



NOTICE FOR 3RD ANNUAL GENERAL MEETING

DATE:	FRIDAY 13 DECEMBER 2024
TIME:	1000HRS
VENUE:	NCC BOARDROOM



NOTICE is hereby given that the 3rd Annual General Meeting of the National Competitiveness Commission (NCC) will be held on Friday 13 December 2024 at 1000hours at the National Competitiveness Commission Board Room, No. 1 Adylinn Road, Agriculture House, Harare for the purpose of transacting the following business:-

1. ORDINARY BUSINESS

- a. The Chairpersons welcome remarks
- b. Quorum of the Meeting
- c. Adoption of the Notice and Agenda convening the Annual General Meeting
- d. Confirmation of Minutes of the 2nd Annual General Meeting held on 7 December 2023
- e. Matters arising from the minutes of the 2nd Annual General Meeting held on 7 December 2023

2. CORPORATE REPORTS

To receive the following Corporate Reports for the year under review:

a. CHAIRPERSON'S REPORT

To receive and consider for adoption the Chairperson's report

b. CEO'S REPORT

To receive and consider for adoption the Operations Report from the CEO.

c. FINANCIAL REPORT

To receive and consider for adoption the Financial Report from the Finance Manager.

d. COMPLIANCE REPORT

To receive and consider for adoption the Compliance Report from the Company Secretary.

e. AUDIT REPORT

- i. To receive and consider for adoption the Audit Report from the External Auditors for the year ended 31 December 2023.
- ii. To approve the External Auditors' remuneration for the year ended 31 December 2023.
- iii. To confirm the re-appointment of the Auditor General or their appointee firm as external auditors for the ensuing year.

3. DIRECTORS FEES

To confirm the board fees and sitting allowances paid to the Non-Executive Board Members under size 5, breakeven, (Circular 3 of 2023) during the financial year ended 31 December 2023.

4. CONFIRMATION OF RESOLUTIONS

To confirm and reaffirm the resolutions passed at the Annual General Meeting.

5. LINE MINISTER'S STATEMENT

To receive a statement from the line minister or their representative on the year under review and their expectations for the ensuing year(s).

6. CLOSING REMARKS

7. END OF MEETING

NATIONAL COMPETITIVENESS COMMISSION

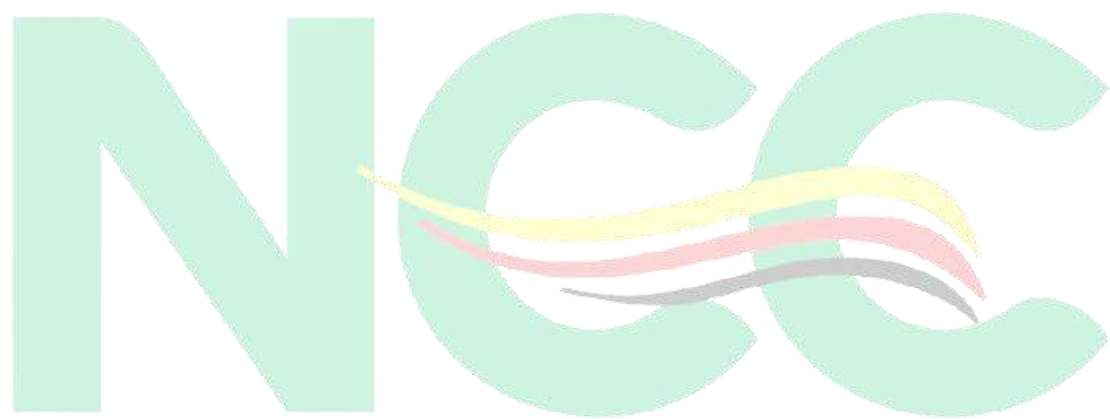
By Order of the Board

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LOYCE R. KAGURABADZA
WECORPORATE SECRETARY

Notes

1. Members who wish to attend the meeting through virtual media should contact the Corporate Secretary on: loyce@ncc.co.zw 0775836859.
2. The Annual Report and Audited Financials will be available of the NCC website.



NATIONAL COMPETITIVENESS COMMISSION

**MINUTES OF THE 2nd ANNUAL
GENERAL MEETING HELD ON
THE 7 DECEMBER 2023**

MINUTES OF THE NATIONAL COMPETITIVENESS COMMISSION ANNUAL GENERAL

VENUE: STANDARDS DEVELOPMENT FUND MAIN BOARD ROOM

Number: 1 Adylinn Road, Marlborough

Harare

DATE: 7 DECEMBER 2023

PRESENT

Mr. C. Msipa	Acting Chairperson
Mr. C. Mujajati	Commissioner
Dr. D. Ndhukula	Commissioner
Mrs. Machiri	Ministry of Industry and Commerce
Mrs. Dzimwasha	Ministry of Industry and Commerce
Mrs. Sakala	Corporate Governance Unit
Mr. Thomas Chidavaenzi	Office of Auditor General
Mr. Zvenyika Chakurira	Office of Auditor General
Mrs. Monalisa Makaranga	Standards Development Fund Treasury
	Ministry of Foreign Affairs & International Trade
	Reserve Bank of Zimbabwe

APOLOGIES

Ms. E. Nyagura	Commissioner
Mr. E. Murwira	Commissioner
Dr. G. Chigumira	Commissioner
Mr. J. Psillos	Commissioner
Ms. E. Ruparanganda	Commissioner
Mrs. T. Mutaviri	Commissioner

DELIBERATIONS

Item	Matter
1.	<p>INTRODUCTION</p> <ul style="list-style-type: none"> • The National Competitiveness Commission's (NCC) inaugural Annual General Meeting (AGM) was held at the SDF Main Board Room in Harare on the 7th of December 2023.
2.	<p><i>REVIEW OF THE PREVIOUS MINUTES</i></p> <ul style="list-style-type: none"> • The previous minutes were reviewed and there were no amendments. • Mrs Sakala proposed and the Acting Chairperson seconded thus the minutes were adopted as the correct and true record.
3.	<p><i>CHAIRMANS REMARKS 2022</i></p> <ul style="list-style-type: none"> • The Acting Chairman gave a rundown of the programs from the Commission that were affected by the COVID-19 pandemic in the year 2022. • He stated that although the COVID-19 pandemic has subsided, the macroeconomic challenges characterized by exchange rate volatility eroded the Commission's annual budget, thereby negatively affecting some of the Commission's programs. • The Commission successfully launched the 2021 Zimbabwe Competitiveness Report (ZCR) and developed the 2022 ZCR, in line with its mandate to produce annually benchmarked reports. • Additionally, the Commission effectively practiced good corporate governance and held all the Board meetings for every quarter. • The Acting Chairman expressed his sincere gratitude and appreciation to the valued stakeholders for their confidence in the Commission. He also extended his gratitude to the NCC Board of Commissioners, employees, management, and executive team for their passion, commitment, and dedication to achieving a high-performance culture and ensuring the Commission continues to grow.
4.	<p><i>DIRECTORS REPORT</i></p> <ul style="list-style-type: none"> • The following NCC key milestones for the period under review were highlighted by the Executive Director: <ul style="list-style-type: none"> a) The 2022 Zimbabwe Competitiveness Report was produced by the Commission, and although it was delayed in its publishment it was thus launched on the Commission's website in August 2021.

	<ul style="list-style-type: none"> b) The Commission also established various value chains to mention but a few are the Sugar value chain and Leather Value Chain. c) Inevitably after the production of each value chain, competitiveness labs were also set up. d) The Commission managed to secure funding for the Regulatory Impact Assessment. e) The Commission managed to hold Competitiveness Seminars and a number of crucial issues were raised in terms of reviewing existing regulations. f) The Commission managed to attain a staff complement of 23 out of 29 employees, the five employees could not be secured due to lack of funds. g) The Commission's performance is evaluated every quarter and for the year 2022, the Commission scored an overall 4.8 out of 6. h) The Commission has two functional pool vehicles, five non-runner vehicles, and limited office space. i) One of the major disadvantages is that Cabinet memos take too long to be processed.
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<p>5.</p>	<p><i>Auditor General</i></p> <p>Audit Report</p> <ul style="list-style-type: none"> • The Commission's financials were finalized timeously in 2022. • The Auditor General passed a clean opinion regarding the operations of the Commission. • However, some material uncertainties were raised by the Auditor General especially that even if the Commission met current liabilities there are not enough financial resources in general. • Subsequently, they concurred that the above does not mean the Commission is not a going concern and that the Commission can operate. <p><i>Report on legal implications</i></p> <ul style="list-style-type: none"> • There were no legal issues that were brought up or any non-compliance with any statutory instruments. • Only material uncertainty was noted due to financial uncertainty.
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	<p>Resolutions</p> <ul style="list-style-type: none"> • The Executive Director is to furnish the Final Audit Report to the stakeholders
6.	<p><i>CORPORATE GOVERNANCE UNIT RECOMMENDATIONS</i></p> <ul style="list-style-type: none"> • The Corporate Governance Unit recommended that the Commission must share all financial statements within 21 days of being issued. • Tentatively the Annual General Meeting must be held between June and September. • Before the Annual General Meeting the full pack consisting of previous minutes, agenda, and financials must be shared with the stakeholders at least 14 days before.
7.	<p><i>DELIBERATIONS</i></p> <ul style="list-style-type: none"> • The Ministry of Industry and Commerce commended the Commission that the Auditor General’s office gave a clean Audit opinion. Further, the Executive Director was urged to look for additional or alternative funding for the Commission's programs. • The Corporate Governance Unit urged the Commissioners to attend the AGM as non-attendance will evaluate the Annual General Meeting to be a weak meeting, the Acting Chairman echoed that the Annual General Meeting was originally scheduled for the 4th of December 2023 which other Commissioners attended. <p>Resolution</p> <ul style="list-style-type: none"> • It was resolved that at the beginning of the year, the Annual General Meeting shall have a tentative date shared with all stakeholders.
8.	<p><i>ANY OTHER BUSINESS</i></p> <p><u>Level of Director's Fee 2022</u></p> <ul style="list-style-type: none"> • The Executive Director explained that the Director's fees were paid according to the Corporate Governance Unit circular. <p><u>Auditors Fees 2022</u></p> <ul style="list-style-type: none"> • The Auditors charged the Commission USD9010 payable at the Zimbabwe interbank rate of the day.

	<ul style="list-style-type: none"> • After a meeting was conducted between the Audit Committee and the Auditor General, the amount which was agreed was USD 8000. • The Auditor General proposed their fees in the meeting, Commissioner Ndhlukula seconded, thus the fee was agreed upon. <p><u>Auditors Fees 2023</u></p> <ul style="list-style-type: none"> • The Auditor General clarified that the Law of Zimbabwe according to the Finance Act the Auditor General is meant to audit or cause to audit. • The Corporate Governance Unit asked how long the Auditor General office has been auditing the Commission. • The Auditor General representative replied that they have been auditing the Commission and the past 5-year period is only prescribed if it is another company and not the Auditor General auditing a public entity. • It was resolved that the Commission appointed the Auditor General as the Commission's auditors for the following year.
9.	<p>The A/Chairman thanked everyone who was in attendance for their participation.</p>
	<p>The end of the Annual General Meeting at 14.55.</p>



Chairperson of the National Competitiveness Commission

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Date

**FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31
DECEMBER 2023**

All communication should be addressed to:

The Auditor-General
P. O. Box CY 143, Causeway, Harare
Telephone 263-242-793611/3/4
Telegrams: AUDITOR
E-mail: oagzimbabwe263@gmail.com
Website: www.auditorgeneral.gov.zw



OFFICE OF THE AUDITOR-GENERAL
5th Floor, Burroughs House,
48 George Silundika Avenue,
Harare

Ref: SB174

**REPORT OF THE AUDITOR GENERAL
TO
THE MINISTER OF INDUSTRY AND COMMERCE
AND
THE BOARD OF COMMISSIONERS
IN RESPECT OF THE FINANCIAL STATEMENTS OF THE
NATIONAL COMPETITIVENESS COMMISSION
FOR THE YEAR ENDED DECEMBER 31, 2023**

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of National Competitiveness Commission, as set out on pages 5 to 25 which comprise the statement of financial position as at December 31, 2023, and the statement of profit or loss and other comprehensive income, the statement of changes in reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Competitiveness Commission as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

NATIONAL COMPETITIVENESS COMMISSION
AUDIT REPORT IN RESPECT OF THE FINANCIAL STATEMENTS
For the year ended December 31, 2023

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

Material uncertainty related to going concern

I draw attention to Note 19 to the financial statements which indicates that the Commission incurred deficit of ZWL\$ 2 billion (2022: ZWL\$ 365.3 million) and had a net liability of ZWL \$372.9 million as at December 31, 2023. These conditions indicate the existence of a material uncertainty that may cast significant doubt into Commission's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the National Competitiveness Commission for the year ended December 31, 2023. These matters were addressed in the context of my audit of the Commission's financial statements as a whole and in my opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there are no key audit matters to communicate in my report.

Other Information

The Commission's Management is responsible for the Other Information. The Other Information comprises all the information in the Commission's 2023 annual report other than the financial statements and my auditor's report thereon.

My opinion on the Commission's financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

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

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

The Commission's Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs) and in a manner required by the National Competitiveness Commission Act [Chapter 14:36] and Public Finance Management Act [Chapter 22:19] and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

NATIONAL COMPETITIVENESS COMMISSION
AUDIT REPORT IN RESPECT OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

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

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

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

Report on Other Legal and Regulatory Requirements

In my opinion, the financial statements have, in all material respects, been properly prepared in compliance with the disclosure requirements of the National Competitiveness Commission Act [Chapter 14:36], Public Finance Management Act [Chapter 22:19] and other relevant Statutory Instruments.

29 October, 2024.



R. KUJINGA,
ACTING AUDITOR – GENERAL.

NATIONAL COMPETITIVENESS COMMISSION

STATEMENT OF FINANCIAL POSITION

as at December 31, 2023

ASSETS	Note	Inflation adjusted		Historical cost	
		2023 ZWL \$	2022 ZWL \$	2023 ZWL \$	2022 ZWL \$
Non-current assets		7 759 762 694	614 531 564	6 110 049 366	483 883 122
Property, plant and equipment	4	496 720 167	46 282 448	391 118 242	36 442 873
Right of use asset	5	7 263 042 527	568 249 116	5 718 931 124	447 440 249
Current assets		536 648 849	29 131 163	482 353 076	22 937 924
Prepayments	6	210 047 065	4 533 090	165 391 390	3 569 362
Inventory	8	45 344 163	5 797 547	35 704 065	4 564 998
Trade and other receivables	7	27 581 753	-	27 581 753	-
Cash and cash equivalents	9	253 675 868	18 800 526	253 675 868	14 803 564
Total Assets		8 296 411 543	643 662 727	6 592 402 442	506 821 046
RESERVES AND LIABILITIES					
Reserves		(2 388 583 524)	(310 865 153)	(1 899 305 392)	(244 775 712)
Non distributed reserve		13 015	13 015	10 246	10 246
Revaluation reserve		7 878 063	7 878 063	6 203 199	6 203 199
Accumulated fund		(2 396 474 602)	(318 756 231)	(1 905 518 837)	(250 989 157)
Non-current liabilities		9 775 477 493	766 779 959	7 697 226 372	603 763 749
Lease liability		9 297 577 665	725 458 436	7 320 927 295	571 227 115
Deferred income	10	477 899 828	41 321 523	376 299 077	32 536 634
Current liabilities		909 517 575	187 747 921	794 481 462	147 833 009
Trade and other payables	11	322 033 713	108 750 516	322 033 713	85 630 328
Lease liability		541 095 793	51 465 309	426 059 680	40 523 865
Provisions	12	46 388 069	27 532 096	46 388 069	21 678 816
Total reserves and liabilities		8 296 411 543	643 662 727	6 592 402 442	506 821 046

25/09/, 2024.

25/09/, 2024.

25/10/, 2024.

E. Mwonzo

E. Mwonzo, (Bachelor of Science Honours Degree in
Accountancy, ACCA -Strategic professionals)
(FINANCE MANAGER).

P. Phiri

(EXECUTIVE DIRECTOR).

P. Chimuka

(ACTING BOARD CHAIRPERSON)

NATIONAL COMPETITIVENESS COMMISSION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended December 31, 2023

	Note	Inflation adjusted		Historical cost	
		2023	2022	2023	2022
		ZWL \$	ZWL \$	ZWL \$	ZWL \$
INCOME		4 417 698 593	400 296 960	3 478 502 830	315 194 457
Government grant	13	4 146 079 154	365 353 600	3 264 629 256	287 680 000
Other income	14	271 619 439	34 943 360	213 873 574	27 514 457
EXPENDITURE		(6 527 458 089)	(765 646 156)	(5 133 032 509)	(602 870 989)
Administration costs	15	(4 791 248 229)	(404 588 925)	(3 782 742 303)	(318 573 957)
Employment costs	16	(1 736 209 860)	(361 057 231)	(1 350 290 206)	(284 297 032)
Deficit before monetary gain / (loss)		(2 109 759 496)	(365 349 196)	(1 654 529 679)	(287 676 532)
Net monetary gain		32 041 125	-	-	-
Deficit for the year		(2 077 718 371)	(365 349 196)	(1 654 529 679)	(287 676 532)
Other comprehensive income		-	-	-	-
Total comprehensive income /(deficit)		(2 077 718 371)	(365 349 196)	(1 654 529 679)	(287 676 532)

NATIONAL COMPETITIVENESS COMMISSION

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED DECEMBER 31, 2023

Inflation Adjusted

	Non distributable reserve	Revaluation reserve	Accumulated fund	Total
	ZWL \$	ZWL \$	ZWL \$	ZWL \$
Opening balance as at January 1, 2022	13 015	7 878 063	46 592 965	54 484 043
Deficit for the year	-	-	(365 349 196)	(365 349 196)
Closing balance as at December 31, 2022	13 015	7 878 063	(318 756 231)	(310 865 153)
Opening balance as at January 1, 2023	13 015	7 878 063	(318 756 231)	(310 865 153)
Deficit for the year	-	-	(2 077 718 371)	(2 077 718 371)
Closing balance as at December 31, 2023	13 015	7 878 063	(2 396 474 602)	(2 388 583 524)

Historical Cost

	Non distributable reserve	Revaluation reserve	Accumulated fund	Total
	ZWL \$	ZWL \$	ZWL \$	ZWL \$
Opening balance as at January 1, 2022	10 246	6 203 199	36 687 375	42 900 820
Deficit for the year	-	-	(287 676 532)	(287 676 532)
Closing balance as at December 31, 2022	10 246	6 203 199	(250 989 157)	(244 775 712)
Opening balance as at January 1, 2023	10 246	6 203 199	(250 989 157)	(244 775 712)
Deficit for the year	-	-	(1 654 529 679)	(1 654 529 679)
Closing balance as at December 31, 2023	10 246	6 203 199	(1 905 518 837)	(1 899 305 392)

NATIONAL COMPETITIVENESS COMMISSION

STATEMENT OF CASH FLOWS

as at December 31, 2023

	Note	Inflation Adjusted		Historical Cost	
		2023 ZWL \$	2022 ZWL \$	2023 ZWL \$	2022 ZWL \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Net cash inflow / (outflow) from operating activities		599 967 534	(21 701 497)	473 383 653	(17 087 792)
Cash generated from operations		632 063 161	(149 775 316)	479 156 566	(117 933 319)
Deficit for the year		(2 077 718 371)	(365 349 196)	(1 654 529 679)	(287 676 532)
Adjustments for: non cash items					
Depreciation - property, plant and equipment	4	90 154 855	16 338 678	70 988 075	12 866 046
Depreciation - rights of use asset	5	1 815 760 632	142 062 279	1 429 732 781	111 860 062
Amortisation of deferred income	10	(104 014 271)	(13 859 416)	(81 901 001)	(10 912 926)
Finance cost		807 830 318	71 031 139	714 866 391	55 930 031
Working capital changes					
Increase in trade and other payables	11	213 233 197	104 850 047	236 403 385	82 559 093
Increase in provisions	12	18 358 973	24 984 631	24 709 253	19 672 938
Increase in inventory	8	(31 139 666)	(3 430 203)	(31 139 088)	(2 740 318)
Increase in trade and other receivables	7	(27 581 753)		(27 581 753)	
(Increase)/ decrease in prepayments	6	(205 513 976)	1 719 344	(208 164 731)	1 353 815
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash outflows from investing activities		(345 205 984)	(2 653 374)	(271 915 736)	(2 089 271)
Purchase of property, plant and equipment	4	(345 205 984)	(2 653 374)	(271 915 736)	(2 089 271)
CASH FLOW FROM FINANCING ACTIVITIES					
Lease payments		(148 010 018)	(4 418 789)	(118 543 321)	(3 479 362)
Donations		195 396 509		153 847 708	
increase in cash and cash equivalents		302 138 121	(28 773 660)	238 872 304	(22 656 425)
Cash and cash equivalents at the beginning of the year		18 800 526	47 574 186	14 803 564	37 459 989
Effects of changes in monetary value		(67 262 779)			
Cash and cash equivalents at the end of the year	9	253 675 868	18 800 526	263 675 868	14 803 564

NATIONAL COMPETITIVENESS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2023

1. NATURE OF BUSINESS

The Commission was established in terms of the National Competitiveness Commission Act [Chapter 14:36]. Its core function is to enable a competitive environment for Zimbabwean businesses through the development, coordination, and implementation of key policy improvements. The Commission's domicile is at number 1 Adylinn road, Agriculture house, Malborough, Harare.

2. BASIS OF PREPARATION

2.1. Statement of compliance

The financial statements for the year ended December 31, 2023 have been prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB).

2.2. Basis of measurement

The financial statements are based on the statutory records that are maintained under the historical cost convention and adjusted to reflect the general purchasing power for fair presentation with the International Accounting Standard (IAS) 29 - "Financial Reporting in Hyper inflationary Economies". The inflation adjusted are the primary financial statements.

The Public Accountants and Auditors Board advised that the country had met all conditions of a hyper inflationary economy effective from July 1, 2019. The comparative figures have been adjusted to take this into account. The Zimbabwe Consumer Price Indices (CPIs) presented below, as compiled by the Zimbabwe Central Statistical Office (CSO), have been applied in adjusting the historical financial statement figures as required per IAS 29 - "Financial Reporting in Hyper inflationary Economies". The indices used to restate the financial statements as at December 31, 2023 are given below:

Month	Indices	Conversion Factor
December 2022	89.49	
January 2023	89.49	1.00
February 2023	86.15	0.96
March 2023	85.87	0.96
April 2023	87.19	0.97
May 2023	89.50	1.00
June 2023	100.33	1.12
July 2023	101.36	1.13
August 2023	100.00	1.12

NATIONAL COMPETITIVENESS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2023

September 2023	100.95	1.13
October 2023	103.44	1.16
November 2023	108.13	1.21
December 2023	113.22	1.27

2.3. Functional and presentation currency

These financial statements are presented in Zimbabwean Dollar (ZWL \$) which is the functional currency during the reporting period. All the financial information presented has been rounded to the nearest dollar.

The financial statements has been presented in Zimbabwean dollars("ZWL") in order to comply with laws and regulations particularly Statutory Instrument 33 of 2019 (SI33) and after taking into account guidance on the matter by the Public Accountants and Auditors Board (PAAB) issued on March 21, 2019.

2.4. Critical accounting judgments, assumptions and estimates

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

2.4.1. Impairment

At each statement of financial position date, the Commission reviews the carrying amount of its assets to determine whether there is an indication that those assets suffered any impairment. If any such indication exists, the recoverable amount of the assets is estimated to determine the extent of the impairment (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment is treated as a revaluation decrease.

In the event that, in the subsequent period, an asset that has been subject to an impairment loss is no longer considered to be impaired, the value is restored and the gain is recognised in the statement of comprehensive income. The restoration is limited to the value which would have been recorded had the impairment adjustment not taken place.

2.4.2. Useful lives and residual values of property, plant and equipment

The Commission assesses useful lives and residual values of property, plant and equipment each year taking into account past experience and technology changes. The depreciation rates are set out in note 3.2 and changes to useful lives have been considered necessary

NATIONAL COMPETITIVENESS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2023

during the year. Management has set residual values for all classes of property, plant and equipment at zero.

2.4.3. Fair value measurement

The Commission has a number of accounting policies and disclosures that require the measurement of fair values for financial and non-financial assets and liabilities at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market or most advantageous market at the statement of financial position date before deduction of transaction costs.

The Commission uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to determine fair value. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

2.4.4. Going Concern

The Commission is satisfied that it is operating on a going concern basis, and has adequate resources to continue in operational existence for the foreseeable future.

2.5. New and revised International Financial Reporting Standards (IFRS)

2.5.1. Applicable new and revised standards and interpretations effective for annual periods beginning on or after January 1, 2023

i. International Accounting Standard 1 - "Presentation of Financial Statements", effective January 1, 2023

The amendment aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

ii. International Accounting Standard 8 – "Accounting Policies, Changes in Accounting Estimates and Errors", effective January 1, 2023

The International Accounting Standards Board (IASB) has published 'Definition of Accounting Estimates (Amendments to International Accounting Standard 8)' to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after January 1, 2023.

The changes to International Accounting Standard 8 focus entirely on accounting estimates and clarify the following:

- The definition of a change in accounting estimates is replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".
- Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

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- The Board clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
 - A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.
- iii. **Amendment to IFRS 16 - "Leases", effective January 1, 2024**

The International Accounting Standards Board (IASB) has issued 'Lease liability in a sale and lease back (amendments to International Financial Reporting Standard 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in International Financial Reporting Standard 15 to be accounted for as a sale

Lease liability in a sale and lease back (amendments to IFRS 16) requires a seller-lessee to subsequently measure lease liabilities arising from a lease back in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

While the November 2020 ED had proposed that a seller-lessee initially measures the right-of-use asset and lease liability arising from a leaseback using the present value of expected lease payments at the commencement date, the final amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback.

These amendments had no impact on the financial statements of the Commission.

2.5.2. New Standards, Amendments and Interpretations issued but not yet effective for financial year beginning 01 January 2023 and not yet adopted

i. **Supplier Finance arrangements : amendment to IAS 7(Statement of cashflows) and IFRS 7 (Financial Instruments)**

On 25 May 2023, The IASB issued supplier finance arrangements which amended IAS7 (statement of cashflows) and IFRS 7 (Financial instruments) The amendment required entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on characteristic of supplier finance arrangements

The amendments are effective 1 January 2024

ii. **IAS 21: The effects of changes in Foreign Exchange Rates - Lack of exchangeability**

On 15 August 2023 the IASB issues lack of exchangeability. IAS 21 sets out the requirements for determining the exchange rate to be used for recording a foreign transaction into the functional currency and translating a foreign operation into a different currency. If a currency lacks exchangeability, it can be difficult to determine an appropriate exchange rate to use. While relatively uncommon, a lack of exchangeability

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might arise when a government imposes foreign exchange controls that prohibit the exchange of a currency or that limit the volume of foreign currency transactions.

The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.

The amendments apply to annual period beginning on or after 1 January 2025

iii. IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Amendments to sale or contribution of assets between an investor and its associate

The amendments deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture.

It states 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 recognized 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) for fair value are recognized 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

iv. IFRS 16 : Leases – Lease liability in a sale and leaseback

The standard provides a single lessee accounting model requiring the recognition of assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessor accounting however remains largely unchanged from IAS 17 and the distinction between operating and finance leases is retained

The amendments are effective for annual reporting periods beginning on or after 1 January 2024.

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3. ACCOUNTING POLICIES

The accounting policies applied in the preparation of these financial statements are consistent with those applied in the previous year.

3.1. Property, plant and equipment

3.1.1. Recognition and measurement

Property, plant and equipment is initially recognised if it is probable that future economic benefits associated with the asset will flow to the entity, and the cost can be reliably measured

A revaluation surplus is recorded in Other Comprehensive Income and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation loss is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve

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

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

3.1.3. Depreciation

Depreciation, which is calculated on the straight line basis, is provided to write off the cost less the estimated residual value of fixed assets over their estimated useful lives. The Commission assesses useful life and residual values of property, plant and equipment each year taking into account past experiences and technological changes. No changes to these useful lives have been considered necessary for all other items of property, plant and equipment. Management has set residual values for all classes of property, plant and equipment as zero. The rates that were applied per annum are as follows:

Fixtures and Fittings	10%
Motor Vehicles	20%
Computer and Printers	20%

All items of property, plant and equipment are maintained at cost and there were no revaluations that took place in 2023.

Where the items of property, plant and equipment are revalued, depreciation is based on the gross replacement cost. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised. The depreciation methods, useful lives and residual values of assets are reviewed and adjusted, if appropriate, at each reporting date, with the effect of any

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changes in estimate accounted for on a prospective basis. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, depreciation will cease to be charged on the asset until its residual value subsequently decreases to an amount below its carrying amount.

3.1.4. Revaluation of property, plant and equipment

Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period.

The Commission reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. The following factors are considered in estimating the useful life of an asset:

- Expected usage of the asset,
- Expected physical wear and tear which depends on how the asset is going to be used,
- Management also uses experience with the usage of the asset,
- Fair value measurements and valuation processes.

Any revaluation increase arising on the revaluation of property, plant and equipment is recognized in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in statement of profit and loss and other comprehensive income, in which case the increase is credited to profit and loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such property, plant and equipment is recognized in profit and loss to the extent that it exceeds the balance, if any, held in asset revaluation reserve relating to previous revaluation of the asset. Depreciation on revalued assets is recognized in profit and loss.

3.2. Leases

The Commission leases offices at 1 Adylinn road, Agriculture House, Malborough, Harare which is being accounted in accordance with IFRS 16 – “Leases”.

3.2.1. Identifying a lease

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Commission assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Commission
- the Commission has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Commission has the right to direct the use of the identified asset throughout the period of use. The Commission assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The five steps for revenue recognition in contracts are as follows:

- Identifying the contract
- Identifying the performance obligations in the contract
- Determining the transaction price
- Allocating the transaction price to performance obligations in the contract
- Recognizing revenue in accordance with performance

3.4.2 Government grants

Government grants are recognised as income during the year in which it is received. The Commission receives grants for its operations and capital expenditure from treasury and the Standards Development Fund (SDF).

Grants are recognized when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the Commission.
- The amount of the revenue can be measured reliably, and
- To the extent that there has been compliance with any restrictions associated with the grant.

Government grants are recognized when there is reasonable assurance that: The Commission will comply with the conditions attached to them; and the grants will be received as support to the entity. Government grants are recognized as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognized as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by reducing the grant in arriving at the carrying amount of the assets.

3.4.3 Donations

Donations are recognised as income during the year in which they are received. They are recognized as income when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the Commission.
- The amount of the revenue can be measured reliably; and
- To the extent that there has been compliance with any restrictions associated with the grant or donation.

3.5 Financial instruments

Financial instruments are contracts that give rise to financial assets or financial liabilities. Financial assets and financial liabilities are recognized on the Commission's statement of financial position when the Commission becomes a party to the contractual provisions of the instrument. These instruments are generally carried at their estimated carrying values.

Non-derivative financial instruments carried in the statement of financial position comprise: cash and cash equivalents, trade and other receivables, trade and other payables. These instruments are recognized at fair value through other comprehensive income (FVTOCI)

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3.5.1. Financial assets

i. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits (funds on placement) with maturities of three months or less from acquisition date that are subject to insignificant risk of changes in fair value, and are used by the Commission in the management of its short-term commitments.

ii. Trade and other receivables

Trade and other receivables are measured at their cost less impairment losses. A provision for impairment of trade receivables is established when there is objective evidence that the Commission will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization and default or delinquency in payments are considered indicators that the trade receivables are impaired. When a trade receivable is noncollectable, it is written off against the allowance for trade receivables. Subsequent recoveries of amounts previously written off are credited against the trade receivables impairment provision in profit or loss.

3.5.2. Impairment

A financial asset not classified at fair value through profit and loss is measured at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss events had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by the debtor, restructuring of an amount due to the Commission on terms that the Commission would not consider otherwise, indications that a debtor will enter bankruptcy, changes in the payment status, and disappearance of an active market for a security.

3.5.3. Financial liabilities

Liabilities and provisions

Provisions are recognized when the Commission has a present legal or constructive obligation as a result of past events and a reliable estimate to the amount of such obligation can be made. Obligations payable at the demand of the creditor or within one year of the reporting date are treated as current liabilities in the statement of financial position. Liabilities payable after one year from the reporting date are treated as non-current liabilities in the statement of financial position.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third

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party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.6. Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Commission. Software acquired separately is measured on initial recognition at cost. Following initial recognition, it is carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as finite. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset is reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern or consumption of amortisation period or method as appropriate and are treated as changes in accounting estimates. The amortisation expense is recognised in the statement of comprehensive income.

Amortisation is recognised in the statement of comprehensive income on straight line basis over the useful life of the software.

3.7. Employment benefits

Employee benefits are all forms of consideration given in exchange for services rendered by employees or for the termination of employment. The Commission recruited 95% of its current staff in 2021 including its management. The Commission established a defined contribution pension scheme with First Mutual Life in September 2021. The classification, recognition and measurement of employee benefits is as follows;

3.7.1. Short term employee benefits

Short term 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 Commission'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 is recognised as an expense or as part of the cost of an asset during the period in which the employee rendered the related service.

3.7.2. 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 Commission employees by the National Social Security Authority (NSSA), and any pension fund is administered by or on behalf of the Commission. Payments to these pension schemes are recognised as an expense when they fall due, which is when the employee renders the service. Under these contribution schemes, the Commission pays fixed contributions and has no legal or constructive obligation to pay further amounts.

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3.7.3. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employee's employment as a result of either the Commission'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 of those benefits. The Commission 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 Contingent 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 date, the present value of the benefits shall be determined. The discount rate used to calculate the present value shall be determined by reference to market yields on high quality corporate bonds at the end of the reporting period.

3.8. Taxation

The Commission is exempted from corporate tax obligations in terms of the National Competitiveness Commission Act [Chapter 14:36].

3.9. Risk management policy

The commission established risk management policy to identify and analyze the risks faced by the entity to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policy and systems are reviewed regularly to reflect changes in market conditions and the Commission's activities. Management carries out risk assessments and decide migratory plans which are reviewed and approved by the Board every quarter.

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4	Property, plant and equipment	Inflation Adjusted				
		Printers and computers ZWL \$	Furniture, fittings and equipment ZWL \$	Vehicle, plant and mobile equipment ZWL \$	2023 ZWL \$	2022 ZWL \$
	Opening balance at 1 Jan 2023	13 565 619	8 005 877	24 711 152	46 282 448	40 299 584
	Gross carrying amounts	19 760 133	9 129 217	33 732 978	62 622 328	40 299 584
	Accumulated depreciation	(6 194 514)	(1 123 540)	(9 021 826)	(16 339 880)	-
	Additions at cost	158 161 086	14 618 233	367 813 254	540 592 573	22 322 764
	Purchase of Property Plant and Equipment	-	-	345 205 984	345 205 984	22 322 764
4.1	Donations	158 161 086	14 618 233	22 607 270	195 386 589	-
	Depreciation charge for the year	(43 172 739)	(4 104 907)	(42 877 210)	(90 154 855)	(16 339 880)
	Closing carrying amount	123 653 966	18 519 005	349 647 196	496 720 167	46 282 448
	Gross carrying amounts	177 921 219	23 747 451	401 548 232	603 214 902	62 622 328
	Accumulated depreciation	(49 367 253)	(5 228 446)	(51 899 036)	(106 494 735)	(16 339 880)
	Property, plant and equipment	Historical cost				
		Printers and computers ZWL \$	Furniture, fittings and equipment ZWL \$	Vehicle, plant and mobile equipment ZWL \$	2 023 ZWL \$	2 022 ZWL \$
	Opening balance at 1 Jan 2023	10 681 590	6 303 883	19 457 600	36 442 873	31 731 940
	Gross carrying amounts	15 559 160	7 188 360	26 561 400	49 308 920	31 731 940
	Accumulated depreciation	(4 877 570)	(884 677)	(7 103 800)	(12 866 047)	-
	Additions at cost	124 536 288	11 510 420	289 616 736	425 863 444	17 576 979
	Purchase of Property Plant and Equipment	-	-	271 815 736	271 815 736	17 576 979
4.1	Donations	124 536 288	11 510 420	17 801 000	153 847 708	-
	Depreciation charge for the year	(33 994 283)	(3 232 210)	(33 761 582)	(70 988 075)	(12 866 047)
	Closing carrying amount	101 223 596	14 581 893	275 312 753	391 118 242	36 442 873
	Gross carrying amounts	140 095 443	18 698 780	316 178 136	474 972 364	49 308 920
	Accumulated depreciation	(38 871 853)	(4 116 887)	(40 865 382)	(83 854 122)	(12 866 047)

4.1 The capital donations received for the financial year ended December 31, 2023 comprised of the Standards Development Fund worth ZWL \$37 225 503 and Tazepa Donations worth ZWL \$158 161 086

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5 Rights of use asset

	Inflation Adjusted		Historical cost	
	2023 ZWL \$	2022 ZWL \$	2023 ZWL \$	2022 ZWL \$
Opening balance	568 249 116	2 304 773	447 440 249	1 814 782
Gross carrying amount	710 311 395	4 809 546	559 300 311	3 629 564
Accumulated depreciation	(142 062 279)	(2 304 773)	(111 860 062)	(1 814 782)
Remeasurement	8 510 554 043	708 006 622	6 701 223 656	557 485 529
Depreciation charge for the year	(1 815 760 632)	(142 062 279)	(1 429 732 761)	(111 860 062)
Closing carrying amount	7 263 042 527	568 249 116	5 718 931 124	447 440 249
Gross carrying amount	9 073 803 159	710 311 395	7 148 663 905	559 300 311
Accumulated depreciation	(1 815 760 632)	(142 062 279)	(1 429 732 781)	(111 860 062)

	Inflation adjusted		Historical Cost	
	2023 ZW\$	2022 ZW\$	2023 ZW\$	2022 ZW\$
5 Lease liability				
Opening balance	776 923 745	14 807 495	611 750 980	11 659 445
Finance charges	907 880 316	238 664 629	714 866 391	187 924 905
Payments	(148 010 018)	(14 847 136)	(116 543 321)	(11 690 658)
Effects of modification	8 301 879 416	538 298 756	6 536 912 926	423 857 289
Effects of inflation				
Closing balance	9 838 673 458	776 923 745	7 746 986 975	611 750 980

	Inflation adjusted		Historical Cost	
	2023 ZW\$	2022 ZW\$	2023 ZW\$	2022 ZW\$
Analysis of lease liability				
Current lease liability	541 095 793	51 465 309	426 059 680	40 523 865
Non current lease liability	9 297 577 665	725 458 436	7 320 927 295	571 227 115
Total Lease liability	9 838 673 458	776 923 745	7 746 986 975	611 750 980

The lease was calculated for 5 years because NCC offices are located at the SDF offices which funds NCC budget. NCC has no plans yet to vacate the premises.

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	Inflation adjusted		Historical cost	
	2023	2022	2023	2022
	ZWL \$	ZWL \$	ZWL \$	ZWL \$
6 Prepayments				
Accommodation and Conferencing	163 449 000	-	126 700 000	-
Conferencing	-	368 300	-	290 000
Medical Aid	46 598 065	4 164 790	38 691 390	3 279 362
	<u>210 047 065</u>	<u>4 533 090</u>	<u>165 391 390</u>	<u>3 569 362</u>
7 Trade and other receivables				
Other Receivables	27 581 753	-	27 581 753	-
	<u>27 581 753</u>		<u>27 581 753</u>	
8 Inventory				
Fuel Coupons	46 344 163	5 797 647	35 704 086	4 664 998
	<u>46 344 163</u>	<u>5 797 647</u>	<u>35 704 086</u>	<u>4 664 998</u>
9 Cash and cash equivalents				
Cash at Bank	253 675 868	18 800 526	253 675 868	14 803 564
	<u>253 675 868</u>	<u>18 800 526</u>	<u>253 675 868</u>	<u>14 803 564</u>
10 Deferred income				
Opening balance as at January 1, 2023	41 321 523	33 308 524	32 536 634	26 227 184
Additions	540 592 676	21 872 416	425 683 444	17 222 376
Amortization for the year	(104 014 271)	(13 859 417)	(81 901 001)	(10 812 926)
Closing balance as at December 31, 2023	<u>477 899 928</u>	<u>41 321 523</u>	<u>376 299 077</u>	<u>32 536 634</u>
11 Trade and other payables				
Telephone Charges	276 774	77 279	276 774	60 650
Internet	-	1 804 336	-	1 420 736
Payroll Processing	-	454 694	-	358 027
Paye and withholding taxes	-	41 113 529	-	32 372 357
Delegate fees	-	274 320	-	216 000
Staff Bonuses	-	19 064 688	-	15 011 686
Performance Bonuses	-	42 793 360	-	33 694 772
Board sitting and retainer fees	-	3 168 310	-	2 495 520
Payroll Processing and administration	321 756 939	-	321 756 939	-
	<u>322 033 713</u>	<u>108 760 516</u>	<u>322 033 713</u>	<u>85 630 328</u>
12 Provisions				
Provision for leave pay	46 388 089	27 532 098	46 388 089	21 678 816
	<u>46 388 089</u>	<u>27 532 098</u>	<u>46 388 089</u>	<u>21 678 816</u>
13 Government grant				
Treasury	-	15 913 600	-	15 600 000
Standard Development Fund	4 118 032 880	345 440 000	3 242 545 576	272 000 000
Salary grant	29 045 274	-	22 053 680	-
	<u>4 146 079 154</u>	<u>365 353 600</u>	<u>3 264 629 256</u>	<u>287 600 000</u>
14 Other income				
Interest from bank	79 325	551 471	62 460	434 229
Revenue from contracts with customers	-	1 791 227	-	1 410 415
Development Partners (International Trade Centre)	167 525 843	18 741 246	131 910 113	14 756 887
Amortisation of deferred income	104 014 271	13 859 416	81 901 001	10 812 926
	<u>271 619 439</u>	<u>34 843 360</u>	<u>213 873 574</u>	<u>27 614 457</u>

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	Inflation adjusted		Historical cost	
	2023 ZWL \$	2022 ZWL \$	2023 ZWL \$	2022 ZWL \$
15 Administration expenses				
Board fees and allowances	115 566 372	10 018 575	101 103 045	7 888 642
Communication supplies and services	143 319 149	12 190 266	112 849 724	9 598 635
Medical supplies	76 200	412 623	60 000	324 900
Office supplies and services	49 131 903	16 760 203	38 686 538	13 197 010
Rentals and hiring services	51 166 823	11 148 460	40 288 837	8 778 315
Training and development	13 320 953	38 100	10 488 939	30 000
Institutional provisions	147 747 801	12 517 425	116 336 851	9 856 240
Domestic travel expenses	450 564 623	33 669 770	354 775 294	26 511 630
Conferencing	14 642 702	1 044 628	11 529 686	822 542
Software	8 239 315	1 410 595	6 487 650	1 110 705
Association subscriptions	2 323 986	-	1 829 910	-
Foreign travel expenses	18 342 701	33 011 477	14 443 071	25 993 289
Financial transactions	74 823 419	11 290 696	58 916 078	8 890 312
Audit fees	-	46 863	-	36 900
Finance cost (lease)	907 880 316	71 031 139	714 866 391	55 930 031
Maintenance of mobile and office equipment	421 873 385	10 221 819	332 183 768	8 048 677
Fuels, oils and lubricants	466 313 095	20 905 350	367 175 665	16 460 906
Interbank transfers	-	468 778	-	369 117
Depreciation on property, plant and equipment	90 154 855	16 339 878	70 988 075	12 866 046
Depreciation in rights of use assets	1 815 760 632	142 062 279	1 429 732 781	111 860 062
	4 791 248 229	404 588 925	3 782 742 303	318 573 957
16 Employment costs				
Salaries and wages	1 266 753 069	329 530 517	980 639 190	259 472 848
Other allowances	469 456 791	31 526 714	369 651 016	24 824 184
	1 736 209 860	361 057 231	1 350 290 206	284 297 032
17 Related party transactions				
17 Board of commissioners (non-executives)				
Chairman Board fees	9 655 853	1 098 644	8 627 645	865 074
Members Board fees	53 847 888	4 956 807	48 233 605	3 902 997
Chairman allowances	6 818 376	585 726	5 826 113	461 201
Members allowances	45 244 255	3 377 398	38 667 683	2 659 369
Board fees and allowances	115 566 372	10 018 575	101 355 046	7 888 641
17 Key management personnel				
Salaries and wages				
Executive management	270 860 805	120 258 761	240 537 370	94 691 938
Staff members	995 892 263	209 271 757	740 101 820	164 780 911
	1 266 753 068	329 530 518	980 639 190	259 472 849
Other allowances				
Executive management	112 575 346	7 846 965	88 642 005	6 178 713
Staff members	356 881 444	23 679 748	281 009 011	18 645 471
	469 456 790	31 526 713	369 651 016	24 824 184
Total Employment Costs	1 736 209 860	361 057 231	1 350 290 206	284 297 032

NATIONAL COMPETITIVENESS COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

18 Pension arrangements

18 Pension fund

The Commission established a defined contribution pension plan with First Mutual Life in September 2021 where staff members contribute 6.5% and the Commission contributes 12.9%. The contribution for the year is as follows

	Inflation adjusted		Historical cost	
	2023	2022	2023	2022
	ZWL \$	ZWL \$	ZWL \$	ZWL \$
Pension Contributions	38 543 137	14 292 184	30 348 927	11 253 688

18 National Social Security Authority (NSSA)

The National Social Security Authority was introduced on October 1, 1994 and with effect from that date all employees are members of the scheme, to which both the company and its employees contribute as follows:

Employees: 4.5% of the monthly basic salary

Company: 4.5% of the monthly basic salary

The Commission began contributing to NSSA in April 2021 and the contributions for the year are as follows

	Inflation Adjusted		Historical Cost	
	2023	2022	2023	2022
	ZWL \$	ZWL \$	ZWL \$	ZWL \$
NSSA contributions	19 778 788	6 018 544	15 573 849	4 739 011

19 Going concern

NCC current liabilities stood AT ZWLS 909.5 million whilst current assets were valued at ZWLS 536.6 at the year end thus a current ratio of 0.59 .Of the current liabilities outstanding obligations for suppliers of goods and services was ZWL\$322million while provision for leave days was valued at ZWLS 46 million. The commission had a deficit of ZWL\$2 billion for the year. The Treasury and the Ministry of Industry and Commerce's through the Standards Development Fund (SDF) continues to fund the NCC through its annual budget as indicated in the National Competitiveness Commission Act [Chapter 14:36]. The management has assessed the ability of the Commission to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is appropriate.

20 Subsequent event

20.1 Non-adjusting event

Introduction of new currency

On April 5, 2024 the Reserve Bank of Zimbabwe introduced a new currency the Zimbabwean Gold (ZWG \$) .The Zimbabwe Gold (ZWG) was introduced to tackle hyperinflation after its predecessor, the Zimbabwe dollar (ZWL), plunged in value. The conversion rate from ZWL \$ to ZWG \$ was \$ 2 498.7242