

# ABRIDGED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

TURNOVER  
ZWL1.23 Billion

TURNOVER UP BY 37%

OPERATING PROFIT  
ZWL 252 Million (2020: ZWL 252 Million)

## ABRIDGED STATEMENT COMPREHENSIVE INCOME FOR ENDED 30 SEPTEMBER 2021

	INFLATION ADJUSTED SEPTEMBER 2021 ZWL	INFLATION ADJUSTED SEPTEMBER 2020 RESTATED ZWL
<b>Revenue</b>	<b>1,234,463,428</b>	<b>904,065,717</b>
Cost of sales	(786,573,280)	(496,542,120)
<b>Gross profit</b>	<b>447,890,148</b>	<b>407,523,597</b>
Selling and distribution expenses	(49,356,747)	(37,257,367)
Administrative expenses	(176,773,565)	(157,886,691)
IFRS9 Impairment loss	(1,855,087)	(4,501,116)
Fair value adjustment on Joint Venture	-	(8,465,292)
Other income	32,027,184	52,455,700
<b>Operating profit</b>	<b>251,931,933</b>	<b>251,068,831</b>
Fair Value gain on Investment Property	110,722,874	211,730,872
Interest income	205,555	321,588
Interest expense	(513,216)	(4,560)
<b>Profit before monetary loss</b>	<b>362,347,146</b>	<b>463,916,730</b>
Monetary loss	(86,638,546)	(391,318,282)
<b>Profit before tax</b>	<b>275,708,600</b>	<b>72,598,448</b>
Income tax expense	(97,943,324)	(39,662,462)
<b>Profit after tax</b>	<b>177,765,276</b>	<b>32,935,986</b>
<b>Other comprehensive income</b>		
Fair Value Adjustment on Investments at FVTOCI	1,204,567	95,503,805
Revaluation Surplus	269,096,335	307,392,481
Tax thereon	(66,761,527)	(95,088,182)
<b>Other Comprehensive Income net of Tax</b>	<b>303,539,375</b>	<b>307,808,104</b>
<b>Total comprehensive income for the year</b>	<b>381,304,651</b>	<b>340,744,089</b>
Weighted average number of shares in issue	1,778,001,428	1,778,001,428
Basic earnings per share - cents	9.998	1.852
Headline earnings	9.969	1.852

## ABRIDGED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	INFLATION ADJUSTED SEPTEMBER 2021 ZWL	INFLATION ADJUSTED SEPTEMBER 2020 ZWL	INFLATION ADJUSTED 1 OCTOBER 2019 RESTATED ZWL
<b>Assets</b>	<b>2,553,051,893</b>	<b>2,225,556,989</b>	<b>1,780,903,377</b>
<b>Non current assets</b>			
Property, plant and equipment	1,917,502,286	1,701,934,823	1,556,025,954
Investment Property	374,740,406	264,017,533	52,286,661
Investments at Fair Value through OCI	260,809,200	259,604,633	172,590,763
<b>Current assets</b>	<b>582,385,977</b>	<b>445,361,904</b>	<b>451,188,607</b>
Inventories	432,190,853	307,037,766	266,202,423
Trade and other receivables	109,225,212	48,480,372	134,386,553
Contract asset	-	3,031,982	-
Cash and cash equivalents	40,969,912	86,811,786	50,599,631
<b>Total assets</b>	<b>3,135,437,869</b>	<b>2,670,918,893</b>	<b>2,232,091,984</b>
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>2,256,600,907</b>	<b>1,907,710,146</b>	<b>1,575,817,600</b>
Share capital	4,638,000	4,638,000	4,638,000
Asset revaluation reserve	812,383,871	609,808,150	378,402,513
Fair value of financial asset reserve	77,366,121	76,402,467	-
Accumulated profits	1,362,212,916	1,216,861,530	1,192,777,088
<b>Non current liabilities</b>	<b>575,071,538</b>	<b>484,557,716</b>	<b>416,806,349</b>
Deferred taxation	575,071,538	484,059,013	416,307,642
Borrowings	-	498,703	498,707
<b>Current liabilities</b>	<b>303,765,424</b>	<b>278,650,509</b>	<b>239,468,035</b>
Trade and other payables	241,168,158	191,256,782	200,925,172
Provisions	20,754,676	36,950,892	22,145,871
Borrowings	3,684,738	-	-
Taxation	38,157,852	50,443,356	16,396,992
<b>Total liabilities</b>	<b>878,836,963</b>	<b>763,208,746</b>	<b>656,274,384</b>
<b>Total equity and liabilities</b>	<b>3,135,437,869</b>	<b>2,670,918,892</b>	<b>2,232,091,984</b>

## ABRIDGED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2021

	INFLATION ADJUSTED TO SEPTEMBER 2021 ZWL	INFLATION ADJUSTED TO SEPTEMBER 2020 RESTATED ZWL
<b>Profit before taxation</b>	<b>275,708,600</b>	<b>72,598,448</b>
<b>Adjustments for non-cash items:</b>		
Effects of IAS 29	(35,035,105)	180,731,589
Fair value adjustment on investment property	(110,722,458)	(211,730,872)
Fair value adjustment on joint venture	-	8,465,292
Depreciation	112,598,252	13,119,393
Profit on disposal of property, plant and equipment	(523,999)	-
Interest expense	513,216	4,560
Interest income	(205,555)	(321,588)
<b>Cashflow before changes in working capital</b>	<b>242,332,535</b>	<b>62,866,821</b>
<b>Working capital changes</b>		
Increase in inventories	(125,153,087)	(40,837,354)
(Increase)/ Decrease in accounts receivable	(60,744,841)	14,805,188
Movement in other provisions	(16,196,216)	90,406,281
Increase/ (Decrease) in accounts payable	49,911,376	(9,666,869)
Cash generated from operating activities	90,145,767	117,574,068
<b>Interest paid</b>	<b>(513,216)</b>	<b>(4,560)</b>
<b>Interest received</b>	<b>205,555</b>	<b>321,588</b>
<b>Tax paid</b>	<b>(68,819,340)</b>	<b>(18,860,237)</b>
<b>Net cash generated during the year</b>	<b>21,022,766</b>	<b>99,030,858</b>
<b>Investing activities</b>		
Proceeds from sale of property, plant and equipment	523,999	-
Purchase of property, plant and equipment to increase existing capacity	(34,974,748)	(53,966,971)
<b>Cashflow from investing activities</b>	<b>(34,450,749)</b>	<b>(53,967,353)</b>
<b>Financing activities</b>		
Dividend paid	(32,413,890)	(8,851,544)
<b>Cashflow from financing activities</b>	<b>(32,413,890)</b>	<b>(8,851,544)</b>
<b>Net increase(decrease) in cash and cash equivalents</b>	<b>(45,841,874)</b>	<b>36,211,960</b>
Cash and cash equivalents at beginning of the year	86,811,786	50,599,826
Cash and cash equivalents at end of the year	40,969,912	86,811,786

## ABRIDGED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Share Capital	Assets Revaluation Reserve	Fair value Reserve of Financial Asset	Accumulated Profit	Total Equity
	ZWL	ZWL	ZWL	ZWL	ZWL
<b>As at 1 October 2019 as previously reported</b>	<b>4,638,000</b>	<b>426,339,633</b>	<b>-</b>	<b>1,197,037,244</b>	<b>1,628,014,877</b>
Prior period restatement (Note 8)	-	(47,937,120)	-	47,937,120	(52,197,276)
<b>Restated</b>	<b>4,638,000</b>	<b>378,402,513</b>	<b>-</b>	<b>1,192,777,088</b>	<b>1,575,817,600</b>
<b>Total Comprehensive income for the year</b>	<b>-</b>	<b>231,405,637</b>	<b>76,402,467</b>	<b>32,935,986</b>	<b>340,744,089</b>
Dividend paid	-	-	-	(8,851,544)	(8,851,544)
<b>As at 30 September 2020</b>	<b>4,638,000</b>	<b>609,808,150</b>	<b>76,402,467</b>	<b>1,216,861,530</b>	<b>1,907,710,146</b>
<b>Total Comprehensive income for the year</b>	<b>-</b>	<b>202,575,721</b>	<b>963,654</b>	<b>177,765,276</b>	<b>381,304,651</b>
Dividend paid	-	-	-	(32,413,890)	(32,413,890)
<b>As at 30 SEPTEMBER 2021</b>	<b>4,638,000</b>	<b>812,383,871</b>	<b>77,366,121</b>	<b>1,362,212,916</b>	<b>2,256,600,907</b>



# ABRIDGED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (Cont'd)

TURNOVER  
ZWL1.23 Billion

TURNOVER UP BY 37%

OPERATING PROFIT  
ZWL 252 Million (2020: ZWL 252 Million)

## SUPPLEMENTARY INFORMATION

- Corporate Information**  
Willdale Limited is a company which is incorporated and domiciled in Zimbabwe and is listed on the Zimbabwe Stock Exchange. The Company's principal activity is the manufacture of clay bricks on a commercial basis.

- Accounting policies**  
The accounting policies adopted are consistent with those of the previous financial year.

## INFLATION ADJUSTED

- Commitments for capital expenditure**

Authorised and contracted for  
Authorised by directors but not contracted for

- Functional Currency**

The Financial Statements are presented in Zimbabwe dollars (ZWL), which is the company's functional and presentation currency. The current and prior year financial statements have been restated for changes in the general purchasing power of the ZWL.

- Basis of Preparation**

The financial statements have been prepared under the current cost basis as 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 October 2019. Appropriate adjustments and reclassifications including restatement for changes in general purchasing power of the Zimbabwean dollar for the presentation in accordance with International Accounting Standard 29, "Financial Reporting in Hyperinflationary Economies" have been made on the historical cost financial information. IAS 29 requires that the financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at balance sheet date, and that comparative figures be stated in the same terms. The inflation indices used to convert the financial statements have been obtained from the RBZ website.

## Index Conversion Factor

	Index	Conversion Factor
CPI as at 30 September 2021	3,342.0	1
September 2020	2,205.2	1.5155

- Statement of Compliance**

The financial statements from which these abridged results have been obtained, have not been prepared in accordance with International Financial Reporting Standards (IFRS) and the International Financial Reporting Interpretations Committee (IFRIC) interpretations and the Companies and Other Businesses Entity Act due to non compliance with IAS 16, IFRS 13, IAS 21 ("The effects of changes in Foreign Exchange Rates"). Non compliance with IAS 21 was due to the use of multiple exchange rates during the period and the inconsistencies between SI 33 of 2019 and IAS 21.

- Revaluation of Land and Buildings**

Land and buildings are revalued annually to ensure that their fair value does not differ materially from the carrying amount.

- Prior Period Errors**

Land which is held for capital appreciation was retrospectively reclassified as investment property. The restatement resulted in recognition of fair value gain on the land in profit or loss instead of other comprehensive income. The company under provided for deferred tax in prior years and the error was corrected retrospectively.

- Independent Auditors' Statement**

These financial results should be read in conjunction with the complete set of financial statements for the year ended 30 September 2021 which have been audited by BDO Chartered Accountants (Zimbabwe) who have issued an adverse audit opinion thereon. The auditor's report on these financial results is available for inspection at the Company's registered office. The engagement partner for the audit was Mr D. Madhigi, PAAB practice certificate number 0610.

- Other Income**

Included in other income is exchange gains of ZWL15 million.

## COMMENTARY - FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

### Overview

The operating environment was impacted by the second and third waves of the Covid-19 pandemic which led to government prescribed lockdowns to control the spread of the virus. A vaccination program sponsored and driven by government and strict adherence to prescribed measures helped ease the impact of the pandemic leading to relaxation of lockdown conditions by the end of the financial year. Annual inflation peaked at 363% in January 2021 and then began to decline ending the year at 52%. The Zimbabwe dollar depreciated marginally against the United States dollar from ZWL82.634 at the beginning of the financial year to 87.6633 at the end. In the midst of the mixed business conditions during the financial year under review, a 32% increase in sales volumes and a 19% increase in production volumes was realised.

### Financial Results

Revenue for the year grew by 37% to ZWL1.234 billion, compared to the prior year (2020: ZWL 904m). Revenue growth was largely driven by a 32% increase in sales volumes. Operating profit was ZWL 252 million (2021: ZWL 252 million) after charging ZWL 29 million to depreciation of property, plant and equipment (2020: ZWL13 million).

Other income comprising largely of exchange gains contributed ZWL 32 million (2020: ZWL 39 million) to operating income. Profit margins remained relatively strong despite the impact of the Covid-19 pandemic on the business. Net cash flows generated from operations amounted to ZWL 90 million (2020: ZWL 117 million). Contracted capital expenditure for the year was ZWL 35 million (2020: ZWL\$54 million) and was all financed from internal resources. Land and buildings were revalued to reflect fair values in line with policy.

### Operations

Although production activities were disrupted by effects of the Covid-19 induced lockdowns, production increased by 19% compared to the prior year. Significant downtime was recorded during the year emanating from electricity outages. About US\$1m in capital expenditure has been budgeted for in the coming year to refurbish and renew parts of fixed and mobile plant to enhance efficiency and quality.

### Sales and Marketing

Volumes grew by 32 per cent compared to the prior year. Housing development contributed most to sales with cluster and individual housing topping the list of projects. The brand remained strong throughout the operating regions riding on consistent quality and a wider range of brick types. The delivery channel was successfully serviced through third party partners despite effects of the Covid-19 pandemic and diesel availability challenges. Housing development will continue to drive volume and revenue in the short to medium term given the appetite for provision of decent accommodation from both the government and private sectors.

### Human Resources

The rising cost of living continued to exert pressure on wages resulting in a cost to income ratio that was higher than budgeted. Availability of task based labour was affected by increased electricity outages with its discouraging effect on attendance levels. The risk posed by the Covid-19 pandemic was well managed with a minimal impact on attendance and productivity levels.

### Directorate

Engineer Munesu Anthony Gumbe resigned from the Board with effect from 1 July 2021 to focus on personal business interests. The Willdale team is grateful to Engineer Gumbe for his contributions to the company over the years and wishes him well for the future.

### Outlook

The positive sentiments around the economic growth prospects in Zimbabwe, a stable exchange rate and declining inflation give us confidence for the future. The growing appetite for modern housing and government's drive to reduce the housing backlog under the National Development Strategy 1 will drive demand for bricks and related materials in the year ahead. We expect to improve productivity, volume levels and profitability subject to availability of foreign currency to import spares and capital equipment and adequate electricity supply.

### Going Concern

The Board remains 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 current positive financial performance ratios, the successful implementation of its strategic plans, continued support from its stakeholders and other initiatives that the Board, in conjunction with management, is undertaking to improve the Company's performance.

### Sustainability

Sustainability is at the heart of our operations as demonstrated by our commitment to creating long lasting products. We continue to make progress in our sustainability journey by enhancing our processes for identifying, measuring and managing our impacts. An important aspect of this challenge is capacity development and cultural change to inspire our people to align their daily decision making towards long term value preservation. Our "Built to Last" sustainability approach remains critical to our operational long-term shift of making buildings and societies resilient.

### Dividend

The directors have resolved to pay a dividend of 2.70 cents per share with respect to the financial year ended 30 September 2021. The dividend is payable to shareholders registered in the books of the Company at the close of business on 4 February 2022 and will be paid on or about 18 February 2022. The shares of the Company will be traded cum-dividend (with dividend) on the Zimbabwe Stock Exchange up to the market day on 10 February 2022 and ex-dividend as from 11 February 2022.

### Appreciation

On behalf of the Board and Shareholders, I wish to commend our valued customers, suppliers and other stakeholders for their valued contribution and support during the period under review. The year under review has been another difficult one due to the effects of the Covid-19 pandemic and a fluid business environment. I also wish to thank management and staff for their perseverance under the challenging conditions. I wish everyone a prosperous 2022.

W. Chidziwo  
Chairman  
21 January 2022

DIRECTORS

W. Chidziwo (Chairman), Y. Dawson, U. Duske, G. Machingambi, C. Makoni, B.K. Mataruka, N. Matonda\*, M. Munginga\* (\*Executive)

BUILT TO LAST WITH WILLDALE BRICKS.

Quality • Durability • Diversity

## Build to last with Willdale Bricks



## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF WILLDALE LIMITED

#### Report on the Audit of the Inflation Adjusted Financial Statements

##### Adverse Opinion

We have audited the financial statements of WILLDALE LIMITED set out on pages 18 to 61, which comprise the inflation adjusted statement of financial position as at 30 September 2021, inflation adjusted statement of profit or loss and other comprehensive income, inflation adjusted statement of changes in equity and inflation adjusted 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 matters described in the basis for Adverse Opinion section of our report, the accompanying inflation adjusted financial statements do not present fairly the financial position of the company 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

- a. **Non-compliance with International Accounting Standard 21 (IAS 21), The Effects of Changes in Foreign Exchange Rates**

##### Misstatement of comparative financial information and retained earnings

Prior to 22 February 2019, the Zimbabwean economy was characterized by a multi-tiered pricing model. Under the model, a single product had different prices depending on the mode of payment, whether United States Dollar (US Dollar), Real Time Gross Settlement (RTGS), mobile money or bond notes. The multi-tiered pricing model was evidence of the emergence of a new currency, the Zimbabwe Dollar (ZWL), which was being used alongside these modes of payment. The new currency, the ZWL, was then formally acknowledged through the issue of Statutory Instrument 33 of 2019 (S.I 33) "Presidential Powers (Temporary Measures) Amendment of Reserve Bank of Zimbabwe Act and Real Time Gross Settlement Electronic Dollars (RTGS) Regulations, 2019. The statutory instrument prescribed parity between the US Dollar and the new local currency (the ZWL) up to the effective date of 22 February 2019.

The new functional currency (ZWL) was effective from 22 February 2019, instead of the fourth quarter of 2018 as evidenced by the separation of the bank accounts into foreign currency accounts and non-foreign currency accounts. The statutory instrument also prescribed how US Dollar balances were to be translated to the ZWL. The delay in recognizing the ZWL as a currency and the translation method of balances from US Dollar to ZWL resulted in misstatement of comparative financial statements and current year retained earnings balance of ZWL1,362,212,916.

##### Use of inappropriate spot rates

The Company translated foreign denominated transactions and balances using the government gazetted auction exchange rate. IAS 21 defines the spot rate as the exchange rate available for immediate delivery. The interbank auction exchange rate did not meet the definition of spot exchange rate as per IAS 21. Had the company applied the spot rate as defined in IAS 21, several elements of the inflation adjusted financial statements would have been materially different from the reported amounts.

- b. **Valuation of land and buildings, equipment and investments**

The Company had property, plant, equipment, investment property and investments at fair value through other comprehensive income carried at ZWL1,917,506,286, ZWL374,740,407 and ZWL 260,809,200 respectively as at 30 September 2021. These assets were revalued by the Directors and independent valuers using historical US\$ denominated inputs and converted to ZWL at the interbank auction exchange rate in prior year and the Company's internal exchange rate as at 30 September 2021. Given the uncertainty over the appropriateness of the use of the interbank auction exchange

rate as a reflection of fair value of the assets, we were unable to determine whether the property values, revaluation surplus and fair value adjustment reported were appropriate under the circumstances.

**c. Consequential impact of the above matters on Inflated adjusted financial statements**

Furthermore, notwithstanding that IAS 29 - Financial Reporting in Hyper-inflationary Economies has been applied from 1 October 2018 to 30 September 2021, 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, several elements of the financial statements would have been materially different.

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 opinion.

**Key Audit Matters**

Key audit matters are those matters that in our professional judgement were of most significance in our audit of financial statements. Except for the matters described in the Basis for Adverse of 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 other information. The other information comprise the Chairman's Statement and Director's Report, which we obtained prior to the date of this report and the Annual Report, which is expected to be made available to us after that date.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

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 on the other information that we have obtained prior to the date of the Auditors' Report, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of 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 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.

**Auditors' responsibilities for the audit of the financial statements**

Our objective is 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 International Auditing Standards (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 International Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess risks of material misstatements 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 the internal controls.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal controls.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether 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 audit report. However, future events or conditions may cause the company to cease or continue as a going concern.
- Evaluate the overall presentation, structure and content of 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 information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the directing, supervision and performance of the company 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 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 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 audit engagement partner on the audit resulting in this independent auditors report is Davison Madhigi



**BDO Zimbabwe**  
Chartered Accountants

**Davison Madhigi(CA(Z))**  
Partner

**28 January 2022**

**Kudenga House**  
**3 Baines Avenue**  
**HARARE**