



National Tyre Services Limited

AUDITED ABRIDGED FINANCIAL RESULTS FOR THE YEAR ENDED

31 MARCH 2022

CHAIRMAN'S STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

ECONOMIC OVERVIEW

As the economy is yet to fully recover from the negative effects of Covid-19 pandemic, the tensions in Eastern Europe have resulted in record price escalations and inflation globally. Continued increase in energy costs and the knock-on effects thereof, are negatively affecting business operations. Continued scarcity of foreign currency is impacting stock supply and affecting price stability.

OPERATIONS REVIEW

National Tyre Services growth remains on an uptrend despite the challenges the economy. During the financial year 2021/2022 new tyres volumes grew by 18% compared to prior year given market driven stocking initiatives being implemented by the Company. Fleet management initiatives implemented during the year contributed to improved sales. Although we registered growth in volumes, the company could not fulfil all customer orders for truck, bus and agricultural tyres due to supply chain constraints. We also experienced pressure on company margins due to increased costs of imported raw materials.

Retreading

The Company's commitment to improve rubber supply sustained our retreading economy. During the financial year 2021/2022 we had up 13% compared to prior year and would have been higher had it not been for the frequent electricity outages that stalled production.

FINANCIAL REVIEW

Sales grew by 28% (inflation adjusted) to ZWL 1,223 billion (2021: ZWL956 million) due to the continued implementation of the turnaround strategy buoyed by the right product mix. Gross profit increased by 114% to ZWL818 million (2021: ZWL429 million).

Total operating expenses increased by 73% (inflation adjusted) to ZWL674 million (2021: ZWL390 million) due to inflation and increases in administration costs incurred for opening of new branches.

Total assets, increased by 258% (inflation adjusted) to ZWL 2.5 billion (2021:ZWL175 million) due to fair value adjustment on investment property and revaluation of owner-occupied property.

Overall, the financial performance and position of the company remained strong for the year ended 31 March 2022.

DIVIDEND

Passed with a fluid outlook, the Board deemed it prudent to preserve capital and not declare a dividend in support of expanding the retail network to capture market share and enhance service delivery for long term sustainability.

OUTLOOK

National Tyre Services is poised for continued growth leveraging on growing demand for our products and services in Zimbabwe. The Company remains confident that the fiscal measures being implemented by the central government will improve price stability, availability of foreign currency and stabilise exchange rates in the medium to long-term. The Company remains focused on building strong partnerships with customers and suppliers to sustain business operations given the new challenges affecting the global supply chain of input commodities.


R.J. Moyo
Chairman
28 June 2022

A. ABRIDGED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

Notes	INFLATION ADJUSTED		HISTORICAL COST	
	AUDITED 31 MAR 2022 ZWL	AUDITED 31 MAR 2021 ZWL	AUDITED 31 MAR 2022 ZWL	AUDITED 31 MAR 2021 ZWL
Revenue	4 1,223,003,096	956,325,603	921,085,289	450,227,302
Gross profit	917,853,174	429,345,665	600,701,825	235,993,065
Exchange (loss) / gain	18,519,050	32,070,015	14,357,124	10,781,466
Other income	236,754,887		266,676,675	
Fair value adjustments on investment properties	488,175,988	71,778,115	233,458,596	76,155,882
Finance charges	(92,232,602)	(35,218,578)	(74,454,613)	(17,883,552)
Profit before tax and monetary gain	405,883,386	36,558,537	155,953,983	58,272,330
Monetary (loss) / gain	(42,612)	207,623		
Income tax expense	(334,623,089)	(33,927,640)	(179,019,750)	(18,605,551)
(Profit) loss for the period	(17,121,685)	2,836,520	(20,055,677)	39,666,779
Gain on fair value through OCI investments	1,378,740,155	(211,504)	798,365,213	
Net of tax	1,242,577	10,576	124,577	143,712
Other comprehensive income				
Total comprehensive income for the period	1,450,082,417	2,637,592	778,434,023	39,810,491
Number of shares in issue (thousands)	253,872	253,872	253,872	253,872
Earnings per share (cents)	28.05	1.12	(7.90)	15.62
Diluted earnings per share (cents)	28.05	1.12	(7.90)	15.62
Headline earnings per share (cents)	28.05	1.12	(7.90)	15.62

B. ABRIDGED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

Notes	INFLATION ADJUSTED		HISTORICAL COST	
	AUDITED 31 MAR 2022 ZWL	AUDITED 31 MAR 2021 ZWL	AUDITED 31 MAR 2022 ZWL	AUDITED 31 MAR 2021 ZWL
ASSETS				
Non current assets	2,084,186,748	448,794,272	963,838,844	33,696,037
Property, plant and equipment	6 1,734,121,777	281,212,447	818,375,220	23,210,734
Intangible assets	7,240,026	4,891,032	2,366,372	501,329
Investment property	241,953,477	53,490,156	140,104,196	837,489
Right of use assets	100,289,117	108,742,860	2,653,133	8,881,407
Fair value through other comprehensive income investments	582,351	457,774	339,953	265,078
Total assets	4 473,511,856	266,398,882	352,927,441	151,718,452
LIABILITIES				
Current liabilities	2,557,698,604	715,193,154	1,316,766,285	185,414,489
EQUITY AND LIABILITIES				
Shareholder's equity	1,841,114,726	411,895,342	832,687,978	54,253,958
Deferred tax	399,342,822	77,609,218	166,837,251	474,619
Lease liability	11,464,157	24,294,704	11,464,157	14,067,950
Long term loan	7 1,613,177	1,613,177		934,117
Short term loan	9 147,573,436	134,471,402	147,573,436	77,868,019
Trade and other payables	10 158,203,463	65,306,211	158,203,463	37,815,829
Total equity and liabilities	2,557,698,604	715,193,154	1,316,766,285	185,414,489

C. ABRIDGED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	AUDITED 31 MAR 2022 ZWL	AUDITED 31 MAR 2021 ZWL	AUDITED 31 MAR 2022 ZWL	AUDITED 31 MAR 2021 ZWL
Opening balance	412,310,409	409,672,817	54,253,955	14,443,464
Profit for the period	1,450,082,417	2,637,592	778,434,023	39,810,491
Closing balance	1,862,392,826	412,310,409	832,687,978	54,253,955

D. ABRIDGED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	AUDITED 31 MAR 2022 ZWL	AUDITED 31 MAR 2021 ZWL	AUDITED 31 MAR 2022 ZWL	AUDITED 31 MAR 2021 ZWL
Cash flows from operating activities before changes in working capital	316,464,029	108,036,150	117,305,119	80,947,272
Changes in working capital	(112,616,309)	(90,464,164)	(77,588,393)	(99,157,776)
Income tax paid	(11,698,897)	(32,675,744)	(8,826,170)	(14,990,892)
Net cash generated from operating activities	192,149,023	(15,103,758)	30,799,556	(33,201,396)
Net cash flows utilized in investing activities	(25,372,160)	(37,407,257)	(18,653,347)	(18,473,343)
Net cash flows from financing activities	(27,376,205)	86,868,663	(5,723,317)	52,812,151
Net decrease/(increase) in cash and cash equivalents	139,400,658	34,357,648	6,413,892	1,137,412
Cash and cash equivalents at beginning of the year	10,976,276	30,690,594	6,365,858	5,218,446
Effects of inflation	(137,607,184)	(54,071,966)	-	-
Cash and cash equivalents at the end of the period	12,769,750	10,976,276	12,769,750	6,365,858

E. NOTES TO THE ABRIDGED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. BASIS OF PREPARATION & PRESENTATION

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the International Financial Reporting Interpretations. They are also prepared in accordance with the Companies and Other Business Entities Act (Chapter 24:31). The financial statements are based on statutory records that are maintained under the historical cost convention. Historical cost is generally based on fair value of consideration given in exchange for assets.

2. INDEPENDENT EXTERNAL AUDITORS' STATEMENT

These abridged financial statements should be read in conjunction with the full set of inflation adjusted financial statements for the year ended 31 March 2022, which have been audited by Messrs Grant Thornton Chartered Accountants, Farai Chibisa (Audit Partner), PAB No: 0547. An adverse opinion was issued thereon in respect of the non-compliance with International Accounting Standards (IAS) 21 – The Effects of Changes in Foreign Exchange Rates, International Accounting Standard (IAS) 29 – Financial Reporting in Hyperinflationary Economies and Valuation of Investment Property and Owner Occupied Property.

3. ACCOUNTING POLICY

Accounting policies and methods are consistent in all material respects with those used in the prior year and with the requirements of International Financial Reporting Standards ("IFRS") applicable for the year ended 31 March 2022.

4. REVENUE

	INFLATION ADJUSTED 31 MAR 2022 ZWL	AUDITED 31 MAR 2021 ZWL	HISTORICAL COST 31 MAR 2022 ZWL	AUDITED 30 MAR 2021 ZWL
Revenue from sale of goods	1,150,117,944	897,824,958	865,934,266	422,563,645
Revenue from rendering of services	72,885,152	58,500,645	55,151,020	27,663,657
	1,223,003,096	956,325,603	921,085,289	450,227,302

5. PROFIT BEFORE TAX AND MONETARY GAIN

	INFLATION ADJUSTED 31 MAR 2022 ZWL	AUDITED 31 MAR 2021 ZWL	HISTORICAL COST 31 MAR 2022 ZWL	AUDITED 30 MAR 2021 ZWL
Profit for the period has been arrived at after charging/(crediting):				
Transport charges	21,296,914	25,980,099	12,527,515	559,743
Technical fees	31,344,379	44,993,794	18,437,750	1,282,283
Electricity and lighting	7,726,693	6,171,402	4,545,084	248,558
Rental income from investment property	(170,540,542)	(11,341,500)	(10,715,887)	(1,088,687)
Staff remuneration	272,218,335	154,731,968	160,127,391	6,432,580
Remuneration of directors				
Fees for services as directors	5,531,464	3,667,031	4,227,459	3,230,864

6. PROPERTY, PLANT AND EQUIPMENT

	INFLATION ADJUSTED 31 MAR 2022 ZWL	AUDITED 31 MAR 2021 ZWL	HISTORICAL COST 31 MAR 2022 ZWL	AUDITED 30 MAR 2021 ZWL
Carrying amount at beginning of period	281,212,447	256,229,405	23,210,734	6,602,291
Revaluation	1,448,131,498		792,674,397	
Additions	22,756,066	36,885,251	16,588,026	18,158,610
Disposals	(113,589)	(42,920)	(113,589)	(7,297)
Depreciation	(18,864,645)	(11,859,289)	(13,885,347)	(1,542,870)
Carrying amount at beginning of the period	1,734,121,777	282,212,447	818,375,220	23,210,734

7. LEASES

National Tyre Services leases six properties with an average lease period of 3 years. In the year ending 31 March 2022, National Tyre Services has applied IFRS 16 Leases (as issued by the IASB in January 2016) which is effective on or after 01 January 2019. National Tyre Services has applied IFRS 16 using the modified retrospective approach, with restatement of comparative information.

Assets

	INFLATION ADJUSTED 31 MAR 2022 ZWL	AUDITED 31 MAR 2021 ZWL	HISTORICAL COST 31 MAR 2022 ZWL	AUDITED 30 MAR 2021 ZWL
Right of use assets	100,289,117	108,742,860	2,653,133	8,881,407

Equity and liabilities

	INFLATION ADJUSTED 31 MAR 2022 ZWL	AUDITED 31 MAR 2021 ZWL	HISTORICAL COST 31 MAR 2022 ZWL	AUDITED 30 MAR 2021 ZWL
Lease liability	11,464,157	24,294,704	11,464,157	14,067,950

8. CURRENT ASSETS

	INFLATION ADJUSTED 31 MAR 2022 ZWL	AUDITED 31 MAR 2021 ZWL	HISTORICAL COST 31 MAR 2022 ZWL	AUDITED 30 MAR 2021 ZWL
Inventories	445,115,663	204,980,208	324,979,396	116,555,398
Trade and other receivables	15,626,443	50,442,398	15,178,295	28,807,196
Bank and cash balances	12,769,750	10,976,276	12,769,750	6,355,858
	473,511,856	266,398,882	352,927,441	151,718,452

9. BORROWINGS

	INFLATION ADJUSTED 31 MAR 2022 ZWL	AUDITED 31 MAR 2021 ZWL	HISTORICAL COST 31 MAR 2022 ZWL	AUDITED 30 MAR 2021 ZWL
Long term loan		1,613,177		934,117
Short term loan	147,573,436	134,471,402	147,573,436	77,868,019

The loans from local financial institutions outstanding at reporting date attract interest of 46%, 49% and 51% per annum.

10. TRADE AND OTHER PAYABLES

	INFLATION ADJUSTED 31 MAR 2022 ZWL	AUDITED 31 MAR 2021 ZWL	HISTORICAL COST 31 MAR 2022 ZWL	AUDITED 30 MAR 2021 ZWL
Trade	73,778,710	32,121,764	73,778,710	18,600,240
Other payables	84,424,753	33,184,447	84,424,753	19,215,589
	158,203,463	65,306,211	158,203,463	37,815,829

11. RELATED PARTY TRANSACTIONS AND BALANCES

Expenses

	INFLATION ADJUSTED 31 MAR 2022 ZWL	AUDITED 31 MAR 2021 ZWL	HISTORICAL COST 31 MAR 2022 ZWL	AUDITED 30 MAR 2021 ZWL
Simply Africa (Private) Limited - technical fees	18,437,751	44,993,794		1,282,283

Balances

	INFLATION ADJUSTED 31 MAR 2022 ZWL	AUDITED 31 MAR 2021 ZWL	HISTORICAL COST 31 MAR 2022 ZWL	AUDITED 30 MAR 2021 ZWL
Payables:				
Simply Africa (Private) Limited - purchase of goods				-
Simply Africa (Private) Limited - technical fees	6,181,437	12,973,014	6,181,437	1,708,366

12. CAPITAL EXPENDITURE COMMITMENTS

	INFLATION ADJUSTED 31 MAR 2022 ZWL	AUDITED 31 MAR 2021 ZWL	HISTORICAL COST 31 MAR 2022 ZWL	AUDITED 30 MAR 2021 ZWL
	168,733,370	168,066,543	168,733,370	97,332,370

13. Going Concern

The Directors have assessed the Company's ability to continue operating as a going concern for the foreseeable future and believe that the preparation of the financial statements on a going basis is appropriate. The Coronavirus (COVID-19) pandemic that spread through all countries of the world has materially altered the operating environment and the Company's business prospects. The pandemic will have negative impact on business operations arising from the restrictions in social and economic activities, heightened safety and health requirements and changes in demand patterns of the company's products.

14. Hyperinflation

The Public Accountants and Auditors Board through its pronouncement provided guidance to all entities that report in accordance with International Financial Reporting Standards (IFRS) on the application of IAS 29 - Financial Reporting in Hyperinflationary Economies. The pronouncement requires that Companies that prepare and present financial statements for financial periods ended on or after 1 July 2019 should apply the requirements of IAS 29 - Financial Reporting in Hyperinflationary Economies.

Source of Indices

The source of the price indices used is the Reserve Bank of Zimbabwe website. Below are the indices and adjusting factors used up to 31 March 2022:-

MONTH	INDICES	ADJUSTING FACTOR
31 Mar at 31 March 2021	2,849.49	1.00
31 Mar at April 2021	2,849.49	1.00
31 Mar at May 2021	2,849.49	1.00
31 Mar at June 2021	2,849.49	1.00
31 Mar at July 2021	2,849.49	1.00
31 Mar at August 2021	2,849.49	1.00
31 Mar at September 2021	2,849.49	1.00
31 Mar at October 2021	2,849.49	1.00
31 Mar at November 2021	2,849.49	1.00
31 Mar at December 2021	2,849.49	1.00
31 Mar at January 2022	2,849.49	1.00
31 Mar at February 2022	2,849.49	1.00
31 Mar at March 2022	2,849.49	1.00

DIRECTORS: R. J. MOYO* (CHAIRMAN), B.P.H. SAMUDZIMU, A. USHE, S.N. MANDIMIKA, B.V. MANCAMA*, M.T. CHINGWENA*, S. SHONHWA*, D. MASHINGAIDZE*, V. MASUNDA*

*Non-Executive

INDEPENDENT AUDITOR'S REPORT

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To the members of National Tyre Services Limited

Report on the Audit of the Inflation Adjusted Financial Statements

Adverse Opinion

We have audited the inflation adjusted financial statements of National Tyre Services Limited set out on pages 8 to 34, which comprise the statement of financial position as at 31 March 2022, 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 Company accounting policies.

In our opinion, because of the significance of the matters described in the *Basis for Adverse Opinion* section of our report, the inflation adjusted financial statements do not present fairly, in all material respects, the financial position of National Tyre Services Limited as at 31 March 2022, 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 March 2022.

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 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 March 2022.

Valuation of Investment Property and Owner Occupied Property

The determination of fair values for assets presented in the financial statements is affected by the prevailing economic environment. These financial statements include the investment property and owner occupied property that is carried at revalued amounts. The valuation of the investment property and owner occupied property was performed by professional valuers as at 31 March 2022. The investment property and owner occupied property valuations were determined in USD and then translated to ZWL using the foreign currency auction rate.

Although the determined USD values reflected the fair value of the property and equipment in USD, the converted ZWL fair values were not in compliance with IFRS 13 as they may not reflect the assumptions that market participants would apply in valuing similar items of property and equipment in ZWL.

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.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Revenue recognition</p> <p>IFRS 15 was applied on revenue recognition.</p> <ul style="list-style-type: none"> • There is a presumed fraud risk with regards 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. 	<p>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. The audit procedures we performed included the following:</p> <ul style="list-style-type: none"> • Reviewed that 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. • Performed analytical procedures and corroborated the explanations provided by management. <p>We were satisfied that the revenue recognition is appropriate.</p>

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, and the other reports which are expected to be made available to us after that date.

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 Directors for the financial statements

Directors are 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 Company 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.

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

Report on legal and other regulatory requirements

In our opinion, except for the effects of the matters described in the *Basis of Adverse Opinion* section of our audit 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 Farai Chibisa.

Grant Thornton

Farai Chibisa

Partner

Registered Public Auditor (PAAB No: 0547)

Grant Thornton

Chartered Accountants (Zimbabwe)

Registered Public Auditors

29 June 2022

HARARE