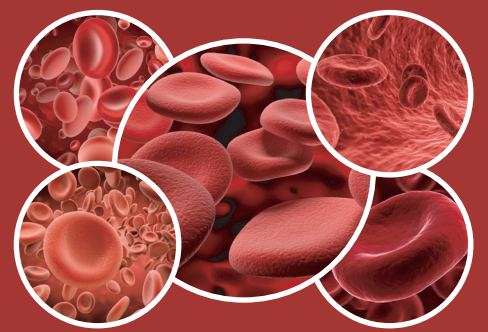


FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



NATIONAL BLOOD SERVICE ZIMBABWE (Constituted in Zimbabwe)

CORPORATE INFORMATION

National Blood Service Zimbabwe is a Service registered under section 82 of the Companies and Other Business Entities Act (Chapter 24:31), as a not-for-profit organisation domiciled in Zimbabwe and operating branches in Bulawayo, Gweru, Masvingo and Mutare.

BOARD OF DIRECTORS

Rodgers Matsikidze	Chairman
Takaha Mubvumba	Vice Chairman
Lucy Mary Marowa	Chief Executive Officer
Edward Meki Mwese	Board Member
Elliott Muneyinazvo Mandaza	Board Member
Fungai Robert Mudyiradima	Board Member
Leonard Mabandi	Board Member (Retired 25 August 2020)
Nilanhla Mlazi	Board Member
Nikulumane Mlambo	Board Member
Oliett Nheba Kuvanda	Board Member (Appointed 4 March 2020)
Pasmore Nyakwanda	Board Member
Tatenda Charmaine Maronda	Board Member (Appointed 4 March 2020)

REGISTERED OFFICE

Mazowe Street North
Avondale
Harare

INDEPENDENT AUDITOR:

PricewaterhouseCoopers Chartered Accountants (Zimbabwe)
Building Number 4, Arundel Office Park
Mount Pleasant
Harare, Zimbabwe

MAIN BANKERS:

First Capital Bank of Zimbabwe Limited
Birmingham Road Branch
Southerton
Harare, Zimbabwe

ZB Bank Limited
First Street Branch
ZB Centre
Harare, Zimbabwe

CBZ Bank Limited

Selous Avenue Branch
7 Selous Avenue
Harare, Zimbabwe

LEGAL ADVISORS:

Dube, Manikali and Hwacha Legal Practitioners
6th Floor, Goldbridge, Eastgate Complex
Corner Sam Nyayema Street and Robert Mugabe Road
Harare, Zimbabwe

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are required by the Companies and Other Business Entities Act (Chapter 24:31) to maintain adequate accounting records and are responsible for the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present content and integrity of the state of affairs of the Service as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards.

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

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

In preparing the financial statements, the directors are responsible for assessing the Service's ability to continue operating as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

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

The external auditors are responsible for independently auditing and reporting on the Service's financial statements. The financial statements and related notes have been audited by the Service's external auditors and their report is presented below.

The financial statements and the related notes set out on below, which have been prepared on the going concern basis, were approved by the Board and were signed on its behalf by:

Rodgers Matsikidze
Chairman

Lucy Mary Marowa
Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

To the members of National Blood Service Zimbabwe

Our qualified opinion

In our opinion, except for the effects of the matter described in the Basis for qualified opinion section of our report, the financial statements present fairly the financial position of National Blood Service Zimbabwe (the "Service") as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31).

What we have audited

- National Blood Service Zimbabwe's financial statements set comprise:
- the statement of financial position as at 31 December 2020;
 - the statement of comprehensive income for the year then ended;
 - the statement of changes in funds and reserves for the year then ended;
 - the statement of cash flows for the year then ended; and
 - the notes to the financial statements, which include a summary of significant accounting policies.

Basis for qualified opinion

IAS 21 and IAS 29

An adverse opinion was issued on the financial statements as at 31 December 2019, and for the year then ended, because the foreign currency exchange rates that were used were not considered to be appropriate spot rates for translation as required by International Accounting Standard 21, 'The Effects of Changes in Foreign Exchange Rates' ("IAS 21"), non-compliance with IAS 21 with respect to the date of the change in functional currency and the consequent effects on the hyperinflationary adjustments made in terms of International Accounting Standard 29, 'Financial Reporting in Hyperinflationary Economies' ("IAS 29"). It was not practicable to quantify the financial effects of this matter on the financial statements as at 31 December 2019 and for the year then ended.

Our opinion on the financial statements as at 31 December 2020, and for the year then ended, is qualified because of the possible effects of these matters on the inventory opening balance and the consequent effects of these matters on the movements in the operating expenses.

As described in note 2.2(a) to the financial statements, during the period 1 January 2020 to 26 March 2020, the Service applied the interbank foreign exchange rates in the translation of foreign denominated transactions and balances, which is not considered an appropriate spot rate for translation as required by IAS 21. For the period 27 March 2020 to 23 June 2020, the Service translated foreign denominated transactions and balances using a fixed foreign currency exchange rate to comply with changes in monetary policy in Zimbabwe, which was also not considered an appropriate spot rate for translation of foreign denominated transactions and balances as required by IAS 21. Our opinion on the financial statements as at 31 December 2020, and for the year then ended, is qualified because of the possible effects of these matters on operating expenses.

The misstatements related to IAS 21 consequently affect the hyperinflationary adjustments made in accordance with IAS 29. It was not practicable to quantify the financial effects of these restatements on the financial statements as at 31 December 2020, and for the year then ended.

Revaluation of property and equipment

An adverse opinion was issued on the financial statements as at and for the year ended 31 December 2019 on the basis of an inappropriate revaluation method used. Our opinion on the financial statements as at 31 December 2020, and for the year then ended, is qualified because of the possible effects of this matter on the opening balances of property and equipment, revaluation reserves, retained earnings and the movements thereof for the year ended 31 December 2020. It was not practicable to quantify the financial effects of this matter on the financial statements.

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Independence

We are independent of the Service in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants and other independence requirements applicable to performing audits of financial statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements applicable to performing audits of financial statements in Zimbabwe.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "National Blood Service Zimbabwe Financial Statements 31 December 2020". The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. Accordingly, we have concluded that the other information is materially misstated for the same reason with respect to the amounts or other matters described in our Basis for qualified opinion.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

- As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Service's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
 - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Service's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Service 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.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Tinashe Rwozi

Registered Public Auditor

Partner for and on behalf

PricewaterhouseCoopers Chartered Accountants (Zimbabwe)
Public Accountants and Auditors Board, Public Auditor Registration Number 100
Institute of Chartered Accountants of Zimbabwe Public Practice Certificate Number 253568

8 September 2021

Harare

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 *Restated* ZWL
ASSETS				
Non-current assets				
Property and equipment	5 382 953 161	454 804 462	68 227 350	52 991 342
Current assets				
Inventory	6 46 673 607	40 856 209	40 634 501	5 777 608
Trade and other receivables	7 106 255 942	136 763 279	101 100 807	30 487 676
Cash and cash equivalents	8 256 387 317	280 373 420	103 457 768	22 906 209
			245 193 075	59 171 493
Total assets	639 340 478	735 177 882	313 420 425	112 162 835
FUNDS, RESERVES AND LIABILITIES				
Funds and reserves				
Accumulated funds	303 332 070	430 211 593	184 201 995	49 942 958
Revaluation reserve	258 694 901	258 694 901	51 904 923	51 904 923
	562 026 971	688 906 494	236 106 918	101 847 881
LIABILITIES				
Non Current Liabilities				
Lease Liability	10 -	753 189	-	167 903
		753 189		167 903
Current liabilities				
Trade and other payables	9 68 742 646	40 021 641	68 742 646	8 921 742
Lease liability	10 -	1 004 598	2 525 816	223 948
Provisions	11 6 065 064	4 981 360	6 065 064	1 001 361
	77 313 506	45 518 199	77 313 506	10 147 051
Total funds, reserves and liabilities	639 340 478	735 177 882	313 420 425	112 162 835

The above statement of financial position should be read in conjunction with the accompanying notes.

The financial statements on pages 4 to 18 were approved for issue by the Board of Directors and were signed on its behalf by:

Rodgers Matsikidze
Chairman
7 September 2021

Lucy Mary Marowa
Chief Executive Officer
7 September 2021

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 *Restated* ZWL
INCOME				
Revenue	12 509 106 102	1 040 052 099	381 430 177	84 945 367
Donations and grants	13 118 998 345	17 244 084	101 685 790	846 243
Other income	14 1 029 104	5 508 450	720 049	1 099 620
	709 133 551	1 062 804 633	483 826 016	86 891 230
EXPENDITURE				
Operating expenses	15 (186 480 130)	(205 372 347)	(124 064 733)	(21 860 055)
Administrative expenses	16 (276 583 056)	(193 817 729)	(225 364 970)	(18 985 747)
	(563 063 194)	(399 190 076)	(349 429 693)	(40 853 802)
Loss on net monetary position	(272 793 443)	(402 022 726)	-	-
Operating (deficit)/surplus before interest	(126 723 086)	261 591 831	134 396 323	46 037 428
Finance costs	17 (156 437)	(194 027)	(137 286)	(13 182)
(Deficit)/surplus for the year	(126 879 523)	261 397 804	134 259 037	46 024 246
Other comprehensive income				
Revaluation of property and equipment	-	258 694 901	-	50 625 604
Total comprehensive income for the year	(126 879 523)	520 092 705	134 259 037	96 649 850

The above statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN FUNDS AND RESERVES

FOR THE YEAR ENDED 31 DECEMBER 2020

	INFLATION ADJUSTED		Accumulated		Revaluation fund		Total reserve	
	Year ended 31 December 2020		ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
As at 1 January 2019			168 813 789	-	-	-	168 813 789	-
Surplus for the year			261 397 804	-	-	-	261 397 804	-
Other comprehensive income:								
Items that will not be reclassified to profit or loss:								
Revaluation surplus			-	258 694 901	-	258 694 901	-	258 694 901
Balance as at 31 December 2019			430 211 593	258 694 901	-	688 906 494	-	688 906 494
As at 1 January 2020			430 211 593	258 694 901	-	688 906 494	-	(126 879 523)
Surplus for the year			(126 879 523)	-	-	-	-	-
Other comprehensive income:								
Items that will not be reclassified to profit or loss:								
Revaluation surplus			-	50 625 604	-	50 625 604	-	50 625 604
Balance as at 31 December 2020			303 332 070	258 694 901	-	562 026 971	-	562 026 971
HISTORICAL COST								
Year ended 31 December 2020								
As at 1 January 2019			3 918 712	1 279 319	-	5 198 031	-	5 198 031
Surplus for the year (Restated)			46 024 246	-	-	46 024 246	-	46 024 246
Other comprehensive income:								
Items that will not be reclassified to profit or loss: Revaluation surplus (Restated)			-	50 625 604	-	50 625 604	-	50 625 604
Revaluation surplus (Restated)			-	51 904 923	-	51 904 923	-	51 904 923
Balance as at 31 December 2019			49 942 958	51 904 923	-	101 847 881	-	101 847 881
As at 1 January 2020			49 942 958	51 904 923	-	101 847 881	-	101 847 881
Surplus for the year			134 259 037	-	-	134 259 037	-	134 259 037
Other comprehensive income:								
Items that will not be reclassified to profit or loss:								
Revaluation surplus			-	51 904 923	-	51 904 923	-	51 904 923
Balance as at 31 December 2020			184 201 995	51 904 923	-	236 106 918	-	236 106 918

The above statement of changes in funds and reserves should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
CASH FLOWS FROM OPERATING ACTIVITIES				
(Deficit)/surplus for the year	(126 879 523)	261 397 804	134 259 037	46 024 246
Adjustment for non-cash items:				
Foreign exchange loss	16 63 459 628	-	60 156 934	-
Depreciation of property and equipment	5 (74 073 155)	44 506 250	8 811 318	2 443 871
Loss on disposal of assets				

