



NATIONAL COMPETITIVENESS COMMISSION

"Enhancing Zimbabwe's Global Competitiveness"



2023

ANNUAL REPORT



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. ED'S REPORT

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

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

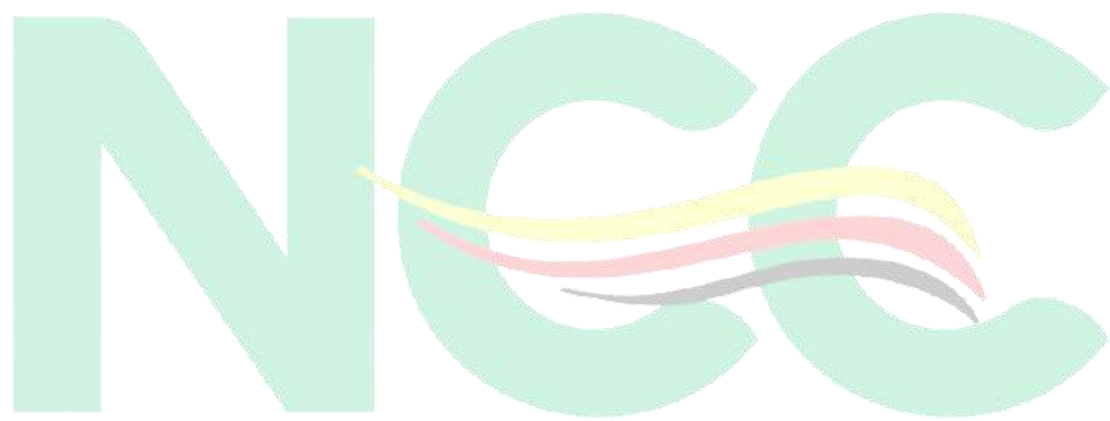
By Order of the Board



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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 Ndhelukula 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.	The A/Chairman thanked everyone who was in attendance for their participation.
	The end of the Annual General Meeting at 14.55.



Chairperson of the National Competitiveness Commission

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Date



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Commissions Profile


The National Competitiveness Commission [NCC] is a statutory body established by an act of Parliament -[Chapter 24:36] and falls under the purview of the Ministry of Industry and Commerce (MoiC). It is led by Board members/Commissioners who provide an oversight of the Commission’s activities.

Our Services:

Domestic Competitiveness Department Mandate	International Competitiveness Department Mandate	Research & Policy Analysis Department Mandate
Provide evidence-based analysis of the supply and demand in all sectors of the economy and recommend interventions for enhanced productivity and competitiveness.	Analyze the country’s global competitiveness performance through engagements and partnerships with international competitiveness institutions.	Provide evidence-based research, policy, and regulatory analysis to advise on measures to enhance national productivity and global competitiveness.

The Commission’s Mandate and Functions

The Commission is mandated to facilitate the creation of a competitive environment for Zimbabwean business, both in the domestic regional and global markets thereby directly contributing to the achievement of the Nation’s Vision 2030 “Towards a Prosperous and Empowered Upper Middle-Income Society by 2030”.



The Commission's statutory functions are provided for under Section 6 of the National Competitiveness Act as follows:

- a) develop, coordinate and implement key income and pricing policies that will enhance Zimbabwe's global competitiveness.
- b) monitor evolving sector specific subjects and strategies for enhancing Zimbabwe's global competitiveness.
- c) review all existing and new business regulations to ascertain their impact on the cost of doing business and recommend amendments or repeals where appropriate to enhance competitiveness.
- d) continuously monitor the cost drivers in the business and economic environment and advise on measures to be taken to enhance productivity and address current and emerging costs challenges.
- e) identify sectors of the Zimbabwean economy that have potential for global competitiveness, whilst also paying due attention to issues of the structure and size of industry, technology gaps and skills, and infrastructure and modernization needs.
- f) review all price changes by the Government, statutory corporations and local authorities when charging or levying user fees, rates, penalties and fines payable by the public and clients.
- g) undertake research and maintain a comprehensive nationwide statistical database to be used in the analysis of competitiveness across all sectors of the economy.
- h) develop periodic competitiveness frameworks and strategies.
- i) provide a platform for dialogue between the public and private sector, labor, academia and non-State actors about competitiveness.
- j) build awareness and advocacy on matters related to competitiveness.
- k) produce an annual benchmarking report on national competitiveness to be called the National Competitiveness Report.
- l) perform any other function that may be conferred or imposed upon the Commission by this Act or any other enactment.



Mission And Vision

Vision

A leading catalyst for improving Zimbabwe's global competitiveness by 2030.

Mission

To provide evidence-based policy advice and recommendations for creating and maintaining an enabling environment that enhances industry productivity and competitiveness of Zimbabwean goods and services in domestic and global markets.

Core Values

Our renowned coaching programs will allow you to:

- Diligence - Applying earnest thoroughness and persistence to our work.
- Integrity - Honest, open, and fair, observe equality and moral principles during the discharge of duties.
- Professionalism - Committed to proficiency, reliability, and excellence.
- Innovativeness - Continuously explore new possibilities and better ways of working smarter and more efficiently.
- Teamwork (Ubuntu) Valuing a united family and treating one another with respect.

Our background

Being a public entity under the Ministry of Industry and Commerce, the NCC focuses on the following priorities.

- Facilitate the creation of a conducive business environment.
- Promote national productivity and competitiveness.
- Promote and strengthen value chains development through value addition and beneficiation.
- Promote ease of doing business reforms



Corporate Governance

Compliances and Enforcement

The NCC is fully committed to attaining and maintaining the highest standards of corporate governance and is continuously taking action to ensure compliance with the Public Entities Corporate Governance Act [Chapter 10:13]

Implementation Of Corporate Governance framework

- i. Strategic planning and reviews-The Commission successfully managed to review its Strategy for 2024 with the facilitation of experts from the Public Service Commission.
- ii. Signing performance contracts with Board members and Senior Management- Board -Minister contract and Board -Executive Director contracts signed
- iii. Policies reviewed & submitted to Minister- Code of ethics reviewed and submitted to Ministry.

Board of Commissioners

The NCC Act makes provision for the Board of Commissioners. Subject to subsection (2), the Commission shall consist of not less than nine and not more than twelve Commissioners appointed by the Minister in consultation with the President.

In appointing the members of the Commission, the Minister shall endeavor to secure that at least sixty per cent of the Commission's Board members come from the following sectors, interests or occupations-

- a) employers and employees in industry and the business community.
- b) researchers or academia.
- c) economists.
- d) legal practitioners.
- e) accountants.

Operations Of the Board

The Board meets at the request of the Chairman. Meetings of the Board and Committees are scheduled in advance. NCC operates independently although it receives funding through the Government budget.

Board Meetings

To comply with the requirements that the Board should meet frequently at least once every quarter, the Board holds quarterly meetings. Scheduled and ad-hoc meetings were conducted with sufficient notice for the members. Board meetings were organized in a way that prompted open dialogue, active involvement, and prompt issue of resolution.

COMMISSIONERS' ATTENDANCE FOR THE YEAR ENDED 31 DECEMBER 2023

Board Meetings

Name	Position	Number of meetings held	Number attended
Mr. Msipa C	A/Chairman	4	4
Mrs. Mutaviri T	Member	4	4
Ms. Ruparanganda E	Member	4	4
Mr. Psillos D	Member	4	4
Mr. Mujajati C	Member	4	4
Dr. Chigumira G	Member	4	4
Mr. Murwira E	Member	4	4
Ms. Nyagura E	Member	4	4
Dr. Ndhlukula D	Member	4	4

Corporate Information:

Country of Incorporation and Domicile	Zimbabwe
Core Business	The Commission is mandated to facilitate the creation of a competitive environment for Zimbabwean business, both in the domestic regional, and global markets thereby directly contributing to the achievement of the Nation's Vision 2030 "Towards a Prosperous and Empowered Upper Middle-Income Society by 2030".
Board of Commissioners	Mr. Murwira E Ms. Nyagura E Mr. Msipa C Ms. Ruparanganda E Mr. Psillos D Mr. Mujajati C Dr. Chigumira G Mrs. Mutaviri T Dr. Ndhlukula D Phiri P (Ex Officio)



<p>Board Committees</p>	<p><i>Human Resources and Administration Committee</i></p> <p>Mr. Murwira E – Chairperson Ms. Nyagura E – Member Mr. C. Msipa- Member Ms. Rugaranganda E- Member</p> <p><i>Finance Committee</i></p> <p>Mr. Psillos D- Chairperson Mr. Mujajati C -Member</p>
	<p>Dr. Chigumira G- Member</p> <p><i>Audit Committee</i></p> <p>Mrs.Mutaviri T-Chairperson Dr. Ndhlukula D - Member Mr. Murwira E – Member</p> <p><i>Risk Management Committee</i></p> <p>Ms. Nyagura E -Chairperson Mr. Psillos D - Member Ms. Rugaranganda E – Member</p> <p><i>Competitiveness Committee</i></p> <p>Dr. Chigumira G -Chairperson Mr. Mujajati C - Member Dr. Ndhlukula D -Member Mr. Msipa C – Member</p>




Contact Details	Number 1 Adylinn Road, Agriculture House Corner Marlborough Drive & Adylinn Road Marlborough, Harare +263 242 300764 Email: info@ncc.co.zw Website: https://www.ncc-zim.co.zw Twitter: @ncczimbabwe Facebook: National Competitiveness Commission
Auditors	Office of the Auditor General

Board Of Commissioners

Mr C. Msipa

Charles Msipa has nearly 30 years’ experience in diverse roles and geographies in the business sector spanning Zimbabwe, Zambia, Malawi, and USA. Having trained and worked in the legal field as an associate attorney at a Harare law firm, Charles joined The Coca-Cola Company (TCCC) in 1992 and worked on a variety of assignments, within the Central Africa Region, in Zimbabwe, Zambia and Malawi as well as Coca-Cola North America’s north-east region. Thereafter, he joined Schweppes Zimbabwe Limited as Sales and Marketing Director in 2005 and was appointed Managing Director a year later in 2006.





Charles serves as a board member and Acting Chairman of National Competitiveness Commission (NCC). He is the former President of the Confederation of Zimbabwe Industries (CZI) and serves on the CZI National Council.

He also chairs the Business Council for Sustainable Development Zimbabwe (BCSDZ). He serves on the Board of Directors of various private and non-profit corporations.

Mr. Murwira

Mr. Murwira is an HR Professional who holds a BA in Administration Degree (Industrial Psychology) from Unisa. Mr. Murwira has been a Group Human Resources Director for CFI Holdings (Pvt) Ltd.

He was also the Group Human Resources Executive for SMM Holdings (Pvt) Ltd and Managing Director of MIDSEC (an SMM Subsidiary).



Mr. Murwira has also served as a Human Resources Director at Turnall Fibre Cement & A A Mines.

He has sat on multiple Boards, served as the Chairman for ZimPro for 10 years, as Board Chairman for Helpage Zimbabwe for 6 years and as Board member for 25 years, Board member for Dore and Pitt (Pvt) Ltd, Chairperson for Zimbabwe Older Persons and Employer Representative at Chamber of Mines and EMCOZ (Employers' Confederation of Zimbabwe).



Ms. Ellen Ruparanganda

Ms. Ruparanganda is an Economist by profession and has extensive experience in Business. Over the years she has worked as a Chief Economist for the Ministry of Economic Development, and she went on to be the Acting Deputy Director at the same Institute. Additionally, she joined the Competition and Tariff Commission as an Assistant Director and is currently serving as the Director to date.



Ms. Ruparanganda successfully hosted the first International World Competition Day in Zimbabwe in 2017. She is also a member of numerous Institutes to mention a few- member of the National Development Plan Formulation team, member of the MDG Review Committee, member of Domestic Resource Mobilization and Investment Promotion Committee under NEDPP, member of the External Payments Committee responsible for allocating foreign currency for national strategic imports and member to the Government Tender Board.

Mr. Demetri Psillos

Mr. Psillos studied BA in Mathematics at Oxford University. He went on to be a General Manager at Crystal Candy in Harare. He further became a consultant for Prudential Assurance in London.

Mr. Psillos has worked as a Financial Analyst at Morgan Stanley International in London. He has also served on several Boards for example, he has sat as the Chairman of the Economics and Banking Committee for the Confederation of Zimbabwe Industries from 2003 to the





present. Mr. Psillos is also a Director of ZAMCO, a special-purpose vehicle established by the Reserve Bank of Zimbabwe.

Mr. Charles Mujajati

Mr. Charles Mujajati is an Economist by profession holding a M.Sc. in Economics. He is currently the Director of Economic Planning and Modelling at the Ministry of Finance and Economic Development. Mr. Mujajati also serves as the Chairperson of the Macroeconomic Working Group and a Board member of the Consumer Council of Zimbabwe.

He has worked as part of the technical team that crafted the Transitional Stabilization Program (TSP) in December 2020. Mr. Mujajati has also worked in research for the Global Development Network (GDN) on Zimbabwe in their global research project “Understating Reforms.”




Dr. Gibson Chigumira

Dr. Chigumira has extensive experience in research, including coordinating research studies, editing publications, and developing databases, having been at the helm of the institution since it started operating in 2004.

Dr. G. Chigumira has also done work in his capacity for civil society organizations such as NANGO and Action AID and ZIMCOD; UNESCO; UNIDO; SAPES Trust; Trades and Development





Studies Center; TN Financial Services, among others.

He has extensive teaching and research experience in economics, after having been a lecturer at the University of Zimbabwe for more than 12 years before he was appointed Executive Director at ZEPARU. He has also taught and supervised students in the MBA and Strategic Management programs run by ZOU, Solusi University, and the University of Derby under the Zimbabwe Institute of Management.

He has also worked as a Consultant for the African Capacity Building Foundation (ACBF). Dr. Chigumira was also actively involved in the team that developed the Medium-Term Plan (MTP) 2011- 2015.

Mrs. Tracey Mutaviri

Mrs. Mutaviri is currently the General Manager of Zimbabwe Sugar Sales, a division of Tongaat Hulett Zimbabwe. She has also served as the Marketing Director at Dairibord Holdings Limited, served as a Business Development Executive at PD Industries, and served as the Executive Dean Faculty of Commerce at the University of Zimbabwe.

Mrs. Mutaviri has also been part of professional board membership to mention a few- Non- Executive Director on the Central Africa Building, member of the Council for Chinhoyi University of Technology, Advisory Committee member of Jesuit Development Office for Zimbabwe and Mozambique, and Board member for the SOS Children's Villages Zimbabwe.

Dr. Divine Ndhlukula

Dr. Ndhlukula was named by Forbes magazine among the most Influential Women in Africa and was Forbes Woman of the Year 2019. She is also the founder and Managing Director of DDNS Security Operations (Pvt) Ltd, the holding Company under which Securico Security Services falls. She is also the founder of the Mentorship in Practice program an offshoot of the Women in Enterprise Conference and Awards platform.



In Agriculture, she founded the Zvikomborero Farms, an integrated agriculture Company involved in livestock that has scaled up to become one of the best centers of livestock in the country.

She also served on multiple boards for example being the President of ZNCC, Past President and Trustee of the Professional Executives and Businesswomen Forum, Founding Trustee of the African Woman Entrepreneurs Program, Past Chairperson of the Joint Suppliers, and Producers Committee for the Chamber of Mines and a Board Member of the Harare Sunshine Holdings.

Ms. Elizabeth Nyagura

Ms. Elizabeth Nyagura holds a Master in Intellectual Property, a master's in business administration and is also an Associate member of the Corporate Governance Institute.

She is currently the Registrar of Deeds in the Deeds, Companies, and Intellectual Property Office. She has in-depth knowledge and experience in the registration and protection of proprietary rights in land, formal business organizations and intellectual property.

She is a member of the National Taskforce for the Presidential Title Deed and Regularization of Informal Settlements Program. She co-chairs the National Real Estate Day Committee and represents Zimbabwe in various committees of the African Regional Intellectual Property Organization.



Management

Management is led by the Executive Director who is also an ex-official board Member. The Commission has two divisions, the Competitiveness division and Finance, Human Resources and Administration division. These are headed by Directors. In the financial year of 2023 the position of Finance, Human Resources and Administration Director position was vacant.

Executive Director: - Mr. Phillip Phiri

Phillip Phiri is a seasoned visionary leader and strategist with extensive experience in international trade and competitiveness both in the private and public sectors. He has management experience in operations of international brands (KFC and SPAR) and large corporate companies in the FMCG and Manufacturing sectors in Zimbabwe where he held senior positions.

He also has wide experience in corporate governance and management of public entities and dealing with Government process through his role as former Director of Operations at Zim Trade and currently as Executive Director of the National Competitiveness Commission. He has done private consultancy for several SMEs and start-ups in the manufacturing and FMCGs sectors, in the areas of strategic planning, domestic, export sales & marketing and business development.

He is a holder of a Bachelor of Commerce Degree in Marketing and master's in business administration among other business leadership certifications, he is also a certified Marketing Practitioner. He is currently a Doctorate in Strategic Management Candidate at Chinhoyi University of Technology.



Director: Competitiveness - Mr. Brighton Shayanewako

Mr. Brighton Shayanewako is an Economist by profession and has extensive experience in the public sector, diversified into Government and Central Bank, including consultancy and training. He has been the current Director of Competitiveness with the National Competitiveness Commission since 2021.



Over the years he has worked as a Deputy Director for the Ministry of Finance and Economic Development. He was part of the technical Team that crafted National Budgets, Development Cooperation Policy as well as Development Cooperation Procedure Manual for Zimbabwe.

He was also a member of the external development resource mobilization (loans/grants) Team, as well as the Focal Person for the Global Partnership for Effective Development Cooperation for sustainable development in the implementation of Sustainable Development Goals (SDGs). He also worked for the Reserve Bank of Zimbabwe as Head Economist up to 2010.

Rutendo Vambe Makaza-Corporate Secretary

Legal Professional who has served various public entities as a Corporate Secretary and as a Compliance Officer with over 6 years of experience in the Legal field, adept in managing corporate governance, regulatory compliance, and legal documentation.



Proven track record in drafting and reviewing contracts, coordinating board meetings, and

ensuring compliance with corporate laws and regulations, effectively supporting organizational legal and administrative functions.

She holds Bachelor of Laws 2022 from University Of South Africa and Bachelor of Commerce in Law 2017 from the same university. She also holds Certificate of Proficiency in Pension fund administration from the Insurance Institute Zimbabwe in 2024 and certified in representation of foreign trade and commercial diplomacy from the International Trade Center 2024. She sits a board member of Relief Zimbabwe Trust from January 2020 -May 2024 and National Competitiveness Commission Pension Fund from February 2023 - April 2024

Human Resources and Administration Manager – Mr. Shadreck Muchena

Mr. Shadreck Muchena is the National Competitiveness Commission's Human Resources & Administration Manager and oversees all human resources and administration matters for the organization. He has over 15 years of Human Resource Management expertise.



He has a Master of Science Degree in Human Resources Management (GZU), for which he received a University Book Prize in 2017, as well as a bachelor's degree in human resources management (ZOU) and a Diploma in Personnel Management (IPMZ).

He is an Associate Member of the Zimbabwe Institute of People Management and is currently pursuing a master's degree in business administration. He enjoys watching and playing soccer, as well as conducting studies on human resource issues.

FINANCE MANAGER – Mr. Ephriam Kufahakurambwi

Mr. Ephriam Kufahakurambwi is a Certified Chartered Accountant (CCA) with experience in Audit, Accounting, Finance, and Administration, with a demonstrated history of working in the government, parastatal, and fund administration.

He has close to three [3] years of external audit experience and ten [10] years of Accounting and Finance experience.

Additionally, he is a registered ACCA practical experience reviewer (PER) for ACCA affiliates for admission into membership and has guided and reviewed six ACCA members to date, mentored two ACCA students on their Oxford Brookes University (OBU) Research and Analysis Projects (RAP) as a final task to be awarded the BSc (Hon) in Applied Accountancy degree.

Mr. Ephriam Kufahakurambwi has planned, supervised, and led the computerization (designing and implementation) of the accounting system of the Ministry of Mines and Mining Development Head Office, Mining Industry Loan Fund (MILF) and Special Gold Unity Fund to begin using pastel accounting package in 2014 and he did the same at NCC.

He has audited The Zimbabwe Revenue Authority (ZIMRA), National Social Security Authority (NSSA), Zimbabwe Parks and National Wildlife Authority (ZIMPARKS), Minerals Marketing Corporation of Zimbabwe (MMCZ), Small and Medium Enterprise Development Corporation (SMEDCO).



Research and Policy Analysis Manager- Mrs. Colator Chiduuro

Mrs. Colator Chiduuro is a dedicated and results-oriented Economist with over 20 years of experience in research and economic policy analysis, public policy formulation and strategy development. She holds a Master of Science in Public Policy and a Bachelor of Science in Economics.

Currently, she serves as the Manager and Head of the Department for Research and Policy Analysis at the National Competitiveness Commission.

Mrs. Chiduuro's career includes 18 years with the Government of Zimbabwe, where she worked across various ministries, including Finance and Economic Development, Economic Planning and Investment Promotion, and Industry and Commerce. Her expertise encompasses economic research, planning and policy coordination, trade facilitation, investment promotion, consumer protection and national competitiveness reforms.

Mrs. Chiduuro has played a pivotal role in producing the Zimbabwe National Competitiveness Reports for 2021, 2022, and 2023. She has coordinated collaborative research, established a Research and Development Centre, and provided expert advice on significant national policies, including the Transitional Stabilization Programme, the National Development Strategy, Zimbabwe National Industrial Development and Trade, Population and Development, and Migration and Diaspora Development, as well as Sustainable Development Goals.

Her extensive network within the Zimbabwean Government, private sector, donor community, and civil society organizations has enabled her to lead and contribute to numerous public policy and projects sponsored by international and regional agencies such as UNDP, UNFPA, AfDB, IOM, COMESA and JICA.



Domestic Competitiveness Manager-Mr. Dumisani Sibanda

Mr. Dumisani Sibanda is a seasoned Economist with over 14 years' experience in Industry & Value Chains Analysis, Research, Portfolio Management, Compliance and Financial Analysis. Before joining the National Competitiveness Commission as the Domestic Competitiveness Manager in 2021, he held several positions in the private sector, which include Senior/Chief Economist at the Zimbabwe National Chamber of Commerce,



Financial Analyst at Bethel Equities, and Head of Research at Techfin Research (pvt) ltd. He holds an Executive master's in business administration, Bachelor of Commerce Economics (Honors) Degree and a Certificate in Public Policy Analysis & Advocacy, among other qualifications.

International Competitiveness Manager- Mr. Douglas Muzimba

Douglas Muzimba is a holder of Bachelor of Science Honors Degree in Economics and a Master of Science Degree in Economics, both from the University of Zimbabwe. He is also a holder of a Diploma in Customs Legislation and Procedures and various professional certificates in the areas of taxation, trade and development, policy analysis and research.



Douglas has over 15 years of working experience in public policy, customs & trade, advisory and research at the Ministry of Finance and Investment Promotion of the Republic of Zimbabwe, having joined the institution in 2006 as an Economist. During his tenure at



Treasury, he rose through the ranks to the position of Acting Deputy Director, responsible for Customs and Trade issues.

He was part of the technical team that produced various national blueprints and worked with various international organizations that include International Trade Centre (ITC), African Union (AU), World Bank (WB); International Monetary Fund (IMF), African Development Bank (AfDB); World Trade Organization (WTO); Common Market for Eastern and Southern Africa (COMESA); Southern Africa Development Community (SADC); the European Union (EU), among other Development Partners.

Douglas left the national Treasury in June 2021 and in July 2021, joined the National Competitiveness Commission (NCC), as the Chief Economist/Manager, International Competitiveness



Chairman's Statement

Overview:

It is with great pleasure that I present to you the Commission's Annual Report and Audited financial statements for the financial year ending 31 December 2023. The Report produced in accordance with Section 9(1) of the National Competitiveness Commission Act (Chapter 14:36) presents activities that were undertaken by the Commission to enhance Zimbabwe's Global Competitiveness.

Our achievements in 2023 were made possible through the collective effort of the various stakeholders. Diligence, integrity, professionalism. Innovativeness, Ubuntu and teamwork were the cornerstones of our success.

Operating environment overview:

The financial year 2023 was characterized by a volatile macro-economic environment. It goes without saying however the challenges that have been faced by the Commission. Inflation and depreciation of the ZWL budgets has had a major negative impact on the activities and achievements of the Commission objectives, with inflation on all items increasing by an average of 27% from 89.49% in January to 113.22 % in December 2023. Shortages of foreign currency have had an impact on some of the planned benchmarking surveys as they had to be put on hold. The 2023 financial statements had an unmodified opinion(clean), but the external auditors highlighted in the other information paragraph that the Commission was not in going concern as it had a deficit of ZWL \$ 2 billion for the year.

Further, low staff morale can be noted due to low remuneration. The business community continued to submit issues of an uncompetitive business environment caused by unconducive regulatory policies. The Commission analyzed these submissions and made recommendations to appropriate authorities.



Key Milestones in Competitiveness Operations:

It is pleasing to note that the Commission successfully launched the 2022 Zimbabwe Competitiveness Report (ZCR) and developed the 2023 ZCR.

This is in line with the Commissions mandate to produce an annually benchmarked report as stated in Section 6 (k) of the National Competitiveness Commission Act (Chapter 14:36). Success has also been noted through the production of various value chain reports and different international partnerships. The NCC led a delegation of Sugar Industry value chain players on a learning visit to the world's largest producer Brazil.

A memorandum of Understanding was signed between Zimbabwe Sugar Association and Brazil apex sugar Association APLA for skills and knowledge exchange in improving competitiveness of the sugar sector. A delegation from Brazil is expected to visit Zimbabwe in 2024. This will go a long way into providing recommendations to assist the national in improving productivity and Competitiveness.


The Commission signed a partnership agreement with World Economic Forum for the administration of their surveys in Zimbabwe. The surveys are used to produce several global reports.

The International Trade Centre ITC and NCC produced the first ever Promoting SME Competitiveness in Zimbabwe Report which was launched by ITC and Ministry of Women Affairs, Community, Small and Medium Enterprises Development.

The Commission continues with its quest to enhance competitiveness by conducting benchmarking exercises and value chain reports within the various sectors of industry.

Corporate Governance:

As Chairman of the Board, I am pleased to report that NCC remains committed to upholding the highest standards of corporate governance. We recognize that good governance is essential to creating long-term value for our stakeholders and maintaining



their trust. During the year, we have: Ensured compliance with the PECO Act and all relevant laws and established the required committees to guide the growth of the organization.

The board operated with nine members and all committees and board meetings for the financial period were done virtually and physically to deliberate on matters related to the mandate of the Commission. Further, the board maintained a strong and independent Board, with a clear separation of roles and responsibilities, fostered a culture of transparency, accountability, and ethical conduct, engaged regularly with our stakeholders to understand their needs and concerns and monitored and evaluated our governance practices to ensure they remain effective and relevant.

We believe that good governance is not just a regulatory requirement, but a business imperative. It enables us to make informed decisions, manage risk effectively, and deliver sustainable performance.

Gratitude:

I wish to express my gratitude to the NCC board, management and staff members for their tireless efforts towards the progress of the NCC. My gratitude is also extended to the parent Ministry of Industry and Commerce, the Government as a whole and all the relevant stakeholders for their unwavering support. I look forward to more successful stories and achievements in the forthcoming year.



Mr. Charles Msipa

Acting National Competitiveness Commission Chairperson



Executive Director's 2023 Performance Report

The financial year 2023 presented macroeconomic challenges due to exchange rate volatility and inflation, impacting the Commission's performance. Limited funding hindered the procurement of critical capital goods and the realization of planned programs and initiatives such as the inaugural Competitiveness Symposium and the Tertiary Institutions Innovation Summit. Nevertheless, the Commission accomplished the following key activities.

Value Chains Competitiveness Analysis (VCCA Initiative)

The NCC's VCCA initiative aimed to analyze competitiveness issues along the value chain, identifying obstacles affecting the sector's competitiveness and benchmarking the sector's potential for global competitiveness against other countries. In the 2023 financial year, the Commission conducted two value chain analysis for Soya Bean and Bus & Truck value chains and produced progress reports on the 2022 analysis for the sugar and leather value chains.


The reports analyzed:

- the regulatory environment,
- cost drivers,
- and the ease and cost of doing business.

The focus was on highlighting their impact on production costs and sector attractiveness. The reports offered potential intervention areas to improve productivity, competitiveness, and other ancillary benefits.

Value Chain Competitiveness Labs (VCCL)

Operationalization of two additional VCCL's (Soya Bean and Fertilizer) in the 2023 financial year added to the two existing 2022 VCCL's (Sugar and Leather) making them four operational VCCL's during the period under consideration. These technical working groups aim to enhance value chain competitiveness by implementing recommendations,



identifying areas for improvement, and engaging policymakers. The VCCLs comprise experts from government, private sector, and academia, working together to enhance value chain competitiveness.

Zimbabwe Competitiveness Report (ZCR)

The 2023 ZCR objectives were to assess, analyze identify, benchmark, and provide evidence-based recommendations. The 2023 edition design was developed by a consultant funded through EU-TAZEPA. The Draft Zimbabwe Competitiveness Report (ZCR) was then consolidated in collaboration with six experts from the Academia and industry as per recommendations by the consultant. The report identified competitiveness gaps at the macro level and proffered recommendations for policy formulation. The Report was scheduled for launch in the 1st Quarter of 2024.


Regulatory Impact Assessment (RIA) Tool

The RIA Handbook, Advocacy Strategy, and pilot project reports were produced during the financial year. Production of a Regulatory Impact Assessment Handbook (to be used in the assessment of regulations ex-ante and ex-post) is aimed at improving the quality of regulations and improving the ease and cost of doing business. RIA awareness workshops have been scheduled for the 2024 financial year.

Policy Analysis Papers

The Commission produced nine policy analysis papers to determine the impact of the various 2023 policy pronouncements on business competitiveness and provide proposed policy interventions. These papers include:

1. Analysis of the Monetary Policy Committee Resolutions of 23 October 2023 on Business Competitiveness.
2. Analysis of the Impact of Statutory Instrument (SI) 187 Of 2023 on Zimbabwe's Business Competitiveness.
3. Analysis of the 2023 Mid-Term Monetary Policy Statement Review Impact on Business Competitiveness.

- 
4. Analysis of the Impact of the 2023 National Budget on Business and National Competitiveness.
 5. The Nexus Between Economic Freedom and Business Competitiveness. 6. Analysis of Zimbabwe's Curriculum Review.
 6. Analysis of the Impact of the 11th of May 2023 Measures to Stabilize the Exchange Rate and the Macro Economy on Business Competitiveness.
 7. Analysis of the Impact of the South African Rand Depreciation on the Competitiveness of Zimbabwean Industries.
 8. Analysis of the Impact of Additional Measures to Stabilize the Economy on Business Competitiveness. The reports are all available on our website - <https://www.ncc-zim.co.zw/>.

International Benchmarking

The commission in collaboration with Competition and Tariffs Commission (CTC) produced a benchmarked report in response to a Cabinet request on what was driving the unsustainable increase of basic commodity prices in the 1st and 2nd Quarter of 2023.

The Commission and the Brazilian Embassy facilitated an industry benchmarking visit to Brazil. Interactions with key Brazilian entities such as Centre for Sugar Technology (CTC), a sugar variety bio-technology Centre, UNICA leading sugar association, Coplacapana a self-sustaining diversified sugar industry cooperative and Usina Granelli a private sugar and ethanol mill and APLA the apex sugar Association. An MoU was signed between the Brazilian APLA and Zimbabwe Sugar Association for cooperation and technical knowledge and skills exchange. Under the MoU, APLA is expected to visit Zimbabwe in the third or fourth quarter of 2024 to operationalize the MoU.

Other benchmarking reports produced were focusing on value chains and basic commodities prices such as the Soya Bean, Bus, truck, and motor vehicle.



International Competitiveness Surveys


The NCC as part of its mandate administers international competitiveness surveys in collaboration with leading global institutions on competitiveness.

World Economic Forum (WEF) Executive Opinion Survey (EOS)

In 2022 NCC was appointed official partner of the World Economic Forum for the administration of the Executive Opinion Survey. This survey is used to produce several competitiveness reports such as the Global Competitiveness Index now known as the Future of Growth Report, Travel and Tourism Development Competitiveness Index, and Global Risk Reports. The 2023 WEF EOS survey covered 110 countries and more than 11240 executives from the 110 countries completed the survey. In Zimbabwean 120 executives successfully completed, meeting all the desired requirements for the assessment of Zimbabwe. The results will go a long way in identifying gaps that Zimbabwe has in global competitiveness as well as informing policymakers on areas of improvement. The commission also successfully administered the WEF Future of Jobs Survey in the financial year under consideration. A report was produced and launched in collaboration with the Ministry of Industry and Commerce and the Ministry of Public Service, Labour & Social Welfare with the International Labour Organisation (ILO) and local labor organizations in attendance. This report gave guidance on the types of skills that will be in demand in the future.

International Trade Centre (ITC) -Promoting SMEs Competitiveness in Zimbabwe (SMECS)

In partnership with the International Trade Centre (ITC), the commission administered the SME's Competitiveness Survey to 500 respondents in all 10 provinces of Zimbabwe. This culminated in the production and launch of the 2023 (SMECS) Report. The report was launched by the Deputy Minister of Women and Small to Medium Enterprises Minister and Deputy Executive Director of ITC in Harare in October 2023. ITC and NCC



will continue to collaborate to formulate strategies to close the gaps identified and consider interventions in the future.

SME Capacitation


The NCC through their value chain initiative identified some gaps in SMEs operations. The commission embarked on a capacity-building and training intervention in collaboration with Zim Trade and the Deeds and Registry Office to close the gaps. 75 SMEs were capacitated with training in innovation, intellectual property, and export strategies.

Human Resources and Administration

During the financial year 2023, the NCC human resources and administration department complied with all statutory obligations and was alive to the NDS1 and SDG goals of Gender Balance. The commission closed the year with a 43% to 47% female-to-male ratio, which is still below the 50-50 target. The commission in its recruitment processes encouraged females, youth, and those living with disabilities to apply for vacant positions that arise within the Commission. To ensure staff wellness and development the commission availed wellness, training, and capacity-building programs to all its staff. In collaboration with other private health insurance organizations, staff wellness interventions were carried out.

Vacant Positions

The Staff complement in the reporting financial year was 24 from an approved full complement of 29. The five open positions were (Finance Manager, Cost Accountant, two Economists, and Director of Finance, Human Resources, and Administration). The commission could not fill these vacancies due to low funding. The staff turnover rate was 8%, which is lower than average global voluntary attrition of 10-15%. Exit interviews revealed that the main reason for resignations was the remuneration packages. This may signal the presence of low morale in the remaining staff.



The organisation obtained an overall score of 4.58 out of 6 as assessed by Best Practice Pvt Ltd, the external consultants engaged by the Government of Zimbabwe. The commission 2023 performance was ranked 11th out of more than 100 state-owned enterprises and first in the SOEs under the purview of the Ministry of Industry and Commerce.

Information and Communication Technology

The NCC has a fully manned IT department, which has resulted in the digitalization of its internal support services to increase operational efficiency and improved stakeholder communications. Below are the highlights of the major achievements and setbacks.


- In the financial year 2023, the commission successfully created a live and interactive website which is accessible at www.ncc-zim.co.zw.our website www.ncc-zim.co.zw now features Google AdSense ads! By partnering with Google, we aim to generate revenue through targeted advertisements, ensuring a sustainable future for our online presence.

Our social media presence and website engagements have registered significant growth throughout the financial year. We have actively engaged with our stakeholders through LinkedIn, Facebook, and X (formerly Twitter). This has resulted in increased brand visibility and customer satisfaction.

Challenges Faced

The commission receives its grant in the local currency at the beginning of the year (released quarterly). The budget gets depreciated when the local currency loses value against the US dollar. This results in the inability to sustain operations expenses and procure strategic capital goods such as vehicles and other tools of trade. The scarcity of foreign currency embarking on benchmarking studies and attending global competitiveness meetings was a major setback in the commission evidence-based approach.

Despite challenges, the 2023 financial year saw significant growth in the commission's brand, activities, and visibility. This includes a 90% achievement rate for all planned



output/activities. The lessons learned to improve operations in preparation for final stage of NDS1 and the achievement of Vision 2030 will inform future program planning processes.

Appreciation

Great appreciation is expressed to the Ministry of Industry and Commerce, our parent Ministry, for their policy guidance and operational support. Gratitude is also extended to the Commissioners for their oversight and leadership. To management and staff for their commitment and passion they exhibited in the presence of challenges.



Mr. Phillip Phiri

Executive Director - National Competitiveness Commission

All communication should be addressed to:
The Auditor-General
P. O. Box CY 143, Causeway, Harare
Telephone: 263-242-799611/3/4
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.

All communications should be addressed to:
The Auditor General
P. O. Box CY 146, Causeway, Harare
Telephone: 263-243-793611/3/4
Telegrams: A170110R
E-mail: oagzimbabwe2013@gmail.com
Website: www.auditorgeneral.gov.zw



OFFICE OF THE AUDITOR-GENERAL
5th Floor, Harcourt's House,
48 George Siludika Avenue,
Harare

Ref: SB 174

September 24, 2024

The Executive Director
National Competitive Commission
1 Acy in Road
Mariborough
Harare

Dear Sir,

NATIONAL COMPETITIVE COMMISSION (NCC): AUDIT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

Enclosed are six (6) copies of the audited financial statements for the National Competitive Commission for the year ended December 31, 2023 for your signing. May you return all the copies for certification by the Auditor General.

Thank you for your cooperation during the audit.

Yours faithfully

L. Murreyura (Mr)
for AUDITOR-GENERAL

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\$ 385.3 million) and had a net liability of ZWL\$ 5372.9 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

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

The objectives of my 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs and 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 ISSAIs and ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Commission's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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	482 363 076	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	4 564 996
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		4 417 688 593	400 298 980	3 479 502 830	315 184 457
Government grant	13	4 146 079 164	365 355 000	3 254 620 266	287 680 303
Other income	14	271 610 439	34 943 980	211 273 574	27 514 457
EXPENDITURE		(6 527 458 089)	(1 765 848 166)	(6 133 032 509)	(502 870 568)
Administration costs	15	(4 731 248 229)	(1 104 530 925)	(3 762 742 303)	(318 573 567)
Employment costs	16	(1 735 209 860)	(661 317 241)	(1 350 230 206)	(184 297 001)
Deficit before monetary gain/(loss)		(2 109 769 496)	(1 905 348 186)	(1 654 529 679)	(1 937 676 032)
Net monetary gain		23 841 120	-	-	-
Deficit for the year		(2 077 718 371)	(1 965 349 196)	(1 654 529 679)	(1 937 676 032)
Other comprehensive income		-	-	-	-
Total comprehensive income/(deficit)		(2 077 718 371)	(1 965 349 196)	(1 654 529 679)	(1 937 676 032)

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	43 622 865	64 484 043
Deficit for the year	-	-	(355 349 156)	(355 349 156)
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	5 203 199	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	5 203 199	(250 989 157)	(244 775 712)
Opening balance as at January 1, 2023	10 246	5 203 199	(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	5 203 199	(1 905 518 837)	(1 890 305 392)

NATIONAL COMPETITIVENESS COMMISSION

STATEMENT OF CASH FLOWS

As at December 31, 2023

	Note	Fiduciar Adjusted		Fiduciar Cost	
		2023 ZWL \$	2022 ZWL \$	2023 ZWL \$	2022 ZWL \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Net cash inflow / (outflow) from operating activities		595 967 534	(1 217 001 447)	473 083 653	(112 047 192)
Cash generated from operations		510 052 163	(1 148 775 318)	474 456 566	(1 117 933 515)
Adjustments for:		(7 077 714 371)	(1 066 349 196)	(1 854 539 879)	(1 287 676 532)
Adjustments for non-cash items:		2 498 761 512	216 675 680	2 150 086 346	1 059 743 213
Depreciation on property, plant and equipment	4	50 124 665	16 329 376	70 398 075	12 668 965
Depreciation on rights of use assets	5	1 110 480 610	42 602 275	1 424 712 761	11 860 657
Amortisation of deferred income	10	124 214 271	113 694 415	1 81 901 021	16 812 118
Financial cost		407 876 176	11 034 129	717 656 091	55 979 511
Working capital changes:		(1 57 015 071)	1 28 073 818	(5 772 912)	1 04 826 537
Increase in trade and other payables	11	273 773 167	104 850 667	235 402 395	80 550 061
Increase in prepayments	12	15 001 072	24 404 801	74 728 253	19 637 548
Decrease in inventory	6	11 708 066	1 430 736	(1 175 064)	(1 740 418)
Decrease in cash and other resources	7	(1 0 181 753)		(1 1 501 725)	
Decrease / increase in prepayments	3	205 015 076	1 175 044	(1 208 164 727)	1 05 527 174
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash outflows from investing activities		(1 343 035 084)	(1 2 650 374)	(1 271 816 706)	(1 2 079 271)
Acquisition of property, plant and equipment	4	(1 343 035 084)	(1 2 650 374)	(1 271 816 706)	(1 2 079 271)
CASH FLOW FROM FINANCING ACTIVITIES					
Cash inflows		47 070 511	24 418 780	37 354 387	(1 5 478 262)
Lease contracts		(1 464 714 016)	(1 4 176 156)	(1 119 643 521)	(1 4 187 122)
Distributions		155 495 502		153 547 718	
Change in cash and cash equivalents		302 128 121	(7 528 710 660)	235 622 304	(1 22 656 175)
Cash and cash equivalents at the beginning of the year		19 208 598	57 573 186	14 863 564	37 458 909
Effect of changes in monetary value		(1 27 262 779)			
Cash and cash equivalents at the end of the year		25 974 947	49 994 526	16 246 868	14 801 734

NATIONAL COMPETITIVENESS COMMISSION

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for the year ended December 31, 2023

1 NATURE OF BUSINESS

The Commission was established in terms of the National Competitiveness Commission Act (Chapter 14:35). 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 7, Adyline road, Agriculture house, Marborough 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 Hyperinflationary 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 hyperinflationary 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 Hyperinflationary Economies. The indices used to restate the financial statements as at December 31, 2023 are given below.

Month	Indices	Conversion Factor
December 2022	89.40	
January 2023	89.40	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

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for the year ended December 31, 2023

September 2023	100.95	1.13
October 2023	103.44	1.18
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 03 of 2019 (SI33) and after taking into account guidance on the matter by the Public Accountants and Auditors Board (PAAAB) 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 aims 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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for the year ended December 31, 2023

- 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.

ii. 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 ASB issued supplier finance arrangements which amended IAS 7 (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 characteristics 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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for the year ended December 31, 2023

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 periods 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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for the year ended December 31, 2023

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 use when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition 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 derecognition 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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for the year ended December 31, 2023

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 Adyinn road Agriculture House, Marlborough, 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 to 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)

NATIONAL COMPETITIVENESS COMMISSION

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for the year ended December 31, 2023

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

- Identifying the contract
- Identifying the performance obligations in the contract
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- Allocating the transaction price to performance obligations in the contract
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- 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.

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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.

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- 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 (FVOCI).

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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 recognized 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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for the year ended December 31, 2023

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 of 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. Employee 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 mitigatory plans which are reviewed and approved by the Board every quarter.

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4. Property, plant and equipment

	2023			2022	
	ZWL \$	ZWL \$	ZWL \$	ZWL \$	ZWL \$
Opening balance at 1 Jan 2023	13 955 619	8 005 617	24 711 152	46 282 648	40 299 564
Gross carrying amounts	14 490 131	8 129 317	23 737 675	47 522 326	40 299 564
Accumulated depreciation	(1 034 512)	(1 123 699)	(1 021 825)	(1 039 680)	
Additions at cost	158 181 028	14 818 233	167 811 254	540 569 515	22 327 754
Purchase of Property Plant and Equipment	158 181 028	14 818 233	167 811 254	540 569 515	22 327 754
Donations	-	-	22 607 270	199 356 569	-
Depreciation charge for the year	(1 034 512)	(1 123 699)	(1 021 825)	(1 039 680)	(1 039 680)
Closing carrying amount	124 551 906	14 581 205	149 647 196	466 126 141	45 282 648
Gross carrying amounts	124 551 906	14 581 205	149 647 196	466 126 141	45 282 648
Accumulated depreciation	(1 034 512)	(1 123 699)	(1 021 825)	(1 039 680)	(1 039 680)

Property, plant and equipment

	2023			2022	
	ZWL \$	ZWL \$	ZWL \$	ZWL \$	ZWL \$
Opening balance at 1 Jan 2023	10 561 325	5 203 880	19 457 500	38 442 873	31 731 840
Gross carrying amounts	10 561 325	5 203 880	19 457 500	38 442 873	31 731 840
Accumulated depreciation	(4 877 512)	(1 011 672)	(1 102 000)	(1 286 047)	
Additions at cost	124 518 288	11 513 420	129 416 728	425 663 664	17 576 379
Purchase of Property Plant and Equipment	124 518 288	11 513 420	129 416 728	425 663 664	17 576 379
Donations	-	-	17 801 000	153 617 108	-
Depreciation charge for the year	(1 339 628)	(1 232 213)	(1 351 562)	(1 70 998 075)	(1 12 059 047)
Closing carrying amount	101 223 906	14 581 893	127 012 766	391 116 742	31 442 373
Gross carrying amounts	101 223 906	14 581 893	127 012 766	391 116 742	31 442 373
Accumulated depreciation	(1 339 628)	(1 232 213)	(1 351 562)	(1 70 998 075)	(1 12 059 047)

All the capital donations were made for the financial year ended December 31, 2022, comprised of the Sandras Development Fund worth ZWL \$31 731 840 and the Tsepo Donations worth ZWL \$1 681 000.

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FOR THE YEAR ENDED DECEMBER 31, 2023

5. Right of use asset

	Inflation Adjusted		Historical cost	
	2023 ZWL \$	2022 ZWL \$	2023 ZWL \$	2022 ZWL \$
Opening balance	588 041 146	2 204 773	447 440 249	1 814 787
Gross carrying amount	710 311 395	4 638 346	559 300 211	3 028 064
Accumulated depreciation	(142 069 279)	(2 304 773)	(111 860 062)	(1 214 787)
Reassessment	8 610 654 010	700 000 520	0 701 223 656	567 456 600
Depreciation charge for the year	(1 816 710 632)	(142 069 279)	(1 429 752 761)	(11 460 082)
Closing carrying amount	7 263 042 527	508 240 116	5 710 931 124	447 440 249
Gross carrying amount	9 073 205 150	710 311 395	7 148 083 906	559 300 211
Accumulated depreciation	(1 810 162 623)	(202 071 279)	(1 429 152 781)	(1 119 060 062)

	Inflation adjusted		Historical Cost	
	2023 ZWL \$	2022 ZWL \$	2023 ZWL \$	2022 ZWL \$
5. Lease liability				
Opening balance	776 823 745	14 807 488	611 750 580	11 856 443
Finance charges	807 860 310	233 664 520	714 693 091	157 624 965
Payments	(148 010 013)	(14 847 132)	(110 543 321)	(11 630 655)
Effects of modification	0 301 879 410	539 796 766	6 536 912 928	423 821 203
Lapses of liability				
Closing balance	9 833 672 458	776 823 745	7 746 998 976	611 750 580

	Inflation adjusted		Historical Cost	
	2023 ZWL \$	2022 ZWL \$	2023 ZWL \$	2022 ZWL \$
Analysis of lease liability				
Current lease liability	541 085 703	61 485 306	426 053 860	40 523 806
Non-current lease liability	9 292 577 666	715 338 439	7 320 927 256	571 227 115
Total lease liability	9 833 672 458	776 823 745	7 746 998 976	611 750 580

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

NATIONAL COMPETITIVENESS COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2022

	Million dollars		Historical cost	
	2022	2021	2022	2021
	Zr. \$	Zr. \$	Zr. \$	Zr. \$
4 Prepayments				
Accumulation and Contingency	175,447,000	-	176,795,000	-
Contracting	-	289,400	-	289,400
Medical Aid	46,538,000	4,764,700	38,881,390	3,275,900
	<u>212,085,000</u>	<u>5,054,100</u>	<u>215,676,390</u>	<u>3,565,300</u>
7 Trade and other receivables				
Other receivables	27,561,700	-	27,561,700	-
	<u>27,561,700</u>		<u>27,561,700</u>	
8 Inventory				
Raw Materials	43,244,100	6,737,647	39,704,000	4,664,000
	<u>43,244,100</u>	<u>6,737,647</u>	<u>39,704,000</u>	<u>4,664,000</u>
6 Cash and cash equivalents				
Cash at Bank	247,375,111	71,912,626	277,675,446	14,872,501
	<u>247,375,111</u>	<u>71,912,626</u>	<u>277,675,446</u>	<u>14,872,501</u>
10 Deferred income				
Opening balance as at January 1, 2022	47,321,943	37,328,524	32,326,904	25,227,184
Additions	649,432,776	21,872,416	435,603,441	17,222,376
Amortisation for the year	(1,104,014,271)	(1,139,664,471)	(1,141,931,201)	(1,139,664,471)
Closing balance as at December 31, 2022	<u>47,739,448</u>	<u>41,536,469</u>	<u>376,999,144</u>	<u>21,815,189</u>
11 Trade and other payables				
Tradeable Charges	208,714	77,200	208,714	208,714
Interest	-	1,124,000	-	1,124,000
Asset Processing	-	464,604	-	350,277
Goods and services received	-	61,116,626	-	22,272,837
Tradeable Fees	-	211,000	-	216,561
Shareholdings	-	10,004,600	-	10,011,566
Commercial discounts	-	62,767,350	-	32,634,170
Bank charges and interest fees	-	1,164,171	-	2,426,620
Other Tradeable Charges	271,736,600	-	271,736,600	-
	<u>271,736,600</u>	<u>169,753,910</u>	<u>271,736,600</u>	<u>66,631,338</u>
12 Provisions				
Accumulation Contingency	46,789,000	21,743,000	46,789,000	21,743,000
	<u>46,789,000</u>	<u>21,743,000</u>	<u>46,789,000</u>	<u>21,743,000</u>
13 Government grants				
Grants	-	10,113,600	-	10,861,400
Shannon Development Fund	4,116,362,600	565,419,000	3,842,445,600	2,732,001,200
Other grants	22,942,774	-	22,942,690	-
	<u>4,149,305,374</u>	<u>575,532,600</u>	<u>3,865,388,290</u>	<u>2,742,862,600</u>
14 Other income				
Interest from bank	97,424	67,407	67,440	424,226
Revenue from contracts with customers	-	1,739,000	-	1,610,410
Dividends and interest from investments (Tradeable)	17,127,840	15,776,344	10,146,410	14,716,344
Revenue from other tradeable income	10,074,871	17,698,600	6,973,600	20,912,379
	<u>27,279,935</u>	<u>34,981,351</u>	<u>17,187,450</u>	<u>37,663,359</u>

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

	Inflation-adjusted		Historical cost	
	2023 ZWL \$	2022 ZWL \$	2023 ZWL \$	2022 ZWL \$
15 Administration expenses				
Board fees and allowances	1 155 663 372	10 018 575	131 103 045	7 882 642
Communication supplies and services	1 433 319 149	12 130 256	112 049 724	9 582 630
Medical supplies	70 200	412 623	60 020	524 930
Office supplies and services	49 131 303	16 760 223	38 686 639	13 797 010
Rentals and hiring services	5 116 823	11 148 460	40 286 027	8 776 315
Training and development	13 321 353	38 100	10 486 939	30 000
Instructional provision	147 747 801	12 517 425	119 036 661	9 656 240
Domestic travel expenses	452 504 020	33 665 770	354 775 294	26 611 630
Conferencing	14 642 702	1 044 828	11 529 585	822 542
Software	9 236 315	1 410 595	5 467 550	1 110 206
Association subscriptions	2 023 963	-	1 825 810	-
Foreign travel expenses	15 342 701	33 011 477	14 443 371	25 850 288
Financial transactions	74 620 410	11 200 608	58 916 078	8 090 312
Audit fees	-	46 863	-	36 900
Finance cost (lease)	307 860 314	71 031 139	714 866 391	55 930 031
Maintenance of mobile and office equipment	421 873 335	13 221 313	332 163 769	3 048 677
Fuel, oils and lubricants	466 010 089	23 905 365	357 175 865	15 480 306
Interbank transfers	-	468 778	-	359 112
Depreciation on property, plant and equipment	60 154 865	16 339 873	70 968 075	12 606 040
Depreciation on rights of use assets	1 815 760 632	142 062 219	1 429 732 781	111 850 062
	<u>4 791 246 238</u>	<u>404 586 925</u>	<u>3 782 742 303</u>	<u>318 673 957</u>
16 Employment costs				
Salaries and wages	1 260 710 000	329 530 317	980 639 190	259 472 646
Other allowances	469 456 791	31 526 714	369 651 016	24 824 194
	<u>1 730 209 850</u>	<u>361 057 231</u>	<u>1 350 290 206</u>	<u>284 297 032</u>
17 Related party transactions				
17 Board of commissioners (non-executives)				
Chairman Board fees	8 656 863	1 295 544	8 527 840	960 014
Members Board fees	63 847 668	1 305 907	48 200 905	2 802 301
Chairman allowances	6 818 376	585 726	5 826 113	461 261
Members allowances	43 244 265	3 277 309	38 667 582	2 662 369
Board fees and allowances	<u>115 566 372</u>	<u>10 018 575</u>	<u>101 355 046</u>	<u>7 088 644</u>
17 Key management personnel				
Salaries and wages				
Executive management	270 860 805	123 264 761	240 637 370	84 621 936
Staff members	985 062 263	293 271 757	740 101 322	164 730 911
	<u>1 256 753 068</u>	<u>529 530 518</u>	<u>980 639 190</u>	<u>759 472 849</u>
Other allowances				
Executive management	1 2 575 546	7 843 158	88 642 005	6 178 713
Staff members	366 861 444	23 679 743	251 059 011	18 645 471
	<u>469 456 790</u>	<u>31 526 713</u>	<u>369 651 016</u>	<u>24 824 184</u>
Total Employment Costs	<u>1 730 209 850</u>	<u>361 057 231</u>	<u>1 350 290 206</u>	<u>284 297 032</u>

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	38 542 137	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	5 018 544	15 573 845	4 753 011

19 Going concern

NCC current liabilities stood at ZWL\$ 900.5 million whilst current assets were valued at ZWL\$533.6 million 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 ZWL \$ 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 14:38). 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 (ZiG \$). The Zimbabwe Gold (ZiG \$) was introduced to tackle hyperinflation after its predecessor, the Zimbabwe dollar (ZWL \$), plunged in value. The conversion rate from ZWL \$ to ZiG \$ was \$ 2 488 /242.



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National Competitiveness Commission
1 Adylinn Rd, Agriculture House,
Cnr Malborough Dr & Adylinn Rd,
Malborough, Harare.

PHONE: (242) 300764 / 313230 / 313233

WEBSITE: www.ncc-zim.co.zw

CONTACT: onwell@ncc.co.zw

You can also **SUBSCRIBE** to our website;
www.ncc-zim.co.zw