







(Incorporated in Zimbabwe on 10 February 1997, Registration number 897/97)

## ABRIDGED REVIEWED FINANCIAL RESULTS

### FOR THE HALF YEAR ENDED 30 JUNE 2020

### Short-Form Financial Announcement

Issued in terms of Practice Note 13 of the Zimbabwe Stock Exchange

This short-form announcement is the responsibility of the Directors and is only a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decisions by investors and or shareholders should be based on consideration of the full announcement.

A copy of the full announcement has been shared with shareholders using the latest email addresses supplied by the shareholder and is available upon request, and for inspection at no charge, at the Company's registered office or via email request to [aisha@medtechdistribution.co.zw](mailto:aisha@medtechdistribution.co.zw). The full announcement is also available on the Zimbabwe Stock Exchange website (data portal): [www.zse.co.zw](http://www.zse.co.zw) and the Company website [www.medtechholdings.co.zw](http://www.medtechholdings.co.zw).

	Inflation adjusted			Historical		
	June 2020 \$	June 2019 \$	% Change 2020 vs 2019	June 2020 \$	June 2019 \$	% Change 2020 vs 2019
Turnover	75,156,388	96,992,719	(22%)	50,461,093	8,080,716	524%
Operating (loss) / profit	(7,136,029)	19,020,929	(138%)	22,188,738	2,382,626	839%
Basic earnings / (loss) per share (ZWL cents)	0.42	(0.59)	(171%)	(0.43)	(0.10)	330%
Headline earnings / (loss) per share (ZWL cents)	0.42	(0.59)	(171%)	(0.43)	(0.10)	330%

	Inflation adjusted			Historical		
	June 2020 \$	December 2019 \$	% Change 2020 vs 2019	June 2020 \$	December 2019 \$	% Change 2020 vs 2019
Total Assets	163,250,377	150,451,622	9%	91,137,873	31,200,825	192%
Total Liabilities	130,036,776	118,753,292	10%	130,036,776	45,685,362	185%
Total Equity	33,213,601	31,698,330	5%	(38,898,903)	(14,484,537)	169%

### Dividend

The Directors resolved not to declare an interim dividend.

### Auditors Statement

This short-form financial announcement should be read in conjunction with the complete set of the Group's half year financial statements for the half year ended 30 June 2020. The Group's half year financial statements have been independently reviewed by AMG Global Chartered Accountants (Zimbabwe) who have issued a modified review conclusion. The basis of modified conclusion was mainly due to the Group's inability to comply with International Accounting Standard 21 (The effects of changes in foreign exchange rates). The auditors have also reported on a material uncertainty related to going concern. The auditor's report is available for inspection at the Company's registered office and on the Company's website [www.medtechholdings.co.zw](http://www.medtechholdings.co.zw).

R Mazula  
Chairperson  
24 September 2020

Registered Office  
Stand 619 Comer Shumba / Hacha Road, Ruwa

Directors: R Mazula (Chairperson), A.Motiwala\* (CEO), F.Shekh, T.Sheikh, V.Lapham (\*Executive)  
Company Secretary M.Y.Patel

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Chartered Accountants  
(Zimbabwe)

A member firm of AMG Global, a Swiss Verein

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MEDTECH HOLDINGS LIMITED**

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### **Modified review conclusion on interim financial information**

We have reviewed the consolidated financial statements of MedTech Holdings Limited and its subsidiaries (“the Group”), set out on pages 3 to 50, and comprising:

- Group and Company’s statements of profit or loss and other comprehensive income, Group and Company’s statements of changes in equity and consolidated statement of cash flows for the six months ended 30 June 2020;
- Group and Company’s statements of financial position as at 30 June 2020;
- A summary of significant accounting policies applied by the Group and Company during the six months ended 30 June 2020; and
- Notes on the financial statements.

Based on our review, with the exception of matter described in the basis of modified review conclusion paragraph below, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the Group and Company as at 30 June 2020, and of the Group and company’s financial performance and cash flows for the six month period then ended in accordance with International Financial Reporting standards.

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of interim financial information performed by the independent auditor of the entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Basis of modified review conclusion**

During the period under review, the Group and Company changed its functional currency from United States Dollar (“US\$”) to Zimbabwean Dollar (“ZWL\$”). The Company has shown comparative information for the prior periods in ZWL\$ converted from US\$ at 1:1. In addition, the Group transacted a significant amount of business in foreign currencies and according to the Reserve Bank of Zimbabwe (“RBZ”) Act, the balances between Bond note, RTGS System and the US\$ notes were legally exchangeable at 1:1 during the period to 21 February 2019. However, there was constrained exchangeability (The Group was not readily able to exchange currencies through a legal exchange mechanism within a relatively short period of time) of the RTGS balances with foreign currencies in Zimbabwe as there was no legal foreign exchange mechanism. As a result, this conclusion carries an adverse conclusion with respect to non-compliance with International Accounting Standard 21 (“*The Effects of Changes in Foreign Exchange Rates*”).





### **Material uncertainty related to going concern**

Without qualifying our conclusion, we draw attention to note 26 on the financial statements dealing with going concern. The Group was in current liability position of \$38 547 408 (31 December 2019: \$34 973 192) as at 30 June 2020. This and other factors set forth in note 26 cast doubt on the Group's ability to continue operating as a going concern for the foreseeable future. However, as explained in note 26, these financial statements are prepared on a going concern basis.

### **Directors' responsibility for the financial statements**

The Company's directors are responsible for the preparation and fair presentation of these interim financial statements in accordance with International Financial Reporting Standards. This responsibility includes:

- Designing, implementing and maintaining internal control relevant to the preparation and presentation of interim financial statements that are free from material misstatement, whether due to fraud or error;
- Selecting and applying appropriate accounting policies; and
- Making accounting estimates that are reasonable in the circumstances.

### **Auditors' responsibility for the financial statements**

Our responsibility is to express a conclusion on the interim financial statements based on our review. The engagement partner on the review resulting in this review report is Clyton Kazembe, Registered Public Auditor – PAAB Practising Certificate number 0372.

*AMG Global*

**AMG Global**  
**Harare**

**24 September 2020**