CONTENTS

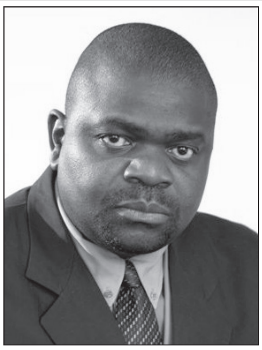
NATURE OF BUSINESS:	Manufacturing and distribution of chemical and rubber products.	
DIRECTORS:	Mr. G. Nhemhachena	(Board Chairman)
	Dr. I. Murefu	(Non-executive)
	Mrs. P. Nyazenga	(Non-executive)
	Mr. T. Mabeza	(Non-executive)
	Mr. T. Muganyi	(Non-executive)
	Mr. C. Dzumbunu	(Non-executive)
	Mr. W. Tsuroh	(Managing Director)
	Mr. P. Munyanyi	(Finance Director and Company Secretary)
SECRETARY:	Mr. P. Munyanyi	
REGISTERED OFFICE:	111 Dagenham Road Willowvale HARARE	
MAIN BANKERS:	FBC Bank Limited Southerton Branch HARARE	
ATTORNEYS:	Dube, Manikai and Hwacha Legal Practitioners Eastgate Complex HARARE	
AUDITORS:	Grant Thornton Chartered Accountants (Zimbabwe) Registered Public Auditors Camelsa Business Park 135 Enterprise Road Highlands HARARE	

G. G. Nhemachema
Chairman

C. M. Dzumbunu
Non-Executive Director

T. Mabeza
Non-Executive Director

W. Tsuroh
Managing Director



Dr. I. Murefu
Non-Executive Director

P. Munyanyi
Finance Director

T. R. Muganyi
Non-Executive Director

P. Nyazenga
Non-Executive Director

G. G. Nhemachena
Chairman

Introduction

The results for the year ended 31 December 2021 are presented to you on the back of challenging operating conditions that persisted from the prior year 2020. Various regulatory measures were instituted to combat the spread of the COVID-19 pandemic and had a profound effect on the demand for the company's products in key markets. The hyperinflationary environment contiued during in the year and it's impact was exacerbated by the delayed funding of successful bids at the auction market. According to the ZimStats report, year on year inflation was recorded at 61% from the 348% recorded in the same period last year while the funding of successful bids was reportedly 3 months behind as at 31 December 2021.

In response to the challenges, the Company consolidated its position in market niches carved out in the prior year while focusing on delivering a commensurate value proposition to its customers through stronger stakeholder relationships in a more intensified competitive market. Nevertheless the company recorded an operating profit albeit lower than prior year as local costs underpinned by the parallel market exchange rates soared while there were limited pricing opportunities. Commentary is on inflation adjusted figures.

Group Performance

Overall volumes increased by 113 % at 1488 metric tonnes when compared with prior year's 699 metric tonnes. Following concerted effort to penetrate and consolidate in new markets, the Chemical division shored up volumes in the last quarter which contributed significantly to the increase. The Rubber division benefited from a consistent order book throughout the year.

Total turnover at ZWL575 million was an increase of 7% when compared with prior year's ZWL537 million attributable to the increased volumes. The company benefited from its technical partnerships as the flow of materials was sustained despite the disruptions in South Africa and the logistical delays further afield in countries of raw materials origin. Unrelenting inflation and the strengthening of the Rand against the United States Dollar contributed in the increased production costs and put pressure on gross margins. As a result, gross profit at ZWL246 million dropped by 10% from the prior year's ZWL278 million. Similarly operating costs ZWL203 million increased by 35 % from the prior year's ZWL 150 million due the costs that tracked the parallel exchange rates. As a result a net operating profit of ZWL44 million was recorded against the prior year's ZWL140 million.

Divisional performance

General Beltings

Volumes at the rubber division increased by 3 % to 310 metric tonnes compared with the prior year's same period of 301 metric tonnes. The volume increase was driven by a consistent order book and improved throughput. Due to the pricing constraints the Divisional turnover at ZWL290 million dropped by 16% from the prior year's ZWL 347 million.

Cernol Chemicals

Cernol Chemicals total volumes at 1,178 metric tonnes increased by 196% from the prior year's 398 metric tonnes due to consolidation efforts in new market niches with deliveries in the fourth quarter accounting for 514 metric tonnes. As a result turnover at ZWL286 million rose by 51% from the prior year's ZWL 190 million.

COVID-19

Following successful vaccination efforts across the world and locally, the COVID-19 pandemic and its variants has been mitigated although it continues to mutate. Given its recurrent nature and impact on business, government and other stakeholders continue with the efforts that are directed at prioritising employees' and customers' safety. GB Holdings Limited will ensure that employee safety and organisational sustainability are balanced in its approach in the management of the pandemic. The company will assist where appropriate should such cases arise amongst its employees.

Environmental Social Sustainability & Governance

The Chemicals Division has in place a comprehensive waste water treatment which is aimed at ensuring that discharge is not harmful to the downstream eco-system and aquatic life. The Division collaborates and cooperates with the Environmental Management Agency and complies with all regulations in this regard.

Raw materials for both Divisions are sourced from environmentally conscious partners. Formulations strive to eliminate any substances that have been shown to harm the environment.

Dividend

At their meeting on 25 March 2022, the Board considered the need for additional working capital requirements and resolved not to declare a dividend.

Outlook

The optimism that emerged following the mitigation of the COVID-19 pandemic scourge has quickly faded given the Russia Ukraine conflict that threatens to plunge the world into chaos particularly the sources of primary raw materials. General Beltings is expected to increase its market consolidation as the anticipated logistical constraints emanating from the conflict will compel its existing customers to replace imports with locally produced products. Recent price increases in fuels and natural gas signal more severe measures that will inevitably constrain logistical supply chains and thereby dislocate the growth trajectories of the global economy.

The much anticipated bumper harvest will be negatively affected by erratic rain pattern in the latter part of the season. As a result the food import bill will exert pressure on the already scarce foreign currency inflows thereby weakening the Zimbabwe dollar further against the United States Dollar. Therefore price inflation will inevitably reduce aggregate demand in the economy. However, the mineral commodity prices are expected to improve on the back of increased global demand.

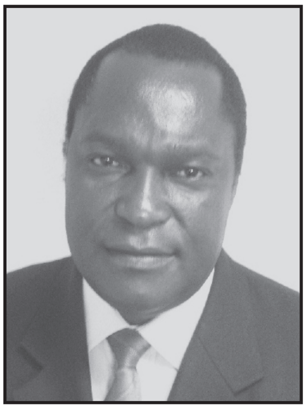
In view of the relaxation of Covid-19 measures and improved mining activity, GB Holdings Limited is expected to benefit from increased mining activity and customer penetration. Cernol Chemicals will strive to reassert its market position as the COVID-19 regulations are relaxed. Given the recent labour mobility trends the company will further invest in key skills retention and development to ensure improved performance in the year 2022.

Appreciation

The past year has been a challenging one requiring resilience from employees, management, the Board and support from all stakeholders. I thank you all for the support given in the past year and look forward to the same in the coming year as the company navigates yet another challenging year.

G. G. NHEMACHENA
Chairman

17 April 2022



W. Tsuroh
Managing Director

The headwinds in the economy were unrelenting dominated by the continued shortages of foreign currency and delayed funding of successful bids at the auction. Although the official auction exchange rate increased steadily, the unfunded gap of foreign exchange requirements triggered increases in the parallel market that perpetuated a hyperinflationary spiral which further dampened downstream aggregate demand.

The COVID 19 pandemic in its multiple variants was mitigated by the various regulatory interventions and morphed into less virulent strains which enabled the relaxation of lockdown measures at ports of entry and enabled businesses to open up. However, the violent rioting in South Africa and the cyber-attack on Transnet intermittently disrupted the flow of raw materials as logistical supply chains had to cope with increased traffic.

To counter the effect of continued depressed demand of the company's products, focus was on consolidating market positioning in niche markets established in the prior year while continually delivering a commensurate value proposition to its traditional markets. New market forays were initiated during the course of the year with trials being successfully concluded and awaiting upgrade to commercial arrangements. Planned maintenance carried out in the year availed more production time enabling the company improve its internal process efficiencies and overhead recoveries. The labour market posed new challenges post COVID as available technical skills were sought after by developed countries with more stable economies.

Performance

Commentary is on inflation adjusted accounts

Given the rapid dollarization of the economy in which costs were adjusted to a burgeoning exchange rate, while pricing opportunities were limited, profits recorded in the prior year were expected to tail off. The strategies deployed in the year enabled the company to post an operating profit albeit lower than prior year despite overall volumes increasing by 113 % at 1488 metric tonnes. The increased volumes were a result of a consistent throughput from the rubber factory sustained by technical partnerships which enabled raw materials to flow despite disruptions at source. In addition, the chemicals division's relentless effort to open new market fronts was rewarded in the fourth quarter in which 46 % of the total volumes were delivered.

Volumes at General Beltings increased by 3 % to 310 metric tonnes from the 301 metric tonnes recorded in the prior year as the company maintained its traditional markets in the mining sector supported by a consistent order book and improved internal efficiencies. Cernol Chemicals traditional markets were subjected to fierce pricing competition from opportunistic new entrants who emerged from the COVID 19 pandemic. Buoyed by its product development and quality pedigree, Cernol Chemicals carved and consolidated in new niches and recorded a 196 % increase in volumes at 1178 metric tonnes.

Overall turnover at ZWL 575 million was a modest increase of 7 % from the prior year's ZWL 537 million despite increased volumes in the Chemicals Division and steady business in the rubber division. Gross profit fell by 12% to ZWL 246 million due to the strengthening of imported inflation in United States dollars following supply chain disruptions caused by Covid-19 pandemic and the Rand fell against the united states dollar during the year resulting in increased cost of raw materials. Despite the rapid dollarization of local costs which were based on ever increasing parallel rate, operating costs were contained at lower than the inflation levels and increased by 35 % to ZWL 203 million from the ZWL 150 million recorded in the prior year. A resultant 69 % reduction in operating profit of ZWL 44 million was recorded against a ZWL 140 million recorded in the prior year.

Strategy Review

The shortage of foreign currency is likely to persist in the absence of a significant injection into the economy and exchange rate induced inflation will continue to soar. Glitches in global Logistical movements have significantly affected operations in the sub region with the advent of COVID 19. Traditional shipping lines have been overwhelmed as the world economies suddenly opened up following the containment of Covid-19, leading to higher transport costs and longer shipping lead times thus affecting supplies and prices of raw materials from further afield.

The COVID-19 hiatus has enabled business to reopen with guarded caution of a future eruption of the disease in a possibly more virulent form. Given the benefit of hindsight, the vaccination strategy has been endorsed globally with more awareness and acceptance of offtake. Achieving the desired threshold of herd population is now a reality.

However following the containment of the pandemic, new occupational trends have emerged with workers in developed countries opting to work from home. As a result, certain occupations that require human interface have put an onerous demand on development countries pool of skilled workers who are better remunerated in stable economies.

The dynamic environment therefore demands that the company be alert to developments internationally and locally with the main focus of asset preservation, customer centric and continued profitability. The thrust to address customer specific challenges will remain core in the delivery of a commensurate value proposition buttressed by improved process efficiencies and retention of key skills. Appropriate compensation models will be tailor made to avert possible skills flight while capital expenditure will be on process efficiencies enhancement.

Future Prospects

The company's key markets continue to offer opportunities as the sectors it serves have underlying potential. The resurgence of commodity prices in the mining sector are a source of optimism as evidenced by the planned expansion in the platinum, gold and energy sectors. Successful product trials concluded in the prior year and the subsequent placement of trial orders in new sectors point to a significant possible market breakthrough for General Beltings.

Agriculture remains pivotal in the Zimbabwean economy. Cernol's retention of its traditional markets and its attendant in- process chemicals is expected to drive demand of the company's products as the economy opens up and customers opt to buy local. The above opportunities resonate well with the country's vision 2030 Development strategy of making Zimbabwe a middle-income country.

Appreciation

The year was challenging and I would like to thank employees and management for their belief in the company, together with the counsel from the Directorate who all contributed to a profitable year. The current year undoubtedly presents a more complex scenario which requires team work. I look forward to your continued support as we strive to build on the foundation laid in the yesteryears since the implementation of the company's turnaround strategy.

W Tsuroh
Managing Director

The Directors have pleasure in submitting to Shareholders, their report together with the audited financial statements of the company for the year ended 31 December 2021.

ANNUAL RESULTS

INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT
Capital expenditure for the year ended 31 December 2021 totalled ZWL12 087 499. These funds were spent mainly on the acquisition of motor vehicles.

SHARE CAPITAL
Share capital is ZWL 640 000 comprising 640 000 000 ordinary shares of ZWL 0.001 cents each. Issued share capital is 536 588 624 ordinary shares of ZWL 0.001 each with a value of ZWL 536 588. Details of the authorised and issued share capital, including options available, are set out in note 7 to 8 of the financial statements.

DIRECTORS AND THEIR INTERESTS
Mr. G. G. Nhemachena, retires by rotation in terms of Article 95 of the Company's Articles of Association and being eligible, offers himself for re-election.

Mr. T. Mabeza retires by rotation in terms of Article 95 of the Company's Articles of Association and being eligible, offers himself for re-election.

The names of the current Directors of the company are set out on page 3. No Director had, during or at the end of the year, any material interest in any contract with the company which could be considered to be significant in relation to the company's business.

SUBSTANTIAL SHAREHOLDERS
According to information received by the Directors, the following are the only shareholders beneficially holding, directly and indirectly, at 31 December 2020, in excess of 5% of the issued share capital of the company:

Jemaimah Synergies (Pvt) ltd	43%
FBC Nominees	19%
Workers Trust Management Share Participation	9%

AUDITORS
To appoint Auditors for the current year. Grant Thornton Chartered Accountants, have been external auditors for the company for 1 year and being eligible, offer themselves for reappointment.

EMPLOYMENT POLICIES
The continued motivation of employees and management towards overall productivity enhancement is a fundamental feature of the company's operating philosophy and is key to management of risk. This is achieved through training, development, information sharing and progressive co-operative contributions to operating methods and planning, supported by rewards at competitive levels, including short and long term incentives where appropriate.

The company has employed policies which are appropriate to its business and markets and which attract, retain and motivate the quality of staff necessary to compete. These policies are required to provide equal employment opportunities, without discrimination based on gender, race or physical ability.

PAYMENTS TO SUPPLIERS
The company agrees terms and conditions with suppliers before business takes place and its policy and practice is to pay agreed invoices in accordance with the terms of payment.

By Order of the Board

P Munyanyi (Mr)
COMPANY SECRETARY
Harare
17 April 2021

GB Holdings Limited is committed to an open approach to corporate governance. This process enables the company's shareholders to derive the assurance that, in protecting and adding value to GB Holdings Limited's financial and human resources investment, the company is being managed ethically, according to prudently determined risk parameters and in compliance with the best international practices.

The Board is chaired by a non-executive director and currently comprises of two executives and five non executive members. The executive directors generally have the responsibility for making and implementing operational decisions in running the company's business. Non-executive directors support the skills and experience of the executive, contributing to formulation of policy and decision making through their knowledge of, and experience in, other businesses and sectors.

The Board, which meets at least quarterly, sets the strategic objectives of the company, determines investment and environmental policies, approves major capital expenditure, acquisitions and investments. The Board also agrees on performance criteria and delegates to management the detailed planning and implementation of the agreed policy, in accordance with appropriate risk parameters. It monitors compliance with policies, and achievement against objectives, by holding management accountable for its activities through the measurement and control of operations by regular reports to the Board including quarterly performance reporting and budget updates. However, to ensure that effective management controls exist on a day to day basis, the Board has delegated certain powers to committees.

These are:

Audit and Risk Management
The members of the Committee as at 31 December, 2021 were as follows:

C. Dzumbunu Chairperson	Non-Executive
P. Nyazenga	Non-Executive
I. Murefu	Non-Executive

Finance and Business Development Committee
The members of the Committee as at 31 December, 2021 were as follows:

T. Mabeza Chairperson	Non-Executive
G.G. Nhemachena	Non-Executive
T. Muganyi	Non-Executive

Human Resources and Remuneration Committee

The members of the Committee as at 31 December, 2021 were as follows:

Dr. I. Murefu Chairperson	Non- Executive
G.G. Nhemachena	Non-Executive

The operational management of the company is delegated to the Executive Committee, which is chaired by the Managing Director and includes the Finance Directorate and the divisional General Managers.

G. G. Nhemachena
Chairman

17 April 2022

Responsibilities of Management and Those Charged with Governance for the Financial Statements for the year ended 31 December 2021

It is the Directors' responsibility to ensure that the financial statements fairly present the state of affairs of the Company. The external auditors are responsible for independently reviewing and reporting on the financial statements.

The Directors have assessed the ability of the Company to continue as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. However, the Directors believe that under the current economic environment a continuous assessment of the ability of the Company to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.

The financial statements are prepared with the aim of complying fully with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), which includes standards and interpretations approved by the IASB and Standing Interpretations Committee (SIC) interpretations issued under previous constitutions.

Partial compliance with International Financial Reporting Standards has been achieved for the year ended 31 December 2021. This is because it was not possible to comply with the requirements of International Accounting Standard (IAS) 21 "*The Effects of Changes in Foreign Exchange rates".*

IFRS Conceptual Framework requires that in applying fair presentation of financial statements, entities should go beyond the consideration of the legal form of transactions and any other factors that could have an impact on them. IAS 21 requires an entity to apply certain parameters in determining the functional currency of an entity for use in the preparation of its financial statements. This standard also requires an entity to make certain judgements, where applicable, regarding appropriate exchange rates between currencies where exchangeability through a legal and market exchange mechanism is not achievable.

In the opinion of the Directors, the requirement to comply with Statutory Instrument (S.I) 33 of 2019 created inconsistencies with IAS 21, as well as the principles embedded in the IFRS Conceptual Framework. This has resulted in the adoption of the accounting treatment in the current year's financial statements, which deviates from that which would have been applied if the Company had been able to fully comply with IFRS.

The Company's accounting and internal control systems are designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of its assets. Such controls are based on established written policies and procedures and all employees are required to maintain the highest ethical standards in ensuring that the Company's business practices are conducted in a manner which in all reasonable circumstances is above reproach. Issues that came to the attention of the Directors have been addressed and the Directors confirm that the system of internal control and accounting control is operating in a satisfactory manner. The Company's financial statements for the year ended 31 December 2021 which are set out on pages 14 to 35 were, in accordance with their responsibilities, approved by the Directors on 17 April 2022 and are signed on its behalf by:

Nhemachena G.
Chairman

Tsuroh W.
Managing Director

Company Secretary's Certification

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

These financial statements were prepared under the supervision of:

Patrick Munyanyi
Finance Executive

INDEPENDENT AUDITOR'S REPORT

Grant Thornton
Camelsa Business Park
135 Enterprise Road, Highlands
PO Box CY 2619
Causeway, Harare
Zimbabwe

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F +263 0242 442517 / 496985
E info@zw.gt.com
www.grantthornton.co.zw

To the members of GB Holdings Limited

Report on the Audit of the Financial Statements

Adverse Opinion
We have audited the financial statements of GB Holdings Limited set out on pages 14to 35, which comprise the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the 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 matters described 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 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis of Adverse Opinion

Non-compliance with International Accounting Standard (IAS) 21 - The Effect of Changes in Foreign Exchange Rates

During the prior and current financial years, the foreign currency denominated transactions and balances of the Company were translated into ZWL using the interbank exchange rates/foreign currency auction rates which were not considered appropriate spot rates for translations as required by IAS 21. The opinion on the prior year financial statements was modified in respect of this matter and the misstatements have not been corrected in the financial statements for the year ended 31 December 2021.

Had the financial statements been prepared in accordance with the requirements of IAS 21, many elements would have been materially different. The effects of the non-compliance with the requirements of IAS 21 have been considered to be material and pervasive to the financial statements as a whole.

Non-compliance with International Accounting Standard (IAS) 29 – Financial Reporting in Hyperinflationary Economies

Although IAS 29 has been applied correctly, its application was based on prior period and current year's financial information which was not in compliance with IAS 21 as described above. Had the correct base numbers been used, most elements of the financial statements (including monetary gain/loss) would have been materially different. The impact of the departure from the requirements of these standards is considered material and pervasive to the financial statements for the year ended 31 December 2021.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. 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 the 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 the opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters noted below relate to the financial statements:

Areas of focus	How our audit addressed the key audit matter
i. Revenue recognition IFRS 15 was applied on revenue recognition. • There is a presumed fraud risk with regards to revenue recognition as guided by International Standard on Auditing (ISA 240: Revised). There is a risk that the revenue is presented at amounts higher than what has been actually generated by the Company. This is a significant risk and accordingly a key audit matter.	Our audit procedures incorporated a combination of tests of the Company's controls relating to revenue recognition and the appropriateness of revenue recognition policies as well as substantive procedures in respect of testing the occurrence assertion. Our substantive procedures included but were not limited to the following: • Reviewed that the revenue recognition criteria is appropriate and in line with the requirements of IFRS 15. • Performed cut-off tests on year end balances to ensure revenue is recognised in the correct period. • Tested design, existence and operating effectiveness of internal controls implemented as well as test of details to ensure accurate processing of revenue transactions. • Identified key controls and tested these controls to obtain satisfaction that they were operating effectively for the year under review. • The results of our controls testing have been the basis for the nature and scoping of the additional test of details, which mainly consisted of testing individual transactions by reconciling them to external sources (supporting documentation). • Analytical procedures and assessed the reasonableness of explanations provided by management. We satisfied ourselves that the revenue recognition is appropriate.
ii. Valuation of trade receivables The trade receivables balance of **ZWL 143 262 834** is material to the financial statements of the company. The Zimbabwe economy has faced a general decline in business activity resulting in liquidity challenges increasing default risk on receivables. The company applies IFRS 9 Expected Credit Loss (ECL) impairment model in determine the allowance for receivables. We have considered this as a key audit matter due to the complexities and significant management judgement that is involved in determining the ECL and this has a material impact on the financial statements of the company.	Our audit procedures included the following procedures: • Tested the recoverability and existence of trade receivables through analysis of customer payment trends during the year and circularising confirmations. • We updated our understanding of the estimation processes relating to management of the receivables and expected credit losses including the IFRS 9 implementation process, the company's impairment allowance policy, the ECL model and compared it with the requirements of IFRS 9. • Testing risk rating and grouping of debtors and the expected credit losses determined by management. • Checking the completeness and accuracy of data underlying the ECL calculation as of December 31, 2021. • Assessing the disclosures included by management in the financial statements. We satisfied ourselves that valuation of trade receivables including management 's estimate for the allowance for credit loss provided for in the financial statements is adequate.

Other information

The Directors are responsible for the other information. The other information comprises the 'Corporate information', 'Directors' responsibility for financial reporting', 'historical cost information' and 'Company statements', which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon. 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 obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) and for such internal control as 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, 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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Directors are also responsible for overseeing the Company's financial reporting process.

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.
- 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 management's 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 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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

Report on Other Legal and Regulatory Requirements

In our opinion, except for the effects of the matters described in the Basis for Adverse opinion section of our report, the financial statements have been properly prepared, in all material respects, in accordance with the accounting policies and comply 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 Trevor Mungwazi.

Grant Thornton

Trevor Mungwazi
Partner

Registered Public Auditor (PAAB No: 0622)

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors

20 April 2022

HARARE

		Inflation Adjusted		Historical cost	
	Notes	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
ASSETS					
Non-current assets					
Property, plant and equipment	4	425 519 300	425 329 604	18 525 195	7 137 622
Current assets					
Inventories	5	73 266 285	68 569 436	71 002 378	40 863 888
Trade and other receivables	6	143 262 834	132 412 415	143 262 834	82 243 736
Cash and cash equivalents	7	19 106 374	17 110 045	19 106 374	10 627 357
		235 635 493	**218 091 896**	**233 371 586**	**133 734 981**
Total assets		**661 154 793**	**643 421 500**	**251 896 781**	**140 872 603**
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	8	28 658 715	28 658 715	536 588	536 588
Share options reserve	9	1 025 456	1 025 456	19 200	19 200
Foreign currency translation reserve		-	(5 148 147)	-	(712 820)
Retained earnings		334 532 141	361 359 980	48 119 728	38 229 313
		364 216 312	**385 896 004**	**48 675 516**	**38 072 281**
Non-current liabilities					
Deferred tax	10	93 762 072	94 874 835	1 770 431	2 883 194
Deferred revenue	11	1 755 540	1 834 867	29 965	31 542
		95 517 612	**96 709 702**	**1 800 396**	**2 914 736**
Current liabilities					
Current portion of borrowings	12	45 764 903	1 231 494	45 764 903	764 903
Trade and other payables	13	134 067 878	139 360 160	134 067 878	86 559 105
Corporate tax payable		21 588 088	20 224 140	21 588 088	12 561 578
		201 420 869	**160 815 794**	**201 420 869**	**99 885 586**
Total liabilities		**296 938 481**	**257 525 496**	**203 221 265**	**102 800 322**
Total equity and liabilities		**661 154 793**	**643 421 500**	**251 896 781**	**140 872 603**

Nhemachena G.
Board Chairman
17 April 2022

Tsuroh W.
Managing Director
17 April 2022

	Notes	Inflation Adjusted 2021 ZWL	Inflation Adjusted 2020 ZWL	Historical cost 2021 ZWL	Historical cost 2020 ZWL
Revenue	14	575 319 036	537 369 384	460 338 834	236 260 222
Cost of sales		(329 168 361)	(259 748 770)	(265 451 929)	(101 808 612)
Gross profit		**246 150 675**	**277 620 614**	**194 886 905**	**134 451 610**
Other income		566 675	12 753 069	351 972	7 708 835
Operating expenses		(202 919 748)	(150 331 795)	(165 669 026)	(90 183 188)
Profit from operations		**43 797 602**	**140 041 888**	**29 569 851**	**51 977 257**
Finance charges		(3 308 766)	(90 971)	(3 412 550)	(32 063)
Profit before tax and monetary (loss)/gain		**40 488 836**	**139 950 917**	**26 157 301**	**51 945 194**
Monetary loss		(41 715 544)	(52 637 929)	-	-
(Loss) / profit before tax	**15**	**(1 226 708)**	**87 312 988**	**26 157 301**	**51 945 194**
Income tax expense	16	(10 531 435)	(19 162 355)	(7 913 747)	(13 743 598)
(Loss) / profit for the year		(11 758 143)	68 150 633	18 243 554	38 201 596
Other comprehensive income		-	-	-	-
Total comprehensive (loss) / income for the year		**(11 758 143)**	**68 150 633**	**18 243 554**	**38 201 596**
Number of shares in issue		536 588 624	536 588 624	536 588 624	536 588 624
Basic (loss) / earnings per share (cents)	17	(0.01)	0.127	0.041	0.071
Diluted (loss) / earnings per share (cents)	17	(0.009)	0.126	0.041	0.070
Headline (loss) / earnings per share (cents)	17	(0.01)	0.123	0.041	0.069

Inflation Adjusted

	Share capital ZWL	Share options reserve ZWL	Foreign currency translation reserve ZWL	Retained earnings ZWL	Total ZWL
Balance at 1 January 2020	**28 658 715**	**1 025 456**	**(5 148 147)**	**293 209 346**	**317 745 370**
Total comprehensive income for the year	-	-	-	68 150 633	68 150 633
Balance at 31 December 2020	**28 658 715**	**1 025 456**	**(5 148 147)**	**361 359 979**	**385 896 003**
Realisation of Foreign Currency Translation Reserve	-	-	5 148 147	(5 148 147)	-
Dividend paid	-	-	-	(9 921 548)	(9 921 548)
Total comprehensive loss for the year	-	-	-	(11 758 143)	(11 758 143)
Balance at 31 December 2021	**28 658 715**	**1 025 456**	**-**	**334 532 141**	**364 216 312**

Historical cost

	Share capital ZWL	Share options reserve ZWL	Foreign currency translation reserve ZWL	Retained earnings ZWL	Total ZWL
Balance at 1 January 2020	**536 588**	**19 200**	**(712 820)**	**27 717**	**(129 315)**
Total comprehensive income for the year	-	-	-	38 201 596	38 201 596
Balance at 31 December 2020	**536 588**	**19 200**	**(712 820)**	**38 229 313**	**38 072 281**
Realisation of Foreign Currecny translation reserve	-	-	712 820	(712 820)	-
Dividend paid	-	-	-	(7 640 319)	(7 640 319)
Total comprehensive income for the year	-	-	-	18 243 554	18 243 554
Balance at 31 December 2021	**536 588**	**19 200**	**-**	**48 119 728**	**48 675 516**

	Notes	Inflation Adjusted 2021 ZWL	Inflation Adjusted 2020 ZWL	Historical Cost 2021 ZWL	Historical Cost 2020 ZWL
Cash flows from operating activities					
(Loss) / profit before tax		(1 226 708)	87 312 988	26 157 301	51 945 194
Adjusted for:					
Depreciation charge for the year	4	11 897 803	14 310 087	2 351 832	317 429
Interest expense		3 308 766	90 971	3 412 550	32 063
Effects of non cash items		-	(59 434 842)	-	(47)
Profit on disposal of vehicles		-	(1 569 375)	-	(974 767)
Deferred revenue	11	(92 397)	(13 070)	(1 577)	(1 850)
Monetary loss		41 715 544	52 637 929	-	-
Operating cash outflows before working capital changes		**55 603 008**	**93 334 688**	**31 920 106**	**51 318 022**
Changes in working capital					
Increase in inventories	5	(4 696 849)	(570 080)	(30 138 490)	(33 857 352)
Increase in trade and other receivables	6	(10 850 419)	(99 041 312)	(61 019 098)	(77 623 078)
Decrease/ (Increase) in trade and other payables	13	(5 292 282)	11 070 640	47 508 773	68 795 954
Income tax paid		-	(507 150)	-	(315 000)
Net cash generated from /(utilised in) operating activities		**34 763 458**	**4 286 786**	**(11 728 709)**	**8 318 546**
Cash flows from investing activities					
Proceeds from disposal of vehicles		-	1 569 375	-	974 767
Purchase of equipment	4	(12 087 499)	(2 013 415)	(13 739 405)	(483 500)
Net cash (utilised in) / generated from investing activities		**(12 087 499)**	**(444 040)**	**(13 739 405)**	**491 267**
Cash flows from financing activities					
Interest paid		(3 308 766)	(90 971)	(3 412 550)	(32 063)
Increase in borrowings		44 533 409	-	45 000 000	-
Dividend paid		(9 921 548)	-	(7 640 319)	-
Net cash outflows from financing activities		**31 303 095**	**(90 971)**	**33 947 131**	**(32 063)**
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		**53 979 054**	**3 751 775**	**8 479 017**	**8 777 750**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**17 110 045**	**13 358 270**	**10 627 357**	**1 849 606**
Effects of inflation		(39 017 349)	-	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	7	**19 106 374**	**17 110 045**	**19 106 374**	**10 627 357**

1 General information

1.1 Nature of business

The main business of the company, which is incorporated in Zimbabwe (Registration Number 510/68), is that of producing rubber and chemical products.

1.2 Currency

For the 2021 financial period, the Board of Directors assessed and concluded that the Zimbabwe dollar is the functional and presentation currency of the company.

2 Accounting Policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRSs). The principal accounting policies adopted in the preparation of financial statements are set out below. The financial statements did not comply with IAS 21 and IAS 29.

The preparation of the financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires the company's management to exercise judgement in applying the company's accounting policies. The areas where significant judgement and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

The financial statements have been prepared based on the statutory records that are maintained under the historical cost basis and adjusted for the effects of applying IAS 29. The financial statements are presented in Zimbabwe dollars and all values are rounded to the nearest dollar.

IAS 29 requires that the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date and that the corresponding figures for the comparative periods be stated in the same terms. The financial statements and the corresponding figures for the previous year have been restated to take account of the changes in the general purchasing power of the Zimbabwe dollar. The restatement is based on conversion factors derived from the Zimbabwe Consumer Price Index (CPI) compiled by the Reserve Bank of Zimbabwe from the figures provided by ZIMSTATS. The indices and conversion factors used are as follows:

Month	CPI	Conversion factor
January	2608.79	1.520
February	3718.89	1.470
March	2759.83	1.440
April	2803.57	1.420
May	2874.85	1.380
June	2986.44	1.330
July	3062.93	1.300
August	3191.05	1.250
September	3342.02	1.190
October	3555.9	1.120
November	3760.9	1.060
December	3977.46	1.000

2.2 Changes in accounting policy and interpretations

New standards, interpretations and amendments

Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the financial statements of the company. The company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Standards issued but not yet effective

IAS 8 — Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The amendments to the definition of material is not expected to have a significant impact on the Company's financial statements.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Company as it does not have any interest rate hedge relationships.

Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16 if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted.

Other Standards and amendments that are not yet effective and have not been adopted early by the company include:

- IFRS 17 Insurance Contracts;
- Amendments to IFRS 17 Insurance Contracts (Amendments to IFRS 17 and IFRS 4);
- References to the Conceptual Framework;
- Proceeds before Intended Use (Amendments to IAS 16);
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41);
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1); and
- Deferred Tax related to Assets and Liabilities from a Single Transaction;

These amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore no disclosures have been made.

2.3 Revenue recognition

To determine whether to recognise revenue, the company folows a five step process;

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transacction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue from the sale of rubber and chemical products is measured at the fair value of the consideration received or receivable and represent amounts receivable for goods provided in the normal course of the business net of discount and value added tax. Revenue is recognised when the goods have been delivered to or collected by the customer.

2.3.1 Performance obligations and timing of revenue recognition

The company derives revenue from the sale of rubber and chemical products, with revenue recognised at a point in time when control of the asset (rubber and chemical products) is transferred to the customer. This is generally when the goods have been delivered to/or collected by the customer.

2.3.2 Determining the transaction price

The transaction price is fixed for each unit of product.

2.3.3 Allocating amounts to performance obligations

There is a fixed unit price for each product sold. Therefore, there is no judgement involved in allocating the price to each unit offered. Where a customer orders more than one product or service line, the company is able to determine the split of the total price between each product by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

2.4 Deferred income

Deferred income relates to equipment given to the company under a loyalty programme by one if its customers. The deferred income is recognized through profit or loss on a straight-line basis over the expected life of the equipment.

2.5 Employee benefits

Employee benefits are all forms of consideration given in exchange for the company's rendered by employees or for the termination of employment. The classification, recognition and measurement of these employee benefits is as follows:

(a) Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. The company's short-termemployee benefits comprise remuneration in the form of salaries, wages, bonuses, employee entitlement to leave pay and medical aid. The undiscounted amount of all short-term employee benefits expected to be paid in exchange for service rendered are recognised as an expense or as part of the cost of an asset during the period in which the employee renders the related service. The company recognizes the expected cost of bonuses only when the company has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

(b) Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Post-employment benefits comprise retirement benefits that are provided for company employees by the National Social Security Authority (NSSA), which is a defined contribution fund. Payments to the NSSA scheme are recognised as an expense when they fall due, which is when the employee renders the service. The company has no liability for Post- employment Retirement Benefit Funds.

(c) Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date (or contractual date) or an employee's decision to accept voluntary redundancy in exchange for those benefits. The company recognizes termination benefits as a liability and an expense at the earlier of when the offer of termination cannot be withdrawn or when the related restructuring costs are recognised under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Termination benefits are measured according to the terms of the termination contract. Where termination benefits are due more than 12 months after the reporting period, the present value of the benefits shall be determined. The discount rate used to calculate the present value shall be determined by reference to market yields on high quality corporate bonds at the end of the reporting period.

2.6 Financial instruments

2.6.1 Financial assets

The company classifies its financial assets as loans and receivables.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of services to customers. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financialmdifficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cashflows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

Derecognition of financial assets
Derecognition of financial assets Financial assets are derecognised when the rights to receive cash flows have expired or where they have been transferred and the company has also transferred substantially all risks and rewards of ownership.

Impairment of financial assets
Impairment of financial assets A financial asset is deemed to be impaired when its carrying amount is greater than its estimated receivable amount, and there is evidence to suggest that the impairment occurred subsequent to the initial recognition of the asset in the financial statements. Impairment loss is recognised in expenditure.

2.7 Financial liabilities

The company classifies its financial liabilities into one of two categories depending on the purpose for which the liability was acquired.

(a) Fair value through profit or loss
They are carried in the statement of financial position at fair value with changes in the fair value recognised in profit or loss.

(b) Other financial liabilities

Other financial liabilities include the following items:
Borrowings are initially recognized at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position.

Trade payables and other short-term monetary liabilities are initially recognized at fair value and subsequently carried at amortised cost using the effective interest rate method.

2.8 Property, plant and equipment

Property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amounts or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the entity and the costs can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the period in which they are incurred. Subsequent to initial measurement property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Annual depreciation is charged proportionately over the remaining useful life of an asset where its carrying amount is higher than its residual value. If the carrying amount is lower than the residual value, no depreciation is charged.

Subject to the above property, plant and equipment are depreciated on a straight line basis over the remaining useful lives as follows:

Industrial buildings	40 years
Plant and machinery	40 years
Motor vehicles	55 years

Computer equipment	5 years
Other office equipment	10 years
Land and work in progress	not depreciated

The assets' residual values and useful lives are reviewed at each reporting date and adjusted if appropriate. The residual value of an asset is the estimated amount that would currently be obtained from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in condition expected at the end of its useful life.

Gains and losses on disposals are determined by comparing proceeds with the carrying amounts. These gains and losses are included in profit or loss.

(a) Impairment of property, plant and equipment
The carrying amount of property, plant and equipment is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Impairment loss is recognised directly through profit or loss when the carrying amounts of the assets exceed the fair values of the respective assets.

(b) De-recognition of property, plant and equipment
An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from use or disposal.

2.9 Inventories

Inventories are initially recognised at cost and subsequently at standard cost. Inventories are stated at the lower of cost and net realisable value, after making allowance for obsolete inventories. Cost is determined on a standard basis for finished goods, work in progress. Where standard cost differs significantly from actual cost, then actual cost is used. Raw materials are stated at actual cost. The cost of finished goods and work in progress comprises raw materials, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less costs of completion and selling expenses. Write downs to net realisable values and inventory losses are expensed in the period in which the write downs or losses occur.

2.10 Operating segments

The company identifies segments as components of the company that engage in business activities from which revenues are earned and expenses incurred (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The chief operating decision-maker has been identified as the Managing Director.

Measurement of segment information
The accounting policies of the reportable segments are the same as the company's accounting policies. Segment information has been reconciled to the annual financial statements to take account of inter- segment transactions and transactions and balances that are not allocated to reporting segments.

2.11 Share-based payments

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non vesting condition is not satisfied. Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

2.12 Income tax

a. Current tax
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 tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

b. Deferred tax

Deferred income tax is provided 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 temporary differences except: Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except: where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures. Deferred tax assets are recognised only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets at each reporting date are 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 income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax relate to the same taxable entity and the same taxation authority.

3 Critical judgements in applying the company's accounting policies

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts presented in the financial statements and related disclosures. Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgments include:

a. Trade receivables

The company assesses its trade receivables for impairment at each reporting date. In determining whether an impairment loss should be recognised in profit or loss, the company makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the receivables.

b. Impairment testing

The company is required to test, on an annual basis, whether an asset has suffered any impairment. Impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. The determination of value in use requires the estimation of future cash flows and of a discount rate.

c. Going concern

The operations of the company were significantly affected, and may continue to be affected for the foreseeable future, by the adverse effects of the liquidity challenges in the economy and the need for recapitalisation of the company. The ability of the company to continue operating as a going concern, in such an environment, is subject to continual assessment.

The assessment requires judgmental estimates and assumptions regarding future cash flows and the discount rate used to determine the present value of the cash flows.

d. Useful lives of property, plant and equipment

The company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. The following factors are considered in estimating the useful life of an asset:

- Expected usage of the asset;
- Expected physical wear and tear which depends on how the asset is going to be used; and
- Management also uses experience with the usage of the asset.

e. Functional currency

The directors considered the following key attributes of a functional currency as guided by the provisions of IAS 21: Effects of Changes in Exchange Rates:

- The currency that mainly influences sales prices for goods and services;
- Currency of the competitive forces and regulations that mainly determine the sales prices of goods and services;
- The currency that mainly influences labour, material and other costs of providing goods and services;
- The currency in which funds from financing activities are generated; and
- The currency in which receipts from operating activities are usually retained. 73% of the company's revenue is in Zimbabwe dollars while only 27% is in foreign currency.

Having considered the above attributes, the directors concluded that the Zimbabwe dollar is the functional and presentation currency of the company.

4 Property, plant and equipment

Inflation Adjusted

	Land ZWL	Buildings ZWL	Plant and machinery ZWL	Motor vehicles ZWL	Office Equipment ZWL	Total ZWL
Carrying amount at 1 January 2020	**48 818 245**	**194 904 784**	**191 027 322**	**2 174 413**	**701 512**	**437 626 276**
Gross carrying amount-cost	48 818 245	270 151 702	325 540 876	17 510 365	14 596 836	676 618 024
Accumulated depreciation	-	(75 246 918)	(134 513 554)	(15 335 952)	(13 895 324)	(238 991 748)
Additions	-	-	711 160	1 006 707	295 548	2 013 415
Depreciation charge for the year	-	(6 767 102)	(7 156 918)	(258 803)	(127 264)	(14 310 087)
Carrying amount at 31 December 2020	**48 818 245**	**188 137 682**	**184 581 564**	**2 922 317**	**869 796**	**425 329 604**
Gross carrying amount-cost	48 818 245	270 151 702	326 252 036	15 393 738	14 892 384	675 508 105
Accumulated depreciation and impairment loss	-	(82 014 020)	(141 670 472)	(12 471 421)	(14 022 588)	(250 178 501)
Additions	-	-	651 197	11 227 027	209 275	12 087 499
Depreciation charge for the year	-	(4 703 442)	(4 630 819)	(2 455 635)	(107 907)	(11 897 803)
Carrying amount at 31 December 2021	**48 818 245**	**183 434 240**	**180 601 942**	**11 693 709**	**971 164**	**425 519 300**

Land and buildings with a carrying amount of ZWL 2 234 499 were pledged as security for the FBC Bank Limited loan and order finance facility. Land and buildings with a carrying amount of ZWL 2 329 197 were pledged as security for the CABS loan.

Historical cost

	Land ZWL	Buildings ZWL	Plant and machinery ZWL	Motor vehicles ZWL	Office Equipment ZWL	Total ZWL
Carrying amount at 1 January 2020	**751 000**	**3 675 385**	**2 375 227**	**119 628**	**50 311**	**6 971 551**
Gross carrying amount-cost	751 000	5 058 152	6 233 149	647 408	354 757	13 044 466
Accumulated depreciation	-	(1 382 767)	(3 857 922)	(527 780)	(304 446)	(6 072 915)
Additions	-	-	441 714	-	41 785	483 499
Depreciation charge for the year	-	(126 703)	(146 425)	(28 110)	(16 191)	(317 429)
Carrying amount at 31 December 2020	**751 000**	**3 548 682**	**2 670 516**	**91 518**	**75 905**	**7 137 622**
Gross carrying amount-cost	751 000	5 058 152	6 674 863	588 923	396 542	13 469 481
Accumulated depreciation and impairment loss	-	(1 509 470)	(4 004 347)	(497 405)	(320 637)	(6 331 859)
Additions	-	-	536 591	12 745 289	457 525	13 739 405
Depreciation charge for the year	-	(126 703)	(161 702)	(2 012 033)	(51 394)	(2 351 832)
Carrying amount at 31 December 2021	**751 000**	**3 421 979**	**3 045 405**	**10 824 774**	**482 036**	**18 525 195**

	Inflation Adjusted 2021 ZWL	Inflation Adjusted 2020 ZWL	Historical Cost 2021 ZWL	Historical Cost 2020 ZWL
5 Inventories				
Raw materials	23 549 252	48 616 499	22 535 433	28 972 955
Finished goods	22 837 847	16 993 742	21 854 655	10 127 404
Consumables	6 199 541	2 227 524	5 932 645	1 327 490
Work in progress	20 679 645	731 671	20 679 645	436 039
	73 266 285	**68 569 436**	**71 002 378**	**40 863 888**
6 Trade and other receivables				
Trade receivables	134 336 397	133 893 778	134 336 397	83 163 837
Less: Allowance for credit losses	(708 459)	(2 858 198)	(708 459)	(1 775 278)
Trade receivables-net	133 627 938	131 035 580	133 627 938	81 388 559
Other receivables	9 634 896	1 376 835	9 634 896	855 177
Financial assets other than cash and cash equivalents classified as loans and receivables	**143 262 834**	**132 412 415**	**143 262 834**	**82 243 736**

The fair value of trade and other receivables classified as loans and receivables is as follows:

	Inflation Adjusted 2021 ZWL	Inflation Adjusted 2020 ZWL	Historical Cost 2021 ZWL	Historical Cost 2020 ZWL
Trade receivables	133 627 938	131 035 580	133 627 938	81 388 559
Other receivables	9 634 896	1 376 835	9 634 896	855 177
	143 262 834	**132 412 415**	**143 262 834**	**82 243 736**

The carrying value of trade and other receivables at amortised cost approximates fair value.

The movement in the impairment allowance has been included in the operating expenses line item in profit or loss.

Impairment of trade receivables

The company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade and other receivables. To measure expected credit losses on a collective basis, trade and other receivables are grouped based on similar credit risk and their aging.

The expected loss rates are based on the company's historical credit losses assessed over the past 3 years. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the company's clients. The company has identified Gross Domestic Product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors and accordingly adjusts historical loss rates for expected changes in these factors.

The table below describes the credit loss allowances recognised in the statement of profit or loss:

Cernol Chemicals	**Current ZWL**	**More than 30 days past due ZWL**	**More than 60 days past due ZWL**	**More than 90 days past due ZWL**	**More than 120 days past due ZWL**	**Total ZWL**
Gross carrying amount	81 263 289	12 726 883	248 436	24 006	194 420	94 457 034
Average ECL	0.3%	1%	1.5%	2%	2.5%	
Credit losss allowance	**247 790**	**127 269**	**3 727**	**480**	**4 861**	**380 126**

General Beltings	Current ZWL	More than 30 days past due ZWL	More than 60 days past due ZWL	More than 90 days past due ZWL	Total ZWL
Gross carrying amount	157 223	14 304 878	15 786 657	4 947 112	35 195 870
Average ECL	0%	0.5%	1%	2%	
Credit losss allowance	-	71 524	157 867	98 942	328 333
Total credit loss allowance					708 459

Movements in the impairment allowance for trade receivable are as follows:

	Inflation Adjusted		Historical Cost	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
At 1 January	2 123 762	3 294 570	1 775 278	456 171
Effects of IAS 29	(348 484)	(2 560 135)	-	-
Increase/(Decrease) during the year	(1 066 819)	2 123 762	(1 066 819)	1 319 107
As at 31 December	**708 459**	**2 858 197**	**708 459**	**1 775 278**
7 Cash and cash equivalents				
For the purposes of statement of cash flows, cash and cash equivalents consist of:				
Bank and cash balances	**19 106 374**	**17 110 045**	**19 106 374**	**10 627 357**
8 Share capital				
Authorised				
640 000 000 ordinary shares of ZWL 0.001 each	640 000	640 000	640 000	640 000
Issued and fully paid				
536 588 624 ordinary shares of ZWL 0.001 each	**28 658 715**	**28 658 715**	**536 588**	**536 588**

Unissued shares are under the control of the directors subject to the limitations imposed by the Companies and other Business Entities Act (Chapter 24:31) and the requirements of the Zimbabwe Stock Exchange.

9 Share option reserve

The company has an equity-settled remuneration scheme for the executive directors and certain senior employees. The only vesting condition being that the individual remains an employee of the company over the same period.

Details of the share option plan are as follows:

2021	Number of options	Exercise price ZWL	Share option reserve ZWL	Inflation adjusted ZWL
Outstanding at the beginning of the year	6 400 000	0.003	19 200	1 025 456
Exercised during the year	-	-	-	-
Granted during the year	-	-	-	-
Outstanding at the end of the year	6 400 000	0.003	19 200	1 025 456

2020	Number of options	Exercise price ZWL	Share options reserve ZWL	Inflation adjusted ZWL
Outstanding at the beginning of the year	6 400 000	0.003	19 200	1 025 456
Exercised during the year	-	-	-	-
Granted during the year	-	-	-	-
Outstanding at the end of the year	6 400 000	0.003	19 200	1 025 456

The exercise price of the options outstanding at 31 December 2021 was ZWL 0.003. Of the total number of options outstanding at 31 December 2021, 6 400 000 (2020: 6 400 000) had vested and were exercisable.

The estimated fair value of the share options granted in the Employee Share Ownership scheme is ZWL 0.003, which is equal to the share price at the date of grant. This was measured at the fair value of the equity instrument at the grant date.

	Inflation Adjusted		Historical Cost	
	2021 ZWL	**2020 ZWL**	**2021 ZWL**	**2020 ZWL**
10 Deferred tax				
Analysis of deferred tax				
Accelerated wear and tear on property, plant and equipment	90 830 402	93 042 877	(1 161 239)	1 745 332
Unrealised exchange gains	-	2 435 225	-	1 512 562
Leave pay provision	2 756 539	(603 267)	2 756 539	(374 700)
Expected credit losses	175 131	-	175 131	-
	93 762 072	**94 874 835**	**1 770 431**	**2 883 194**
Reconciliation				
Opening balance	94 874 835	95 725 411	2 883 194	1 569 987
Recognised in profit or loss	(1 112 763)	(850 576)	(1 112 763)	1 313 207
Closing balance	**93 762 072**	**94 874 835**	**1 770 431**	**2 883 194**
11 Deferred revenue				
Balance as at 1 January	1 847 937	1 847 937	31 542	33 392
Plant and machinery income realised through profit and loss	(92 397)	(13 070)	(1 577)	(1 850)
Balance as at 31 December	**1 755 540**	**1 834 867**	**29 965**	**31 542**

Deferred revenue relates to equipment that was given to the entity as part of a loyalty programme by one of its suppliers, Nuvo Rubber Compounders. Other componets of equity is credited to profit or loss on a straight line basis over the expected life of the equipment of 20 years.

	Inflation Adjusted		Historical Cost	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
12 Borrowings				
Central African Building Society (CABS)	762 914	1 228 292	762 914	762 914
FBC Bank	45 001 989	3 202	45 001 989	1 989
	45 764 903	1 231 494	45 764 903	764 903
Less Short term portion of borrowings	(45 764 903)	(1 231 494)	(45 764 903)	(764 903)
Long term portion of borrowings	-	-	-	-

The FBC short term loan facility accrues interest at 47.5% per annum and is repayable by the 30th of November 2022. The loans are secured by land and buildings with a carrying amount of ZWL 2 146 177. The CABS loan facility accrues interest at 10% per annum and is repayable in monthly instalments until 30 June 2022. The loan is secured by land and buildings with a carrying amount of ZWL 1 631 387.

	Inflation Adjusted 2021 ZWL	Inflation Adjusted 2020 ZWL	Historical Cost 2021 ZWL	Historical Cost 2020 ZWL
13 Trade and other payables				
Trade payables	47 754 331	69 657 185	47 754 331	43 265 332
Other payables	67 478 228	48 910 356	67 478 228	30 379 103
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	115 232 559	118 567 541	115 232 559	73 644 435
Other payables-VAT and social security payables	18 835 319	20 792 619	18 835 319	12 914 670
Total trade and other payables	**134 067 878**	**139 360 160**	**134 067 878**	**86 559 105**
14 Revenue				
Sale of chemicals	285 850 444	190 473 233	242 551 533	83 743 603
Sale of rubber	289 468 592	346 896 151	217 787 301	152 516 619
	575 319 036	**537 369 384**	**460 338 834**	**236 260 222**
15 Loss/ (Profit) before tax				
Profit(Loss) before tax is shown after taking into account the following:				
Income				
Plant and machinery income realised through profit and loss	92 397	13 070	1 577	1 850
Expenses				
Depreciation charge for the year	11 897 803	511 061	14 310 087	317 429
Increase in allowance for credit losses	(708 459)	2 123 762	(708 459)	1 319 107
Net foreign exchange gains	-	(9 851 231)	-	(6 118 777)
Staff costs	107 206 580	34 715 277	84 821 448	21 562 284
Audit fees	5 191 157	5 067 159	5 191 157	2 877 431
Pension contributions	2 065 642	3 674 748	1 600 760	2 200 550
Directors emoluments:				
- for services as directors	5 906 757	3 816 761	4 577 415	1 801 495
- for other services	40 557 701	19 288 201	31 430 007	9 073 352

	Inflation Adjusted 2021 ZWL	Inflation Adjusted 2020 ZWL	Historical Cost 2021 ZWL	Historical Cost 2020 ZWL
16 Income tax expense				
Current tax	11 644 198	20 012 930	9 026 510	12 430 391
Deferred tax	(1 112 763)	(850 576)	(1 112 763)	1 313 207
	10 531 435	**19 162 354**	**7 913 747**	**13 743 598**
Tax rate reconciliation				
Profit/(loss) before tax	40 488 836	139 950 917	26 157 301	51 945 194
Tax at statutory rate of 24.72%	10 008 840	34 595 866	6 466 085	13 942 808
Tax effect of:				
Legal fees	3 188 880	281 452	24 720	25 684
Profit on disposal of equipment	-	(1 569 375)	-	(974 767)
Government 2% tax	1 367 913	768 976	1 060 398	331 588
Other non deductable items	467 683	4 385 300	362 545	418 285
IAS 29 effects	(4 501 881)	(19 299 865)	-	-
	10 531 435	**19 162 354**	**7 913 747**	**13 743 598**
17 Earnings per share (EPS)				
Profit/(loss) from continuing operations attributable to equity holders of the company	(5 150 901)	68 150 634	22 207 076	38 201 596
Number of shares used in calculating loss per share				
Weighted average number of shares used in basic LPS	536 588 624	536 588 624	536 588 624	536 588 624
Effect of employee share options	6 400 000	6 400 000	6 400 000	6 400 000
Weighted average number of shares used in diluted LPS	**542 988 624**	**542 988 624**	**542 988 624**	**542 988 624**

Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to ordinary equity holders of the parent company by the average number of ordinary shares in issue during the year.

Headline loss per share

Headline loss per share is calculated by dividing the headline loss for the year attributable to ordinary equity holders of the parent company by the weighted average number of shares in issue during the year.

Headline loss is calculated as follows:

	Inflation Adjusted 2021 ZWL	Inflation Adjusted 2020 ZWL	Historical Cost 2021 ZWL	Historical Cost 2020 ZWL
Profit/(loss) for the year attributable to ordinary holders of the company	(5 150 901)	68 150 634	22 207 076	38 201 596
Profit on disposal of vehicles	-	(1 569 375)	-	(974 767)
Differed revenue realised	(92 397)	(13 070)	1 577	(1 758)
Headline profit/(loss)	**(5 243 298)**	**66 568 189**	**22 208 653**	**37 225 071**
Basic loss per share (cents)	(0.010)	0.127	0.041	0.071
Diluted loss per share (cents)	(0.009)	0.126	0.041	0.070
Headline profit per share (cents)	(0.010)	0.123	0.041	0.069

18 Post employment benefits

National Social Security Authority scheme
All employees are members of the National Social Security Authority Scheme which is a contributory pension scheme. The scheme is administered by the National Social Security Authority. This scheme was promulgated under the National Social Security Authority Act of 1989. The company's obligations under the scheme are limited to specific contributions as legislated from time to time and are presently 3.5% of pensionable emoluments up to a maximum of ZWL 5 00 000 per month. Contributions for the year were ZWL 1 600 760.

19 Related party information

19.1 Related party	**Nature of relationship**
Reliable Cleaners (Private) Limited	Controlled by Managing Director

19.2 Related party transactions

The following represent transactions with related parties during year:

	Inflation adjusted		Historical Cost	
	2021	2020	Amounts owed by related parties	
Related party	**ZWL**	**ZWL**	**ZWL**	**ZWL**
Reliable Cleaners (Private) Limited	822 423	377 621	-	-

19.3 Compensation to key management

Key management are employees who have authority, are responsible for planning, directing and controlling the activities of the company on a day to day basis.

	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
Short term employee benefits	44 881 830	46 491 012	34 780 971	28 876 405
Long term benefits	15 217 584	23 117 832	11 792 798	9 073 352
	60 099 414	**69 608 844**	**46 573 769**	**37 949 757**

20 Financial instruments - Risk management

The company is exposed through its operations to the following financial risks:
1. Credit risk
2. Cash flow interest rate risk
3. Liquidity risk

In common with all other businesses, the company is exposed to risks that arise from its use of financial instruments. This note describes the company's objectives, policies and processes for managing those risks and methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from the previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the company, from which financial instrument risk arises, are as follows:

a) Trade and other receivables
b) Bank and cash balances
c) Trade and other payables
d) Borrowings
e) Bank overdraft

A summary of the financial instruments held by category is provided below:

	Inflation Adjusted		Historical Cost	
	Loans and receivables 2021 ZWL	Loans and receivables 2020 ZWL	Loans and receivables 2021 ZWL	Loans and receivables 2020 ZWL
Financial assets				
Bank and cash balances	19 106 374	17 110 045	19 106 374	10 627 357
Trade and other receivables	143 262 834	132 412 415	143 262 834	82 243 736
	162 369 208	**149 522 460**	**162 369 208**	**92 871 093**
Financial liabilities	**At amortised cost 2021 ZWL**	**At amortised cost 2020 ZWL**	**At amortised cost 2021 ZWL**	**At amortised cost 2020 ZWL**
Borrowings	45 764 903	1 231 494	45 764 903	764 903
Trade and other payables	134 067 878	139 360 159	134 067 878	86 559 105
	179 832 781	**140 591 653**	**179 832 781**	**87 324 008**

Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, trade and other receivables, accounts payable and borrowings. Due to their short term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables approximates their fair value.

General objectives, policies and processes

The Board has overall responsibility for the determination of the company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the company's executive management. The company's internal auditors also review the risk management policies and processes and report their findings to the board of directors.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the company's competitiveness and flexibility. Further details regarding these policies are set out below.

20.1 Credit risk

Financial assets which potentially subject the company to concentrations of credit risk consists primarily of bank balances and trade and other receivables. The company's bank balances are placed with high quality financial institutions. The credit risk with respect to trade receivable is managed by individually assessing the credit worthiness of each customer before the company's standard credit terms are offered. Further disclosures regarding the trade and other receivables which are neither past due nor impaired are provided in Note 6.

20.2 Cash flow interest rate risk

The company is exposed to cash flow interest rate risk from borrowings and the bank overdrafts. Interest rates on existing facilities are fixed.

20.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company manages its liquidity risk through regular review of daily, weekly, monthly cash flows. In events of critical gaps, the company uses its borrowing facilities which are limited to levels set by the board. The facilities are loans as disclosed in note 12.

The table summarizes the maturity profile of the company's financial liabilities at 31 December 2021 based on contractual undiscounted payments:

At 31 December 2021	**Up to 3 months months ZWL**	**3 to 12 months months ZWL**	**1 to 5 years years ZWL**	**Over 5 years years ZWL**	**Total ZWL**
Borrowings	45 764 903	-	-	-	45 764 903
Trade and other payables	134 067 878	-	-	-	134 067 878
	179 832 781	**-**	**-**	**-**	**179 832 781**

At 31 December 2020	**Up to 3 months months ZWL**	**3 to 12 months months ZWL**	**1 to 5 years years ZWL**	**Over 5 years years ZWL**	**Total ZWL**
Borrowings	764 903	-	-	-	764 903
Trade and other payables	86 559 105	-	-	-	86 559 105
	87 324 008	**-**	**-**	**-**	**87 324 008**

21 Segment information

Description of products from which each reportable segment derives its revenues

The rubber segment is involved in the production and marketing of rubber products and conveyor belting products, generating 45% (2020: 55%) of the company's external revenue.

The chemical segment is involved in the manufacturing, importation and distribution of chemical products and contributed 55% (2020: 45%) of the company's external revenue.

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.

Segment assets exclude tax assets and assets used primarily for corporate purposes. Segment liabilities exclude tax liabilities and defined benefit liabilities. Loans and borrowings are allocated to the segments based on relevant factors (e.g. funding requirements). Details are provided in the reconciliation from segment assets and liabilities to the company position.

	Inflation Adjusted			Historical Cost		
2021	**Chemicals ZWL**	**Rubber ZWL**	**Company ZWL**	**Chemicals ZWL**	**Rubber ZWL**	**Company ZWL**
Revenue	285 850 444	289 468 592	575 319 036	242 551 533	217 787 301	460 338 834
Inter-segmental revenue	-	-	-	-	-	-
Revenue from external customers	285 850 444	289 468 592	575 319 036	242 551 533	217 787 301	460 338 834
Depreciation charge	4 759 121	7 138 682	11 897 803	1 429 052	582 981	2 012 033
Segment profit/(loss)	8 834 744	48 676 485	(2 771 535)	38 210 783	29 299 595	22 207 076
Finance expense	(2 877 583)	(273 992)	(3 151 575)	(3 151 575)	(260 975)	(3 412 550)
Company profit/ (loss) before tax	**5 957 161**	**48 402 493**	**(5 923 110)**	**35 059 208**	**29 038 620**	**18 794 526**
2020						
Revenue	190 473 233	346 896 151	537 369 384	83 743 603	152 516 619	236 260 222
Inter-segmental revenue	-	-	-	-	-	-
Revenue from external customers	190 473 233	346 896 151	537 369 384	83 743 603	152 516 619	236 260 222
Depreciation	4 779 241	9 530 846	14 310 087	106 014	211 415	317 429
Segment profit/(loss)	49 773 127	84 689 542	140 041 888	25 346 484	76 141 017	51 977 257
Finance expense	-	-	(90 971)	-	-	(32 063)
Company profit/ (loss) before tax	**49 773 127**	**184 689 542**	**139 950 917**	**25 346 484**	**76 141 017**	**51 945 194**
2021						
Reportable segment assets	430 454 634	230 698 415	661 153 049	150 557 937	101 337 100	251 895 037
Corporate headoffice			1 744			1 744
Total company assets	**430 454 634**	**230 698 415**	**661 154 793**	**150 557 937**	**101 337 100**	**251 896 781**
Reportable segment liabilities	89 429 117	19 392 251	108 821 368	89 429 117	19 392 251	108 821 368
Borrrowings	45 000 000	1 989	45 001 989	45 000 000	1 989	45 001 989
Corporate liabilities				-	-	
Liabilities	-	-	47 477 375	-	-	46 864 563
Borrowings	-	-	762 914	-	-	762 914
Deferred tax liability	-	-	94 874 835	-	-	1 770 431
Total company liabilities	**134 429 117**	**19 394 240**	**296 938 481**	**134 429 117**	**19 394 240**	**203 221 265**
2020						
Reportable segment assets	210 001 070	433 338 735	643 339 805	45 978 254	94 876 462	140 854 716
Corporate headoffice			81 695			17 886
Total company assets	210 001 070	433 338 735	643 421 500	45 978 254	94 876 462	140 872 602
Reportable segment liabilities	20 463 503	76 470 014	96 933 516	12 710 250	46 519 964	59 230 214
Borrowings	-	3 202	3 202	-	1 989	1 989
Corporate liabilities						
Liabilities	-	-	64 485 650	-	-	39 922 011
Borrowings	-	-	1 228 292	-	-	762 914
Deferred tax liability	-	-	94 874 835	-	-	2 883 194
Total company liabilities	**-**	**-**	**257 525 496**	**-**	**-**	**102 800 322**

22 Management of capital

The company's objective when maintaining capital are:

i) To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

ii) To provide adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company sets the amount of capital it requires in proportion to risk. The company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The company's capital is made up of the following:

	Inflation Adjusted		Historical Cost	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
Share capital	28 658 715	28 658 715	536 588	536 588
Share option reserve	1 025 456	1 025 456	19 200	19 200
Non distributable reserve	-	(5 148 147)	-	(712 820)
Retained earnings	334 532 141	361 359 980	48 119 728	38 229 313
	364 218 332	**385 896 004**	**48 675 516**	**38 072 281**

23 Capital commitments

	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
Authorised but not contracted for	-	122 778 600	-	76 260 000

The capital expenditure will be funded from the company's own resources and borrowings.

24. GOING CONCERN

The Directors have assessed the ability of the entity to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. However, the Directors believe that under the current economic environment a continuous assessment of the ability of the entity to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements

25 THE CORONAVIRUS PANDEMIC (COVID-19)

Management has considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern. The extent of the impact of COVID-19 on the Company's operational and financial performance will depend on certain developments including the duration and spread of the outbreak, impact on its customers, employees and vendors all of which are uncertain and cannot be reasonably estimated at this time.

26 SUBSEQUENT EVENTS AFTER REPORTING DATE

Russian invasion of Ukraine Subsequent to year end, and at the time of finalizing the financial statements, the Russian invasion of Ukraine has had a significant impact on commodity prices, including increased oil, gas, other commodity (ammonia nitrate, copper, steel etc) and gold prices. The oil price is a driver for a number of input costs for the company including diesel and transport costs. Management considered the impact of the high inflationary environment in the business planning process used to determine the 2022 operational plan and guidance. However, further significant increases in oil, gas and other commodity prices and could have an adverse effect on the Company's business operating results (including increased all-in costs) and financial condition

27 Approval of financial statements

These financial statements were authorised by the Board of Directors for issue on 17 April 2021.

Top Ten Shareholders	Total holding	% of total holding
JEMAIMAH SYNERGIES (PVT) LTD	231,893,327	43
FBC PENSION FUND	100,455,283	19
GENERAL BELTINGS EMPLOYEE SHARE PARTICIPATION TRUST	47,909,266	0.9
PRAKASH, RAD IA	18,128,897	0.3
STANBIC NOMINEES (PRIVATE)LIMITED	15,270,489	0.3
GENERAL BELTINGS MANAGEMENT SHARE PARTICIPATION TRUST	12,365,408	0.2
CHITEPO, BERNARD NORMAN	11,149,839	0.2
TSUROH, WILBROAD	10,514,091	0.2
MAMWADIABIGAI FREEMAN-NNR	8,284,781	0.2
AKSIATRUST	5,844,793	0.1
Top Ten Shareholding	**461,816,174**	**86**
Remaining holding	**75,039,449**	**14**
Total Issued Shares	**536,588,623**	**100**

Analysis by category of shareholders

Industry	No. of shareholders	% of total shares	Total shares	% of total s.holders
Company Local	122	0.11	250,341,855	47
Employee	13	0.01	67,323,133	13
EST	1	0.00	109	0
Fund Managers	2	0.00	3,005	0
Insurance Companies	1	0.00	482,530	0
InvestmentTrustsAnd Property	12	0.01	9,732,103	2
Local Resident	935	0.82	55,186,512	10
Nominees Local	31	0.03	24,833,050	5
Non Resident	1	0.00	371,270	0
Non Resident Individual	13	0.01	22,531,271	4
Other Corporate Holdings	1	0.00	2,000	0
Pension Fund	7	0.01	105,781,785	20
Total	**1,139**	**1.00**	**536,588,623**	**100**

COUNTRIES	No. of shareholders	% of total shares	Total shares	% of total s.holders
AUSTRALIA	1	0.00	668,731	0.00
BOTSWANA	1	0.00	50	0.00
ESTONIA	1	0.00	150,000	0.00
KENYA	1	0.00	18,128,897	1.0
MAURITIUS	1	0.00	3,216,664	1.0
NAMIBIA	1	0.00	19,175	0.00
SOUTHAFRICA	3	0.00	196,109	0.00
SWEDEN	3	0.00	10,006,936	3.0
UNITED KINGDOM	5	0.00	43,153	0.00
United States ofAmerica	1	0.00	371,270	0.00
ZIMBABWE	1121	0.98	503,787,638	95
TOTALS	**1,139**	**1**	**536,588,623**	**100**

SHAREHOLDING DISTRIBUTION	No. of shareholders	% of total shares	Total shares	% of total shareholders
0 -100	194	0.17	6,638	0.00
101 - 200	52	0.05	7,455	0.00
201- 500	108	0.09	34,968	0.00
501 - 1,000	114	0.10	88,879	0.00
1,001- 5,000	286	0.25	790,550	0.00
5,001 - 10,000	101	0.09	764,509	0.00
10,001- 50,000	156	0.14	3,645,499	1.0
50,001 - 100,000	40	0.04	2,863,337	1.0
100,001- 500,000	46	0.04	10.710,017	2.0
500,001 - 1,000,000	13	0.01	8.976,221	2.0
1,000,001 - 10,000,000	22	0.02	71,530,673	13
10.000.001-	7	0.01	437,169,877	81
TOTALS	**1,139**	**1.00**	**536,588,623**	**100**

Notice is hereby given that the Nineteenth Annual General Meeting of members of GB Holdings Limited will be held in the **Cernol Chemicals Boardroom, 111 Dagenham Road, Willowvale, Harare on Tuesday 28 June 2022 at 11.30 hours.** The Agenda of the meeting:

ORDINARY BUSINESS

1. To receive, consider and adopt The Financial Statements for the year ended 31 December 2021, together with the reports of Directors and Auditors thereon. **NB:** The full annual report can be viewed online on **www.gbholdings.co.zw.**

2. To elect directors of the Company as required by section of the Companies & Business Entities Act (Chapter 24:31).

2.1. Mr. G. G. Nhemachena, retires by rotation in terms of Article 95 of the Company's Articles of Association and being eligible, offers himself for re-election.

2.2. Mr. T. Mabeza retires by rotation in terms of Article 95 of the Company's Articles of Association and being eligible, offers himself for re-election.

3. To approve the remuneration of the Directors for the year ended 31 December 2021.

4. To approve the remuneration of the Auditors for the year ended 31 December 2021.

5. To appoint Auditors for the current year. Grant Thornton Chartered Accountants, have been external auditors for the company for 1 year and being eligible, offer themselves for reappointment.

A member entitled to attend and vote at the meeting may appoint any person or persons to attend, speak and vote in his stead. A proxy need not be a member of the Company.

Proxy forms must be received at the registered office of the Company or be lodged with the **Transfer Secretaries, First Transfer Secretaries (Private) Limited, 1 Armagh Avenue, Eastlea, P.O Box 11, Harare**, not less than 48 hours before the meeting.

By Order of the Board

P. Munyanyi
Company Secretary
111 Dagenham Road
Willowvale
Harare

27 May 2022