Willdale
Limited

Quality • Durability • Diversity

2020
Annual Report

World Class Clay Bricks

Willdale Limited endeavours to operate to the best of ethical standards in accordance with accepted corporate governance paradigms, which conform to the requirement of the King Report, and the Principles of Corporate Governance in Zimbabwe and in full compliance with the requirements of the Zimbabwe Stock Exchange (ZSE).

The Directors, management and staff are required to maintain the highest possible standards of business ethics and accountability at all times.

Vision

To be a world class enterprise by 2025.

Mission

We are the leader in the provision of world class building products in the region using innovative and environmentally friendly technology for the benefit of all our stakeholders.

Values

- Stakeholder satisfaction
- Human dignity
- Quality assurance
- Care for environment
- Teamwork

Contents

About
This Report

Willdale Limited, founded in 1957 and listed on the Zimbabwe Stock Exchange (ZSE) since 2003, presents the annual report for the 12 months ending 30 September 2020. This is our second annual report integrating financial and non-financial information and presenting our sustainability performance, impacts and opportunities. This report has been prepared in accordance with Global Reporting Initiatives (GRI) Standards – 'Core'.

Reporting Scope

This report contains information for Willdale Limited, a company incorporated and domiciled in Zimbabwe. The information provided in this report covers operations where Willdale has operational control. In this report, unless otherwise noted references to ''our'', ''we'', ''us'', ''the Company'', "Willdale Bricks'' refers to Willdale Limited.

Reporting Frameworks

This report was prepared with due consideration of the following reporting requirements:

- Companies and Other Business Entities Act [Chapter 24:31]
- Statutory Instrument (SI) 134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange (ZSE) Listings Requirements) Rules 2019
- International Financial Reporting Standards (IFRS)
- Global Reporting Initiative (GRI) Standards

Data and Assurance

The Financial statements were audited by Ernst and Young Zimbabwe (EY) in accordance with the International Standards of Auditing (ISA). The independent auditors' report is found on page 45-48. Sustainability information was validated for compliance with the GRI Standards by the Institute for Sustainability Africa, an independent subject matter expert. The GRI Content Index is contained on page 91-92. The Board of Directors approved the report for consistency with business operations.

Reinstatements

The company did not make any reinstatement of data previously published in prior year except for the translation of financial statements as guided by the Public Accountants and Auditors Board for the implementation of IAS29 - Hyperinflationary accounting.

Forward looking Statements

This report may contain forward looking statements. These statements are based on current estimates and projections by Willdale Limited and currently available information. Forward-looking statements are not statements of historical fact and may contain the terms "may", "will", "should", "continue", "aims", "estimates", "projects", "believes", "intends", "expects", "plans", "seeks" or "anticipates", or words of similar earning. Future statements are not guarantees of future developments and results outlined therein. These are dependent on several factors which may involve various risks and uncertainties, and they are based on assumptions that are beyond our control. Readers are cautioned not to put undue reliance on forward looking statements.

Feedback on the Report

The company values opinions from all our valued stakeholders which assist us in building a sustainable company and improving our reporting. We welcome your feedback on this report and any suggestions you may have. Feel free to provide feedback to Mavuto Munginga (Mr), Company Secretary, email:mungingam@willdale.co.zw

W. Chidziwo
Chairman
5 February 2021

N Matonda
Chief Executive
5 February 2021

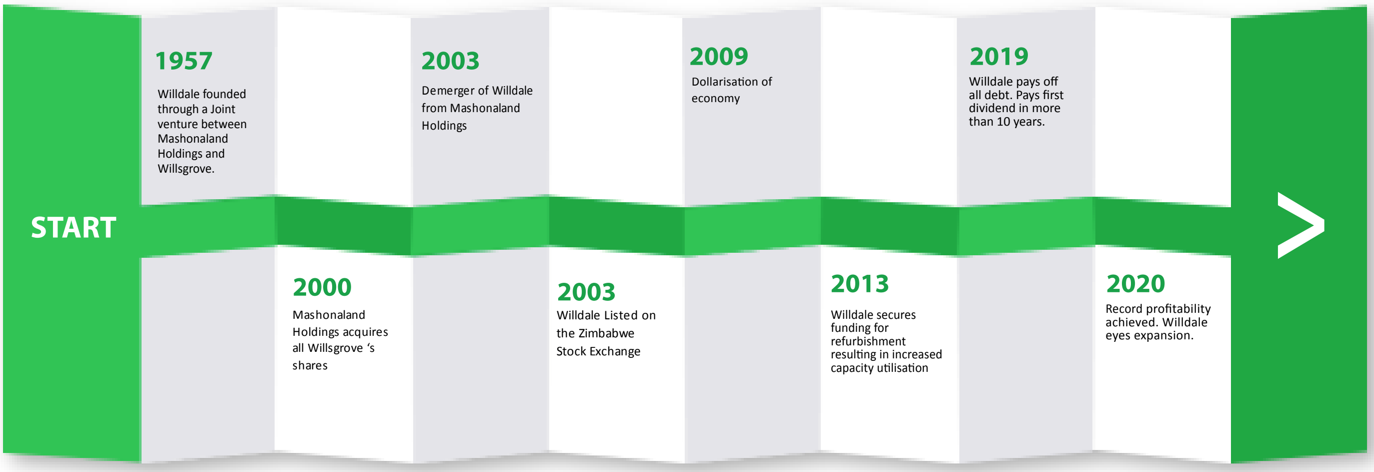
Overview

Meikels Hotel

Company History

Willdale was founded in 1957 in Harare, Zimbabwe. The company was established through a joint venture in which Mashonaland Holdings (then part of the Anglo American Corporation) and Willsgrove held 70% and 30% of the share capital.

In 2000 Mashonaland Holdings acquired all the shares held by Willsgrove. Willdale finally got listed on the Zimbabwe Stock Exchange in 2003 pursuant to the demerger from Mashonaland Holdings Limited.



Company Profile

Willdale Limited is a major manufacturer and distributor of clay brick products in Zimbabwe. The business is publicly listed on the Zimbabwe Stock Exchange with a long history stretching as far as 1957. Our business is incorporated and domiciled in Zimbabwe, our Head office and the factory are situated in Mount Hampden, Harare. The business also has sales offices in Harare Showgrounds, Gweru, Mutare, Kadoma and varied locations in Harare. Willdale operates a wholly-owned company with no subsidiaries.

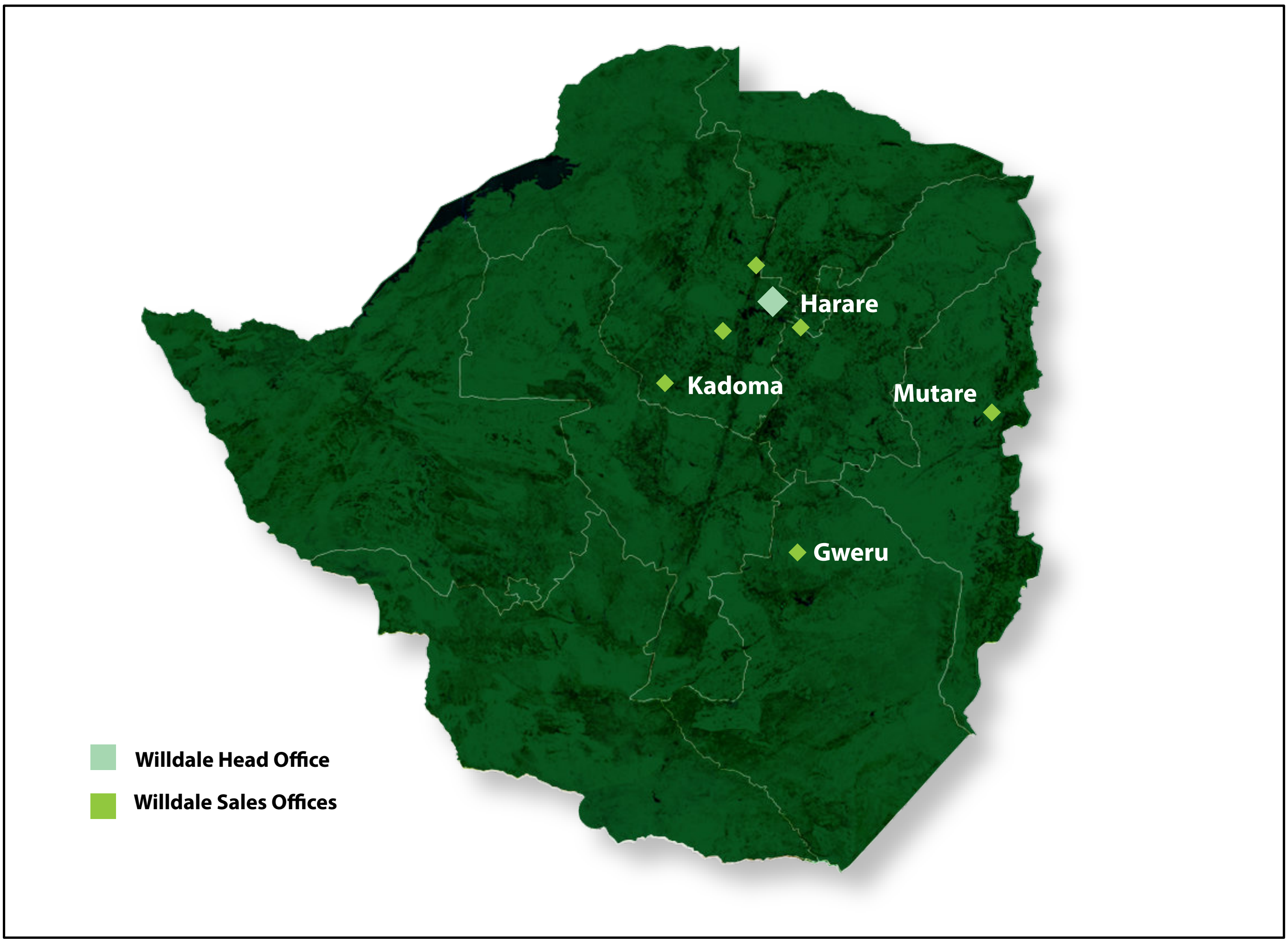
Products and Brands

Willdale Brick products are one of Zimbabwe's popular and long-lasting clay products in the country. Our business has been trusted to build some of the enduring and elegant structures such as the Reserve Bank of Zimbabwe, Sam Levy Village, Arundel Village Shopping Centre among others. Our range of brick products and sales facilities are located across the country demonstrating why our business is well placed to serve the needs of the construction sector.

We offer a range of clay bricks in the following categories:

- **Common**
- **Load-bearing**
- **Clinker**
- **Blue Heart**
- **Plum**
- **Blue Multi**
- **Blue Smooth**
- **Red Defour**
- **Window Cill (Topaz Light, Dark, Blue, Red and Plum)**
- **Rustic (Topaz Light, Topaz Dark, Blue, Red and Dark)**
- **Red Stippled**
- **Dark Splashed**
- **Semi Common**

Overview



Business Associations and Memberships

Construction Industry Federation of Zimbabwe (CIFOZ)
Clay Brick Association of South Africa
Zimbabwe Builders Contractors Associations (ZBCA)

Standards

Willdale Bricks are certified to the ***Product Mark Scheme-SADC ZWSH 981: 2014*** (Burnt Clay Masonry)

12 %
Sales Volume Increase

ZWL$ 596 Million
Net Sales

779
Employees

Performance Highlights

	INFLATION ADJUSTED 2020	INFLATION ADJUSTED 2019	INFLATION ADJUSTED 2018
Revenue	596,550,679	499,315,554	317,170,834
Operating Profit	166,196,461	331,034,045	183,080,841
Net Assets	1,433,367,544	1,074,242,766	1,074,242,766
Operating Cash generated	125,634,628	72,992,885	69,148,628
Profit per share	0.070	17.094	0.72126
Diluted Earnings Per Share (DEPS)	0.070	17.094	0.72126
Number of Ordinary Shares in issue	1,778,001,428	1,778,001,428	1,778,001,428
Weighted average number of shares in issue	1,778,001,428	1,778,001,428	1,778,001,428
Capitalisation	1,382,624,060	1,074,242,766	1,398,150,769

Sustainability Highlights	2020	2019	2018
Clay extracted (m3)	321,825	441,245	309,199
Coal (Tons)	36,626	40,167	34,371
Electricity (kwh/kva)	4,448,321	4,556,554	4,379,591
Employees (head count)	779	591	576
First Aid (Cases)	10	38	58
Supply Chain (no of suppliers)	*689*	1,517	1,467

Chairman’s Statement

Overview
The operating environment, which was characterised by inflation, was further worsened by the novel COVID-19 pandemic which culminated in government induced lockdowns introduced in April 2020. Activities in the construction industry were therefore affected negatively resulting in subdued trade volumes.

Financial Results
Revenue for the year increased by 19% to ZWL596 million, compared to the prior year (2019:ZWL499 million) driven by a 12% increase in volumes. Operating profit decreased by 48% to ZWL166 million (2019:ZWL331 million) after charging ZWL8.7 million to depreciation of property, plant and equipment (2019: ZWL22 million). Exchange gains amounting to ZWL26 million (2019: ZWL34 million) were earned from translation of foreign currency denominated balances. Net cash flows generated from operations amounted to ZWL 125 million (2019:ZWL72 million). Capital expenditure for the year, which was all financed from internal resources, totalled ZWL35 million (2019: ZWL$30 million). Land and buildings were revalued to reflect fair values in line with our policy.

Production
Fired production for the year declined by 20% compared to the prior year. About 2 months' production was lost due to the COVID-19 induced lockdown. Annual maintenance of the plant will be carried out during the seasonal shutdown to ensure efficient production that delivers sufficient bricks for projects during the ensuing year in line with approved budgets for the new financial year.

Sales and Marketing
Sales volumes increased by 12 per cent compared to the prior year, despite effects of the COVID-19 induced lockdown on projects. The relaxation of lockdown conditions from Q4 witnessed a steady increase in orders especially from individual home developers. The continued opening up of economic activity coupled with RBZ introduced foreign currency auction system resulted in a stable currency and inflation rate. This will present opportunities from dormant and new projects including government infrastructure and housing development programs.

Human Resources
Hyperinflation and the impact of the COVID-19 induced lockdown affected stability in the supply of task-based labour during the year thereby affecting productivity levels. Appropriate measures have been adopted to minimise disruptions in labour supply. Operations are being conducted under strict World Health Organisation and Ministry of Health and Child Care guidelines to minimise the risk of transmission of the COVID-19 virus.

Directorate
There were no changes to the composition of the Board during the year under review.

Outlook
We are encouraged by the prevailing stability in the economy underpinned by a stable currency and declining inflation. We expect this to stimulate property and infrastructure development in the short to medium term. With sufficient critical mass, our business will deliver sustainable profitability into the near future for the benefit of all stakeholders including shareholders.

Going Concern
The Board is confident that the Company will continue to operate as a going concern for the foreseeable future and, as a result, financial statements for the period under review have been prepared using the going concern basis. The Board's view is based on favourable liquidity and solvency ratios, the successful implementation of its strategic plans, continued support from its stakeholders and other initiatives that the Board is undertaking to improve the Company's performance.

The directors have resolved to pay a final dividend of 1.35 cents per share with respect to the year ended 30 September 2020. The dividend is payable to shareholders registered in the books of the company at the close of business on 8 January 2021 and will be paid on or about 28 January 2021. The shares of the Company will be traded cum-dividend (with dividend) on the Zimbabwe Stock Exchange up to the market day on 5 January 2021 and ex-dividend as from 6 January 2021.

Appreciation
On behalf of the Board and Shareholders, I wish to express my sincere gratitude to our valued customers, suppliers and other stakeholders for their valued contribution and support during the period under review. I would also like to thank management and staff for their dedication to duty under the challenging and difficult operation environment under the COVID-19 pandemic.
I wish you all and family a merry Christmas and a happy New Year!

W. Chidziwo
Chairman
10 December 2020

Chief Executive Officer's Statement

I am pleased to present the review of operations for the financial year ending 30 September 2020. The year was interrupted by the outbreak of the COVID19 pandemic which resulted in national lockdowns. While our resilience was tested, the company produced encouraging results proving our sustainability. The overall performance was positive despite the challenging economic environment.

Business Environment

The business environment in Zimbabwe remains challenging and characterised by inflationary effects and foreign currency challenges. The outbreak of COVID19 exacerbated an already constrained economic environment. Many companies struggle to contain operational constraints. The business operating environment characterised by high employment costs, depreciating disposal incomes, retrenchments and high utility costs continues to impact the sustainability of many companies. The construction and real estate industry continued to struggle during the year. All these had impacts on the operations of Willdale Limited.

Financial Review

Revenue grew by 19% compared to the prior year, driven by a 12% increase in sales volumes. Total comprehensive income for the year amounted to $358 million. Our financial position remained strong with zero gearing and favourable liquidity ratios. The business continued to generate positive cash flows with a net increase in cash and cash equivalents of $72 million. Focus was on cost management to remain profitable as we operated in an environment with high inflation.

Business Review

Demand for bricks remained strong despite the impact of the COVID-19 induced lock downs on the economy. Sales volumes increased by 12% compared to the prior year. The brand dominated the market due to durability of our bricks and the diversity that we offer consumers. Efforts continued to reach all corners of the country with sales offices and partnerships being established in most parts of the country.

Production

Total brick production for the year declined by 20% due to COVID-19 induced production stoppages, though sufficient inventory levels were available to meet demand

Governance

There were no changes to the composition of the Board. We remain committed to running a sustainable business that is rooted in ethical conduct and world class standards.

Sustainability

Following the adoption of Sustainability Reporting last year, the company continues to integrate sustainable business practices in the business value chain. Our business is greatly dependant on the environment and as such we must assess the long term implications of our operations to the environment and society. The Company believes that sustainability will anchor how we will do business, our products and how we relate with our stakeholders. We remain committed to upholding sustainability standards. The company continues to enhance capacity and systems for ensuring that we minimise negative sustainability impacts while creating opportunities for our stakeholders.

During the year, we focused on managing material issues around the following priorities:

- **Health and safety incidences**

Willdale values employee Health and Safety being the most important asset of the business, therefore our drive is Zero injuries.There was a 58% drop in reportable incidences in 2020 compared to 2019 which is commendable and attributed to increased intensity of training and awareness. However, there were 2 high consequence injuries in 2020 encountered than in 2019 where there was none due to high labour flight which led to engagement of more women than men, an unusual scenario. The solution was that women would need more training and supervision by virtue of the nature of work.

- **Energy**

Willdale as a Stakeholder in the private sector appreciates its contribution to Climate Change from the energy sources that it employees, most of which are carbon based. The aim is therefore to minimise consumption of carbon based fuels and eventually substituting some operations with solar energy. Energy sources employed at Willdale are coal, electricity, diesel and petrol (fuel). Electricity usage was 3.5% more in 2020 than in 2019 while coal usage was 10% less in line with production levels. Efforts were made to reclaim coal from dumps. The process of collecting data for energy sources will continue to be improved in the coming year.

- **Environmental Reclamation**

Willdale operations involve open cast mining of underground clay which is a direct environmental degradation activity resulting in soil erosion and reduced land ambience. The clay pits pause a hazard to human and animal life. Willdale being environmentally responsible has embarked on a continuous land rehabilitation program of back-filling the open pits with brick rubble at a targeted rate of $400m^3$ per week. In 2020, there was tremendous improvement on the back-filling process with more tonnes being deposited into the pits compared to 2019.

- **Community Investment**

The bulk of the Willdale's labour force is recruited from the local community, a huge lift of the unemployment burden in the area. A significant number of employees are accommodated at the organisation's Star Village. Willdale therefore ensures provision of power and clean drinking water to the Star Village including maintenance of the sanitary infrastructure.

Human Capital

Willdale Limited regard employees as business partners who provide important capital and help in identifying business opportunities. We are all bound by a shared vision and values that sustain Willdale Limited. The company strives to provide a conducive working environment and compensation. During the year, the company did not experience any significant staff turnover. However, we continue to provide short term employment opportunities for our local communities within the Mt Hampden and surrounding areas.

COVID-19 Response

The pandemic disrupted our business operations. We however took appropriate measures to protect employees and customers. Our interventions included insisting on compulsory wearing of face masks, temperature checks, testing and social distancing requirements for all staff and customers in line with the Government of Zimbabwe and World Health Organisation (WHO) Guidelines.

Chief Executive Officer's Statement (cont'd

Outlook

The future economic prospects of the Southern African region provides potential opportunities for the housing market. The Company will seek to consolidate its dominance on the local market and pursue potential opportunities in the Southern African Development Community (SADC) region. We are confident of a bright and profitable future. We believe the economic recovery in the region Post-COVID19 will stimulate the construction industry and provide business opportunities for the company.

Appreciation

I would like to take this opportunity to express my appreciation to the Senior Management and Board of Directors for their unfailing commitment and support during the challenging year. My appreciation also goes to the rest of our staff, all our customers, business partners, shareholders and other stakeholders for their continued support.

N. Matonda
Chief Executive Officer
10 December 2020

Directorate & Management

Board of Directors

Washington Chidziwo
Chairman Non-Executive
(Appointed 2018)

Washington Chidziwo is a seasoned banker with vast experience in the banking sector acquired through working at several local commercial banks at senior level. Through his expertise and networking skills he took Vascotech Engineering (Private) Limited to greater heights as its chairman in 2009. Currently Washington is the Chairman of Belwood Group of Schools board of directors.

Munesu Antony Gumbie
Non-Executive
(Appointed 2012)

Munesu Anthony Gumbie is Professional Mechanical Engineer. Anthony completed a BSc (Honours) Mechanical Engineering degree from The University of Zimbabwe in 1984 and did engineering post graduate training at Shabanie Mine, where he had also been a cadet for three years whilst still a university student. After completing training he worked for Shabanie Mine, National Glass, Turnall Fibre Cement and PG Industries in various engineering capacities.

After 15 years of formal employment Anthony went into private business and is now concentrating on Concrete Roof Tile manufacturing.

Anthony also obtained an MSc in Manufacturing Systems and Operations Management degree from The University of Zimbabwe in 2001.

He is married with 3 children and actively involved in community work and/or projects.

Cleophas Makoni
Non-Executive
(Appointed 2012)

Cleophas is an accountant by profession. He holds a Bachelor of Accountancy (Honours) Degree from the University of Zimbabwe and a Masters of Business Leadership from University of South Africa. He also holds F.C.I.S and A.C.M.A Global Accounting Qualifications. Currently he is the Managing Consultant for Topaz Consulting. Cleophas has also worked for TM Supermarkets, National Tyre Services, Allied Timbers and Willowvale Mazda Motor Industries in senior positions. He is also a non - executive Director at ZB Building Society, ZB Life and SAfAIDS.

Directorate & Management

Board of Directors

Yaqub Dawson
Non-Executive
(Appointed 2018)

Yaqub holds a BSc degree in Strategic Management. He has vast business management experience and currently sits on several boards.

Udo Duske
Non-Executive
(Appointed 2014)

Udo is an experienced entrepreneur and sits on the Boards of a number of companies amongst them Scotia Holdings, Motor City Toyota and Professional Security.

Brian Kudzaishe Mataruka
Non-Executive
(Appointed 2017)

Brian K. Mataruka is a registered practising lawyer and Partner at Gill, Godlonton & Gerrans, one of Zimbabwe's oldest law firms where he is the Head of Mining and Business and Development. Brian is a holder of an LLB(S) from the University of Zimbabwe and a Diploma in Mineral Resources Management. He is currently an MBA Candidate with Africa Leadership University in Kigali Rwanda where he was awarded the 2019 African Chairman's Scholarship Award for excellence in business leadership and innovative employment creation for his work in the agriculture and construction sectors. He is also currently working towards an Executive Corporate Management Masters with the Gibbs Business School.

Amongst a number of other non – executive directorships that he holds, Brian is a non – executive Director of Aviation Ground Services, the only private ground handling company in Zimbabwe.

Directorate & Management

Board of Directors

Gilbert Machingambi
Non-Executive
(Appointed 2018)

Gilbert is a registered and admitted Legal Practitioner, notary public and conveyancer. He is a member of the Law Society of Zimbabwe with over 20 years legal practice experience mainly in Commercial Litigation, Labour, insurance and Banking law.

Nyasha Matonda
Chief Executive
(Appointed 2014)

Nyasha holds a Master of Business Leadership Degree from the University of South Africa and a Bachelor of Technology (Electrical Engineering) Degree from the University of Zimbabwe. He is also a member of the Management Committee (Mancom) of CIFOZ and chairs the Economics and Research committee. He scooped the Megafest CEO of the year, Gold Award for 2019.

Mavuto Munginga
Finance Director
(Appointed 2010)

An accountant by profession, Mavuto holds a Bachelor's degree in Accounting and a Masters of Business Administration degree from the University of Zimbabwe. He is a fellow of the Association of Chartered Certified Accountants (FCCA) and an associate member of the Institute of Chartered Secretaries and Administrators (ACIS). He is also a Project Management Professional (PMP) registered with the Project Management Institute (PMI) and is an associate member of the Institute of Risk Management South Africa (IRMSA).

Directorate & Management

Executive Directors

Mr. N Matonda	Chief Executive
Mr. M Munginga	Finance Director

Senior Management

Finance

Mr. S Nyajeka	Management Accountant
Mr. G Tembo	Financial Accountant

Operations

Mr. T Mushunje	Works Manager
Mr. C Mundoma	Production Manager
Mr. C Chipepera	Maintenance Manager

Safety Health, Environment and Quality (SHEQ)

Ms C Nkobi	SHEQ Manager

Sales and Marketing

Mr. T Mugambiwa	Sales & Marketing Manager

Human Resources

Mrs M Nkomo Mandangu	HR Manager

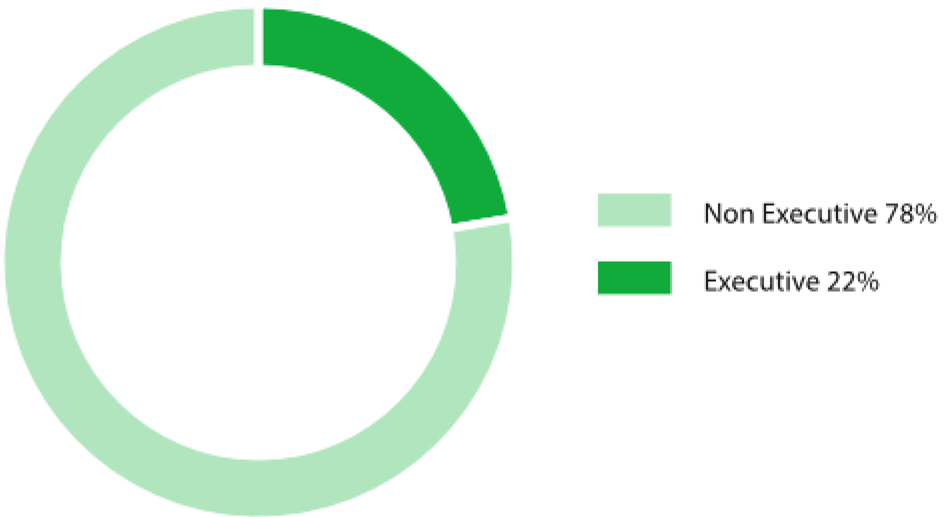
Corporate Governance

Willdale Ltd endeavours to operate in accordance with accepted corporate governance values and ethical practices which conform to the requirements of the Principles of Corporate Governance in Zimbabwe as contained in the Manual of Best Practice, and in full compliance with the requirements of the Zimbabwe Stock Exchange. The company continues to review and improve corporate governance practices in line with the National Code of Corporate Governance in Zimbabwe (ZIMCODE), SI134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Requirement) Rules and the new Companies and Other Business Entities Act (24:31).

Board Composition

The Board comprises seven (7) non-executive Directors and two (2) executive Directors (the Chief Executive Officer and Finance Director). The non-executive Directors bring a combination of major shareholder representation and specialised advisory skills to the board. Board meetings are held every three months to review quarterly financial statements and all aspects of operations. Additional Board meetings are held when necessary.

Board Composition



Conflicts of Interest

At all Board meetings, Directors are required to review and sign a Declaration of Interest file, in which any changes are updated. It is not a requirement of the Articles of Association for Directors to hold shares. All employees are required to observe the declaration of interest as guided by the Human Resources Policy and ProceduresManual.

Board Evaluation

Board evaluation is a significant pillar of performance management of the Willdale Board. Our assessments not only cover the identification of strengths and weaknesses of board members but also look at the resources and skills necessary to achieve company objectives. Evaluation of the board of directors is done through a peer review process facilitated by the Board Chairman. The Chairman regularly engages with Board Members to ensure their performance is in line with their commitments and responsibilities.

Business Ethics

Directors, Management and staff are required to maintain the highest possible standards of business ethics and accountability, and appropriate disciplinary measures are in place in the event of any lapses.The conduct of the business at Willdale is guided by the values as prescribed. The values are expected in all business relations and transactions to ensure we strengthen customer satisfaction, and human dignity thereby guaranteeing quality assurance, integrity and care for the environment.

Board Communication with Stakeholders

Engaging with stakeholders enables us to address our impacts and enhance relationships with the parties that are interested in our business and those we impact. The board has a significant role to play in stakeholder engagement particularly in ensuring their decisions coincide with stakeholder needs and expectations. The company provides various channels to allow stakeholders to communicate with the Board of Directors. These include platforms such as the Annual General Meetings (AGM), Website, Social Media, and direct engagements.

Board Nomination

The nomination of board members is based on shareholder representation. Most directors are nominated by major shareholders to represent their interests and responsibilities in the company. However, existing members are professionals in their own right. As such, their conduct reflects a true professional interest and responsibility to serve the interests of the company and its stakeholders.

Anti-Corruption

The company subscribes to a drive against corruption in the business environment and relations. Willdale has a whistle-blower policy in place which encourages employees and stakeholders to report cases. The company offers protection for any individuals or institutions who report any cases relating to our business.

Corporate Governance (cont'd)

Remuneration Policy

The company's remunerations policy rewards staff at all levels in a manner that is fair and equitable within the limits of what the company can afford. The company is biased towards performance in its remunerations system.

Remuneration of Directors is determined by the Human Resources Committee and approved by the Board. Remuneration for managerial employees is determined by the Human Resources Committee while remuneration for non-managerial employees is determined by the National Employment Council for Brick Making and Clay Products.

Employment Policy

It is company policy to carry out regular training and development programmes at all employee levels. Overall policy advocates for equal opportunity regardless of gender or race, and through a professional human resources department, measures are in place to reward and develop staff according to their recognisable talents and abilities.

Employees are regularly informed of issues affecting their jobs and work environment. Works Council and the Workers Committee provide effective channels for communication. Willdale has a Code of Conduct in place registered with the Ministry of Labour and Social Welfare.

Men's health awareness

Committees

Committee	Members	Responsibility
Main Board	W. Chidziwo(Chairman) Y. Dawson U. Duskie M. A. Gumbie G. Machingambi C. Makoni B. K. Mataruka N. Matonda M. Munginga	The Board of Directors is responsible for formulating the overall policies and strategies of the company, including regular review of delegated authority to management, supervision of corporate performance, human resources and ensuring that effective financial and operational controls are adhered to.
Finance & Audit	G. Machingambi (Chairman) W. Chidziwo C. Makoni B. K. Mataruka	The Finance and Audit Committee comprises of four non-executive Directors. It meets quarterly to review the interim financial statements. It Also reviews half year and year-end financial statements prior to their final approval by the board and subsequent publication. The Finance and Audit Committee ensures that internal financial controls and audits are carried out and it has direct access to the external auditors. It also reviews recommendations and requirements of the International Financial Reporting Standards and ensures compliance as applicable to the Company's activities.
Human Resources	B. Mataruka (Chairman) W. Chidziwo Y. Dawson M. A. Gumbie G. Machingambi	The Human Resources Committee, among other duties, is charged with setting the remuneration packages for executives and senior management, which are reviewed in accordance with their individual contributions to the company's performance. The Committee also sets guidelines for remuneration of employees within the organisation, and is also responsible for the policy relating to incentive bonuses. The HR Committee comprises of four non-executive Directors and the Finance Director and the Chief Executive Office attend by invitation.
Strategy And Operations	M. A. Gumbie (Chairman) Y. Dawson U. Duske C. Makoni	The Strategy and Operations Committee reviews the various strategic and operational plans and monitors implementation of such plans. It meets quarterly and, additionally, its members are available for consultation by management as and when necessary. The Committee comprises of four non-executive Directors. The Finance Director and the Chief Executive Officer attend by invitation.

Meeting Attendance

Director	Main Board	Finance & Audit	Human Resources	Strategy & Operations
Total meetings	**4**	**4**	**4**	**4**
C. Makoni	4	4	2	4
W. Chidziwo	4	4	n/a	n/a
M. A. Gumbie	4	n/a	3	4
B. K. Mataruka	4	4	4	n/a
Y. Dawson	4	n/a	3	4
U. Duskie	4	n/a	n/a	4
G. Machingambi	4	4	4	n/a
N. Matonda	4	4	4	4
M. Munginga	4	4	4	4

*Executive directors attend all board committee meetings by invitation

Compliance and Risk Management

Willdale is exposed to various compliance and risk issues which require the company to put in place strategies and systems that ensure compliance and management. The nature of the business requires that all such compliance issues and risks are managed to avoid negative consequences.

Compliance Matters

Willdale operates in a sector which requires maintaining high levels of environmental, business and regulatory compliance. The Company always seeks to adhere to all commitments and regulatory requirements that govern the business environment. During the year, the company complied with the following instruments:

- Companies and Other Business Entities Act (24:31)
- ZSE Listing requirements
- Zimbabwe Revenue Authority (ZIMRA) Regulations
- Environmental Management Act (EMA)[20:27] and requirements
- National Social Security Authority (NSSA)- Occupational, Health and Safety regulations

From time to time, management monitors and considers other provisions and practices that ensure that the company operates sustainably. These may be voluntary or mandatory provisions as they develop.

Risk Management

Willdale operates an Integrated Management Systems (IMS) to manage forms of risks which range from financial, business, environmental and social risks. This system requires management to regularly identify, evaluate and address any risks which may be established to have negative effects on the business and stakeholders. Further, management is required by the systems to subscribe to best practices and certifications standards that ensure ongoing management of risks. Currently, the company has set the target of June 2021 to have attained several ISO standards certifications.

Financial Risk Management

The company's internal controls set our relevant procedures that must be followed in managing the control environment, finances and employee financial responsibilities. Management constantly checks and reviews the systems which are designed to provide maximum accountability at all levels. Such programmes include the checking of both income and expenses budgets against actual results, monitoring loss prevention and measures to detect any irregularities or fraud. A regular report is furnished to directors quarterly, but any items considered to be serious are dealt with as they arise.

Business and Operating Risk Management

The company manages operational risks through various policies and procedures within an Integrated Management System. The company has policies that cover human capital management, procurement, safety, health, environment and quality, security and business strategy. These policies are managed through various committees of the Board while implementation falls within management responsibilities.

Safety, Health and Environment Risks

The company operates with full regard for all health, safety and environmental measures applicable to our industry. Training on health and safety is provided to all staff and management to minimise first aid case and environmental risks.The company engages the Environmental Management Agency (EMA) who conduct regular inspections for compliance with agreed Environmental Plans. In addition, the National Social Security Authority (NSSA) also conducts compliance inspections on our occupation health and safety management under the Safety and Health and Quality Department.

Post Office Building

Arundel Shopping Centre

Sustainability

Willdale is a significant player in infrastructure development projects in Zimbabwe. Our products are integrated into the construction value chain of commercial properties, apartments, homes, hospitals and other infrastructure built every year. While our business has significant impacts on social development and quality of life, the company ensures the management of environmental and economic impacts are integrated. The company invested in systems and processes to manage any negative impacts as inspired in our sustainability strategy.

Our Sustainability Thrust

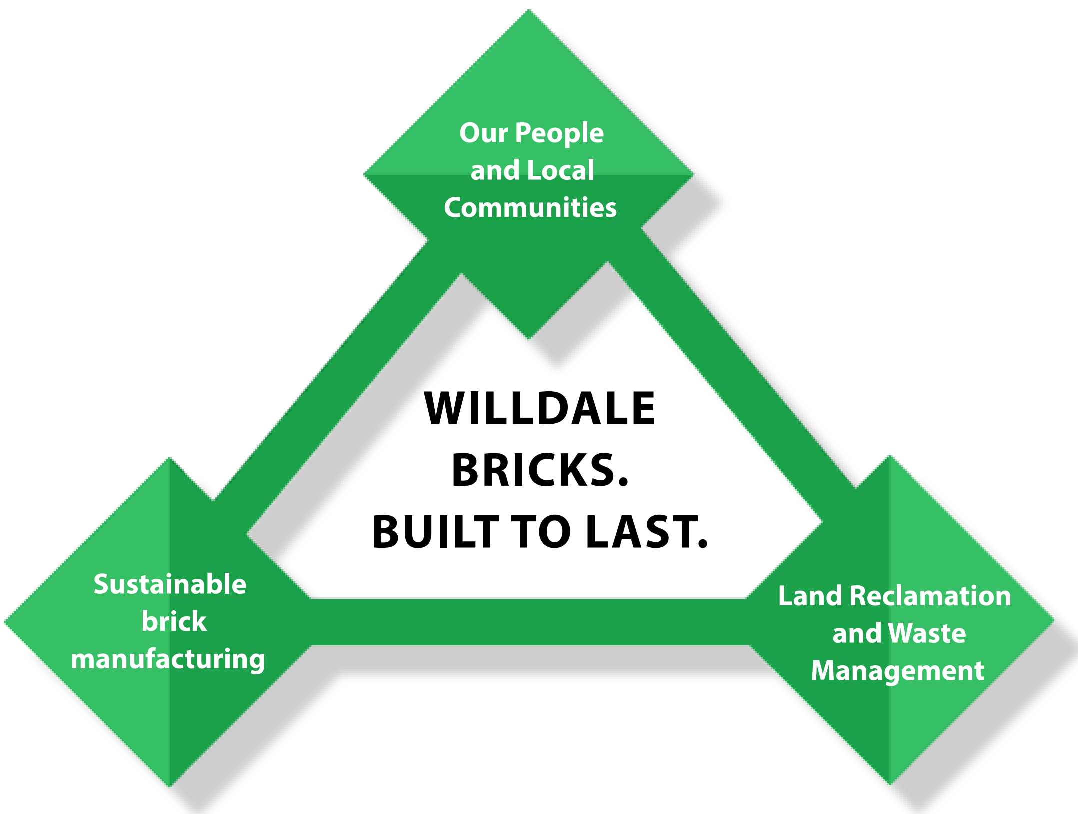
Willdale Bricks. Built to Last.

We seek to contribute to the development of long-lasting societies through clay products that are sustainably manufactured while contributing to the restoration of our land, managing waste and local community Impact.

Willdale Bricks recognises the impacts it has on society and the environment through its operations, products and services. The clay brick industry is exclusively dependent on natural resources as inputs into its manufacturing processes. Our sustainability strategy: “Built to last” - aims at eliminating any negative impacts from our products and enhancing our positive impact.

At the core of the Built to Last strategy are three pillars:

- **Our People and Local Communities**
- **Sustainable brick manufacturing**
- **Land Reclamation and Waste Management**



Managing What Matters and Reporting Practice

What Matters

Willdale's sustainability strategy is to dedicate attention to material impacts and where they take place within the business value chain. The company considers material issues to be those that reflect the company's economic, social and environmental impacts including the stakeholder's influence on the matters.

Materiality process

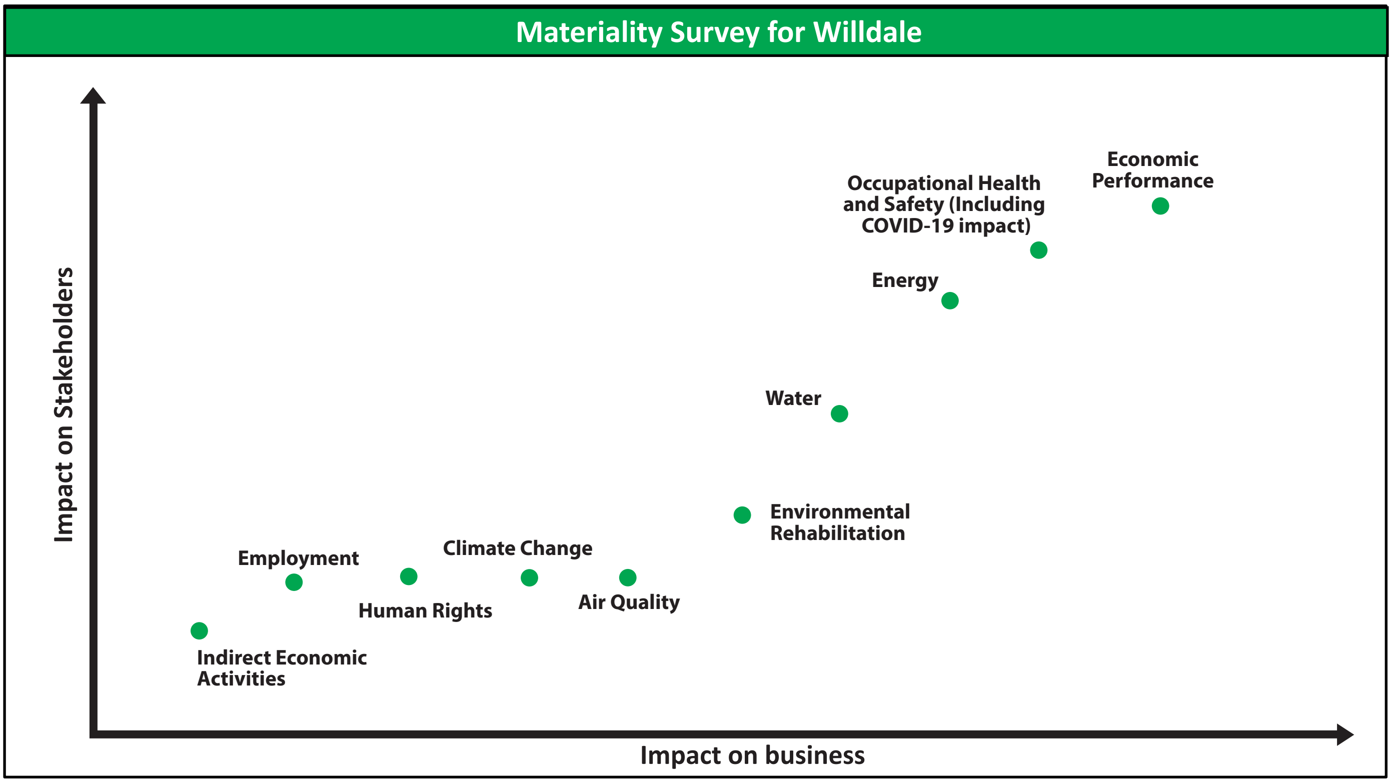
The materiality process is managed through a structured process where heads of departments identify material topics within their sections. These matters are presented to the management committee for analysis and evaluation, the process is done to streamline topics, provide clarity and avoid duplication. The resultant list is then shared across the group for ranking. Where a matter requires strategic counsel it is elevated to the Board of directors. Senior management has the ultimate responsibility to approving the topics to be included in the report.

Material topics

The business in light of the changes in the operating environment and the emergency of COVID 19 Pandemic conducted an assessment to determine the material issues for the business and stakeholders. The following are issues identified as material:

Environmental	Economic	Social
• Environmental Rehabilitation • Ecological Impacts • Climate Change • Air quality • Solid Waste • Water • Energy • Supplier Environmental Assessment	• Economic Performance • Tax • Procurement Practises • Indirect Economic Activities/ Corporate Social Investments	• Employment opportunities • Occupational Health and Safety and COVID-19 • Training and Education • Human Rights

(Material Matrix)



Managing What Matters and Reporting Practice (cont'd)

Reporting Practice

The company's reporting practice is to integrate economic, environmental and social performance in our reporting for transparency to our broad stakeholders. This approach requires that we disclose both financial and sustainability information in a single annual report.

Report Boundary

The company operates a plant in Harare near where the clay is extracted. The location experiences significant environmental and social impacts material to the company. As such, the report boundary covers only this location.

Report Period

The reporting period for the company spans over a 12 months period which runs from 1 October to 30 September each year.

Sustainability Reporting Data

The company extracts data on economic, environmental and social performance from a computerised system used for recording transactions. All data is supported by source documents or measurement records captured in the system.

Stakeholder Engagement

Stakeholders play a critical role in the success and failures of Willdale. As such, the company believes that stakeholders should be regarded as business partners rather than individuals or institutions that we interact with. The company defines stakeholders as those whom the business impacts and those who can affect the business in achieving its objectives. Stakeholders have a critical function in helping us identify potential risks, business opportunities and inform our business strategy.

Our Approach

The company's approach to stakeholder engagement is to ensure it is a shared responsibility among employees and management across the company. Management takes responsibility of evaluating and making decisions on stakeholder feedback and input on various business areas. The company engages stakeholders using different approaches which include face-to-face interviews, briefings, phone calls emails and workshops.

Stakeholder Groups

Willdale categorise stakeholders into the following groups:

- **Internal Stakeholders** – Employees, shareholders and investors who play a role in ensuring we deliver targets and agreed objectives.
- **External Stakeholders** – Customers, suppliers, regulators and government who ensure that we meet their needs and operate in a responsible manner.

Collective Bargaining

Willdale Limited is involved in collective agreements with employees through their representatives and trade unions. During the year, there was a collective bargaining agreement reached which covers more than 95% of the employees.

Stakeholder Engagement

Willdale believes that wide engagements with the parties interested and affected by our business shape our decision making and perspectives. This explains why stakeholder engagement is a critical pillar of our business. We treat our stakeholders as business partners whose capital is essential in the short and long term survival of our business.

How we engage our stakeholders

The business engages stakeholders using a variety of approaches depending on the stakeholder involved. Popular methods include face to face interviews, briefings, phone calls and workshops. The business approach to stakeholder engagement is to ensure it builds shared responsibilities and values among all employees and management to respond to stakeholder concerns.

Who we engage

The business relies on mapping approach to determine which stakeholder to engage. This process involves taking note of all stakeholder interactions observed during the year and ranking them to determine which ones the business is accountable to. This process takes into account the individuals and groups who are unable to articulate their views.

Stakeholder Engagement (cont'd)

During the year management identified the following internal and external groups as the most critical to the business during the reporting period:

Internal Stakeholders

- Employees
- Shareholders and Investors

External Stakeholders

- Customers
- Suppliers
- Regulators and Governments
- Local communities
- Industry

Why we engage

The business maintains a constant dialogue with the key stakeholders to anticipate and accommodate the needs of society and business partners in decision making and commitments. This enables Willdale to anticipate risks and identify future opportunities. We also undertake stakeholder engagement as part of the reporting process. This gives us insights into the stakeholder's information needs. This report took note of the information needs of the stakeholders.

Procurement Practice

In managing our supply chain, the company implements a procurement policy which requires that there be competitive bidding in all supplier engagements. The company's practice is to invite suppliers each year to join our suppliers list. Before joining this list, the company evaluates the suppliers to ensure they meet all regulatory compliance requirement and are in good standing as far as tax compliance, legal registration and capacity to supply required products and trade history. The company also assesses public reputation and trade history of the supplier. Our suppliers are both local and international.

Stakeholder	Material Issues Raised	Mitigation Measures	Communication Channels
Employees	• Economic Hardship • Funeral Assistance for employees • Housing Stands • Housing Assistance	Non-fixed hardship allowances were introduced. A company contracted to provide cheaper funeral services. Engaged ZRDC for stands – awaiting a response.	Works Council
Customers	• Hazard of pits • Hazards of dust • New products • Business communications challenges. • Pricing issues	Rehabilitation of pits. Planted 1000 trees on Tree planting day. Continue upgrading our digital marketing services. Using the Relative Pricing model. Embracing e-commerce and in customer relationship management	Direct Contact with sales and quality team Emails and Calls
Governments & Regulators	• Environmental management plan	Adherence to EMP and all regulations during the year	Direct Contact Emails Letters
Suppliers	• Quality of raw materials. • Stringent business terms due to economic situation • Delivery time and lead time	Engagement with suppliers on quality of raw materials. Arranged suitable terms with suppliers. Supplier engagement on delivery time.	Calls Emails
Industry	• Projects given to foreign contractors. • Information sharing in the Industry. • Business restrictions due to COVID-19	Proper bidding practices required. Maintained membership status for ZBCA and CIFOZ among other associations in Industry. Adopted a suitable business continuity plan to operate during the COVID-19 pandemic.	Meetings with industry bodies such as (CIFOZ, ZCIA) Direct Contact with sales and quality team Emails and Calls.
Shareholders and Investors	• Dividend payment.	Dividend declared and paid.	Direct Contact with the Board.
Local Communities	• Electricity challenges • College Students need attachments. • Police needs support. • Community needs assistance with water, power and health facilities • COVID-19 affecting local people.	Working with power authority to improve electricity supply. Offer attachments to College students. Donations given to schools and other social programs, Donated Bricks to St Mannock School. Joined the Stappleford Cluster community virtual group and managed to teach the community on COVID-19 preventive measures.	Regular community cluster meetings. Participation in fund raising activities.

Our Sustainability Footprint

Tree planting

Environment

Willdale is cognisant of the impact its operations have on the environment and surrounding community. The business is committed to minimising further environmental damage and externalities. We seek to protect the environment and to preserve the natural resources from which our primary products are manufactured. Our environmental objectives therefore are distributed across business functions to fulfil that obligation. The business monitors its impacts on the environment by tracking raw material extraction, energy use, water consumption, and waste emissions to air and land. Overall, the business is guided by ISO 14001 and the Environmental Management

Act [20:27]. We have additional specialised approaches for key environmental aspects and impacts.

Raw Materials

Our business relies significantly on clay as a key raw material that anchors all our products. Given the finite nature of this raw material,

it is critical for our business to extract and process it in a sustainable manner. Our clay extraction processes expose our operational area

to erosion and flooding affecting animal and plant species in our locality. The pits that are the consequence of the mining activity take

away the aesthetic appeal of the environment.

Managing Clay Extraction

The business has set in place several processes to manage clay extraction and reduce waste.

Key processes that have enhanced our brick management are:

- Clay testing
- Bench Mining and
- Recovery (green bricks and breakages)

Our Sustainability Footprint

Clay Testing | Bench Mining | Recovery

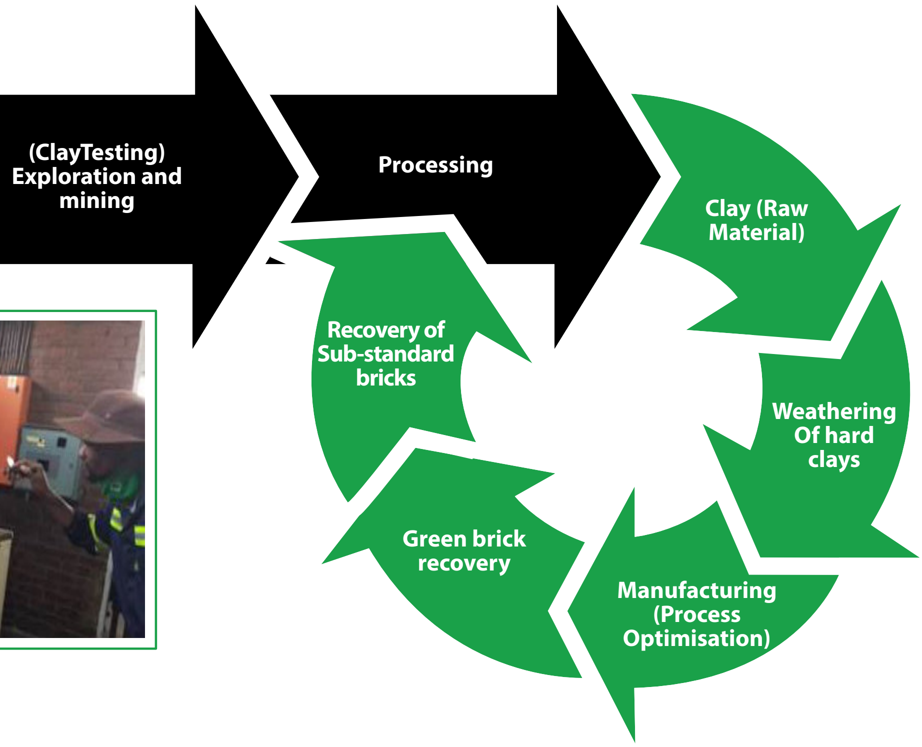
Clay Testing
We conduct soil tests to analyse the clay composition of soil and determine the depth at which we can conduct our extraction. The soil testing system optimises our extraction process as viable clay deposits can be reached at optimal depths.

Bench Mining
The brick making processes require various qualities of clay which are often found at varying depths. The company through the bench mining method, has been able to isolate several layers of clay essential in providing the relevant mixtures. This process has enabled the business to reduce wastage of clay as the whole extraction process can be done simultaneously while collecting the required quantities of clay from each layer. This has made the movement of pits consistent.

Recovery and Recycling
The business does not throw away clay in principle, so all poor quality bricks or green bricks and breakages are recovered or recycled. Brick rubble produced during operations reduces the quality of land aesthetics. Green bricks are returned to the manufacturing process to make bricks thereby eliminating wastage. Waste plastic used to cover bricks has the potential to cause land pollution. We have optimised our processes to ensure that there is reduced brick loss and packaging waste from our manufacturing processes. Breakages are diverted to the rehabilitation of pits and preparation of grounds and plastic waste is sold to local recycling companies. In the absence of recycling and reuse alternatives, we have dedicated waste management companies that collect our waste for proper disposal.

Clay and Raw Material usage

Efficiency System

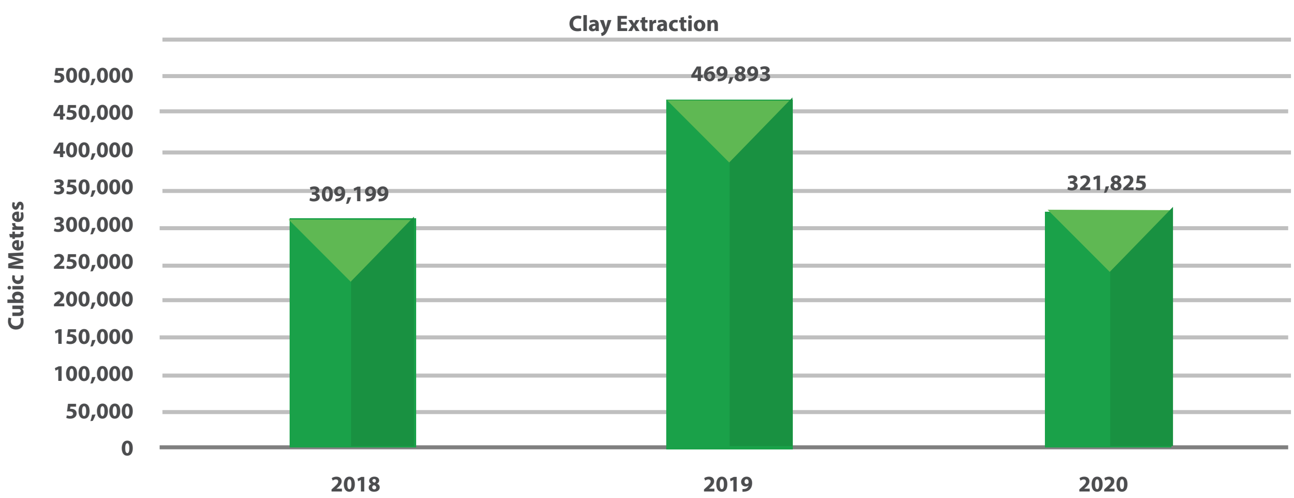



Carbon content analysis equipment

Materials

For the manufacture of our brick products, we used the following materials:

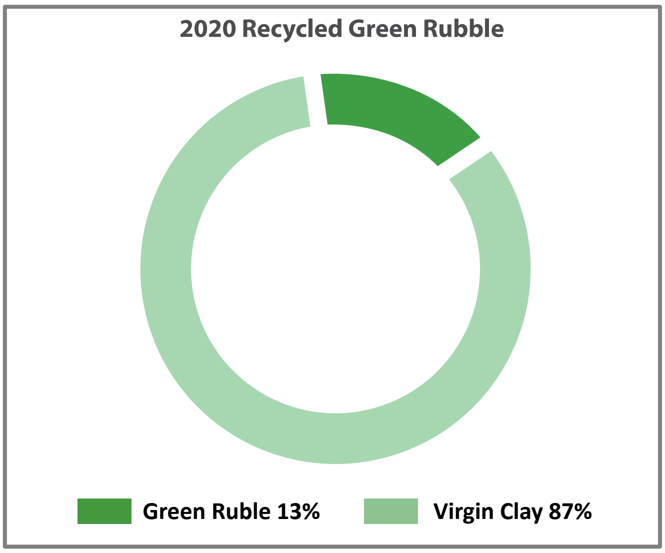
Material	Unit	2020	2019	2018
Clay	Cubic Meters	321,825	469,893	309,199
Kaolin	Tons	2,323	2,637	1,600
Black plastic sheeting	Tons	144,800	514,450	60,619
Strapping (cord, wraps and seals)	Tons	70,086	44,216	17,848

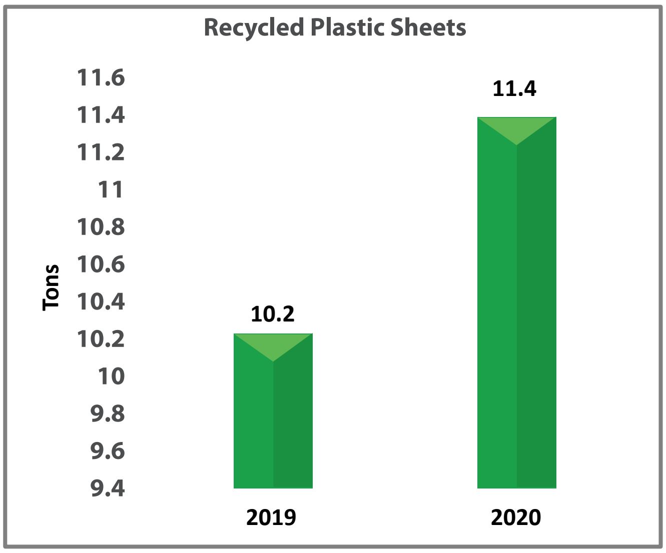


Clay and Raw Material Usage (cont'd)

There was a 32% reduction in clay extraction during the reporting period and this was mainly because of the COVID19 pandemic and the resultant national lockdown. The company does not extract clay during the rainy season due to the impact of moisture on clay quality.

Recycled Input materials





There was an insignificant difference in plastics recycled between 2019 and 2020, continuous covering of bricks was maintained.

Rehabilitation

Willdale works closely with the Environmental Management Agency (EMA) who reviews and approves environmental work plans for the company. The plans provide targets and alternatives for rehabilitating clay extraction pits. The company makes use of brick waste to cover up the pits. Currently, preliminary work on rehabilitation is in progress with two of our old pits undergoing refilling. The other rehabilitation plans include the establishment of a nature resort and using some of the ponds as fish ponds. The tree planting initiative is also part of our rehabilitation efforts. This year 1,000 trees were planted towards rehabilitating the environment.

Energy

Energy is a critical resource for the brick making and distribution process. We use it to run the brick making machinery, the Kilning process and for the Mobile Operating Vehicles (MOVs) such as tractors and forklifts. Energy use has direct implications on costs and emissions which the business seeks to reduce. Our commitment to reducing energy use, carbon emissions remains resolute.

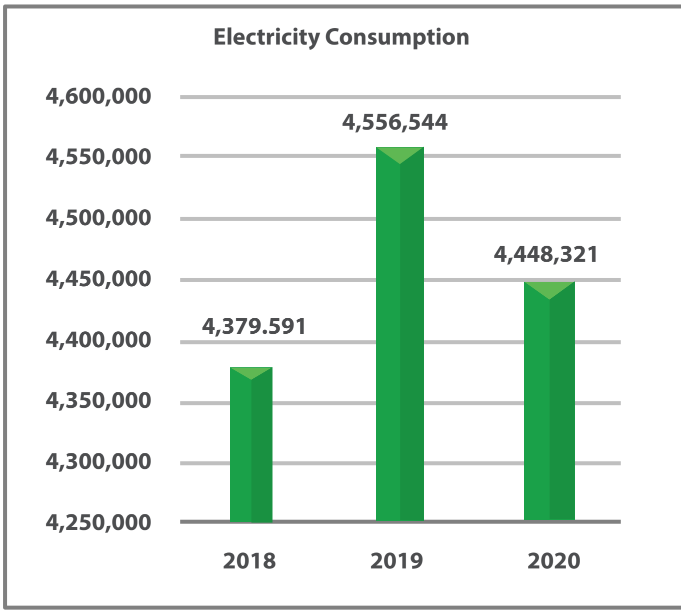
Management Approach

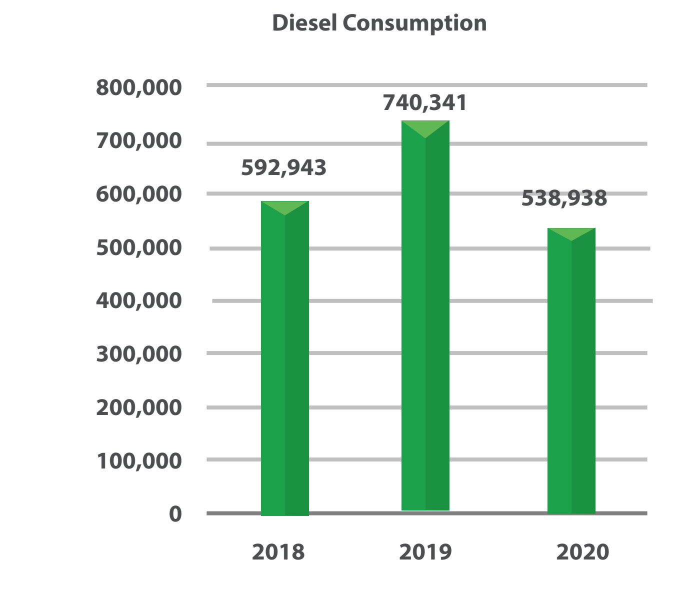
The Environmental Management System provides overall guidance on energy management. We continuously monitor efficiency on all our key sources of energy which are electricity, diesel and coal as follows:

Energy Consumed within the organisation

Energy Source	Management Criteria
Coal	• Coal tracking and measurements • Use of the standardised tonnages of coal for the specified number of bricks. • Carbon content in bricks (Higher content indicating inefficiency of coal use)
Electricity	• Reduction of maximum demand through regulation of start-up intervals. • Monitoring of peak demand
Diesel	• Tracking standardised fuel consumption by the output • Routine vehicle maintenance and service.

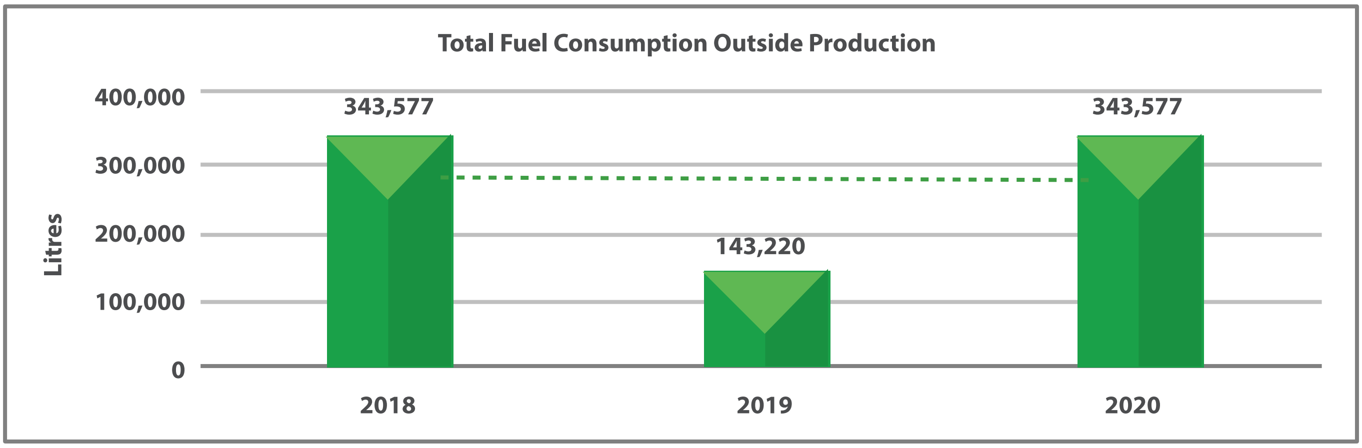
Energy (cont'd)





Energy Consumed outside the production process

Energy Source	Unit	2020	2019	2018
Petrol	Litres	460	0	0
Diesel	Litres	53,404	143,220	343,577
Total	Litres	53,864	143,220	343,577



Generally, there was a downward trend in the consumption of diesel. This was mainly due to the subdued operations following the COVID-19 pandemic. However, firing continued throughout the period hence the difference in coal consumption was not much pronounced between 2019 and 2020.

Emissions and Water

Emissions

Clay brick manufacturing releases Green House Gases (GHGs) from the combustion of hydrocarbons from our energy sources. We appreciate the linkage between our emissions and their contribution to climate change. Climate change can have a significant impact not only on communities but also on our business. Activities are undertaken to manage emissions

- Routine maintenance of vehicles and machinery
- Statutory inspection of kiln emission by the Environmental Management Agency.
- We send out samples of coal to assess the quality of the coal used in the kilning process, we engage the supplier on any quality concerns we have.

Plans for the future

- Measurements and regulation of kiln firing temperatures
- Acquisition of equipment for testing coal
- Hiring independent contractors to measure our emissions.

Water

Water is a crucial resource for the production of our brick products. Willdale takes serious consideration of the efficient need to manage water extraction for the manufacturing process. As part of the Willdale's environmental management strategy which feeds into the Integrated Management Systems, we promote efficient utilisation and extraction. Our strategy is to only extract water that we only want to use and avoid open storages where the water will end up evaporating.

Our Approach

Management takes serious consideration of water utilisation in brick-making processes. As such, management ensures that no water extracted is left running or wasted. All water extracted through our boreholes is directed into the production process at minimal loss. Following management evaluations and inspection recommendation, Willdale purchased flow meters to enable monitoring extraction of water through boreholes. To reduce pressure on underground sources Willdale also uses rainwater collected in the pits for non-consumptive uses such as dust suppression.

Willdale does not receive water supplies from municipalities but extracts from underground. These boreholes have no meters which are currently in the process of being installed. As such, for this annual report, we have not been able to provide quantities of water extraction for disclosure.

New product range on display

Human Capital Management

Willdale considers employees as the greatest capital for the business. Human capital management is guided by the Human Resources Policies and Procedures Manual administered through the Human Resources Department. The company policy requires that the manual is implemented in recruitment, ongoing engagement, performance evaluation and disengagement. The manual provides grading and remuneration systems to ensure equitable treatment of all employees. The company's strategy is to ensure all applicable laws and regulations governing employee relations and management are complied with.

Willdale allows employees to join trade unions of choice covering its sector. Collective bargaining is done through the National Employment Council for Bricks and Clay Moulding in Zimbabwe. Our Employees belong to the Brick and Clay Products Workers' Unions of Zimbabwe (BCPWUZ). The company's approach is to ensure employees are healthy and fit for work at all times. The company is committed to the health and safety of all employees through various engagements and activities. The company's strategy is to ensure all regulations and standards on health and safety of employees are adhered to.

Our Approach

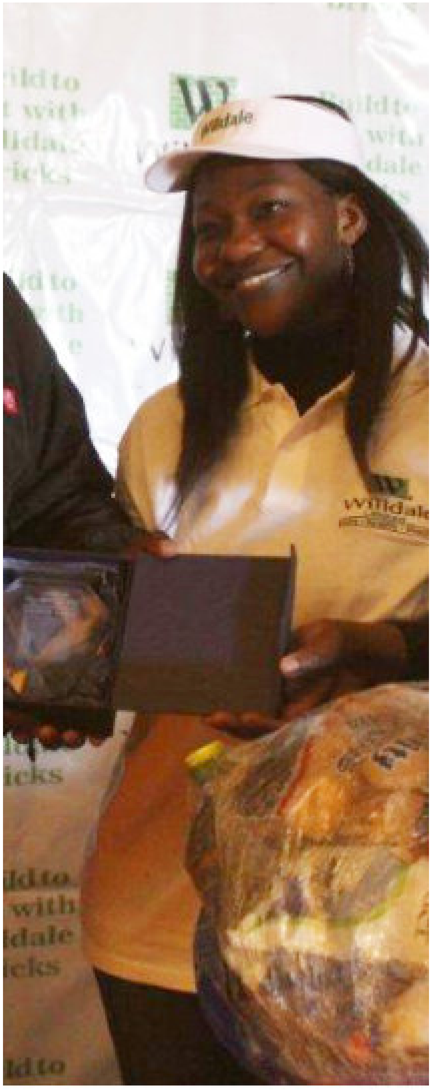
Management tries, by all means, to ensure the work environment is conducive for all employees whether full time, contract or short term casual. Management engages with employees through the Workers Committee and Works Council structures in place. This platform allows employees to bring to management's attention their concerns. Management's approach is to ensure relations are high and good at all times. Where there are grievances, procedures in the policy are expected to be followed.

Local Community Recruitment

Willdale is committed to uplifting local communities by providing employment opportunities. We do not discriminate against race and gender. We are a leading employer in the Mount Hampden area with close to 90% of the employees being recruited from surrounding local communities.

Employee Welfare and Remuneration

The business offers attractive packages for its employees which take into account the erosion of salaries by inflation. In addition to the NEC salaries for clay products we also offer additional non-fixed salaries and groceries to cushion employees' earnings against the rising cost of living. We also provide housing accommodation for our factory employees near our plant.



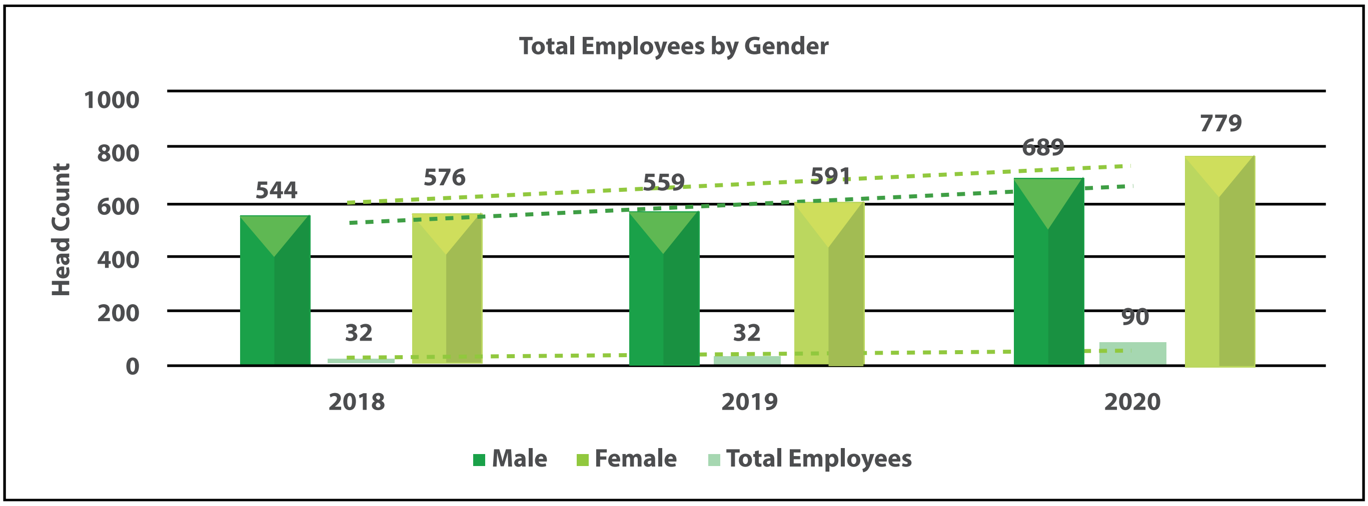
Human Capital Management (cont'd)

Incentives

Willdale tries by all means to retain and maintain a highly skilled human capital base. To do so, the company offers several incentives which include bonuses, Car loans, funeral assistance transport allowances, Housing, School Fees and study leave. However, these incentives are based on the grade of the employee and position in the company.

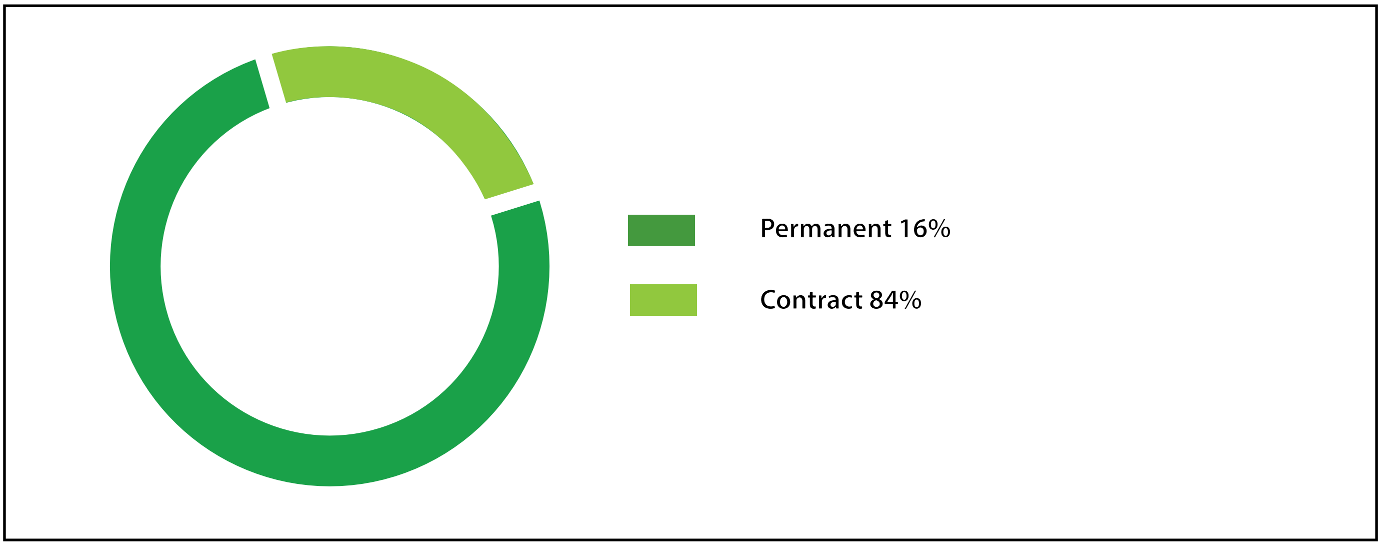
Total Employees

Employees by Gender	Unit	2020	2019	2018
Male	Head Count	689	559	544
Female	Head Count	90	32	32
Total	Head Count	779	591	576



Employees by contract type	Unit	2020	2019	2018
Permanent	Count	118	118	120
Contract and Casuals	Count	661	473	456
Total	Count	779	591	576

2020 Proportion of Permanent to Contract Workers

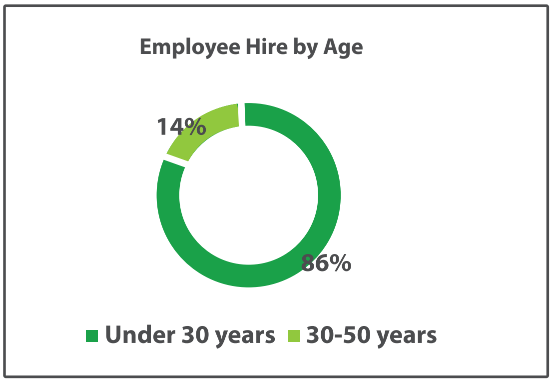


Human Capital Management (cont'd)

New Employees

New Employees by Gender	Unit	2020	2019	2018
Male	HeadCount	557	431	449
Female	HeadCount	128	8	7
Total	HeadCount	**685**	**439**	**456**

New Employees by Age	Unit	2020	2019	2018
Under 30 years old	HeadCount	586	431	449
30-50 years	HeadCount	99	8	7
Total	HeadCount	**685**	**439**	**456**



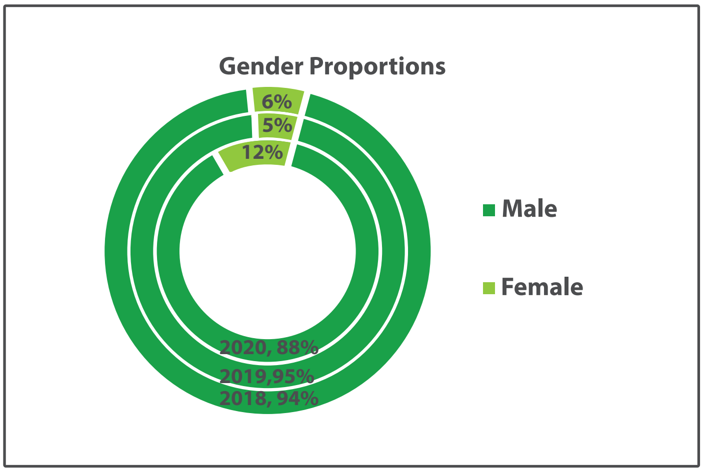
The company is heavily reliant on employees contracted for term periods of days and weeks. The data for these employees has not been consistent as such the report has excluded them. In 2020 the business contracted an average of 412 employees on a short term contract basis.

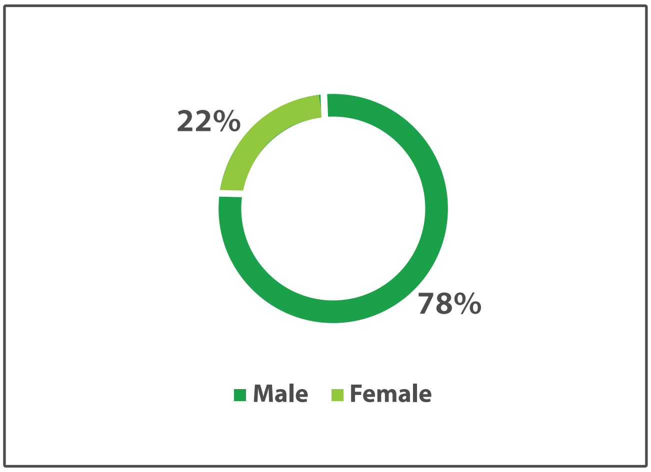
Staff Turnover

Turnover by Gender	Unit	2020	2019	2018
Male	Head Count	398	26	30
Female	Head Count	99	5	5
Total	Head Count	**497**	**31**	**35**

Creating opportunities for women

We operate in an industry that has historically excluded women. At Willdale, we are working hard to reverse this trend. While we cannot achieve a balance between men and women we have made a great effort to recruit more women. Due to our recruitment efforts, we have increased the proportion of women from 5% to 12%. We also created opportunities for women in leadership as shown in the charts below





Human Capital Management (cont'd)

Training

To ensure we deliver exceptional services to our customers training is essential. This understanding influences our decision to ensure our employees are frequently trained on various aspects surrounding our operations.

Average Training Hours

Turnover by Gender	Unit	2020	2019	2018
Male	Head Count	0.5	0.3	2
Female	Head Count	0.4	2.2	34
Total	Head Count	0.5	0.3	2

Training Hours by Employee Category

Employee Category	Unit	2020	2019	2018
Executive	Hours	1	0.3	2
Senior Management	Hours	4	2.2	34
Rank and File	Hours	400	0.3	2

The number of training events was higher in 2020 than in 2019 due to the numerous workshops conducted to address the COVID-19 pandemic.

Collective Bargaining

Willdale Bricks provide an opportunity for employees to be involved in collective bargaining through their representatives. More than 38% of the employees are covered by collective bargaining agreements.

Our employees and senior management are members of or qualifying with the following professional bodies:

- The Association of Chartered Certified Accountants (ACCA)
- Institute of Chartered Secretaries and Administrator (ICSA)
- Chartered Institute of Management Accountants (CIMA)
- Chartered Institute of Purchasing and Supply (CIPS)
- Marketers Association of Zimbabwe (MAZ)
- Institute of People Management Zimbabwe (IPMZ)
- Zimbabwe Institute of Engineers (ZIE)
- Project Management Institute (PMI)
- Institute of Risk Management South Africa (IRMSA)
- Institute of Administration and Commerce (IAC)

Occupational Health and Safety

Breast Cancer Awareness

Occupational Health and Safety

The Health and Safety of our employees is a core priority in our company. We acknowledge that the clay brick industry has inherent safety hazards for our employees and customers. It is also a regulatory requirement for the business to provide a safe working environment for employees and customers during their time in the company premises. Labour institutions, the National Social Security, employees and other stakeholders expect the business to provide the maximum protection of employees from injury. Our key sources of safety risks occur during the execution of work activities and the distribution of bricks. Willdale has implemented safety programs that are aimed at identifying, reducing and eliminating occupational hazards within the operations.

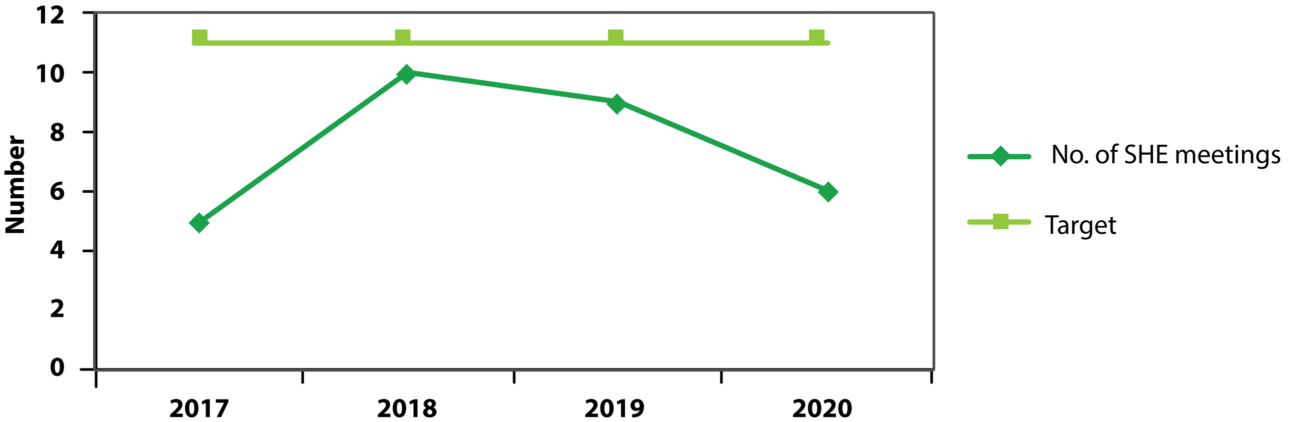
Management approach

Willdale has adopted a systematic approach to deal with the Safety and Health of its employees and stakeholders namely the Integrated Management System (IMS) which reinforces the principles of Occupational Health and Safety (ISO 45001); Environmental Management (ISO 14001) and Quality Management System (ISO 9001). Currently, the organisation is aiming for certification on IMS and this will assist self-regulation of the organisation, guaranteeing improved Safety performance.

Safety, Health and Environment (SHE) Committee Meetings

As a way of identifying and monitoring Safety, Health and Environmental risks within our operations, an active Safety Committee of close to forty members led by the Maintenance Manager as the Responsible Person is in place. This is a platform that promotes the participation of workers whilst it also motivates them towards safety responsibility and environmental protection. Inclusion of Management and trained SHE Representatives in the committee guarantees execution of SHE initiatives, a precursor to the improvement of future performance.

Below are the statistics of Safety and Health Committee meetings:



Occupational Health and Safety (cont'd)

Hazard Identification and Risk Assessment

To ensure our workplace is free from hazards we subscribe to the Hazard Identification and Risk Assessment (HIRA) processes. We have established routine processes for identifying hazards such as Pre-Task and Baseline Risk Assessments, safety Talks, SHE committee Meetings, SHE monitoring and Inspections. Other non-routine hazard identification processes include the permit to work and contractor management. To enhance the quality of our HIRA processes we provide training and review and monitor all performed Risk Assessments. The HIRA results are used to enhance our health and safety management through proactive management in the execution of tasks identified as high risk.

Reporting Hazards

In addition to the HIRA process, our employees are encouraged to report work-related hazards. The safety department and Supervisors have an open door policy for reporting hazards. Workers can also use the worker's committee, SHE committee meetings and safety talks for reporting hazards. We promote anonymity in reporting through the use of suggestion boxes. Employees are also expected to remove themselves from work situations that can cause injury. This is mandated through the Safe Work procedures, safety rules and SHEQ policy.

Safety Training

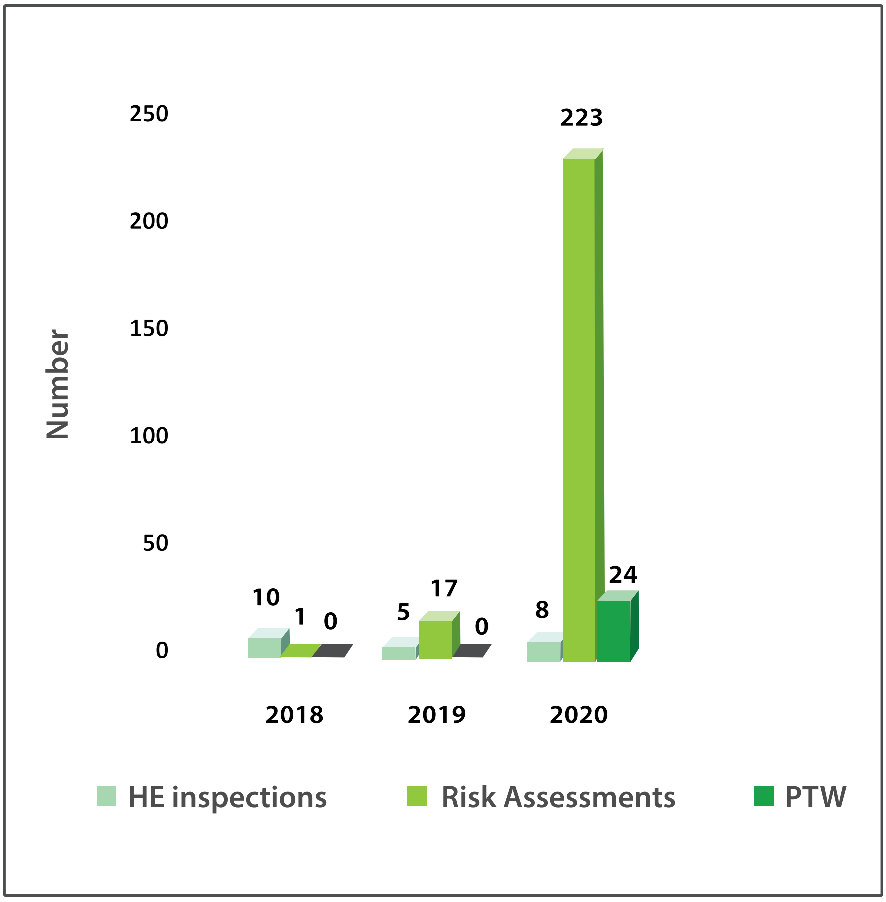
Participation of our workers is hinged on empowerment through education and training. This is another proactive approach to the reduction of occupational accidents and ensuring employee and stakeholder well-being by giving relevant guidelines. Cognisant of our responsibility as a company for our Contract Workers, these programmes are extended to cover them for their protection as they perform duties in our interest. We assess the training needs of our workforce through an analysis of incident statistics, results of SHE inspections and audits including the feedback from new employee engagements.

During the reporting period the following training was conducted:

- Basic Occupational Health and Safety
- SHE Rep Training
- Internal Auditing
- Sectional/ Company-wide awareness programs.

SHE inspections, Risk assessments and Permit-To-Work (PTW)

Below statistics indicate an improvement in the execution of Risk Assessments from 2017 to date. These proactive activities contribute immensely towards Safety performance, there is however room for improvement on the rate at which SHE inspections and Permit -To-Work activities are performed.



Products on display at our Showgrounds offices, Harare.

Occupational Health and Safety (cont'd)

Willdale is joining the global village in its drive towards "Vision Zero" initiated by the International Social Security Authority (ISSA). This has thus guided the structure of our Safety and Health objectives thereof. At Willdale, Safety& Health is everyone's responsibility and thus everyone has their share of SHE objectives for a collective effort towards meeting the main objective of "Vision Zero". This will be a journey, but monitoring of objectives' performance will indicate the direction of progress which will improve safety performance. Below are some of the SHE objectives:

Target:

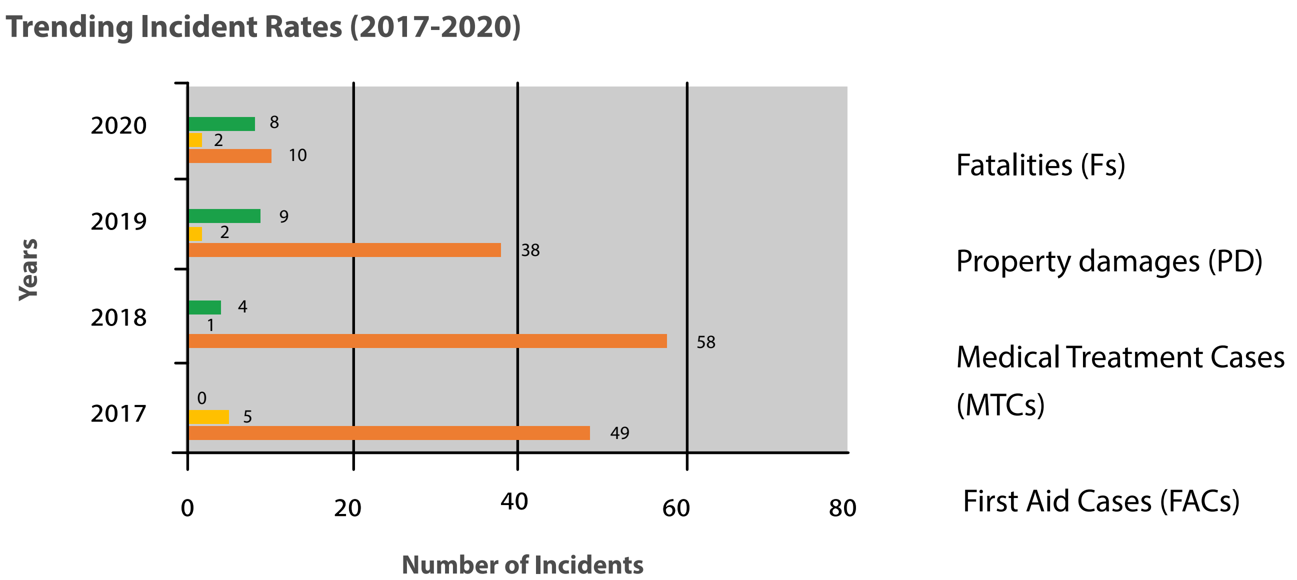
- Achieve 100% legal and statutory compliance
- Reduce first aid cases by 5% by end of 2020
- Increase reporting of near misses by 10% by end of 2020

Incident rates

These indicators denote the current state of our Safety performance and include but not limited to Accident/Incident rates (First Aid cases, Medical Treatment Cases, Property damages, Fatalities etc.) and the frequency of prosecutions and fines by the regulators. The Figure below shows the performance of Willdale with regards to incident rates.

Indicator	Unit	2020	2019	2018
Recordable Work-related Injuries	Count	16	2	10
Lost Days due to injury	Count	35	6	25
Property Damage	Number	8	9	4
High consequence injuries	Count	2	2	1
First Aid Cases	Count	10	38	58
Safety Training Days	Count	29	4	2

Figure 2: Trends of execution of leading activities



If incidents eventually occur, we take the opportunity to learn and improve to prevent recurrence of the same. We have an effective Incident investigation procedure to ensure adequate assessment of causes of accidents, this is done by the competent team of SHE Reps. In 2020 there were 2 high consequence injuries due to working on heights. The business has introduced the permit to work system to reduce the number of injuries.

COVID-19 Response

In light of the COVID-19 pandemic, the business acted with restraint and followed the strict health guidelines provided by the government and the World Health Organisation (WHO). The business recognises that it has a key role to play in every possible way. As such it has put in place the COVID-19 plan and its associated measures within its operations and at the Willdale Compound where most of the factory employees stay.

The coronavirus changed the way we operate the business, demonstrating that we can only succeed in overcoming the pandemic if we work together. The protection of our employees and customers remained our greatest priority. The COVID-19 response plan enabled us to monitor and prevent exposure and spread. The plan also assessed the necessary resources available to contain the virus.

Key areas of our COVID-19 response plan are as follows:

- Enhanced hygiene practices enforcement- we put in place sanitisers and foot baths across the plant. We also provided Personal Protective Equipment (PPE) to all staff.
- Pre-entry temperature checks all people including staff and customers.
- Disinfection of the Willdale Compound to protect the Willdale staff and their families.
- Regular communication with staff on the safety precautions necessary, we also put in place signage with Information on the prevention methods and symptoms.
- Provided a medical centre for employees and their families to get tested.
- Remote working was also implemented and the employees were provided with the necessary equipment to facilitate working from home.

Unfortunately, two of our employees were exposed to the COVID-19 pandemic. However, the business responded promptly by providing all the medical and financial support necessary for the staff members to recuperate. The employees have since recovered and are now healthy.

Corporate Social Investments and Community Impacts

Willdale believes that contributing to social and community needs is a fundamental business responsibility. The company's philosophy is to ensure it contributes towards priority needs and challenges faced by local communities.

Our Approach

Whenever the company is requested to assist by communities, management evaluates the needs and respond accordingly depending on the availability of resources. Where necessary, the company organises events and activities to raise resources to respond to the particular needs.

Corporate Social Investments and Community Impacts (cont'd)

Our Impacts
During the year, the company made the following contributions:

Theme	Purpose	Beneficiaries	Materials	Value (ZWL$)
ARTS	Promoting the ARTs through Talent Search.	STAR Brite	Donation	173,531
Community Support	Community support	ZRP Mount Hampden Police Station Ladies Golf Team ZRP and ZNA	Sponsorships Sand Paving bricks	2,582
Health	Quality health facilities	Ministry of Health and Child Welfare	Bricks	79,340
Education	Improve the quality of education facilities	St Mannock's School	Bricks	110,000
Communities	Capacity development for communities	Stappleford Cluster community	Training on COVID-response	30,000
COVID-19 Response	Building screening blocks for COVID-19	Gwebi Training Center	Training on COVID-response	20,940
Total				**440,353**

Economic Impacts

Willdale Limited recognises the various stakeholders that contribute to its success through the provision of capital and other resources. This recognition that we don't succeed by ourselves inspires us to efficiently utilise the resources provided to us. We also seek to efficiently distribute the income we receive to our varied stakeholders while ensuring business continuity. Willdale leadership continues to explore strategies and option for exploring business opportunities and allocation appropriate resources toward such opportunities.

Our Approach
Management pays great attention to business growth and value creation by ensuring maximum utilisation of constrained resources to generate value. Management takes the responsibility of ensuring allocated resources through budgetary processes are deployed to strategic business operations. Willdale ensures the company plays its role in contributing to the business environments it operates.

Economic Value Generated and Distributed
Willdale distributes economic value generated in different forms such as employee remuneration and benefit, taxes, providers of capital and finance and operating costs. More detailed disclosures are found in our financial statements. During the year, the economic value created and distributed is presented below:

Economic Impacts (cont'd)

		2020 Historical	2019 Historical	2018 Historical
Economic Value Generated	**ZWL$**	276,329,260	25,541,709	6.959,973
Other Incomes and interest earned	**ZWL$**	53,669,241	10,760,471	107,085
Total Value Generated	**ZWL$**	**329,998,501**	**36,302,180**	**7,067,058**
Distributed to:				
Employee wages and benefits	ZWL$	(27,569,544)	(6,374,932)	(2,352,976)
Provisions for taxes	ZWL$	(41,189,162)	(1,613,836)	(451,500)
Operating Costs	ZWL$	(91,788,646)	(5,086,778)	(1,360,062)
Depreciations and Amortisations	ZWL$	(3,241,933)	(1,238,333)	(1,038,504)
Providers of Capital and finance	ZWL$	-	(54,502)	(673,934)
Value Added	ZWL$	**166,209,216)**	**21,933,799**	**1,109,082**

Payments to Government

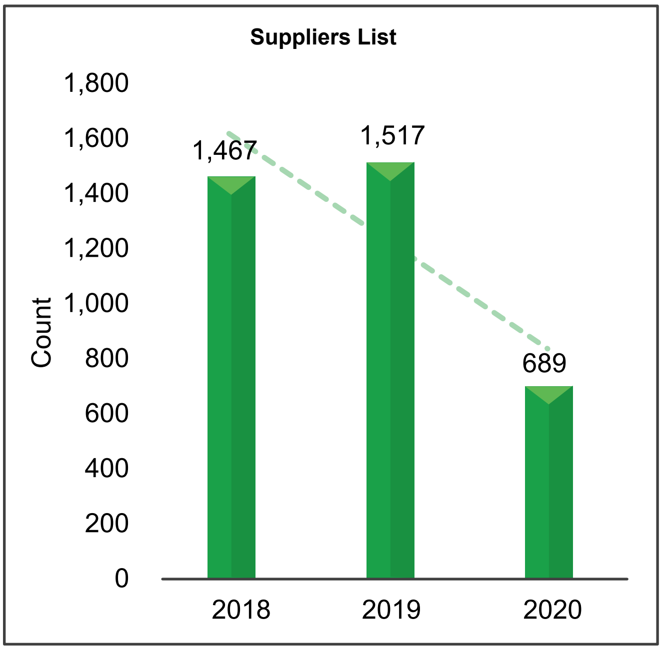
Willdale's payments to governments for the year were mainly through income, employment, withholding and value added taxes as presented below.

Indicator	Unit	2020	2019	2018
		Historical	Historical	Historical
Income Tax	ZWL$	12,444,988	2,711,483	12,770
Paye	ZWL$	7,960,807	170,833	177,960
Withholding Tax	ZWL$	2,239,918	567,629	318,305
Value Added	ZWL$	-	*279,129*	*314,844*
Total Tax Paid	ZWL$	22,645,713	3,729,074	823,921

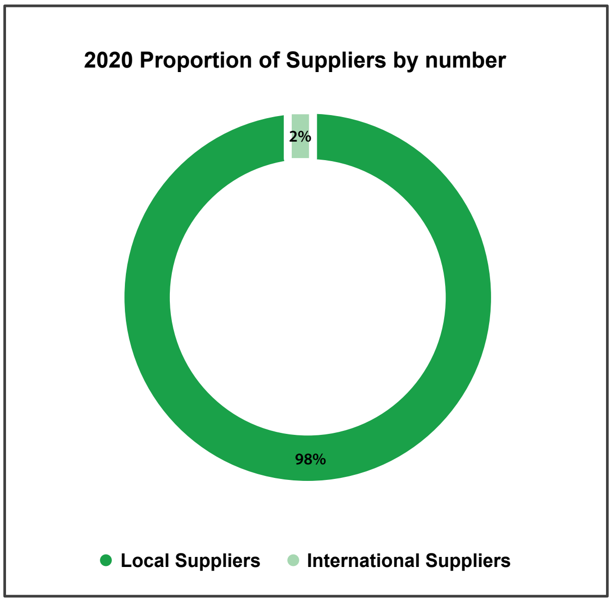
Supply Chain

Management ensures that there are good relations with suppliers to guarantee sustainable and timely delivery of high quality materials and services. Willdale requires that there is competitive bidding in procuring materials and services. We also routinely evaluate our suppliers on whether they are active or not every year.

During the year, our suppliers' list reduced by 54% through the removal of suppliers that were not active



Spending on local and International Suppliers



Indicator	Unit	2020	Percentage
Spending on in country suppliers	ZWL$	531,458,100	99%
Import spending	ZWL$	5,464,939	1%

Financial Reports

Office buildings in Harare CBD

Directors Report

The Directors are pleased to present their report and the audited financial statements for the year ended 30 September 2020. The financial statements were prepared in accordance with the requirements of the International Accounting Standard 29 (IAS 29) – *Financial Reporting in Hyperinflationary Economies.*

Share Capital

As at 30 September 2020, the authorised and issued share capital is set out in note 14 on page 79 of the audited financial statements.

Primary Business Activities

Willdale Limited's primary business activities of making and selling bricks remained the same during the year ended 30 September 2020.

Sustainability Reporting

This is our second annual report integrating both the audited financial statements and sustainability information to demonstrate our commitment to managing economic, environmental and social impacts in compliance with the Statutory Instrument 134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules.

Directors and Interests

In terms of the Company's Articles of Association, Messrs W. Chidziwo and G Machingambi retire from office by rotation at the Annual General Meeting (AGM) and being eligible, have offered themselves for re-election.

Directors Fees

At the AGM, members will be asked to approve fees of the Directors in respect of the year ended 30 September 2020.

Dividend

The directors resolved to pay a final dividend of 1.35 cents per share with respect to the year ended 30 September 2020.

Auditors

Members will be asked to approve the fees of the retiring auditors, Ernst & Young Zimbabwe for the year ended 30 September 2020 and to elect BDO Zimbabwe Chartered Accountants, as new auditors for the ensuing year.

W. Chidziwo
Chairman
10 December 2020

N. Matonda
Chief Executive
10 December 2020

Directors' Approval of Financial Statements

Responsibility

The Directors of the company are responsible for the preparation and integrity of the annual financial statements and related information contained in this report. The financial statements are required by law and International Financial Reporting Standards (IFRS) to present fairly the financial position of the Company and the performance for that period. The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies and Other Business Entities Act (Chapter 24:31). They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Preparation of financial statements

The preparation of the financial statements and the process thereto was done under the supervision of Mr. M Munginga (PAAB No. 003250) and under the guidance of the Directors of the Company, who are vested with the governance and responsibility for these financial statements as is provided for in terms of the common law, Companies and Other Business Entities Act (Chapter 24:31) and other legislative and regulatory requirements.

Compliance with Companies and Other Business Entities Act (Chapter 24:31) and Statutory Instrument (SI 33/99 and SI 62/99)

These financial statements which have not been prepared based on IFRS due to non-compliance with IAS21, are in agreement with the underlying books and records and have been properly prepared in accordance with the accounting policies set out in note 2 of the financial statements. The financial statements comply with the disclosure requirements of the Companies and Other Business Entities Act (Chapter 24:31) and the relevant regulations made there under.

Compliance with International Financial Reporting Standards (IFRS)

The financial statements have not been prepared in accordance with International Financial Reporting Standards due non-compliance with IAS 21, "Effects of Changes in Foreign Exchange Rates".

Going concern

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

Significant assumptions and estimation uncertainties relating to assets and liabilities carried at fair value

The significant assumptions and the estimation uncertainties pertaining to items that are carried at fair value have been disclosed in note 2 to these financial statements.

These financial statements have been approved by the Board of Directors and are signed on its behalf by the Chairman and Chief Executive Officer.

Mavuto Munginga
Company Secretary
27 December 2020

Company Secretary's Certification

I certify that, to the best of my knowledge and belief, the Company has lodged with the Registrar of Companies all such returns as are required to be lodged by the Public entity in terms of the Companies and Other Business Entities Act (Chapter 24:31) of the Republic of Zimbabwe, and all such returns are true, correct and up to date.

M. Munginga
Company Secretary
Mt Hampden
10 December 2020

Independent Auditor's Report

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Angwa City, Cnr Julius Nyerere Way / Kwame Nkrumah Avenue, PO Box 62 or 702, Harare.
Tel: +263 24 2750905-14 or 2750979-83
Fax: +263 24 2750979-83
Email: admin@zw.ey.com
www.ey.com

TO THE MEMBERS OF WILLDALE LIMITED

Report on the Audit of the Inflation Adjusted Financial Statements

Adverse Opinion

We have audited the accompanying inflation adjusted financial statements of Willdale Limited, as set out on pages 49 to 88, which comprise the inflation adjusted statement of financial position as at 30 September 2020 and the related inflation adjusted statement of profit or loss and other comprehensive income, the inflation adjusted statement of changes in equity and the inflation adjusted statement of cash flows for the year then ended and notes to the inflation adjusted financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the accompanying financial statements do not present fairly the financial position of the Entity as at 30 September 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Adverse Opinion

As explained in note 2.1 and 2.2 on the inflation adjusted financial statements, the Company applied the United States Dollar (US$) as its functional and reporting currency for the period 1 October 2018 to 22 February 2019 and the Real Time Gross Settlement Dollar (RTGS$) or Zimbabwe Dollar (ZWL) for the period 23 February to 30 September 2019, in order to comply with Statutory Instrument 33 (SI33) of 2019, issued on 22 February 2019. In addition, to comply with SI33, the Company changed its functional and reporting currency with effect from 23 February 2019. We, however, believe that the change in functional and reporting currency occurred from 1 October 2018.

Zimbabwe witnessed significant monetary and exchange control policy changes in 2016 and increasingly through to 2019. The Reserve Bank of Zimbabwe (RBZ) together with the Ministry of Finance and Economic Development promulgated a series of exchange control operational guidelines and compliance frameworks during this period. Specifically, there was a requirement for banks to separate out local Foreign Currency Accounts (FCAs) (RTGS$) from the FCA Nostro US$ Accounts effective 1 October 2018. Although the exchange rate between US$ and RTGS$ was legally pegged at 1:1, multiple pricing practices and other transactions observed and reported publicly indicated exchange rates other than 1:1 between the two currencies.

In February 2019, a Monetary Policy Statement was issued introducing the RTGS$ and the interbank foreign exchange market. This Monetary Policy statement was followed by, Statutory Instrument 142 of 2019 which specified that for all domestic transactions, ZWL (which comprises RTGS$, Bond Notes and Bond Coins) was the sole legal tender effective 24 June 2019.

The events in the preceding paragraphs, triggered a requirement for the Company to assess whether there was a change in functional and reporting currency from US$ to RTGS$. We believe that events in the market and subsequent promulgation of the RTGS$ as a formal currency supported a change in functional currency from US$ to RTGS$ prior to 22 February 2019 and that transactions in the market indicated different exchange rates between the two currencies despite the legal 1:1 RTGS$: US$ exchange rate and this applied from 1 October 2018. The Company chose to comply with the requirements of the law by adopting the date of change in functional and reporting currency as of 22 February 2019. This therefore impacted the basis for measuring transactions that occurred between 1 October 2018 and 22 February 2019. Consequently, our audit report for the year ended 30 September 2019 was modified as the effects were considered material and pervasive.

There has been no restatement of the opening balances to resolve this matter which resulted in the adverse audit opinion in the prior period in accordance with IAS 8 – Accounting Polices, Changes in Accounting Estimates and Errors as the issues to do with IFRS compliance and consistent market exchange rates have persisted in the current period. Consequently:

- All corresponding numbers remain misstated on the inflation adjusted Statement of Profit or Loss and other Comprehensive Income, inflation adjusted Statement of Financial Position, the inflation adjusted Statement of Changes in Equity, and the inflation adjusted Statement of Cash Flows; this also impacts comparability of the current year's figures.

Independent Auditor's Report (cont'd)

TO THE MEMBERS OF WILLDALE LIMITED

Report on the Audit of the Inflation Adjusted Financial Statements

- As opening balances enter into the determination of cash flows and performance, our current year opinion is modified in respect of the impact of this matter on the inflation adjusted Statement of Cash Flows, the Statement of Profit or Loss and Other Comprehensive Income and the Statement of Changes in Equity except for Selling and distribution expenses, IFRS 9 Impairment loss and Interest Income.

In addition to the impact on the corresponding numbers, current year performance and cash flows the matter continues to impact the following balances on the inflation adjusted Statement of Financial Position as they still comprise of amounts from opening balances, Property, Plant and Equipment of ZWL 1 436 951 302, Accumulated Profits of ZWL 785 263 986 and Deferred TaxaEon of ZWL 284 889 764.

Exchange rates used (Non-compliance with IAS 21)

As outlined in Note 1.3 to the Company inflation adjusted financial statements, for the year ended 30 September 2020, the Company translated foreign denominated transactions and balances using the interbank and weighted average auction rates. In our view, these exchange rates did not meet the IAS21 requirements for a spot rate for the Company as they were not available for immediate delivery for the company. The same matter contributed to the adverse opinion in prior year on this matter.

Had exchange rates contemplated by IAS 21 been used, the following balances and amounts on the inflation adjusted financial statements would have been affected in a material manner : unqualified amounts included in Property, Plant and Equipment balance of ZWL 1 436 951 302, unqualified amounts included in Inventory balance of ZWL 202 599 859, ZWL 48 924 593,87 included in Cash and cash equivalents balance of ZWL 57 283 037, unqualified amounts included in deferred taxation balance of ZWL 284 889 764, unqualified amounts included in Taxation balance of ZWL 33 284 866, unqualified amounts included in Cost of sales amount of ZWL 327 644 919, unqualified amounts included in Administrative expenses amount of ZWL 104 182 042, unqualified amounts included in Income tax expense amount of ZWL 28 438 914.

Valuation of investment properties and freehold land and buildings

The Company had freehold, land and buildings and Investments carried at ZWL 1 301 928 899 and ZWL 171 300 954 respectively as at 30 September 2020. The freehold land and buildings are included in the Property, plant and equipment balance of ZWL 1 436 951 302. These properties were valued by the Directors using historical US$ denominated inputs and converted to ZWL at the interbank rate in prior year and the auction rate as at 30 September 2020. The US$ inputs used may not be a true reflection of market dynamics as risks associated with currency trading do not reflect the risks associated with property trading. Owing to the nature of the matter, we are unable quantify the possible impact. Our conclusion on the current period's inflation adjusted financial information is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

Consequential impact of the above matters on IAS 29 accounting

Furthermore, notwithstanding that IAS 29 - Financial Reporting in Hyper-inflationary Economies has been applied from 1 October2018 to 30 September 2020, it is noted that its application was based on prior and current periods' financial information which has been misstated as a result of matters described above. Had the correct base numbers and start date been used, many elements of the financial statements would have been materially different.

The effects of the above departures from IFRS are material and pervasive to the company inflation adjusted 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 are independent of the Entity in accordance with the international Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Independent Auditor's Report (cont'd)

TO THE MEMBERS OF WILLDALE LIMITED

Report on the Audit of the Inflation Adjusted Financial Statements

Key Audit Markers

Except for the matters described in the Basis for Adverse Opinion section, we have determined that there are no other key audit matters to communicate in our report.

Other information

The directors are responsible for the other information. The other information obtained at the date of this report comprises the Chairman's Statement and the Director's report but does not include the company inflation adjusted financial statements and our auditor's report thereon. Our opinion on the company inflation adjusted financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. The Review of Operations, the Directors' Responsibility and Approval of Financial Statements and Report of Directors is expected to be made available to us after the date of this auditor's report.

In connection with our audit of the financial statements, our responsibility is to read the other information 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Adverse Opinion section above, the Entity did not comply with the requirements of IAS 21 – Effects of Changes in Foreign Exchange Rates, IAS 8-Accounting Policies, Changes in Accounting Estimates and Error; which had a consequential impact on inflation adjustments per IAS29 Financial Reporting in Hyper-inflationary Economies and we disagreed with the valuation of properties.

We have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items included therein and affected by the failure to comply with the referred standard.

Responsibilities of the Directors for the Inflation adjusted Financial Statements

The directors are responsible for the preparation and fair presentation of the inflation adjusted financial statements in accordance with international Financial Reporting Standards and the requirements of the 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 entity'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 entity or to cease operaEons, 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 judgement 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.

Independent Auditor's Report (cont'd)

TO THE MEMBERS OF WILLDALE LIMITED

Report on the Audit of the Inflation Adjusted Financial Statements

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal controls.
- 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 entity'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 entity 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.
- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the entity audit. We remain solely responsible for our audit opinion.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we 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. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our 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 our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the accompanying financial statements have not in all material respects, been properly prepared in compliance with the disclosure requirements of and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

The engagement partner on the audit resulting in this independent auditor's report is Mr Walter Mupanguri (PAAB Practicing Certificate Number 0367).

Ernst & Young

ERNST & YOUNG
CHARTERED ACCOUNTANTS (ZIMBABWE) REGISTERED PUBLIC AUDITORS
Harare
Date: 05/01/2021

Statement of Profit/Loss & Other Comprehensive Income

	Notes	INFLATION ADJUSTED September 2020 ZWL$	 September 2019 ZWL$
Revenue from contracts with customers	3.1	**596,550,679**	**499,315,554**
Cost of sales		(327,644,919)	(300,015,619)
Gross profit		**268,905,760**	**199,299,935**
Selling and distribution expenses		(24,584,394)	(26,224,454)
Administrative expenses		(104,182,042)	(76,726,513)
IFRS9 Impairment loss		(2,970,076)	(1,983,705)
Fair value adjustments		(5,585,850)	-
Other income	3.2	34,613,063	231,082,932
Profit/(loss) from joint venture	9.1	-	5,585,850
Operating profit	3.3	**166,196,461**	**331,034,045**
Interest income	4.2	212,201	301,953
Interest expense	4.1	(3,009)	(2,358,681)
Profit before Monetary Adjustment		**166,405,653**	**328,977,315**
Net Monetary Loss		(136,730,919)	(12,029,527)
Profit before tax		**29,674,734**	**316,947,788**
Income tax expense	5	(28,438,914)	(13,014,020)
Profit for the year		**1,235,820**	**303,933,768**
Other comprehensive income-not to be recycled to profit and loss			
Fair Value Adjustment	9.2	63,018,017	-
Revaluation Surplus		342,545,693	378,872,943
Differed Tax on Revaluation surplus		(48,373,040)	(97,559,462)
Total comprehensive income for the year		**358,426,490**	**585,247,249**
Basic earnings per share - cents	6	0.070	17.094
Headline earnings per share - cents		0.070	6.251
Diluted Earnings per Share		0.070	17.094
Diluted Headline earnings per share- cents		0.070	6.251

Statement Of Financial Position

	Notes	INFLATION ADJUSTED September 2020 ZWL$	 September 2019 ZWL$
Assets			
Non Current Assets		**1,608,252,256**	**1,175,125,974**
Property, plant and equipment	8.1	1,436,951,302	1,061,242,265
Investments	9	171,300,954	113,883,710
Current Assets		**293,873,489**	**297,716,006**
Inventory	10	202,599,859	175,653,199
Trade and other receivables	11	31,989,930	88,674,730
Contract Asset	11	2,000,663	-
Cash and cash equivalents	13	57,283,037	33,388,077
Total Assets		**1,902,125,745**	**1,472,841,980**
Equity and Liabilities			
Equity		**1,433,038,473**	**1,074,242,766**
Share Capital	14	3,060,399	3,060,399
Asset revaluation reserve		594,299,674	281,313,481
Fair Value of Financial Asset revaluation reserve		50,414,414	-
Accumulated profits		785,263,986	789,868,886
Non Current Liabilities		**285,218,835**	**240,586,653**
Deferred Taxation	15	284,889,764	240,257,582
Long term borrowings	16	329,071	329,071
Current Liabilities		**183,868,436**	**158,012,561**
Trade and other payables	17	126,201,405	132,580,120
Provisions	17.1	24,382,165	14,612,914
Taxation	8.4	33,284,866	10,819,526
Total Liabilities		**469,087,271**	**398,599,214**
Total Equity and Liabilities		**1,902,125,745**	**1,472,841,980**

W. Chidziwo
Chairman
10 December 2020

N Matonda
Chief Executive Officer
10 December 2020

Statement of Changes In Equity
For the year ended 30 September 2020

INFLATION ADJUSTED	Share Capital	Asset Revaluation Reserve	Accumulated Profit	Accumulated Profit	Total Equity
	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
As at 1 October 2018	**3,060,399**	**272,447,945**	-	**221,437,499**	**496,945,843**
IAS Revaluation Reserve-IAS29	-	(272,447,945)	-	272,447,945	-
Profit for the year	-	-	-	303,933,768	**303,933,768**
Dividend	-	-	-	(7,950,326)	**(7,950,326)**
Land and Buildings Revaluation Surplus(Net)	-	281,313,481	-	-	**281,313,481**
As at 30 September 2019	**3,060,399**	**281,313,481**	-	**789,868,886**	**1,074,242,766**
Profit for the year	-	-	-	1,235,820	**1,235,820**
Other Comprehensive Income	-	312,986,193	50,414,414	-	**363,400,607**
Total comprehensive income	-	312,986,193	50,414,414	1,235,820	364,636,427
Dividend	-	-	-	(5,840,720)	**(5,840,720)**
As at 30 September 2020	**3,060,399**	**594,299,674**	**50,414,414**	**785,263,986**	**1,433,038,473**

Assets revaluation reserve

This reserve is used to record increases or decreases in the fair value of property, plant and equipment.

Dividend

The directors resolved to pay a dividend of 1.35 cents per share with respect to the year ended 30 September 2020.

Statement of Cashflows

	Note	INFLATION ADJUSTED September 2020 ZWL$	INFLATION ADJUSTED September 2019 ZWL$
Profit Before Taxation		29,674,734	316,947,788
Adjustments for non-cash items:			
Net Monetary gain(loss)	9.1	136,730,919	12,029,527
(Profit)/Loss from joint venture		-	5,585,872)
Fair Value Adjustment	9.1	5,585,872	-
Depreciation	8.1	8,656,874	22,788,573
Profit on disposal of property, plant and equipment		-	(192,784,034)
Net Exchange Gains	3.2	(93,877,751)	(34,791,481)
Provision for impairment of receivables		2,970,076	1,983,705
Movement in other provisions		8,093,851	5,517,609
Interest expense	4.2	3,009	2,358,690
Interest income		(212,201)	(301,954)
Cashflow before changes in working capital		**99,305,127**	**128,162,551**
Working capital changes			
(Increase)/Decrease in inventory		(26,946,660)	(52,483,977)
(Increase)/decrease in accounts receivable		59,654,876	19,248,647
Increase/ (Decrease) in accounts payable		(6,378,715)	(21,934,336)
Cash generated from operating activities	4.2	**125,634,628**	**72,992,885**
Interest paid		(3,009)	(2,358,690)
Interest received		212,201	301,954
Tax		(12,444,988)	(20,597,210)
Net cash generated during the year		**113,398,832**	**50,338,939**
Investing activities			
Proceeds from Sale of Property Plant and Equipment		-	290,604,093
Purchase of property, plant and equipment to increase existing capacity	8.1	(35,610,280)	(30,134,923)
Investments	9	-	(108,298,270)
Lease instalment receipts	20.4	-	2,500,964
Cashflow from investing activities		**(35,610,280)**	**154,671,864**
Financing activities			
Borrowings repayment		-	(202,431,028)
Dividend Paid		(5,840,720)	(7,950,326)
Lease repayments	20.4	-	(2,500,964)
Cashflow from financing activities		**(5,840,720)**	**(212,882,318)**
Net increase(decrease) in cash and cash equivalents		**71,947,831**	**(7,871,515)**
Cash and cash equivalents at beginning of the year		**33,388,206**	**41,259,721**
Cash and bank		33,388,206	42,605,679
Bank overdraft		-	(1,345,958)
Exchange Differences		(48,053,000)	-
Cash & cash equivalents at end of the year	13	**57,283,037**	**33,388,206**
Cash and bank	16	57,283,037	33,388,206

Notes To The Financial Statements

1. CORPORATE INFORMATION

The financial statements of Willdale Limited for the year ended 30 September 2020 were authorised for issue in accordance with a resolution of the directors on 10 December 2020.

Willdale Limited is a Company incorporated and domiciled in Zimbabwe whose shares are publicly traded on the Zimbabwe Stock Exchange ("ZSE"). The Company's main activity is the making and selling of clay bricks. Its registered office is at 19.5km peg, Lomagundi Road, Mount Hampden.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have not been prepared in accordance with International Financial reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB) and the International Financial Reporting Interpretations Committee, (IFRIC) interpretations and in a manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) due to non-compliance with IAS21. Non compliance with IAS21 is due to the conflict between IAS 21 and Statutory Instrument 33 in the 2019 comparative figures.

Financial information is presented in the local currency, the Zimbabwe Dollar (ZWL) and figures are rounded off to the nearest dollar.

The financial statements have been prepared per the provisions of IAS 29 "Financial Reporting In Hyper-inflationary Economies." The local accounting regulatory board, Public Accountants and Auditors Board (PAAB) proclaimed all financial periods after 1 July 2019 to be reported under the hyper-inflation accounting basis. Effective date of applying IAS 29 was 1 July 2019.

2.2 Statutory Instrument 33

On 1 October 2018, the Reserve Bank of Zimbabwe (RBZ) announced measures aimed at strengthening the multi-currency system by introducing separate bank accounts for RTGS FCAs and NOSTRO FCAs. Bank accounts were separated and designated as such. The RTGS FCA bank accounts and Nostro FCA bank accounts circulation then as 'RTGS dollars' in order to establish an exchange rate between the current monetary balances and foreign currency. On 22 February 2019 (the Effective Date), Statutory Instrument (SI) 33 of 2019 gave official existence to the new currency. The RTGS dollar is to be used by all entities, including government and individuals in Zimbabwe, for the purposes of pricing of goods and services, recording debts, accounting and settlement of domestic transactions in Zimbabwe, thereby effectively becoming the functional currency in Zimbabwe with effect from 22 February 2019. SI 33 prescribed, among other directives, that for accounting and other purposes, all local assets and local liabilities in Zimbabwe that were, immediately before the Effective Date, valued in US$ other than assets and liabilities referred to in section 44C(2) of the Reserve Bank of Zimbabwe Act, shall on or after the Effective Date be deemed to be valued in RTGS dollars at a rate of 1:1 to the US$.

On 24 June 2019, the RBZ announced the discontinuation of the multi-currency system with immediate effect. All domestic transactions shall now be settled in Zimbabwe dollars, the sole legal tender in Zimbabwe which is represented by bond notes and coins and electronic currency i.e. RTGS dollars.

2.3 International Accounting Standard 29

The financial statements are based on the statutory records that are maintained under the historical cost convention. Appropriate adjustments and reclassifications including restatement for changes in general purchasing power of the Zimbabwean dollar for the fair presentation in accordance with International Accounting Standard 29, "Financial Reporting in Hyper-inflationary Economies" have been made on the historical cost financial information. IAS 29 requires that the financial statements prepared in the currency of a hyper-inflationary economy be stated in terms of a measuring unit current at the balance sheet date, and that comparative figures be stated in the same terms.

Notes To The Financial Statements (cont'd)

The current and prior year financial statements have been restated for changes in the general purchasing power of the ZWL. The company followed the legal instrument and changed the functional currency on 22 February 2019.

The restatement was based on conversion factors derived from the Reserve Bank of Zimbabwe website. The indices and conversion factors used to restate the financial statements as 30 September 2020 are shown below:

	CPI	Conversion Factor
2019 October	**402.92**	**5.47316**
2019 November	**473.28**	**4.65949**
2019 December	**551.63**	**3.99769**
2020 January	**563.899**	**3.9107**
2020 February	**540.16**	**4.08257**
2020 March	**810.402**	**2.72117**
2020 April	**953.365**	**2.31312**
2020 May	**1097.65**	**2.00906**
2020 June	**1445.21**	**1.5259**
2020 July	**1958.72**	**1.12586**
2020 August	**2123.97**	**1.12586**
2020 September	**2205.24**	**1**
Average		**11.7213**

The key procedures applied in the restatement process are as follows:

• Monetary assets and liabilities at Balance Sheet date are not restated since they are already stated in terms of the monetary unit current at balance sheet date.

• Non-monetary assets and liabilities and components of shareholders equity are restated by applying the relevant monthly conversion factors.

• Comparative information is restated using the inflation indices in terms of the measuring unit current at the balance sheet date. Most items in the Statement of Profit or loss and Comprehensive Income are restated by applying the relevant monthly, yearly average, or year-end conversion factors.

• The net effect of the inflation adjustments on the net monetary position of the company is included in the Statement of Profit or Loss and Other Comprehensive Income as a monetary gain or loss.

The process of hyper-inflating the historical figures was as below:

Movements in the comparative information

• The comparative amounts as at 30 September 2019 were converted at the hyper-inflation adjustment factor of 7.5940.

Hyper-inflation adjustment approach- Statement of profit or loss and other comprehensive income

Revenue, cost of sales, exchange gain/loss

• The line items were segregated into monthly totals and then the applicable monthly adjustment factor was factored to hyper-inflate the amounts.

Notes To The Financial Statements (cont'd)

Other income

- The other income was segregated into the respective month in which the income accrued and then the applicable adjustment factor utilised to hyper-inflate the amounts.

Depreciation

- The depreciation expense was recalculated based on the restated opening balances factoring in the hyper-inflated additions and disposals.

Share of Joint venture profit

- The financial statements for the associate and joint venture were adjusted for inflation before the allocation of the company's share of profit.

Income tax expense

- The tax expense was segregated into the respective quarters and the applicable quarterly inflation adjustment factor used to hyper-inflate the amounts.

Other comprehensive income

- The fair value measurements were determined at year end and thus there in no need to restate the fair value measurements.

Hyper-inflation adjustment approach- Statement of financial position

Property, plant and equipment

- PPE, except land and buildings, was restated at the rate applicable at the beginning of the period and the additions and disposals were hyper-inflated at the applicable hyper-inflation adjustment rates at the date of purchase or disposal.

Land and buildings

- The land and buildings was fair valued at 30 September and thus no restatement on the closing fair values. The difference between the restated opening balance and the closing fair value was accounted for as the fair value adjustment.

- The fair valued amounts were assessed for impairment.

Investment in joint venture and associate

- The financial statements for the associate and joint venture were adjusted for inflation before the allocation of the company's share of profit.

Deferred tax liability

- The closing balance was calculated based on the restated closing balances for the applicable liabilities.
- The opening balance was calculated based on the restated closing balances from the prior period. Secondly, those calculated deferred tax items were restated by the change in the general price level for the reporting period.

Inventory

- The amounts constitute a non-monetary asset and the balance was restated based on the applicable adjustment factor. The resulting differences were accounted for as part of the net-monetary gain in profit or loss.

Notes To The Financial Statements (cont'd)

Trade receivables

- The amounts constitute a monetary asset and thus there was no restatement on the balances.

Prepayments

- The amounts constitute a non-monetary asset and the balance was restated based on the applicable adjustment factor. The resulting differences were accounted for as part of the net-monetary gain in profit or loss.

Cash and bank

- The amounts constitute a monetary asset and thus there was no restatement on the balances.

Trade payables

- The amounts constitute a monetary liability and thus there was no restatement on the balances.

Contract liabilities (revenue received in advance)

- The amount constitutes a non-monetary liability and it was hyper-inflated at the applicable adjustment factor. The resulting differences were accounted for as part of the net-monetary gain in profit or loss.

Provisions

- The provisions were separated into monetary and non-monetary .
- The non-monetary provisions were hyper-inflated using the applicable monthly adjustment factors. The resulting differences were accounted for as part of the net-monetary gain in profit or loss.
- There was no hyper-inflation adjustment on the monetary provisions.

Loans and borrowings

- The amounts constitute a monetary liability and thus there was no restatement on the balances.

Statement of Cash flows

Gains and losses arising from net monetary asset or liability positions are included in the profit and loss statement and then adjusted in the statement of cashflows.

Hyper-inflation adjustment approach- Statement of changes in equity

Revaluation reserve

- The amount was hyper-inflated at the applicable adjustment factor from the beginning of the period or the date of contribution.

Share Capital

- Share capital was converted using the rate applicable on the date of contribution

Hyper-inflation adjustment approach - Statement of cash flow

The amounts were segregated into the respective months in which the cashflows actually occurred and the applicable monthly adjustment factor used.

2.4.1 Going Concern

The Company made an operating profit of ZWL 167m in the current financial year (2019: ZWL 331m) Current assets exceeded current liabilities by ZWL 185m as at 30 September 2020 (ZWL 18.3m).

Notes To The Financial Statements (cont'd)

Although the operating environment is characterised by high inflation, shortages of foreign currency and rapid changes in government policy, conditions that may give rise to a material uncertainty which may cast doubt on the Company's ability to continue operating as a going concern and to realise its assets and discharge its obligations in the normal course of business, the Directors have assessed the ability of the company to continue as a going concern on a continuous basis and believe that the going concern assumption used in the preparation of the financial statements is appropriate.

The Directors have a reasonable expectation that the company has resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements. This basis assumes that the company's plans will be successful and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business. The financial position of the company, its cash flows, liquidity and borrowing facilities are disclosed on pages 49-52. In addition, note 18 to the financial statements includes the company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposure to credit and liquidity risk.

2.4.2 Investment in Willtrans

Willdale Limited had a 50% investment in Willdale Transport Services (Pvt) Limited - Willtrans, which was being accounted for as a joint venture using the equity method in the prior year.

Willtrans was placed under liquidation in June 2019 following shareholder disagreements. As a result, Willdale lost joint-control of the investment which is now being accounted for as a simple investment measured at fair value.

Prior to June 2019, the company policy in respect of associates and joint ventures was to apply the equity method of accounting in terms of IAS 27 in the separate financial statements.

2.4.3 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for IFRS 16 which was adopted for the first time. In the current year, the Company has applied a number of amendments to IFRS issued by the International Accounting Standards Board (IASB) that are effective for accounting periods that began on or after 1 January 2020. There were no specific amendments to IFRS which had a material impact on the Company's financial statements.

1 IFRS 16 – Leases

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17.

Lessees will be also required to re-measure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

Application of the Short term leases exemption

The company leases brick display space on the owner occupied premises. The rentals are expensed and are reflected under selling and administration expenses. The company has assessed all the leases and applied the IFRS 16 exception because:

Notes To The Financial Statements (cont'd)

a) There is no option for future purchase as the landlords already utilise the premises as well for their business.
b) The leases expire every 12 months.
c) The rentals are negotiated and fixed at the beginning of the lease period and do not fluctuate during the year.

2. IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The directors have made a preliminary assessment of the application of this interpretation and do not envision any material impact on the financial statements of the company.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.5.1 Taxes

Income tax expense represents the sum of the current tax expense and deferred tax expense.

2.5.1.1 Current income tax

The current payable income tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible.

Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in profit or loss for the period. Management periodically evaluates positions taken in the tax returns with respect to situation in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

2.5.1.2 Deferred Tax

Deferred tax is provided for using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable differences. Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets are reassessed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity.

Notes To The Financial Statements (cont'd)

2.5.1.3 Value added tax

Revenue, expenses and assets are recognised net of the amount of value added tax except; where value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable: and Receivables and payables that are stated with the amount of the value added tax included. The net amount of value added tax from, or payable to the taxation authority is included as part of receivables or payables in the statement of financial position.

2.5.1.4 Cost of Sales

Cost of sales refers to the direct costs attributable to the production of the goods or supply of services by an entity. It is also commonly known as the "cost of goods sold (COGS)". Cost of sales measures the cost of goods produced or services provided in a period by an entity. It includes the cost of the direct materials used in producing the goods, direct labour costs used to produce the good, along with any other direct costs associated with the production of goods. In case of services cost of sales includes the labour cost or salaries of the employees and other directly attributable costs. Cost of sales does not include indirect expenses such as distribution costs and marketing costs. It appears on the income statement and is deducted from the sales revenue for the calculation of gross profit.

2.5.2 Foreign currency transactions

Transactions in foreign currencies are initially recorded at the rate of exchange ruling at the dates of the transactions

Monetary assets and liabilities are retranslated at approximate rates of exchange ruling at the financial year end. All exchange differences arising on settlement or translation of monetary items are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined.

The following exchange rates were used as at year end:

- 30 September 2020 1US$: ZWL81.7076
- Statement of Profit or Loss and Other Comprehensive Income items were translated at Interbank rate ruling at date of transaction.

2.5.3 Property, Plant and Equipment

Property, plant and equipment, other than land and buildings, is measured at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment loss. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met. Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation.

Depreciation is calculated on the following basis over the useful life of the assets.

- Brickfield land - is amortised on the basis of utilisation of clay against the total estimated clay reserves remaining
- Industrial and commercial buildings -2% of cost
- Plant and machinery - based on usage hours.
- Computers, furniture and fittings and motor vehicles varying between 10% and 33% of cost.

Subsequent to initial recognition, Land and buildings are revalued frequently. Revaluations may be done where Directors' deem necessary to ensure that the fair value does not differ materially from its carrying amount. Any revaluation surplus is recorded in other comprehensive income and hence credited to the asset revaluation reserve in the equity secEon of the statement of financial

Notes To The Financial Statements (cont'd)

position, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss.

The revaluation surplus is transferred to retained earnings on disposal of the revalued asset. The Company assesses at each reporting date whether there is an indication that an item property, plant and equipment may be impaired. If such indication exists, the Company makes an estimate of its recoverable amount.

In applying IAS 29 where revaluation is done, accumulated depreciation is eliminated. depreciation for all assets is restated using inflation indices. The opening balances have been restated using the closing index for 2020 while asset purchased during the year have been converted using the indices applicable on the date of purchase. The opening revaluation reserve was eliminated against equity.

Current year depreciation for Land and Buildings is based on the revalued amounts at the end of the period.

Property, plant and equipment's recoverable amount is the higher of it's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual item of property, plant and equipment, unless it does not generate cash inflows that are largely independent of those from other items of property, plant and equipment or group of property, plant and equipment.

Where the carrying amount of item of property, plant and equipment exceeds its recoverable amount, the property, plant and equipment is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the property, plant and equipment. On determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices of investments or other available fair value indicators.

Impairment losses on continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired property, plant and equipment except for property previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indicaEon exists, the Company makes estimates of recoverable amounts. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

If that is the case the carrying amount of property, plant and equipment is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment been recognised for the property, plant and equipment asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount in which case the reversal is treated as a revaluation increase.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is de-recognised. The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively if appropriate.

Notes To The Financial Statements (cont'd)

2.5.4 Employee benefits

2.5.4.1 Retirement benefits

Retirement benefits are provided for employees through the National Social Security Authority (NSSA) which is also regarded as a defined contribution plan. The cost of retirement benefits for the defined contribution fund is determined by the amount paid and is charged to profit or loss in the year to which it relates. The cost of retirement benefits applicable to the National Social Security Authority (NSSA) is determined by the systematic recognition of legislated contributions and is recognised in profit or loss.

2.5.4.2 Short term employee benefits

Short term employee benefits such as salaries and bonuses are expensed as the related service is performed. A liability is recognised for the amount expected to be paid if the company has a legal or constructive obligation to pay the amount as a result of past service provided by the employee and the amount of the obligation can be estimated reliably.

2.5.5 Inventories

Inventories are valued at the lower of cost, established on the Weighted Average basis, and net realisable value adopted during the year in line with the Accounting software in use. The accounting policy for the measurement of spares and consumable inventory changed from FIFO to weighted average and it did not have a material impact on the amounts presented in the financial statements. In the case of work in progress and finished goods, cost includes an appropriated portion of manufacturing overheads. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

The accounting policy for the measurement of inventory changed from FIFO to Weighted Average in 2019 and it did not have a material impact on the amounts presented in the financial statements.

2.5.6 Cash and cash equivalents

Cash and short term deposits in the statement of financial position comprise cash at banks and on hand and short term deposits with an original maturity of three months or less. Subsequent to initial recognition, cash and cash equivalents are measured at amortised cost.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

2.5.7 Provisions (including leave pay and contingent liabilities)

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. A contingent liability is a possible obligation that may arise when some uncertain future event occurs or a present obligation whose payment is not probable neither can the amount be measured reliably. Contingent liabilities are not accounted for in financial statements but are disclosed.

2.5.8 Related party disclosures

Transactions with related parties are carried out on an arms' length basis except where stated differently.

2.5.9 Revenue and other income recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when payment is received. Revenue is measured at the fair value of the consideration received, taking into account contractually defined terms of payments excluding taxes and duty. The company's terms are largely payment in advance, consideration does not vary once it is set at the time of payment.

2.5.9.1 Sale of goods

Revenue from sale of goods is recognised at a point in time when control of the asset is transferred to the customer, generally at the point of dispatch. The company's performance obligation is satisfied at a point in time upon brick delivery to or collection by customers and payments are received in advance or credit is granted by exception.

The company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g warrantees, customer loyalty points). In determining the transaction price for the sale of goods, the company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when associated uncertainty with variable consideration is subsequently resolved.

Contract balances

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 2.5.11 Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the company transfers the related goods or services. Contract liabilities are recognised as revenue when the company performs under the contract (i.e., transfers control of the related goods or services to the customer).

2.5.9.2 Interest income

Interest income is recognised as interest accrues using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the instrument to the net carrying amount of the financial asset.

2.5.9.3 Rental income

Rental income arising from operating lease is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of comprehensive income.

2.5.10 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the respective asset. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with borrowing of funds.

2.5.11 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables

Trade receivable that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:
- Financial assets at amortised cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon de-recognition (equity instruments)

Financial assets at amortised cost (debt instruments) Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is de-recognised, modified or impaired.

The Company's financial assets at amortised cost includes trade receivables, staff debtors, cash and cash equivalents. Financial assets designated at fair value through OCI (equity instruments) Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The company's financial assets at fair value through OCI includes an Investment in Smart Suburb

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily

Notes To The Financial Statements (cont'd)

de-recognised (i.e., removed from the Company's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  (a) the Company has transferred substantially all the risks and rewards of the asset, or
  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.5.12 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

Notes To The Financial Statements (cont'd)

For purposes of subsequent measurement, financial liabilities are classified in two categories:
• Financial liabilities at fair value through profit or loss
• Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (Trade payables)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.5.13 Lease policy applicable before 1 October 2019

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in any arrangement. Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.5.13.1 Company as a lessee

Finance leases which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are recognised in finance costs in the statement of profit or loss. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Notes To The Financial Statements (cont'd)

Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease terms.

2.5.13.2 Company as a lessor

Leases in which the Company does not transfer substantially all risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.5.14 Fair value measurement

The Company measures non-financial assets such as land and buildings at fair value at reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

• In the principal market for the asset or liability, or

• In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.5.15 Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is classified as current when it is:

• Expected to be realised or intended to be sold or consumed in normal operating cycle

Notes To The Financial Statements (cont'd)

• Held primarily for the purpose of trading

• Expected to be realised within twelve months after the reporting period, or

• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

• It is expected to be settled in normal operating cycle

• It is held primarily for the purpose of trading

• It is due to be settled within twelve months after the reporting period, or

• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.5.16 Segment Information

IFRS 8, Operating Segments, is applicable to the Company. However, the Company currently has one reporting segment due to the nature of its business, which is the manufacture and selling of bricks to one local market (i.e. Zimbabwe) and various customers, none of whom are classified as major customers.

2.5.17 Investment in a joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Willdale Limited's Investment in its joint venture is accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither armortised nor individually tested for impairment.

The statement of profit or loss reflects Willdlale's share of the results of operations of the joint venture any change in other comprehensive income (OCI) of the joint venture is presented as part of Willdale's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, Willdale Limited recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between Willdale Limited and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of Willdale Limited's share of profit or loss of a joint venture is shown on the face of the statement of profit or loss and other comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the joint venture. The financial statements of the joint venture are prepared for the same reporting period as Willdale Limited. The joint venture uses similar accounting policies as Willdale Limited.

Notes To The Financial Statements (cont'd)

After application of the equity method the Company determines whether it is necessary to recognise an impairment loss on its investment in the joint venture. At each reporting date, the Company determines whether there is objective evidence whether the investment in the joint venture is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, then recognises the loss as 'share of loss of a joint venture' in the statement of profit or loss and other comprehensive income.

Upon loss of significant influence over the joint venture, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal, is recognised in profit or loss. When the remaining investment constitutes significant influence, it is accounted for as investment in associate.

2.5.18 Critical accounting judgments and key sources of estimation uncertainty

2.5.18.1 Estimation uncertainty

The key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are discussed below:

2.5.18.2 Useful lives and residual values of property, plant and equipment

The Company assesses useful lives and residual values of property, plant and equipment each year taking into consideration past experience, technology changes and the local operating environment. Refer to note 8 for the carrying amount of property, plant and equipment.

2.5.18.3 Revaluation of land and buildings

The Company's Directors carried out a revaluation of land and buildings in September 2020. Fair value is determined by reference to open market value in use. Refer to note 8 for the carrying amount of land and buildings and the key assumptions applied in determining the fair value of land and buildings.

2.5.18.4 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance or the cash generating unit being tested. There coverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

2.5.18.5 Allowance for credit losses

The Company assesses the financial assets held at amortised cost for expected credit losses. The Company uses the simplified approach when assessing for expected credit losses.

Simplified approach

The simplified approach is used to assess for expected credit losses for trade receivables, contract assets and lease receivables. The method uses a provision matrix which determines the expected default rate which is determined by taking into consideration

Notes To The Financial Statements (cont’d)

historical and forward-looking information.

The expected default rate is determined separately for each market in which the Company operates as each market faces a different economic and operating environment. The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows identified.

COVID-19 and lockdowns has NOT changed any of the macro-economic / forward-looking adjustments (overlays) applied to the loss rates in the ECL model. This is due to limited credit being granted and the fact that customers have been paying consistently in the year under review

2.5.18.6 Allowance Brick losses

At the end of each financial year a physical stock count of bricks is conducted. Any variances to nominal stock balances are written off as brick losses.

2.5.19 Shareholders' equity

Issued share capital

The issued share capital is the amount paid up on the shares issued, up to their nominal value.

Share premium reserve

The share premium reserve is the amount paid up on the shares issued in excess of their nominal value.

Retained profits

Retained profits are the net results (i.e. that part of the result attributable to shareholders) accumulated in previous years minus distributed dividends.

Notes To The Financial Statements (cont'd)

	INFLATION ADJUSTED	
	September 2020 ZWL$	September 2019 ZWL$
3. Revenue from contracts with customers		
Income from sale of bricks	596,550,679	499,315,554
***All revenue is recognised at a point in time and was all generated in Zimbabwe**		
3.2 Other income:		
Exchange gain or loss	26,172,171	34,791,098
Profit on disposal of property, plant and equipment	-	192,784,180
Rental income - lease of space for base station and idle land	364,806	1,303,806
Transport and handling proceeds	2,079,697	1,227,099
Sundry - Sale of scrap, and rubble	5,996,389	976,748
	34,613,063	**231,082,932**
3.3 Operating profit		
The following items have been charged in arriving at the operating profit:		
Auditors' remuneration	8,922,685	10,482,666
Directors' emoluments - fees	8,002,675	5,124,705
Rent	2,349,154	1,515,537
Bad debts	2,159,640	-
Legal expenses	1,292,146	1,000,061
Depreciation	**(8,656,874)**	**(22,788,484)**
Brickfield land and buildings	(6,209,938)	(5,950,651)
Plant and equipment	(765,688)	(8,943,264)
Motor Vehicles	(1,476,485)	(7,189,528)
Computers, furniture and fittings	(204,763)	(705,042)
Staff costs	**93,302,295**	**93,993,627**
- Salaries and wages	65,772,415	81,124,843
- Pension - NSSA	873,447	1,025,324
- Leave pay	7,786,633	2,882,824
- Medical aid	1,071,656	978,471
- Bonuses	14,700,259	5,215,496
- Transport	1,685,486	1,423,814
- Standard development and training levy	624,741	430,093
- Workers compensation insurance fund (WCIF) and NEC expenses	787,658	912,761

Notes To The Financial Statements (cont'd)

	INFLATION ADJUSTED	
	September 2020	September 2019
	ZWL$	ZWL$
4. Interest expense/ income		
4.1 Expense		
-Trade payables	3,009	-
- Overdraft and loans	-	997,609
- Interest on redeemable preference shares	-	1,361,073
	3,009	2,358,681
4.2 Income		
Interest on bank balances	212,201	301,953
	212,201	301,953
Interest is calculated using the effective interest rate method.		
5. Taxation		
Current Tax	44,209,568	(31,147,004)
Deferred tax Movement	(15,770,654)	18,132,984
Total income tax expense	28,438,914	(13,014,020)
Tax Reconciliation		
Profit before tax	29,674,734	316,947,788
Notional taxation on profit at 25.75% (2018: 25.75%)	7,335,594	81,614,055
Change in tax rate	3,264,562	-
Provisions	13,543,909	3,264,631
Donations	3,467,014	-
Monetary loss	827,834	(95,247,739)
Impact of(profit) / loss on joint venture	-	(2,644,967)
Total Tax	28,438,914	(13,014,020)
Current Tax Liability		
Opening Balance	10,819,526	4,755,370
Tax Charge for the year	34,910,328	26,661,366
	45,729,854	31,416,736
Tax Paid	(12,444,988)	(20,597,210)
Closing Balance	**33,284,866**	**10,819,526**

6. Earnings per share

6.1 Basic earnings per share

Basic(loss)/earnings per share amounts are calculated by dividing the net profit/(loss)for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

Notes To The Financial Statements (cont'd)

6.2 Diluted earnings per share

Diluted earnings per share amounts are calculated by dividing the net profit/(loss)attributable to ordinary equity holders of the company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential shares into ordinary shares.

In the prior year, the Company had convertible preference shares which were not dilutive as conversion would result in an increase in earnings per share. As a result, the conversion of preference shares was nottaken into account in calculating diluted earnings per share.

The following reflects the income and share data used in the basic and diluted earnings per share calculations:

The calculation of earnings per share is based on the following figures:

	INFLATION ADJUSTED	
	September 2020	September 2019
	ZWL$	ZWL$
6.3 Profit attributable to holders-(basic and diluted earnings)	1,235,820	303,933,768
6.4 Weighted average number of shares in used for basic and diluted earnings per share	1,778,001,428	1,778,001,428
6.5 Reconciliation of Basic Earnings to Headline earnings Headline earnings report a company's income from operations, trading, and investments only. Headline earnings therefore exclude certain one-time or exceptional items such as write-offs, profit/loss on asset disposals.		
Profit for the year attributable to equity holders	1,235,820	303,933,768
Profit on disposal	-	(192,784,180)
Headline Earnings	1,235,820	111,149,588
Basic profit per share (cents)	0.070	17.094
Headline profit per share (cents)	0.070	6.251
Diluted Earnings per Share	0.070	0.283
Diluted Headline profit per share (cents)	0.070	6.251

7. Segment information

IFRS 8, Operating Segments, is applicable to the company. However, the company currently has one reporting segment due to the nature of its business, which is the manufacture and selling of bricks to one local market (i.e. Zimbabwe) and various customers, none of whom are classified as major customers.

Notes To The Financial Statements (cont'd)

8. PROPERTY, PLANT AND EQUIPMENT

8.1 Property, plant and equipment - 2020

	INFLATION ADJUSTED				
	Land & Buildings	Plant & Equipment	Motor Vehicles	Computers, Furniture & Fittings	Total
	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Cost / valuation					
At 1 October 2019	959,383,206	125,804,611	97,333,114	9,086,119	**1,191,607,051**
Additions	-	21,616,412	11,741,201	2,252,667	**35,610,280**
Revaluation	342,545,693	-	-	-	**342,545,693**
Disposals	-	-	-	-	**-**
At 30 September 2020	**1,301,928,899**	**147,421,023**	**109,074,315**	**11,338,786**	**1,569,763,024**
Accumulated depreciation and impairment losses					
At 1 October 2019	-	(58,020,689)	(67,036,772)	(5,307,325)	(130,364,786)
Charge for the year	(6,209,938)	(765,688)	(1,476,485)	(204,763)	**(8,656,874)**
Disposals	-	-	-	-	**-**
Revaluation	6,209,938	-	-	-	**6,209,938**
At 30 September 2019	**-**	**(58,786,377)**	**(68,513,257)**	**(5,512,088)**	**(132,811,722)**
Carrying amount at 30 September 2020	**1,301,928,899**	**88,634,646**	**40,561,058**	**5,826,698**	**1,436,951,302**
Carrying amount at 30 September 2019	**959,383,206**	**67,783,922**	**30,296,342**	**3,778,794**	**1,061,242,264**
Property, plant and equipment - 2019					
Cost / valuation					
At 1 October 2018	649,705,673	118,459,057	75,521,681	8,214,336	**851,900,746**
Additions	-	7,345,555	21,917,469	871,784	**30,134,807**
Revaluation	309,677,533	-	-	-	**309,677,533**
Disposals	-	-	(106,035)	-	**(106,035)**
Transfer to Assets held for sale	-	-	-	-	**-**
At 30 September 2019	**959,383,206**	**125,804,611**	**97,333,114**	**9,086,119**	**1,191,607,051**
Accumulated depreciation and Impairment losses					
At 1 October 2018	(63,243,295)	(49,077,425)	(59,953,279)	(4,602,283)	**(176,876,282)**
Charge for the year	(5,950,651)	(8,943,264)	(7,189,528)	(705,042)	**(22,788,485)**
Disposals	-	-	106,035	-	**106,035**
Revaluation	69,193,946	-	-	-	**69,193,946**
At 30 September 2019	**-**	**(58,020,689)**	**(67,036,772)**	**(5,307,325)**	**(130,364,786)**
Carrying amount at 30 September 2019	**959,383,206**	**67,783,922**	**30,296,342**	**3,778,794**	**1,061,242,265**
Carrying amount at 30 September 2018	**586,462,377**	**69,381,632**	**15,568,402**	**3,612,053**	**675,024,464**

Notes To The Financial Statements (cont'd)

8.2 Revaluation of land and buildings

Fair value of the properties was determined by using the market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of revaluation on 30 September 2020, the properties' fair values are based on valuations performed by Rawson Properties, accredited independent valuers.

Significant unobservable valuation input:

	Range	Range
Price per square metre	ZWL18.75 - ZWL23.55	US$1.25 - US$1.57

Significant increases (decreases) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value. Refer to note 19.2 for the fair value hierarchy.

If land and buildings were measured using the cost model, without revaluation, the carrying amounts would have been as follows:

	INFLATION ADJUSTED	
	2020	2019
	ZWL$	ZWL$
Cost	52,851,636	52,851,636
Accumulated depreciation and impairment	(12,565,425)	(10,322,168)
Carrying Amount	40,286,211	42,529,468

8.3 Clay reserves are included in the value of land.

9. Investments

	2020	2019
Investment in Joint venture	-	5,585,850
Investment in Smart Suburb	171,300,954	108,282,519
	171,300,954	113,868,370

9.1 Willdale Limited had a 50% interest in Willdale Transport Services (Pvt) Limited (Wiltrans), which was being accounted for as a joint venture using the equity method up to June 2019 in the prior year. The company was placed under liquidation in June 2019 following shareholder disagreements. As a result, Willdale lost control of the investment. It is now being accounted for as a simple investment measured at fair value.

Notes To The Financial Statements (cont'd)

Summarised financial information of the joint venture based on its financial statements, and reconciliation with the carrying amount of the investment in the financial statements are set out below:

	INFLATION ADJUSTED	
	2020	2019
	ZWL$	ZWL$
Balance as at 1 October 2018	5,585,850	-
Acquisition of interest in joint venture	-	-
Share of profit(loss)	-	5,585,850
Unrecognised share of loss from prior year	(5,585,850)	-
Balance as at 30 September 2019	**-**	5,585,850

	INFLATION ADJUSTED	
	2020	2019
	ZWL$	ZWL$
Summarised statement of profit or loss of Willdale Transport Services		
Revenue	-	28,900,509
Cost of sales	-	(19,896,766)
Administrative expenses, including depreciation	-	(3,362,600)
Interest expense	-	(332,116)
Profit/(Loss) before tax	-	5,309,026
Income tax expense/(credit)	-	(564,014)
Net Monetary Gain	-	13,481,886
Profit/(Loss) after tax	-	18,226,899
Other Comprehensive Income	-	2,316,519
Profit(Loss) for the year	-	20,543,418
Company's share of profit/(loss) for the year	-	10,271,709
Unrecognised share of loss from prior year	-	4,685,863
Company's share of profit/(loss) for the year	-	5,585,850

9.2 Investment in SMART SURBUB

On 1 December 2018, the company purchased 20% of the voting rights in a property development project,Smart Suburb, a Special Purpose Vehicle for ZWL 14.26million. The consideration was settled from the proceeds received from the sale of land. The entity does not have significant influence in Smart Suburb investment .as they do not have the power to participate in the financial and operating policy decision making of the Vehicle. The investment is held and accounted for as Equity Security at Fair Value through Other Comprehensive Income as the company intends to hold the investment for long term strategic purposes.

As at year end the project had not yet generated any revenue or incurred expenses.

Notes To The Financial Statements (cont'd)

Smart suburb consists of property that is land measuring 190.2ha (1,902,000sqm) which is set for future property development. The only underlying asset in Smart suburb is the land hence fair value of land determines fair value of the investment. The fair value of the interest in Smart Suburb an unlisted company, was estimated by applying market approach. The fair value estimates measurements used for valuation of Smart Suburb are based on adjusted observable inputs in the market such as

- Price per square metre (2020 USD 3.89- USD8.0 2019 USD 2.65 - USD6 .5
- Exchange rate (2020 USD: ZWL82 2019 USD: ZWL15.19

	Valuation Technique	Significant Unobservable inputs to valuation	Range(weighted average) 2020(2019)	Sensitivity of the input to Fair value
Non listed Equity Investment-Property Sector	Market Approach	Price per square metre	2020 USD 3.89 - USD 8.0 2019 USD 3.89 - USD 8.0	5%(2019: 5%) increase/ (decrease) in valuation per square metre would result in an increase/ (decrease) in fair value by 2020 ZWL8,565,047 (2019:ZWL796,926)
		Exchange rate	2020 USD 3.89 - USD 8.0 2019 USD 3.89 - USD 8.0	5%(2019: 5%) increase/ (decrease) in valuation per square metre would result in an increase/ (decrease) in fair value by ZWL 8,565,047(2019:ZWL 796,926)

Fair Value Reconciliation

Balance as at 30 September 2019	108,282,938
Fair Value Adjustment due to exchange rate movement	63,018,017
Closing Balance as 30 September 2020	**171,300,954**

Significant increase (decreases) in the estimated prices per ha in isolation would result in a significantly higher (lower) fair value.

The land has freely permitted uses such as wholesaling, industrial buildings and storage warehouses. Special consent uses include creches, shops and corporate offices to mention abut a few. Key assumptions for the measurements of Smart Suburb include the following:

(a) Marketability of the property; the land is fit for purpose and there are no restrictive conditions.
(b) There are no environmental laws are adverse to it; the property is not contaminated and there are no abnormal ground Conditions.
(c) Town planning; the property is not adversely affected by town council properties and it complies with statutory and local authority requirements.
(d) Title and tenure; The title deeds are duly registered.
(e) No survey has been undertaken of the buildings or improvements; no soil tests have been carried out. The valuation has been undertaken on the basis that the property is in a satisfactory state.

The Lot was valued at USD$11.4million by independent valuers. The significant unobservable inputs that have been used to measure Investment in Smart Suburb are as follows:

- Willdale's percentage shareholding of 18.45% in Smart Suburb
- Total value of Smart suburb of USD$11.4million
- Exchange rate of USD$1: 81.7076 ZWL as at 30 September 2020 (2019 USD:ZWL 15.19)

resulting in the Company investment value of ZWL171,300,954 as at 30 September 2020 when translated at the Interbank Rate ruling. Key assumptions for the measurements of Investment in Smart Suburb include the following:

Significant increase (decrease) in the estimated total value of Smart suburb or exchange rate in isolation would result in a significantly higher (lower) fair value.

Notes To The Financial Statements (cont'd)

	INFLATION ADJUSTED	
	September	September
	2020	2019
	ZWL$	ZWL$
10. Inventory		
Raw Materials	2,840,800	1,537,869
Work In Progress	55,229,344	41,642,071
Finished Goods	84,213,855	83,966,083
Consumables	60,496,530	48,664,104
	202,780,529	175,810,127
Provision for stock Obsolete Stock	180,670	156,928

Raw materials, Work in Progress and consumables are valued at cost while finished goods are valued at the lower of cost or net realisable value. During 2020 ZWL 327,644,919(2019:ZWL 300,015,619) was recognised as an expense for inventories sold during the year. This is recognised in cost of sales. Included in the Cost of Sales figure is an amount of ZWL 17.6 million relating to brick losses (2019: ZWL19.75million).

	INFLATION ADJUSTED	
	September	September
	2020	2019
	ZWL$	ZWL$
11. Trade and other receivables		
Gross trade receivables	6,527,246	41,887,585
Allowance for expected credit loss	(2,938,650)	(2,771,432)
Net Trade Receivables	3,588,596	39,116,153
Staff debtors	527,676	861,820
Staff debtors ECL	(31,426)	(29,879)
Net staff debtors	496,250	831,941
Other debtors provision	(85,146)	(646,599)
Deposits	4,820	36,603
Value Added Tax	5,859,501	13,114,352
Advanced payments to suppliers	21,354,281	35,305,326
Prepaid Issuance of Licences	771,628	603,898
	-	313,055
	31,989,930	**88,647,730**
Contract Asset	**2,000,663**	**-**

Contract Asset relates to brick inventory held by agents under contract. Revenue is recognised when the the bricks have been sold to final customers.

Notes To The Financial Statements (cont'd)

The gross carrying amount of trade receivables increased due to business from SINO HDYRO who are carrying major work in Hwange and were being supplied on credit. The debt has since been paid.

All the outstanding amounts are short term with varying credit terms not exceeding 30 days. The net carrying amount of trade receivables is considered a reasonable approximate of fair value. No interest is charged on outstanding debtors. See Note 18 on credit risk of trade receivables, which discusses how the company manages and measures credit quality of trade receivables that are neither past due nor impaired. All the company's trade and other receivables have been reviewed for indicators of impairment. As at 30 September 2020, non interest bearing receivables of an initial value of ZWL0 (2019:2,771,430) with initial terms of 30 days were impaired and fully provided for.This allowance has been determined by reference supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. There were no Trade receivables that were past due for more than one year which were written off.not subject to enforcement activityThere were no Trade receivables that were past due for more than one year which were written off. Trade receivables that are less than 30 days past due are not considered to be impaired unless specific circumstances indicate otherwise.

Movement in Allowance for Expected Credit losses

	Trade receivables ZWL$	Willtrans ZWL$	Staff loans ZWL$	Total ZWL$
Individually Impaired				
At 30 September 2018	225,117	-	-	225,117
IAS 29 adjusted balance as at 30 September 2018	795,383	-	-	795,383
	1,020,500	-	-	1,020,500
Adjustment due to adoption of IFRS 9	882,513	224,660	224,660	1,331,833
IFRS 9 adjusted opening Balance as at 1 October 2018	1,903,013	1,706,068	-	2,352,333
Charge for the year	-	-	77,687	77,687
Reversed	(142,596)	(128,853)	-	(271,449)
IAS 29 Monetary gain or (loss)	(1,395,467)	(95,807)	(6,295)	(1,497,569)
At 30 September 2019	364,950	1,481,408	71,392	1,917,750
Charge for the Year	(2,970,076)	-	-	(2,970,076)
				-
				-
At 30 September 2020	(2,605,126)	1,481,408	71,392	(1,052,326)

COVID-19

We do not envisage any of the existing customers being significantly impacted by the COVID-19 pandemic. The major debtor, Sino Hydro, is a project supported by a bilateral government to government arrangement and has been paying its debts. Any amounts receivables that are past 90 days have been fully provided for as per the provision matrix in note 18.4.1

Notes To The Financial Statements (cont'd)

Trade receivables ageing

	INFLATION ADJUSTED						
	Total	Neither past due nor impaired	0-30 days	31 - 60 days	61-90 days	91 - 120 days	>120 days
	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
2020	14,286,299	7,322,320	1,025,132	2,817,596	183,656	1	2,937,594
2019	41,887,585	39,187,584	-	950,754	493,640	-	1,255,607

13. Cash and cash equivalents

	September 2020	September 2019
	ZWL$	ZWL$
Bank balances	57,283,037	33,370,162
Cash on hand	-	17,914
Total	57,283,037	33,388,077

Included in cash and cash equivalents are balances with banks and cash held by the company

14. Equity

	September 2020	September 2019
	ZWL$	ZWL$
Authorised		
3,000,000,000 (2014: 3,000,000,000)ordinary shares of US$0.00005 cents each	5,163,768	5,163,768
Issued and fully paid		
1 778 001 428 ordinary shares of US$0.00005 cents each	3,205,470	3,205,470

Notes To The Financial Statements (cont'd)

15. Deferred taxation

	INFLATION ADJUSTED	
	September	September
	2020	2019
15.1 Deferred taxation movement	ZWL$	ZWL$
Balance at beginning of year	240,257,263	160,831,160
RevaluationRevaluation of depreciable land	17,646,170	97,559,087
Non depreciable land	18,123,267	-
Deferred taxation on Fair Value adjustment	12,603,603	-
Change in tax rate	12,030,115	-
Deferred taxation (credited)/charged to profit or loss	(15,770,654)	(18,132,984)
Balance at end of the year	284,889,764	240,257,263

	September	September
	2020	2019
15.2 Deferred taxation analysis	ZWL$	ZWL$
Property, plant and equipment	256,379,055	236,664,512
Non Depreciable land	18,123,267	5,333,448
Provisions	(1,641,425)	(852,540)
Exchange gains	11,454,130	-
Deferred tax on Expected credit losses	574,737	(887,837)
Deferred tax liability	284,889,764	240,257,582

16. Borrowings

	September	September
	2020	2019
	ZWL$	ZWL$
Long term borrowings		
CBZ Bank	329,071	329,071
	329,071	329,071

Loans

Both the CBZ Bank and ZB Bank loans were paid off in full in 2019 except for the pre existing CBZ loan for bricks arrangement

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Notes To The Financial Statements (cont'd)

17.1. Trade and other Payables

	September 2020 ZWL$	September 2019 ZWL$
Trade payables	25,615,737	9,237,387
Accruals and Other Payables	9,248,346	13,507,810
Brick Deposits (Contract Liability)	91,337,322	109,834,923
	126,201,405	132,580,120

Trade payables are mainly non-interest bearing and normally settled within 30 days . Terms vary depending on negotiations with the suppliers.

17.2. Provisions

Inflation Adjusted

	Bonus	Leave Pay	Audit fees	Rehabilitation	Total
At 1 October 2019	4,460,040	1,894,452	6,842,027	1,416,395	14,612,914
Utilised during the year	(1,350,607)	(95,508)	(1,098,663)	(1,229,880)	(3,774,658)
Arising during the year	4,614,206	3,656,903	3,597,400	1,675,400	13,543,909
At 30 September 2020	7,723,639	5,455,847	9,340,764	1,861,915	24,382,165
At 1 October 2018	-	4,379,429	2,640,889	2,075,007	9,095,326
Utilised during the year	-	(496,989)	-	(1,317,225)	(1,814,214)
Arising during the year	4,460,040	(1,987,988)	4,201,137	658,612	7,331,802
At 30 September 2019	4,460,040	1,894,452	6,842,027	1,416,395	14,612,914

Leave pay is normally discharged by way of employees going on paid leave or by payments in the form of cash in lieu of leave. The audit fee balance is due in the coming year. The rehabilitation provision is for mining pits rehabilitation and will be utilised within the next 12 months as the refilling is done yearly. Work involved includes covering of pits and tree planting, whose costs determine the provision.

18. Financial Risk Management Objectives and Policies

The Company's principal financial liabilities comprise of trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables and cash and short term deposits, which arise directly from its operations. The Company does not use derivative financial instruments. Exposure to credit, interest rate and liquidity risk arise in the normal course of the business and these are the main risks arising from Financial Instruments.

18.1 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (monetary assets or liabilities are denominated in a foreign currency). The Company is exposed to foreign exchange risk arising from the volatility of the ZWL against the US Dollar.

The Company manages its foreign currency risk by balancing its foreign denominated assets and liabilities so that any negative movements in one are compensated by positive movements in the other.

Notes To The Financial Statements (cont'd)

Foreign currency rate sensitivity

The table below demonstrates the sensitivity to a reasonably possible change in US dollar exchange rate against the ZWL, with all other variables held constant, on the Company's profit before tax. A 10% change is considered as a reasonably possible change in US$ exchange rate against the respective currencies by the Board. The impact on the Company's profit before tax is due to changes in the value of monetary assets and liabilities induced by exchange rate movements.

The Company is exposed to the fluctuation of the ZWL against the US$ as some of its monetary assets and liabilities are denominated in those currencies.

		2020	2019
Local currencies weakening against US$	-10%	(6,838)	(17,135)
Local currencies firming against US$	10%	6,838	17,135

18.3 Liquidity risk

Liquidity risk is the risk that the company might be unable to meet its obligations. The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. accounts receivable) and projected cashflows from operaEons..

The table below summarises the maturity profile of the Company's assets and liabilities at 30 September 2020:

	Within 3 months	Between 4 & 12 months	More than 12 months but less than 5 years	Total
2020	ZWL	ZWL	ZWL	ZWL
LIABILITIES				
Borrowings	-	-	-	-
Trade and other payables	(126,201,405)	-	-	126,201,405
	(126,201,405)	-	-	(126,201,405)
ASSETS				
Financial assets				
Accounts receivable	31,989,930	-	-	31,989,930
	57,283,037	-	-	57,283,037
	89,272,967	-	-	89,272,967

2019	ZWL	ZWL	ZWL	ZWL
LIABILITIES				
Borrowings	-	-	(329,071)	(329,071)
Trade and other payables	126,201,405	-	-	126,201,405
	126,201,405	-	(329,071)	125,872,334
ASSETS				
Financial assets				
Accounts receivable (including lease receivables)	88,674,730	-	-	88,674,730
Cash & cash equivalents	33,388,077	-	-	33,388,077
	122,062,807	-	-	122,062,807

Notes To The Financial Statements (cont'd)

18.4.1 Credit risk

Credit risk is the risk that the counterpart will not meet its obligations under a financial instrument or a customer contract leading to a financial loss. It is the company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. As such, the Company trades only with recognised, creditworthy third parties. The Company monitors all financial assets and contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL. The Company's accounting policy is to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative including forward-looking information. Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

Trade receivables	2020	Balance	Loss Rate	Impairment
		1.025,132	42%	430,727
	31 - 60 Days	2,817,596	42%	1,183,862
	61 - 90 Days	183,656	42%	77,166
	91 - 120 Days	1	100%	1
	> 120 Days	2,329,872	100%	2,329,872

Trade receivables	2019	Balance	Loss Rate	Impairment
	0	$ 307,874	35.55%	109,448
	31 - 60 Days	$ 125,198	35.55%	44,508
	61 - 90 Days	$ 65,004	35.55%	23,109
	91 - 120 Days	$ -69	35.55%	(25)
	> 120 Days	$ 201,609	100.00%	201,610

Write off policy

Financial assets are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This applies when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts owed to the Company.

Cash balances

The Company only deposits cash with financial institutions with high credit ratings. The maximum exposure to risk is equal to the carrying amount of cash and bank balances.

The maximum exposure to credit at the reporting date was as follows	2020 ZWL	2019 ZWL
Carrying Amount		
Trade Receivables	6,527,246	318,094,321
Advance payments to suppliers	-	-
Staff debtors	527,676	2,270,933
Wiltrans	-	4,205,717
Cash and Cash Equivalents	57,283,037	41,259,561
Other Debtors	74,597,854	12,669,290
	138,935,813	**365,830,532**

Notes To The Financial Statements (cont'd)

18.5 Capital Management

Capital includes ordinary shares and reserves attributable to the company's shareholders. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio at a maximum of 50%. The Company includes within net debt, interest bearing loans and borrowings, and other payables, less cash and cash equivalents.

No changes were made in the objectives, policies or processes for managing capital during the years ended 30 September 2020 and 30 September 2019 There entity is not subject to externally imposed capital requirements.

Capital Management

	INFLATION ADJUSTED	
	September	September
	2020	2019
	ZWL$	ZWL$
Interest bearing loans and borrowings	329,071	329,071
Trade and other payables	126,201,405	132,580,120
Less: Cash and Short-term deposits	(57,283,037)	(33,388,077)
Net debt	69,247,439	99,521,115
Capital	1,433,038,473	1,074,242,766
Capital and net debt	1,502,285,912	1,173,763,881
Gearing ratio	5%	8%

Notes To The Financial Statements (cont'd)

19. Fair value measurement

19.1 The following tables provide the fair value measurement hierarchy of the Company's assets and liabilities.
Fair value measurement hierarchy for assets and liabilities as at 30 September 2020:

	INFLATION ADJUSTED			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
2020	ZWL	ZWL	ZWL	ZWL$
Assets measured at fair value:				
Investment in Smart Suburb (Note 9)	171,300,954	-	-	171,300,954
Revalued property, plant and equipment (Note 8):	-	-	-	-
Land and buildings	1,301,928,899	-	-	1,301,928,899
There have been no transfers between Level 1, level 2 and Level 3 during the period.				
Liabilities measured at fair value:				
Liabilities for which fair values are disclosed:				
Convertible preference shares	-	-	-	-
2019				
Assets measured at fair value:				
Revalued Land and Buildings (Note 8)*:		-		
Investment in Smart Suburb (Note 9)	108,282,519			108,282,519
Land and buildings	959,383,206	-	-	959,383,206
There have been no transfers between Level 1 and Level 2 during the period.				
Liabilities measured at fair value:				
Liabilities for which fair values are disclosed (Note 14):				

There have been no transfers between Level 1, level 2 and Level 3 during the period.

Liabilities measured at fair value:

Liabilities for which fair values are disclosed: (Note 16)

Revaluation of Land and Buildings

The entity engaged an accredited independent professional valuer, to determine the fair value of its land and buildings. Fair value is determined by reference to market value which is the price at which similar properties cost in the market. The date of revaluation was 30 September 2020.

The fair valuation of land and buildings was done in USD$ and then converted to the functional currency at the closing interbank rate. The interbank exchange rate does not meet the definition of a market exchange rate.

Where there is an active market for the property, it is valued at fair value determined by reference to market-based evidence. This means that valuations performed by the valuer are based on active market prices, adjusted for any differences in the nature, location and condition on the specified property. In coming up with the valuations, management considered the highest and best use of the properties. Valuation techniques for properties incorporate various underlying assumptions. These assumptions include, inter alia, the capitalisation rate for residential and commercial properties, rental per square metre, discount rates. The use of different valuation techniques and assumptions could produce significantly different estimates of fair value.

Notes To The Financial Statements (cont'd)

Significant unobservable valuation input: Range
Price per square meter $1.25 – $1.57 (2019: $1.25 – $1.57)
Exchange rate $US1: ZWL 81.7076 (2019 , $US1: ZWL 15.56)
Significant increases (decreases) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value.

The price per square metre has not been changing significantly over the past year due to the location of the land and buildings of the company. Therefore no sensitivity has been presented for the price per square metre.

Investment in Smart Suburb

The fair value of the interest in Smart Suburb an unlisted company, was estimated by applying a market approach and an income approach. The fair value estimates measurements are based on adjusted observable inputs in the market and thus represent a fair value measurement categorised within Level 2 of the fair value hierarchy as described in IFRS 13. Key assumptions include the following:

(a) assumed discount rate range of 20–25 per cent;
(b) assumed terminal value based on a range of terminal projected EBITDA multiples between 3 and 5 times
(c) assumed financial multiples of companies deemed to be similar to Smart Suburb; and
(d) assumed adjustments because of the lack of control or lack of marketability that market participants would consider when estimating measuring the fair value of the 18% interest in Smart Suburb

20. Commitments

	INFLATION ADJUSTED	
	September	September
	2020	2019
20.1 Commitments for capital expenditure	ZWL$	ZWL$
Authorised and contracted for	35,610,280	30,134,807
Authorised but not yet contracted for	62,074,000	22,379,624
	97,684,280	52,514,431

The capital expenditure was financed from internal working capital.

21. Contingencies

There were no contingent liabilities as at the end the year.

22. Related party disclosures

The balances outstanding to and from related parties are disclosed in trade and other payables and trade and other receivables.

22.1 Compensation of key management personnel for the company for the year was as follows:

	INFLATION ADJUSTED	
	September	September
	2020	2019
	ZWL$	ZWL$
Short term employee benefits	16,674,054	24,054,426
Post employment benefits - NSSA	39,873	75,105
	16,713,927	24,129,530

Key management include the Chief Executive Officer, the Finance Director and heads of department.

Notes To The Financial Statements (cont'd)

22.2 Transactions with key management personnel

22.2.1 Directors and management purchased product from the company worth ZWL 643,868 (2019: ZWL 341,115). for the period ended 30 September 2020

22.2.2 Entities related to key management and shareholders

During the year under review, purchases at normal market prices were made by the Company from Mike Harris Toyota and Professional Security.

The companies have a common shareholder as Ranus Investments, a shareholder with significant influence in the company. The total value of related party transactions is as follows:

	INFLATION ADJUSTED	
	September	September
	2020	2019
	ZWL$	ZWL$
Professional Security Services	1,415,481	1,041,221
Mike Harris	425,345	561,755
Umuzi	-	3,375,822
Total	1,840,826	4,978,797

Amounts payable to and receivable from related parties as at 30 September 2020 and 30 September 2019 respectively were as follows:

	September	September
	2020	2019
	ZWL$	ZWL$
Professional Security Services	523,515	(125,757)
Mike Harris	18,015	-
Umuzi	-	512,284
Total	541,530	386,527

Key
( ) Amounts owing to the company

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arms length transactions. Outstanding balances at the year end are unsecured, interest free and settlement occurs in cash. Unless otherwise stated, none of the transactions incorporate special terms and no guarantees were given or received for the period ended 30 September 2020. The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes To The Financial Statements (cont'd)

22.2.3 Transactions and balances with Willdale transport Services

	September 2020 ZWL$	September 2019 ZWL$
Transactions with Willdale Transport Services		
Transport Services	-	26,072,070
Rentals, management fees and other operational costs charged	-	634,532
	-	26,706,602
Balances with Willdale Transport Services		
Amounts from Willdale Transport Services		
Willdale Transport Services - Other debtor	-	1,745,200
	-	1,745,200

23. Events after Reporting Date COVID 19 Impact

The board has determined that between the end of our financial year and the date of this report there have been non adjusting events that can have a material impact due to COVID-19.

All our key markets have been authorised to operate which will increase overall liquidity for bricks purchases. Key customers have been operating and continue to provide revenue sources.

Operating expenses have been increased by COVID-19 management expenses although we expect the increase to be insignificant. The business remains profitable, despite the effects of the pandemic.. There have been no serious disruptions in our supply chain as we have been receiving equipment and spares from across the borders during this period.

The impact on receivables and sales is immaterial given the tight credit policy of the company and the existing levels of saleable stocks respectively.

Shareholders information

Top 20 shareholders as at 30 September 2020	Shareholding	%
1 DAHAW TRADING (PRIVATE) LIMITED	703,274,220	39.55
2 RANUS INVESTMENTS (PRIVATE) LIMITED	402,617,371	22.64
3 OLD MUTUAL LIFE ASSURANCE COMPANY OF ZIMBABWE LIMITED	273,077,567	15.36
4 MEGA MARKET (PRIVATE) LIMITED	62,481,725	3.52
5 NYARADZO LIFE ASSURANCE COMP	44,130,689	2.48
6 ETOLL AFRICA (PRIVATE) LIMITED	20,704,000	1.16
7 NYARADZO FUNERAL SERVICES	19,701,600	1.11
8 WILHEL HENRY ALFRED HANSALBERT	12,000,000	0.67
9 DRAWCARD ENTERPRISES (PVT) LTD,	11,989,036	0.67
10 MUZIKA RUBI HOLDINGS (PVT) LTD	11,801,284	0.66
11 DUSKE, KEIDO	10,219,439	0.57
12 MATARANYIKA, PHILLIP	8,462,582	0.48
13 REMO NOMINEES (PRIVATE) LIMITED	7,046,194	0.40
14 NYARADZO FUNERAL ASSURANCE COMPANY	6,421,218	0.36
15 MBIBA DAVID	5,890,994	0.33
16 REVOLTA, ANRDEW JAMES	5,461,339	0.31
18 J SOFT (PVT) LTD	4,951,100	0.28
19 SCB NOMINEES 140043470003	4,820,848	0.27
20 WILLIAM OVER PHOTOGRAPHIC (PRIVATE) LIMITED	4,366,630	0.25
OTHERS	158,775,527	8.93
	1,778,001,428	**100.00**

NOTICE TO MEMBERS

Notice is hereby given that the Annual General Meeting of Willdale Limited will be held in the Boardroom, Willdale Administration Block, Teneriffe Factory, 19.5km peg Lomagundi Road, Mount Hampden on Thursday 25 March 2021 at 1100 hours for the purpose of transacting the following business:

Ordinary Business

1. To receive and adopt the financial statements and report of the Directors for the year ended 30 September 2020.
2. To approve the fees for the Directors;
3. To appoint BDO Zimbabwe, Chartered Accountants, as auditors for the ensuing year. This will be their first year as auditors of Willdale Limited.
4. To approve audit fees for the year ended 30 September 2020;
5. To re-elect the following Directors who retire in terms of the Company's Articles of Association and who, being eligible, offer themselves for re-election:
   - 5.1 Mr. Washington Chidziwo
     Mr. Chidziwo is an experienced banker and business person. He is currently the Chairman of the Board and is non-executive director of Belwood Group of Schools.
   - 5.2 Mr. Gilbert Machingambi
     Mr. G. Machingambi is an experienced legal practitioner and is a senior partner with G. Machingambi Legal Practitioners.

A member entitled to attend and vote at the meeting may appoint one or more proxies to attend, vote and speak in their stead. The proxy need not be a member of the company. To be effective, the proxy must be lodged at the company's registered office at least forty-eight hours before the appointed time for the Meeting.

By Order of the Board

M Munginga

Company Secretary

01 March 2021

"Build to last with Willdale Bricks"

GRI Content Index

GRI Standard Disclosure	Page number(s) And/or URL(s)
GRI 101: Foundation 2016	
General Disclosures	
102-1 Name of the organisation	Cover page
102-2 Activities, brands, products, and services	5
102-3 Location of headquarters	93
102-4 Location of operations	6-93
102-5 Ownership and legal form	69
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102-7 Scale of the organisation	6-7
102-8 Information on employees and other workers	6,7,30
102-9 Supply chain	40
102-10 Significant changes to the organisation and its supply chain	40
102-11 Precautionary Principle or approach	18
102-12 External initiatives	6
102-13 Membership of associations	6
Strategy	
102-14 Statement from senior decision-maker	8-10
Ethics and integrity	
102-16 Values, principles, standards, and norms of behaviour	3-15
Governance	
102-18 Governance structure	15
102-25 Conflicts of interest	13
102-29 Identifying and managing economic, environmental, and social impacts	18
102-31 Review of economic, environmental, and social topics	18
102-32 Highest governance body's role in sustainability reporting	18
102-33 Communicating critical concerns	13
102-35 Remuneration policies	13
102-36 Process for determining remuneration	13
Stakeholder engagement	
102-40 List of stakeholder groups	22
102-41 Collective bargaining agreements	21
102-42 Identifying and selecting stakeholders	22
102-43 Approach to stakeholder engagement	21-22
102-44 Key topics and concerns raised	22
Reporting practice	
102-45 Entities included in the consolidated financial statements	87
102-46 Defining report content and topic Boundaries	4,21
102-47 List of material topics	20
102-48 Restatements of information	4,21
102-49 Changes in reportingFront Cover/2 6	4,21
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102-51 Date of most recent report	4,21
102-52 Reporting cycle	4,21
102-53 Contact point for questions regarding the report	4
102-54 Claims of reporting in accordance with the GRI Standards	4,21
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102-56 External assurance	4

GRI Content Index

GRI 101: Foundation 2016

Material Topics 200 series (Economic topics) Economic Performance	Disclosure	Page number(s) And/or URL(s)
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	103-2 The management approach and its Components	38
	103-3 Evaluation of the management approach	39
Market Presence		
GRI 201: Economic Performance 2016	103-1 Explanation of the material topic and its Boundary	39
Indirect Economic Impacts		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	21,37
	103-2 The management approach and its components	37
	203-1 Infrastructure investments and services supported	38
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	21
Procurement Practices		
GRI 204: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	21,38,40
	103-2 The management approach and its components	40
	103-3 Evaluation of the management approach	40
	203-1 Infrastructure investments and services supported	40
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	21.26
	103-2 The management approach and its components	26
	103-3 Evaluation of the management approach	26-27
GRI 301: Energy 2016	302-1 Energy consumption within the organisation	27
	302-2 Energy consumption outside the organisation	27
	301-3 Reclaimed products and their packaging materials	21
Water		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	21,28
	103-2 The management approach and its components	28
	103-3 Evaluation of the management approach	28
	103-1 Interactions with water as a shared resource	28
	103-2 Management of water discharged-related impacts	28
	103-3 Water withdrawal	28
Materials		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	21,23
	103-2 The management approach and its components	23-25
	103-3 Evaluation of the management approach	23-25
GRI 301: Materials 2016	301-1 Materials used by weight or volume	25
	103-2 Recycled input materials used	26
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Employment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	21,29
	103-2 The management approach and its components	29,30
	103-3 Evaluation of the management approach	30
	401-1 New employee hires and employee turnover	30
Occupational Health and Safety		
GRI 103: Management Approach 2018	103-1 Explanation of the material topic and its Boundary	21,33
	103-2 The management approach and its components	33-34
	103-3 Evaluation of the management approach	33-35
GRI 403: Occupational Health and Safety 2016	403-3 Work related injuries	35
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GRI 404: Training and Education 2016	103-1 Explanation of the material topic and its Boundary	21,32
	103-2 The management approach and its components	32
	103-3 Evaluation of the management approach	32
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	32

Corporate Information

Head Office and Registered Office	Production Factory	Transfer Secretaries
19.5km peg Lomagundi Road, Mount Hampden Harare	19.5km peg Lomagundi Road, Mount Hampden Harare	First Transfer Secretaries (Pvt) Ltd 1 Armagh Road Eastlea, Harare
Auditors	**Sustainability Advisors**	
Ernst & Young Chartered Accountants (Zimbabwe) 1st Floor Angwa, City	Institute for Sustainability Africa 22 Walter Hill Ave Eastlea Harare	
Bankers		
CBZ Bank Westgate Branch Harare	ZB Bank Avondale Branch Harare	FBC Bank FBC Centre Branch Harare
Legal Advisors		
Muzangaza, Mandaza & Tomana Mercury House Jason Moyo Avenue Harare Mhishi Nkomo 86 Mc Chlery Avenue Eastlea Harare	Honey & Blanckenberg 200 Herbert Chitepo Ave Harare Gill, Godlonton & Gerrans 7th Floor Beverley Court 100 Nelson Mandela Avenue Harare	

Proxy Form

I/We………

of……….

being a member of the above Company and entitled to vote hereby

appoint…………………...………………………………………………………………………………

of……….

or failing him/her…………………………………………………………………………………………...

of……….

or failing him/her, the Chairman of the Meeting as my/our proxy, to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 25 March, 2021 at 1100hrs in the Boardroom, Willdale Administration Block, 19,5 km peg Lomagundi Road, Mount Hampden, Harare.

Signed this……………………………………………..day of…………………………………………..….2021

Signature of member……………………………………………………………………………………….

i) Note, in terms of section 129 of the Companies and Other Business Entities Act (Chapter 24:31) as amended, any member entitled to attend and vote at the above mentioned meeting is entitled to appoint a proxy, who need not be a member, to attend and vote and speak, on a poll, vote in his/her stead.

ii) Section 77 of the Company's Articles of Association provides that instruments of proxy must be signed and returned to reach the Registered Office of the Company not less than forty-eight hours before the time for the holding of the meeting.

Notes

Willdale
Limited

Quality • Durability • Diversity

19.5km peg
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Harare. Zimbabwe.
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