 22).

3 FAMBIDZANAI PERMACULTURE CENTRE CONTRIBUTION

Contribution towards Bread For The World projects	12 944	31 315
	12 944	31 315

4 GROSS INCOME FROM TRADING ACTIVITIES

Sales-Training services		
Accommodation	680	6 029
Application fee	419	155
Books and handouts	40	20
Chickens	328	1 254
Consultancy services	1 215	-
Dryland	570	108
Ducks	-	50
Eggs	85	1
Facilitation booking fees	375	-

FAMBIDZANAI PERMACULTURE CENTRE

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

	2021 US\$	2020 US\$
Facilitation fees	54 449	
Fish	547	
Food	938	
Garden tours income	20	
Goat	-	
Herbs and Trees	-	4 631
Lands-InterD	-	1 150
Mushroom	1	7 200
Nursery trees and herbs	4 780	
Orchard section	30	
Pigs	-	2 100
Training and classroom bookings	1 542	
Tuition fee	25 825	16 300
Vegetables	246	
Vehicle hire income	510	
	<hr/>	<hr/>
	92 600	37 150
Cost of sales-Training services		
Accommodation	6	
Diploma - students hospitality	11 903	3 500
Diploma - allowances	16 379	
Diploma costs	2 948	7 400
Direct labour - catering	545	
Direct labour - dryland	80	7 400
Direct labour - garden	47	
Direct labour - demo garden	20	
Direct labour - livestock	142	
Facilitators sub-contracting - training	19 469	8 400
Hiring costs - chairs and tents	-	4 400
Perdiems - training services	16 089	12 400
Purchases - catering	3 342	2 100
Purchases - course materials	946	2 400
Purchases - demo garden	140	
Purchases - garden	737	8 400
Purchases - livestock feeds	2 601	4 400
Purchases - livestock	987	5 400
Purchases - nursery	2 138	1 400
Purchases - orchard	16	
Purchases - administration	-	5 400
Purchases - dryland	249	
Stock adjustment-garden	14	
Stock adjustment-livestock	182	(25 400)

FAMBIDZANAI PERMACULTURE CENTRE

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

	2021 US\$	2020 US\$
Stock adjustment-nursery	(695)	-
Stock adjustment-publication	839	100
Travel and accommodation - training services	11 911	6
	<u>91 035</u>	<u>16 267</u>
Gross profit	1 565	20 931
Other income		
Contribution central administration	6 125	38 820
Auction disposal income	972	-
Electricity income	130	-
Facilities bookings	-	20
Garden tours income	-	1 506
Interest earned on staff loan	-	34
Interest received	-	174
Other sundry receipts	-	8 319
Rental income	6 600	3 780
Rental income allocations to third parties	(3 771)	-
Token of appreciation – training	-	7
Vehicle hire	-	200
	<u>10 056</u>	<u>52 860</u>
	11 621	73 791
5 PROGRAMME EXPENSES		
Bread For The World	290 795	193 156
Dan Church Aid project	-	63 318
Isle on Man project	24 326	238 079
Pelum project	9 455	6 280
Trocaire project	57 651	58 776
Tudor Trust project	19 834	14 690
	<u>402 061</u>	<u>574 299</u>
6 LANDS COSTS		
Land levy	-	505
Repairs and maintenance	120	2 288
Staff costs	6 493	2 200
General expenses	300	1 881
	<u>6 913</u>	<u>6 874</u>

FAMBIDZANAI PERMACULTURE CENTRE

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

	2021 US\$	2020 US\$
7 CATERING AND ACCOMODATION COSTS		
Accommodation costs	600	300
Administration costs	-	-
Repairs and maintenance costs	-	500
Staff costs	-	-
	<u>600</u>	<u>500</u>
8 TRAINING COSTS		
Administration costs	-	800
General expenses	560	300
Motor vehicles costs	-	-
Repairs and maintenance costs	-	-
Staff costs	4 030	-
	<u>4 590</u>	<u>1 100</u>
9 EMPLOYEE BENEFIT COSTS		
Land staff costs	-	800
Severance pay	4 788	-
NSSA contribution	6 961	700
Salaries and wages	-	400
Transport allowance	-	-
	<u>11 749</u>	<u>2 900</u>
10 ADMINISTRATION EXPENSES		
Accrued audit fee expense – for 2021 institutional audit	1 720	1 720
Audit fees – projects audit	2 203	1 720
Advertisement expenses	199	-
Bank charges	2 451	-
Board directors and management fees	-	-
Buildings levy	173	-
Cleaning and toiletry	242	-
Computer expenses	701	-
Consultancy fees	680	-
Depreciation	10 711	10 711
Diploma allowances	-	120
Electricity and water	200	-

FAMBIDZANAI PERMACULTURE CENTRE

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

	2021	2020
	US\$	US\$
Exchange rate loss	1 323	7 536
General repairs and maintenance	2 171	-
Internet and related costs	1 425	783
Movement in leave pay provision	2 402	(24 367)
Levies - boreholes	-	69
Motor vehicle fuel and oils	3 547	1 276
Motor vehicle license and insurance	130	30
Motor vehicle repairs and maintenance	1 396	1 564
Perdiem	150	30
Personal protective equipment	3 015	-
Plumbing and electrical repairs and maintenance	-	416
Printing stationery and photocopying	285	20
Security costs	2 850	-
Staff training and development	162	20
Staff uniforms and protective clothing and safety costs	102	128
Staff welfare	239	122
Other staff allowances	400	-
Telephone and fax	1	207
Token of appreciation – perdiem	710	-
Token of appreciation – programs	9 050	90
Travelling costs	732	-
Transport hire	-	80
Vehicle hire expenses	740	395
Membership subscription fees	1 021	-
Legal fees and fines	52	-
Grant refunded to donor	177	-
FPC own fund contribution expense	6 216	-
Profit / loss on disposal of assets	2 105	-
Salaries and wages	820	-
Transport allowance	40	-
	60 541	14 989
11 INVENTORIES		
Repairs and maintenance tools	-	1 160
Livestock	1 066	1 248
Publications	3 260	4 099
Garden and nursery	4 880	4 186
	9 206	10 693

FAMBIDZANAI PERMACULTURE CENTRE

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

	2021 US\$	2020 US\$
12 BIOLOGICAL ASSETS		
Valuation at the beginning of the year	944	6
Decrease owing to sales	(944)	(7)
Decrease owing to death	-	(12)
Increase owing to births	-	-
Increase owing to purchases	-	5
	<u>-</u>	<u>9</u>
13 ACCOUNTS RECEIVABLES		
Trade	2 071	18 6
Other (See note 13.1)	15 035	24 9
	<u>17 106</u>	<u>43 5</u>
13.1 Other receivables		
Staff loans	2 802	3 0
Salary advances	2 411	2 4
Staff project advances	9 822	19 3
	<u>15 035</u>	<u>24 9</u>
14 CASH AND CASH EQUIVALENTS		
Cash and bank balances	18 408	145 0
	<u>18 408</u>	<u>145 0</u>
15 ACCOUNTS PAYABLES		
NSSA	563	12 1
Collector of taxes	1 505	9 0
Payroll liabilities	-	41 6
Accrued project and institutional audit fees	3 937	3 2
	<u>6 005</u>	<u>65 9</u>

FAMBIDZANAI PERMACULTURE CENTRE

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

		2021 US\$	2020 US\$
16	SHORT-TERM PROVISIONS		
	Movement during the year		
	US\$		
	Leave pay	22 022	19 620
	Gratuities payable	40 329	3 671
		<u>62 351</u>	<u>23 291</u>

17 PRIOR PERIOD ERROR

17.1 Understatement of accounts receivable

Accounts receivables for the year ended 31 December 2020 was understated by US\$4 225 which related to invoices which were not entered into the accounts receivables and corresponding revenue account but amounts received from the client was credited into the accounts receivable account effectively reducing the standing balance. The error was corrected in the current period by increasing accounts receivable and increasing the balance of opening accumulated funds by the same amount. The effect of this adjustment is summarized below;

Increase in accounts receivable	4 225
Increase in accumulated funds	4 225

18 GOING CONCERN

The Trustees have assessed the ability of the Entity to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is appropriate. The ability of the Entity to continue as a going concern is dependent on a number of factors. The most significant of these is that the trustees continue to procure funding from different donors for ongoing operations of the Entity.

19 PENSION ARRANGEMENTS

19.1 National Social Security Authority Scheme

As required by the legislation, all employees are members of the National Social Security Authority Scheme to which both the employees and the employer contribute.

20 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The considered view of the Entity is that the fair values of the financial assets and financial liabilities of the Entity as at 31 December 2021 approximate the values shown in the statement of financial position as at that date.

FAMBIDZANAI PERMACULTURE CENTRE

**NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021**

21 TREASURY AND FINANCIAL RISK MANAGEMENT

The main risks arising from the Entity's operations are credit risk, liquidity and cash flow risk.

21.1 Credit risk

This is the risk that banks that the Entity use for its operations may default.

21.2 Liquidity and cash flow risk

This is the risk of insufficient liquid funds being available to cover the Entity's commitments. The cash resources available to the Entity as at 31 December 2021 are considered adequate to meet its short-term liquidity and cash flow requirements.

22 EVENTS AFTER REPORTING DATE

22.1 Donated non-current assets

The Entity received donations from two of the donors on the 12th of January 2022 and 16th of February 2022. The donations comprised items of non-current assets as detailed below:

Date Of donation	Asset description	Serial number	Date Of purchase	Purchase cost US\$
12 January 2022	Toyota Hilux	Reg – AFE5830	30/10/2018	20 000.00
12 January 2022	Dell laptop	GZ1D9L2	30/10/2018	679.52
12 January 2022	Dell laptop	FBVC9L2	30/10/2018	679.52
12 January 2022	HP laptop	CND827369L	30/10/2018	737.67
12 January 2022	Printer canon	WTW78077	30/10/2018	343.69
12 January 2022	Camera canon	0630700172213	30/10/2018	411.65
12 January 2022	CPU	4CE8042B6V	29/09/2018	202.19
12 January 2022	Monitor	3CQ747198S	29/09/2018	202.18
16 February 2022	Toyota Hilux	AFU6024	1/11/2021	24 836.00
TOTAL				48 092.42

23 WORK IN PROGRESS - HOSTEL CONSTRUCTION

Costs incurred during the year 18 614

18 614

23.1 During the year, the Entity constructed a hostel building which was not yet complete as at year end. The hostel building will be for accommodating students.

FAMBIDZANAI PERMACULTURE CENTRE

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

24 PROPERTY, PLANT AND EQUIPMENT

24.1 Cost/valuation

	Land US\$	Buildings US\$	Plant & Equipment US\$	Motor Vehicles US\$	Computer Equipment US\$	Motor Bikes US\$	Sub Total US\$
As at 31 December 2020	880 000	121 345	17 171	58 245	20 697	8 768	1 106 226
Additions	-	-	-	-	390	-	390
Disposals	-	-	-	-	(90)	(120)	(210)
As at 31 December 2021	880 000	121 345	17 171	58 245	20 997	8 648	1 106 406

24.2 Depreciation

As at 31 December 2020	-	58 048	14 624	52 045	20 247	8 368	153 332
Disposals	-	-	-	-	(90)	(120)	(210)
Charge for the year	-	6 067	1 717	1 240	164	66	9 254
As at 31 December 2021	-	64 115	16 341	53 285	20 321	8 314	162 376

24.3 Net book amount

As at 31 December 2021	880 000	57 230	830	4 960	676	334	944 030
As at 31 December 2020	880 000	63 297	2 547	6 200	450	400	952 894

FAMBIDZANAI PERMACULTURE CENTRE

NOTES ON THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

24 PROPERTY, PLANT AND EQUIPMENT [CONTINUED]

24.1 Cost/valuation

	Sub Total b/f/f US\$	Furniture & Fittings US\$	Kitchen Equipment US\$	Bedding & Linen US\$	Loose Tools US\$	Other Fixed Assets US\$	Grand Total US\$
As at 31 December 2020	1 106 226	7 378	866	6 600	2 072	3 398	1 126 540
Additions	390	-	415	-	350	-	1 155
Disposals	(210)	-	-	-	-	-	(210)
As at 31 December 2021	1 106 406	7 378	1 281	6 600	2 422	3 398	1 127 485

24.2 Depreciation

As at 31 December 2020	153 332	6 471	666	6 380	1 952	2 898	171 699
Disposals	(210)	-	-	-	-	-	(210)
Charge for the period	9 254	738	59	73	87	500	10 711
As at 31 December 2021	162 376	7 209	725	6 453	2 039	3 398	182 200

24.3 Net book amount

As at 31 December 2021	944 030	169	556	147	383	-	945 285
As at 31 December 2020	952 894	907	200	220	120	500	954 841