



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

SHORT FORM ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

Short-Form Financial Announcement

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

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

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

	Inflation adjusted			Historical		
	2021 \$'000	2020 \$'000	% Change	2021 \$'000	2020 \$'000	% Change
Turnover	953 382	567 161	68%	777 195	255 866	204%
Operating (loss)/profit	(181)	46 569	(100%)	100 923	97 660	3%
Net asset value	452 888	199 860	127%	452 888	(3 846)	(11 876%)
Earnings per share (cents)						
Basic – Class A	1 340	452	196%	2 823	7	41 164%
Basic – Class B	1 851	-	-	1 851	-	-
Headline – Class A	193	452	(57%)	522	7	7 524%
Headline – Class B	-	-	-	-	-	-

Dividend

The Directors resolved not to declare a final dividend.

Auditors Statement

This short-form financial announcement should be read in conjunction with the complete set of the Group's consolidated financial statements for the year ended 31 December 2021. The Group's consolidated financial statements have been independently audited by AMG Global Chartered Accountants (Zimbabwe) who have issued a disclaimer. The basis of disclaimer was mainly due to the Group's inability to comply with International Accounting Standard 21 ("IAS 21") (The effects of changes in foreign exchange rates). The auditor's report is available for inspection at the Company's registered office and on the Company's website www.medtechholdings.co.zw.

M. Patel
Company Secretary
31 May 2022

Directors: Dr C. Beddies (Chairman), P. Masamba, O. Lutz, W. Marere V. Lapham (Chief Executive)



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

ABRIDGED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

BOARD REPORT

Introduction

It is our pleasure to present the abridged audited financial results for MedTech Holdings Limited for the year ended 31 December 2021. These results largely reflect the performance of MedTech prior to the conversion into a private equity investment holding company, apart from fair value adjustments. We look forward to announcing private equity transactions, currently being pursued, in due course.

Operating environment

The year-on-year official inflation rate closed at 349% in December 2020 before receding to the 50% range from July 2021 and ending the 2021 year at 61%. The official auction exchange rate to the US Dollar was 81.8 on 31 December 2020 and devalued to 108.7 at the end of 2021, a devaluation of 32.9%. Typically, one would expect inflation and devaluation to be similar. The discrepancy may reflect the extent to which the exchange rate was managed during the year. The management of exchange rates has seen a widening gap between the official rate and the parallel market rate, resulting in increased demand for currency from the auction. This disparity has effectively been a tax on exporters and remitters of US Dollars to other local companies through the 40% and 20% surrender requirement, whilst also effectively being a subsidy to importers. The result has been a disincentive to the country's exporters and local manufacturers – contrary to what we would ordinarily expect to see.

The operating environment remained difficult and unpredictable during the year, and this has worsened since the year end.

Update of changes from MedTech to BridgeFort

We have been advised that the various changes required at the Registrar of Companies and Other Business Entities resulting from the EGM held on 15 November 2021 are expected imminently. Shareholders will be advised as soon as the final documents have been received and the ZSE has approved the announcement to shareholders and the renaming of the shares.

Financial highlights

Class A Portfolio – Consumer Goods

The Class A portfolio primarily includes 50.1% of Zvemvura Trading (Private) Limited, trading as MedTech Distribution, and Chicago Cosmetics (Private) Limited, a 51% subsidiary of MedTech Distribution. These businesses primarily sell goods to retailers and wholesalers. Credit demanded by supermarkets is generally 30 days from statement for slower moving products, which is onerous in Zimbabwe's unpredictable and inflationary environment. Typically, these businesses aim to hedge the debtors book and unlock the working capital tied up in debtors through bank borrowings. Inflation continually erodes the real value of the facilities in place necessitating regular facility increases with the associated costs being incurred.

The businesses managed well on hedging mechanisms and this, along with a reduction in the real selling price of goods, less stockouts and a reduction in competition from grey imports and smuggled goods drove an increase in the volume of sales by 110% (198% in distribution and 20% in manufacturing).

Worsening delays in the payment of successful auction bids have hampered operations and resulted in increased working capital demands. At the year-end successful auction bids to the value of USD465,000 were unpaid.

The validated legacy debts amount to ZAR 23.4 million, with ZAR 5.9 million of this having been settled leaving a validated balance payable of ZAR 17.5 million (which has been provided for in the accounts at the auction rate). This legacy debt continues to hamper relationships with suppliers and timeous supply of goods.

Class A Portfolio – Consumer Goods Financial Highlights	Inflation adjusted			Historical		
	2021	2020	%	2021	2020	%
	\$'000	\$'000	Change	\$'000	\$'000	Change
Turnover	953 382	567 161	68%	777 195	255 866	204%
Profit before tax	221 970	107 183	107%	205 016	(5 516)	(3 817%)
Comprehensive profit after tax attributable to Class A shareholders	160 769	54 281	196%	338 813	821	44 164%
Basic earnings per share (cents)	1 340	452	196%	2 823	7	41 164%
Headline earnings per share (cents)	193	452	(57%)	522	7	7 524%

Class B Portfolio

Whilst a transaction is pursued, the Class B portfolio continues to only reflect a receivable of USD100,200 relating to 50.1% of the land owned by MedTech Distribution and based on the USD200,000 valuation of this land.

Class B Portfolio Financial Highlights	Inflation adjusted			Historical		
	2021	2020	%	2021	2020	%
	\$'000	\$'000	Change	\$'000	\$'000	Change
Turnover	-	-	-	-	-	-
Profit before tax	-	-	-	-	-	-
Comprehensive profit after tax attributable to Class A shareholders	24 847	-	-	24 847	-	-
Basic earnings per share (cents)	1 851	-	-	1 851	-	-
Headline earnings per share (cents)	-	-	-	-	-	-

Dividend

The Directors resolved not to declare a final dividend.

Directorate

After the EGM held on 15 November 2021, Rose Mazula, Tarik Sheikh, Farouq Sheikh and Afzal Motiwala stepped down from the board to pave the way for new directors to lead the change to a private equity investment holding company. This change ushered in a new board where Dr Christian Beddies, Pride Masamba, William Marere and Oliver Lutz were appointed as directors at the EGM.

Outlook

The operating environment has deteriorated and become more unpredictable since the year-end with doing business becoming more difficult. Considerable management time is spent in reacting to and dealing with various issues which businesses in most of the rest of the world do not have to invest precious time in. The competitiveness of the informal sector is largely unhindered by policy pronouncements resulting in the informal players becoming an increasing threat to the formal economy. Unfortunately, we envisage this trend continuing, resulting in a smaller tax net and increasing pressure on formal businesses.

Inflation has accelerated rapidly during the year, most recently reported at 132% in May, and will probably continue to do so with a lack of positive policy pronouncements having been witnessed thus far. Should the various recommendations by organisations such as the Zimbabwe National Chamber of Commerce or the Confederation of Zimbabwean Industries be implemented then we anticipate positive developments thereafter.

We will continue to focus on looking for good opportunities, concluding private equity transactions and assisting underlying portfolio companies in achieving their goals.

Appreciation

We wish to extend our appreciation to all stakeholders for their continued support.

AUDITORS STATEMENT

The Group's external auditors, AMG Global Chartered Accountants (Zimbabwe), have audited the Group's financial statements for the year ended 31 December 2021 on which this publication is based and have issued a disclaimer thereon. The basis of the disclaimer was mainly due to the Group's inability to comply with International Accounting Standard 21 ("IAS 21") "The Effects Of Changes In Foreign Exchange Rates". The financial statements were audited by Clyton Kazembe, CA(Z), a member of the Institute of Chartered Accountants Zimbabwe ("ICAZ"), Public Practice Certificate Number 0372 and a registered Public Auditor with the Public Accountants and Auditors Board, Public Auditor Registration Number 0226.

The auditor's report is available for inspection at the Company's registered office.

On behalf of the Board



M. Patel

Company Secretary

31 May 2022

Directors: Dr C. Beddies (Chairman), P. Masamba, O. Lutz, W. Marere, V. Lapham (Chief Executive)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
For the year ended 31 December 2021

	Inflation adjusted		Historical	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Turnover	953 382	567 161	777 195	255 866
Cost of sales	(696 435)	(382 607)	(476 280)	(106 500)
Gross profit	256 947	184 554	300 915	149 366
Operating profit	(181)	46 569	100 923	97 660
Net financing income/(costs)	131 852	(258 662)	104 093	(103 176)
Monetary gain	90 299	319 276	-	-
Profit/(loss) before taxation	221 970	107 183	205 016	(5 516)
Taxation	(120 374)	4 274	(53 120)	1 300
Profit/(loss) for the year after taxation	101 596	111 457	151 896	(4 216)
Other comprehensive income				
Revaluation gain	5 707	1 547	15 642	19 731
Fair value gain	185 912	-	324 372	-
Taxation	(32 188)	(382)	(27 178)	(4 878)
	159 431	1 165	312 837	14 853
Total comprehensive profit/(loss) for the year	261 027	112 622	464 733	10 637
Attributable to:				
Owners of the parent	185 616	54 281	363 660	821
Non-controlling interests	75 411	58 341	101 073	9 816
Total	261 027	112 622	464 733	10 637
Basic earnings per share	9.1	Cents	Cents	Cents
Ordinary shareholders	-	-	-	-
Class A shareholders	1 340	452	2 823	7
Class B shareholders	1 851	-	1 851	-
Headline earnings per share	9.2			
Ordinary shareholders	-	-	-	-
Class A shareholders	193	452	522	7
Class B shareholders	-	-	-	-

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

	Inflation adjusted		Historical	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
ASSETS				
Non-current assets				
Property, plant and equipment	2 109	140 745	1 312	40 054
Intangible assets	-	4 028	-	634
Investments held at fair value	466 905	-	467 702	-
Deferred taxation	-	78 642	-	10 578
	<u>469 014</u>	<u>223 415</u>	<u>469 014</u>	<u>51 266</u>
Current assets				
Inventories	-	175 140	-	65 945
Accounts receivable	-	119 712	-	74 477
Amount owed by related parties	8 982	12 639	8 982	7 863
Cash and bank balances	9	80 832	9	50 288
	<u>8 991</u>	<u>388 323</u>	<u>8 991</u>	<u>198 573</u>
Total assets	<u>478 005</u>	<u>611 738</u>	<u>478 005</u>	<u>249 839</u>
EQUITY AND LIABILITIES				
Equity				
Issued share capital and reserves per statement of changes in equity	263 229	77 612	356 425	(7 235)
Non-controlling interests	189 659	122 248	96 463	3 389
Total equity	<u>452 888</u>	<u>199 860</u>	<u>452 888</u>	<u>(3 846)</u>
Non-current liabilities				
Deferred taxation	23 450	13 147	23 450	5 620
Current liabilities				
Short-term loans payable	-	111 294	-	69 240
Accounts payable	-	278 624	-	173 341
Amounts owed to related parties	1 667	6 618	1 667	4 118
Taxation	-	2 178	-	1 355
Bank overdraft	-	17	-	11
	<u>1 667</u>	<u>398 731</u>	<u>1 667</u>	<u>248 065</u>
Total equity and liabilities	<u>478 005</u>	<u>611 738</u>	<u>478 005</u>	<u>249 839</u>

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2021

	Inflation adjusted		Historical	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
NET CASH FLOWS FROM OPERATING ACTIVITIES				
Net cash flows from operations	(101 842)	320 168	(97 291)	109 536
Returns on investments and servicing of finance				
Net financing costs	131 852	(258 662)	104 093	(103 176)
Taxes paid				
Movement in taxes paid	(4 735)	(21 575)	(1 258)	(2 642)
	<u>25 275</u>	<u>39 931</u>	<u>5 544</u>	<u>3 718</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of equipment	(35 820)	(39 692)	(27 956)	(17 981)
Acquisition of intangible asset	(1 224)	(960)	(874)	(540)
	<u>(37 044)</u>	<u>(40 652)</u>	<u>(28 830)</u>	<u>(18 521)</u>
NET CASH FLOWS FROM FINANCING ACTIVITIES				
Net movement in short-term loans payable	26 399	73 117	68 454	63 903
Net movement in finance leases	-	(291)	-	(41)
Dividend paid to outside shareholders	(8 000)	-	(8 000)	-
Allotment of shares	1	-	1	-
	<u>18 400</u>	<u>72 826</u>	<u>60 455</u>	<u>63 862</u>
INCREASE IN CASH AND CASH EQUIVALENTS	<u>6 631</u>	<u>72 105</u>	<u>37 169</u>	<u>49 060</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2021

	Share capital \$'000	Non-Share distributable premium \$'000	Non- currency translation reserve \$'000	Foreign currency translation reserve \$'000	Revaluation reserve \$'000	Retained earnings \$'000	Total \$'000	Non- controlling interests \$'000	Total \$'000
Inflation adjusted									
Balance as at 31 December 2019	1 934	111 518	64 354	20 276	-	(174 751)	23 331	63 908	87 239
Total comprehensive profit for the year	-	-	-	-	564	53 717	54 281	58 340	112 621
Balances as at 31 December 2020	1 934	111 518	64 354	20 276	564	(121 034)	77 612	122 248	199 860
Share allotment and removal of par value	111 519	(111 518)	-	-	-	-	1	-	1
Total comprehensive profit for the year	-	-	-	-	149 254	36 362	185 616	75 411	261 027
Dividends paid to outside shareholders	-	-	-	-	-	-	-	(8 000)	(8 000)
Balances as at 31 December 2021	113 453	-	64 354	20 276	149 818	(84 672)	263 229	189 659	452 888

	Share capital \$'000	Non-Share distributable premium \$'000	Non- currency translation reserve \$'000	Foreign currency translation reserve \$'000	Revaluation reserve \$'000	Retained earnings \$'000	Total \$'000	Non- controlling interests \$'000	Total \$'000
Historical									
Balance as at 31 December 2019	30	1 752	1 011	(343)	-	(10 507)	(8 056)	(6 429)	(14 485)
Total comprehensive profit for the year	-	-	-	-	7 462	(6 641)	821	9 818	10 639
Balances as at 31 December 2020	30	1 752	1 011	(343)	7 462	(17 148)	(7 235)	3 389	(3 846)
Share allotment and removal of par value	1 753	(1 752)	-	-	-	-	1	-	1
Total comprehensive profit for the year	-	-	-	-	306 961	56 699	363 660	101 073	464 733
Dividends paid to outside shareholders	-	-	-	-	-	-	-	(8 000)	(8 000)
Balance at 31 December 2021	1 783	-	1 011	(343)	314 423	39 551	356 425	96 463	452 888

SUPPLEMENTARY INFORMATION
Year ended 31 December 2021

1. Directors responsibility and statement of compliance

The Holding Company's directors are responsible for the preparation and fair presentation of the Group's consolidated financial statements of which this press release represents an extract. These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRSIC") interpretations applicable and in a manner required by The Companies and Other Business Entities Act (Chapter 24:31). These financial statements are based on statutory records that are maintained under the historical cost convention and adjusted to take into account the effect of inflation in accordance with the provisions of International Accounting Standard ("IAS 29") "Financial Reporting In Hyperinflationary Economies." The Group has not been able to comply with International Accounting Standard ("IAS 21") "The Effects Of Changes In Foreign Exchange Rates," due to compliance with laws and regulations stemming from Statutory Instrument 33 of 2019. Refer to note 4 below.

For the purposes of fair presentation in accordance with International Accounting Standard ("IAS 29") "Financial Reporting In Hyperinflationary Economies," the historical cost information has been restated for changes in general purchasing power of the Zimbabwean dollar ("ZWL") and appropriate adjustments and reclassifications have been made. The restatement has been calculated by means of adjusting factors derived from the consumer price index ("CPI") prepared by the Zimbabwe National Statistics Agency ("ZimStat"). Accordingly, the inflation adjusted financial statements represents the primary financial statements of the Group. The historical cost financial statements have been provided by way of supplementary information and have been audited. The consolidated financial statements are available for inspection at the Company's registered office and on the Company's website www.medtechholdings.co.zw.

2. Functional and presentation currency

These financial statements are presented in Zimbabwe Dollars (ZWL) being the functional and reporting currency of the primary economic environment in which the Group operates.

3. Accounting policies

The accounting policies applied in the preparation of these consolidated financial statements are consistent with those of the previous year. Applicable new standards and interpretations did not materially either quantitatively and qualitatively affect the Groups consolidated financial statements.

4. Inflation adjustment

The Public Accountants and Auditors Board ("PAAB") issued a pronouncement ("Pronouncement 01/2019") prescribing the application of International Accounting Standard ("IAS 29") "Financial Reporting In Hyperinflationary Economies" had become effective in Zimbabwe. Pronouncement 01/2019 covered the preparation and presentation of financial statements of entities operating in Zimbabwe for the financial periods ending on or after 1 July 2019. The Group determined the effective date of application of the standard as 1 January 2019. International Financial Reporting Interpretations Committee ("IFRIC 7"), 'Economies Becoming Hyperinflationary', requires that the entity applies IAS 29 as if the economy was always hyperinflationary. IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the reporting date, and that the corresponding figures for prior periods be stated in terms of a measuring unit current at the end of the reporting date. The restatement has been calculated by means of adjusting factors derived from the consumer price index (CPI) prepared by Zimbabwe National Statistics Agency ("ZimStat"). The adjustment factors used to restate these interim financial statements are as follows:

Dates	Indices	Conversion factors
31 December 2021	3 977.50	1.00
31 December 2020	2 474.50	1.61
31 December 2019	551.74	7.21
2021 Average CPI	3 135.2	1.27

The indices and adjusting factors have been applied to the historical cost of transactions and balances as follows:

All items in income statements are restated by applying relevant monthly adjusting factors;

The net effect of the inflation adjustments on the net monetary position of the Group is included in the income statement as a monetary loss or gain;

Comparative information is restated using the inflation indices in terms of the measuring unit current at the reporting date;

The application of the IAS 29 restatement procedures has the effect of amending certain accounting policies which are used in the preparation of the financial statements under historical cost convention. The policies affected are;

- Monetary assets and liabilities are not restated as they are already stated in terms of the measuring unit current at the reporting date;
- Non-monetary assets and liabilities are not carried at amounts current at the reporting date and components of shareholders equity are restated by applying the relevant monthly adjusting factor;
- Inventories are carried at the lower of indexed cost and net realizable value;
- Deferred tax is provided in respect of temporary differences arising from the restatement of assets and liabilities; and
- All items of cash statement are expressed in terms of measuring unit current at the reporting date.

5. Contingent liabilities

The Company had no material contingent liabilities as at 31 December 2020

6. Supplementary information

	Inflation adjusted		Historical	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Capital expenditure	35 820	39 692	27 956	17 981
Depreciation	22 217	23 428	4 390	675
Comprehensive profit	261 027	112 622	464 733	10 637
Operating profit is stated after charging items of significance;				
Auditors remuneration	5 748	6 272	4 557	2 608
Directors fees	2 982	1 239	2 785	547
Revaluation gain	5 707	1 547	15 642	19 731
Fair value gain	185 912	-	324 372	-
Deferred taxation charge on revaluation and fair value gain	32 188	382	27 178	4 878
Foreign currency translation gain	188 988	(242 395)	150 057	(96 419)
7. Net financing costs				
Interest received	2	2	2	1
Interest payable	(57 138)	(16 269)	(45 966)	(6 758)
Foreign currency translation gain	188 988	(242 395)	150 057	(96 419)
	<u>131 852</u>	<u>(258 662)</u>	<u>104 093</u>	<u>(103 176)</u>

8. Approval and events after the reporting period

The underlying financial statements to these results were approved by the Board on 31 May 2022. Subsequent to the reporting period date, there were no material adjusting or non-adjusting events.

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Chartered Accountants
(Zimbabwe)

A member firm of AMG Global, a Swiss Verein

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

BRIDGEFORT CAPITAL LIMITED and its subsidiaries

Disclaimer of opinion

We have audited the consolidated financial statements of BridgeFort Capital Limited [formerly Medtech Holdings Limited] and its subsidiaries ("the Group"), set out on pages 4 to 49, and comprising the following:

- Consolidated and company statements of profit or loss and other comprehensive income, statements of changes in equity, and statements of cash flows, for the year ended 31 December 2021;
- Group and company's statements of financial position as at 31 December 2021;
- A summary of the significant accounting policies applied by the Group and company during the year ended 31 December 2021; and
- Related financial statements notes.

Because of the significance of the matters described in the basis for disclaimer of opinion paragraph below, we were not able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion, and accordingly we do not express an opinion on the Group's financial statements.

Basis for disclaimer of opinion

The Group transacts a significant amount of business in foreign currencies (especially in the procurement of raw materials and goods for resale), and had significant foreign currency denominated assets and liabilities in its statement of financial position as at 31 December 2021. During the period under review, there was evidence of a three tier pricing system in Zimbabwe, namely for the US dollar, for the funds in the electronic transfer system ("RTGS") and for the bank notes. Therefore, the Group was unable to comply with the requirements of *IAS 21 The Effects of Changes in Foreign Exchange Rates* in the recognition and measurement of foreign currency denominated transactions and balances in its accounting records, as well as, the presentation and disclosure of same in its financial statements.

As a result of the issues discussed above and the significance thereof, we were unable to determine the adjustments that might have been necessary in respect of transactions entered into during the current financial year to satisfy ourselves concerning the fair presentation of these financial statements.

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and the presentation and disclosure requirements of the Companies and Other Business Entities Act (Chapter 24:31) as well as for such internal control the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group financial statements, the Directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.





The Directors are responsible for overseeing the Group's financial reporting process.

The financial statements were prepared under the supervision of Vernon Lapham, a member of the Institute of Chartered Accountants of Zimbabwe, membership number M2531.

Auditor's responsibilities for the audit of the group financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and 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 consolidated 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 risk of material misstatement of the consolidated 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 Group's internal controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We are required to 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 are required to 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.



Report on other legal and regulatory requirements

In our opinion, the financial statements have been properly drawn up so as to comply, in all material respects, with the financial disclosure and presentation requirements of the Companies and Other Businesses Act (Chapter 24:31) and related legislation.

The engagement partner responsible for the audit resulting in this independent auditor's report is Clyton Kazembe, Registered Public Auditor – PAAB practising certificate number 0372.

AMG Global

**AMG Global
Harare**

31 May 2022