



# GB Holdings Limited

## ABRIDGED AUDITED FINANCIAL RESULTS

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

##### Introduction

I hereby present to you the results for the year ended 31 December 2020, a period in which the onset of the COVID 19 pandemic at the beginning of the year took its toll in the Zimbabwean economy already enduring the effects of hyperinflation. This statement is premised on the inflation adjusted figures.

In response to the COVID 19 pandemic and in conformance with WHO guidelines, lockdown measures were instituted which had a profound effect on the global economy which among others included restricted movement of goods and people. Consequently the tourism sector in Zimbabwe suffered a huge drop in tourist arrivals. Inevitably, the temporary closure of the deemed non-essential formal and informal businesses resulted in reduced disposable incomes and aggregate downstream demand in the economy. According to Zimstats reports, inflation was recorded at 348 % from the 540 % recorded in same period prior year.

Despite the adversities above, the company was accorded essential services status as defined in SI 83 of 2020 and operated throughout the COVID 19 induced lockdown period. Overall, I am pleased that the company delivered an improved financial performance compared with prior year resulting from its pursuit of delivering a commensurate value proposition to its customers through competitive pricing and stronger stakeholder relationships.

##### Group Performance

Total volumes increased by 10 % at 698 metric tonnes when compared with prior year's 636 as General Bellings volumes gain more than offset the Cernol Chemicals losses due to specific market dynamics. Both operating divisions benefited from technical and stakeholder relationships that facilitated improved flow of raw materials.

Turnover at ZWL 334 million is an increase by 52% when compared with prior year's ZWL 219 million due to improved market consolidation by the rubber division while a favourable product mix at the chemicals division shored up the negative impact of volume losses arising from lockdown measures.

A sustained plant maintenance programme supported by a continuous flow of raw materials enabled the company to achieve greater operational efficiencies and improved overhead recoveries. Operational cost increases were contained within inflationary levels despite significant increases in labour and utility costs.

A resultant operating profit of ZWL 91 million was a 20% increase on prior year's ZWL 76 million as the company benefited from market consolidation efforts in the mining sector and opportunities arising from COVID 19 increased hygienic awareness.

##### Divisional performance

##### General Bellings

Volumes at the rubber division increased by 78 % to 301 metric tonnes compared with the 169 metric tonnes

recorded in the same period prior year due to improved offtake driven by the mining sector.

Greater operational efficiencies and the consequent price competitiveness relative to import parity enabled the division to secure a consistent order book throughout the year. As a result divisional turnover at ZWL216 million increased by 120% when compared with prior year's ZWL 98 million.

##### Cernol Chemicals

Cernol Chemicals volumes declined by 15 % to 397 metric tonnes when compared with the prior year's 467 metric tonnes due to the reduced demand attributable to the negative impact of the lockdown measures. Nevertheless the Division recorded a marginal decrease in turnover of 2.5 % at ZWL 118 million when compared with prior year's ZWL 121 million due to a favourable product mix and new market niches.

##### Shareholding

During the last quarter of 2020, SMM divested its 43.22% shareholding in the Company. Jemimah Investments came on board as the largest single shareholder with 43.22% taking over the SMM shareholding in the Company.

##### COVID-19

The global phenomenon of the COVID-19 pandemic has become a new normal of the global economy as the virus mutates to multiple variants depending on location and conditions necessitating a global approach in mitigating its associated risks to business. The first generation of vaccines to fight the pandemic have been developed and

administration thereof has been dependant on the different vulnerabilities of the herd population. However, given the recurring nature of the pandemic, countries have taken different approaches to combat the spread.

GB Holdings Limited will take a cautious approach in balancing employee safety and organisational sustainability guided by the local statutes and Ministry of Health and Child Care as well as WHO guidelines on managing the pandemic. Further, the company will assist its members of staff where cases may arise within the employee body and is participating in a CZI led initiative to combat the spread of the virus.

##### Outlook

The reopening of the economy following the second wave of covid19 and administration of the vaccine has given a ray of hope in dealing with the pandemic. In addition, the expected bumper harvest and a satisfactory rain season is expected to stimulate growth in the downstream manufacturing sector thereby creating jobs and demand in the economy. Further, the inflow into major dams and water reservoirs is expected to resuscitate irrigation schemes leading to higher agricultural produce and consequently to a relatively lower food import bill. The Zimbabwe National Development Strategy 1 is explicit in the role of the mining sector which consumes the company's products as a significant contributor to the attainment of the country's vision 2030 of a middle income economy.

In view of the above, the General Bellings division will strive to consolidate further its market position in the mining sector. Cernol chemicals will endeavour to regain its market share

in the reopened economy underpinned by growth from both the mining and agricultural sectors. Retention of key skills and further strengthening of established relationships will assist the company in delivering a sustainable profitability in the ensuing year.

##### Dividend

On behalf of the Board of Directors, I am pleased to advise shareholders that a dividend of 0.0142 ZWL Cents per share was proposed. The dividend proposed amounts to ZWL 7 640 319.

##### Appreciation

I remain grateful to all stakeholders for the support given in the delivery of improved financial performance in the year. As mentioned above, the operating environment remains dynamic and I look forward to your continued support.

**G. G. NHEMACHENA**  
Chairman  
15 April 2021

#### AUDITORS' STATEMENT

The condensed audited inflation adjusted financial results should be read in conjunction with the full set of financial statements for the year ended 31 December 2020, which have been audited by BDO Zimbabwe Chartered Accountants. An adverse opinion has been issued thereon in respect of non-compliance with International Accounting Standard 21, 'The Effects of Changes in Foreign Exchange Rates' as it relates to the opening balances that were translated from USD functional currency to ZWL as guided by Statutory Instrument 33 of 2019. The audit report also includes key audit matters. The key audit matters were on impairment assessment of plant and equipment and valuation of trade and other receivables. The auditors' report on these inflation adjusted financial statements is available for inspection at the Company's registered office. The engagement partner for the engagement is Mr Martin Makaya ( PAAB Practising Number 0407).

#### DIRECTORS' RESPONSIBILITY STATEMENT

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

#### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2020

	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
<b>Revenue</b>	<b>333,769,804</b>	<b>218,960,901</b>	<b>236,260,222</b>	<b>21,011,593</b>
Cost of sales	(161,334,640)	(88,294,046)	(101,808,612)	(9,410,870)
<b>Gross profit</b>	<b>172,435,164</b>	<b>130,666,855</b>	<b>134,451,610</b>	<b>11,600,723</b>
Other income	7,921,161	813,915	7,708,835	102,028
Operating expenses	(93,373,786)	(55,070,401)	(90,183,188)	(5,293,901)
<b>Profit from operations</b>	<b>86,982,539</b>	<b>76,410,369</b>	<b>51,977,257</b>	<b>6,408,850</b>
Finance charges	(56,504)	(1,770,571)	(32,063)	(133,642)
<b>Profit before tax and monetary (loss)/gain</b>	<b>86,926,035</b>	<b>74,639,798</b>	<b>51,945,194</b>	<b>6,275,208</b>
Monetary (loss)/gain	(32,694,366)	220,805,041	-	-
<b>Profit before tax</b>	<b>54,231,669</b>	<b>295,444,839</b>	<b>51,945,194</b>	<b>6,275,208</b>
Income tax expense	(11,902,083)	(36,748,673)	(13,743,598)	(1,807,620)
<b>Profit for the year</b>	<b>42,329,586</b>	<b>258,696,166</b>	<b>38,201,596</b>	<b>4,467,588</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>42,329,586</b>	<b>258,696,166</b>	<b>38,201,596</b>	<b>4,467,588</b>
Number of shares in issue	536,588,624	536,588,624	536,588,624	536,588,624
Basic profit per share (cents)	0.079	0.482	0.071	0.008
Diluted profit per share (cents)	0.078	0.476	0.070	0.008
Headline profit per share (cents)	0.077	0.484	0.069	0.008

#### STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	264,179,878	271,817,563	7,137,622	6,971,551
<b>Current assets</b>				
Inventories	42,589,711	42,235,624	40,863,888	7,006,537
Trade and other receivables	82,243,736	20,727,393	82,243,736	4,620,611
Bank and cash balances	10,627,357	8,335,911	10,627,357	1,858,266
	<b>135,460,804</b>	<b>71,298,928</b>	<b>133,734,981</b>	<b>13,485,414</b>
<b>Total assets</b>	<b>399,640,682</b>	<b>343,116,491</b>	<b>140,872,603</b>	<b>20,456,965</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	17,800,444	17,800,444	536,588	536,588
Share options reserve	636,929	636,929	19,200	19,200
Foreign currency translation reserve	(3,197,607)	(3,197,607)	(712,820)	(712,820)
Retained profit	224,447,192	182,117,606	38,229,313	27,717
	<b>239,686,958</b>	<b>197,357,372</b>	<b>38,072,281</b>	<b>(129,515)</b>
<b>Non-current liabilities</b>				
Deferred tax	58,928,469	59,456,777	2,883,194	1,569,987
Deferred revenue	1,139,669	1,147,787	31,542	33,392
	<b>60,068,138</b>	<b>60,604,564</b>	<b>2,914,736</b>	<b>1,603,379</b>
<b>Current liabilities</b>				
Trade and other payables	86,559,105	79,682,931	86,559,105	17,763,151
Borrowings	764,903	3,431,235	764,903	764,901
Bank overdraft	-	38,848	-	8,660
Corporate tax payable	12,561,578	2,001,541	12,561,578	446,189
	<b>99,885,586</b>	<b>85,154,555</b>	<b>99,885,586</b>	<b>18,982,901</b>
<b>Total liabilities</b>	<b>159,953,724</b>	<b>145,759,119</b>	<b>102,800,322</b>	<b>20,586,280</b>
<b>Total equity and liabilities</b>	<b>399,640,682</b>	<b>343,116,491</b>	<b>140,872,603</b>	<b>20,456,965</b>

#### STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	INFLATION ADJUSTED		HISTORICAL COST	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before tax	54,231,669	295,444,839	51,945,194	6,275,208
<b>Adjusted for:</b>				
Depreciation of property, plant and equipment	8,888,253	8,328,753	317,428	287,689
Interest expense	56,504	1,770,571	32,063	133,642
Profit on disposal of vehicles	(974,767)	-	(974,767)	-
Unrealised exchange gains	-	-	-	-
Deferred revenue	(8,118)	(18,099)	(1,850)	(1,758)
Monetary gain/loss	32,694,366	-	-	-
Effect on non cash items	(36,916,051)	(32,669,559)	(47)	(712,820)
<b>Operating cash inflows before working capital changes</b>	<b>57,971,855</b>	<b>272,856,505</b>	<b>51,318,021</b>	<b>5,981,961</b>

#### Changes in working capital

	2020	2019	2020	2019
Increase in inventories	(354,087)	(5,153,164)	(33,857,351)	(5,346,987)
Increase in trade and other receivables	(61,516,342)	(1,397,123)	(77,623,078)	(3,928,380)
Increase/(Decrease) in trade and other payables	6,876,174	(256,603,423)	68,795,954	5,789,803
Income tax paid	(315,000)	-	(315,000)	-
<b>Net cash generated from operating activities</b>	<b>2,662,600</b>	<b>9,702,795</b>	<b>8,318,546</b>	<b>2,496,397</b>

#### CASH FLOWS FROM INVESTING ACTIVITIES

	2020	2019	2020	2019
Proceeds from disposal of vehicles	974,767	-	974,767	-
Purchase of equipment	(1,250,568)	(1,085,503)	(483,499)	(149,209)
<b>Net cash (utilised in)/generated from investing activities</b>	<b>(275,801)</b>	<b>(1,085,509)</b>	<b>491,268</b>	<b>(149,209)</b>

#### CASH FLOWS FROM FINANCING ACTIVITIES

	2020	2019	2020	2019
Interest paid	56,504	(1,770,571)	(32,063)	(133,129)
(Decrease)/received (paid) in borrowings	-	(2,226,868)	-	(496,420)
<b>Net cash (utilised in)/generated from financing activities</b>	<b>56,504</b>	<b>(3,997,439)</b>	<b>(32,063)</b>	<b>(629,549)</b>

#### NET INCREASE IN CASH AND CASH EQUIVALENTS

	2020	2019	2020	2019
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>2,330,295</b>	<b>4,619,847</b>	<b>8,777,751</b>	<b>1,717,639</b>

#### CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR

	2020	2019	2020	2019
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>10,627,357</b>	<b>8,247,062</b>	<b>10,627,357</b>	<b>1,849,606</b>

#### STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	Share capital ZWL	Share options reserve ZWL	Foreign currency translation reserve ZWL	Accumulated profit/(loss) ZWL	Total
<b>INFLATION ADJUSTED</b>					
Balance at 1 January 2019	17,800,444	636,929	-	(76,578,560)	(58,141,187)
Total comprehensive income	-	-	-	258,696,166	258,696,166
Foreign currency translation reserve	-	-	(3,197,607)	-	(3,197,607)
<b>Balance at 31 December 2019</b>	<b>17,800,444</b>	<b>636,929</b>	<b>(3,197,607)</b>	<b>182,117,606</b>	<b>197,357,372</b>
Total comprehensive profit for the year	-	-	-	42,329,586	42,329,586
<b>Balance at 31 December 2020</b>	<b>17,800,444</b>	<b>636,929</b>	<b>(3,197,607)</b>	<b>224,447,192</b>	<b>239,686,958</b>
<b>HISTORICAL COST</b>					
Balance at 1 January 2019	536,588	19,200	-	(4,439,871)	(3,884,083)
Total comprehensive profit for the year	-	-	-	4,467,588	4,467,588
Foreign currency translation reserve	-	-	(712,820)	-	(712,820)
<b>Balance at 31 December 2019</b>	<b>536,588</b>	<b>19,200</b>	<b>(712,820)</b>	<b>27,717</b>	<b>(129,315)</b>
Total comprehensive profit for the year	-	-	-	38,201,596	38,201,596
<b>Balance at 31 December 2020</b>	<b>536,588</b>	<b>19,200</b>	<b>(712,820)</b>	<b>38,229,313</b>	<b>38,072,281</b>

#### SEGMENT INFORMATION

**Factors that management use to identify the company's reportable segments**  
The company's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different technology and marketing strategies.

#### Measurement of operating segment profit or loss, assets and liabilities

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

The company evaluates performance on the basis of profit or loss from operations but excluding non-recurring losses, such as goodwill impairment, and the effects of share based payments.

	INFLATION ADJUSTED			HISTORICAL COST		
	CHEMICALS ZWL	RUBBER ZWL	COMPANY ZWL	CHEMICALS ZWL	RUBBER ZWL	COMPANY ZWL
Revenue	118,306,356	215,463,448	333,769,804	83,743,603	152,516,619	236,260,222
Inter-segmental revenue	-	-	-	-	-	-
<b>Revenue from external customers</b>	<b>118,306,356</b>	<b>215,463,448</b>	<b>333,769,804</b>	<b>83,743,603</b>	<b>152,516,619</b>	<b>236,260,222</b>
Depreciation charge	2,968,473	5,919,781	8,888,254	106,014	211,415	317,429
Segment profit / (loss)	30,914,986	114,714,001	86,982,539	25,346,484	76,141,017	51,977,257
Finance expense	-	(56,504)	-	-	-	(32,063)
<b>Company loss before tax 2019</b>	<b>86,926,035</b>	<b>74,639,798</b>	<b>51,945,194</b>	<b></b>		



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## REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF

GB HOLDINGS LIMITED

### Adverse Opinion

We have audited the financial statements of **GB HOLDINGS LIMITED** set out on pages 8 to 34, which comprise the statement of financial position as at 31 December 2020, statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion section of our report, the financial statements do not present fairly, in all material respects, the financial position of **GB HOLDINGS LIMITED** as at 31 December 2020, its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

### Basis for Adverse Opinion

#### Non-compliance with International Accounting Standard 21 (IAS 21), Effects of Changes in Foreign Exchange Rates

The functional currency of the company changed in October 2018 from US\$ to ZW\$ in line with International Accounting Standard (IAS) 21, Effects of Exchange Rates, as evidenced by the exchange control regulations which were enacted by the authorities then and the trading conditions which were already prevailing in the economy in the period 2016 to 2018. The functional currency change was more evident in the fourth quarter of 2018 and should have been effected from that period. However, the company prospectively changed its functional currency from US\$ to ZW\$ on 22 February 2019 in accordance with the requirements of Statutory Instrument 33 of 2019. In line with this statutory instrument, some elements of the statement of financial position were translated at 1:1 and some at a rate of 1:2.5 to the United States dollar, which rates did not comply with paragraph 37 of IAS 21. In addition, the delay by the company in effecting the change in functional currency resulted in the material misstatement of comparative financial statements and opening balances for the year ended 31 December 2020. The non-compliance affected valuation and accuracy of property, plant and equipment balance of ZWL271,817,563, foreign currency translation reserve of ZWL3,197,607 and retained earnings balance of ZWL182,117,606 as at 1 January 2020.

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 company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B), together with other 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

## Key audit matters

Key audit matters are those matters that in our professional judgment were of most significance in our audit of financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>(i) Impairment of plant and equipment</b>            The carrying amount of plant and equipment is material to the financial statements of the company. The directors identified the following potential indicators of impairment of plant and equipment:</p> <ul style="list-style-type: none"> <li>• Low-capacity utilization.</li> <li>• Aged equipment which results in regular breakdowns.</li> </ul> <p>In assessing impairment, the directors used a number of significant assumptions in calculating the value in use which include:</p> <ul style="list-style-type: none"> <li>• Projections of future performance by the company and the related cash flows.</li> <li>• Determining a discount rate to use on discounting the projected cash flows to the present value.</li> </ul> <p>The above factors resulted in the issue being a key audit matter during the audit.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>• Inspecting the physical condition of the plant and equipment.</li> <li>• Assessing the reasonableness of the significant assumptions used in coming up with the projected cash flows.</li> <li>• Testing the reasonableness of the discount rate used by reference to what has been determined by entities with similar operations and the company's borrowing rate.</li> <li>• Testing the arithmetic accuracy of the calculations.</li> </ul>
<p><b>(ii) Valuation of trade receivables</b>            The trade receivables balance is material to the financial statements of the company. Due to the general decline in business levels in the economy, most of the debtors are facing liquidity challenges and are struggling to pay.</p> <p>The company applies IFRS 9 which is a forward looking, expected credit loss ("ECL") impairment model. We considered this as a key audit matter as the determination of ECL involves significant management judgement and this has a material impact on the financial statements of the company. The key areas of judgement were;</p> <ul style="list-style-type: none"> <li>• Assumptions used in the ECL modelling such as financial condition of counterparty, expected future cash flows, forward looking macroeconomic factors.</li> <li>• Assumptions on the grouping of debtors into categories and the risk rating allocated to that group of debtors.</li> </ul>	<ul style="list-style-type: none"> <li>• We obtained an understanding of management's assessment of impairment of accounts receivables including the IFRS 9 implementation process, company's impairment allowance policy and ECL modelling methodology and compared it with the requirements of IFRS 9.</li> <li>• We tested risk rating and grouping of debtors and the expected credit losses determined by management.</li> <li>• We checked the completeness and accuracy of data underlying the ECL calculation as of December 31, 2019</li> <li>• We assessed the transition adjustments and considered the completeness of data and appropriateness of assumptions used by management at the initial adoption of IFRS 9.</li> <li>• We assessed the disclosures included by management in the financial statements</li> </ul>

### **Responsibilities of the directors for the financial statements**

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and 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 company's ability to continue operating as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the 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 company's ability to continue operating 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 auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 auditors' 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, the financial statements have been prepared in compliance with the disclosure requirements of the Companies and Other Business Entities Act (Chapter 24:31).

The engagement partner on the audit resulting in this independent auditor's report is Martin Makaya.



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BDO Zimbabwe Chartered Accountants  
3 Baines Avenue,  
Harare

Martin Makaya CA(Z) (PAAB Practicing Number 0407)  
Registered Public Auditor  
Partner

15 April 2021