



We're building the future

Registered Office:

Stand 7753, Corner Canberra Road / Greenock Road,
Workington, Harare, Zimbabwe

CHAIRMAN'S STATEMENT AND REVIEW OF OPERATIONS

Directors' responsibility

The Directors of Zeco Holdings Limited are responsible for the preparation and fair presentation of the group's consolidated financial statements, of which the press release represents an extract. The abridged group interim financial results have been prepared in accordance with International Financial Reporting Standards and in the manner required by the Companies Act (Chapter 24:03) and the Zimbabwe Stock Exchange listing requirements for provisional interim financial statements (interim reports).

Operating overview

The economy continued to experience inflationary pressures from effects of the Russia-Ukraine war which has caused the cost of fuel and gas to go up together with other commodities. This also resulted in an upsurge in the foreign currency prices thus affecting local prices. To counter these inflationary pressures, the Reserve bank increased lending rates from 80% to 200% in June 2022 and also introduced Gold Coins as a store of value. The measures slowed down inflation but also increased cost of borrowing for productive use. There are good prospects for growth in the construction industry and particularly individual housing projects as the national housing backlog continues to grow.

Performance review

The group recorded revenues of ZWL\$23 million (Inflation adjusted \$46 m) for the six months ended June 30, 2022 compared to ZWL\$29 million (Inflation adjusted \$56 m) for the same period last year. During the period, the group recorded a loss of ZWL\$4 million (inflation adjusted \$3.6 m). Total assets as at 30 June 2022 amounted to ZWL\$1,7 billion (inflation adjusted \$1,9 b).

COVID 19 IMPACT

Covid-19 restrictions have been removed except for a few resulting in more productive hours for work as working hours are now pre-Covid. We expect a total removal of the remaining measures in the near future.

There were no changes in the Directorate during the period under review.

Outlook

With the country's economic growth forecast being downgraded to 4.6% from 5.5% with persistent inflationary pressures and high borrowing costs, the operating environment in the short-term will be restrictive. We expect the new path the company has taken to cushion any negative effects although we expect a slight reduction in activities.

These positives will likely improve the group performance. The company will continue to pursue new strategic directions in order to preserve and enhance shareholder value.

Acknowledgments

On behalf of the Board of Directors, I would like to thank our customers, suppliers, key stakeholders, my fellow Directors, Management and Staff of ZECO Holdings for their continued support.

Dr Eng. B. Rafemoyo
Chairman

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022

	Note	Inflation Adjusted		Historical	
		June 2022 Reviewed ZWL\$	December 2021 Reviewed ZWL\$	June 2022 Reviewed ZWL\$	December 2021 Reviewed ZWL\$
Assets					
Non-current assets					
Property, plant and equipment	20	1,523,181,976	1,523,181,976	680,792,728	685,516,884
Investment property		489,015,000	1,070,942,850	489,015,000	489,015,000
Deferred tax		29,916	65,516	29,916	29,916
Total non-current assets		2,012,226,892	2,594,190,342	1,149,837,644	1,184,561,800
Current assets					
Inventory	8	8,763,835	22,174,192	8,763,835	10,125,202
Trade and other receivables	9	1,433,535	4,064,066	1,433,535	1,855,738
Related party receivables	10	14,217	29,874	14,217	13,641
Financial assets at fair value through profit or loss	11	5,726	12,540	5,726	5,726
Cash and cash equivalents	12	5,350,865	483,311	5,350,865	220,690
Total current assets		15,568,177	26,763,982	15,568,178	12,220,997
Assets of discontinued operations	17	573,199,823	1,255,307,612	573,199,823	573,199,823
Total assets		2,600,994,892	3,876,261,937	1,738,605,645	1,769,982,619
Equity and liabilities					
Equity					
Derived equity		24,729,979	24,729,979	11,967,508	11,967,508
Revaluation reserve		-	-	397,815,856	397,815,856
Retained income		2,460,547,305	3,612,576,507	1,212,509,716	1,251,096,617
Total equity		2,485,277,285	3,637,306,486	1,622,293,080	1,660,379,981
Non-current liabilities					
Shareholders' loan		397,680	82,694	397,680	28,320
Deferred tax		52,129,267	117,971,737	52,724,224	53,868,373
Related party payables		37,407	932,377	37,407	425,743
Total non-current liabilities	10	52,564,354	118,996,809	53,159,311	54,322,436
Current liabilities					
Trade and other payables	13	37,638,396	64,652,361	37,638,396	29,521,626
Related party payables	10	776	1,699	776	776
Total current liabilities		37,639,172	64,654,060	37,639,172	29,522,402
Liabilities associated with discontinued operations		25,514,082	55,314,582	25,514,082	25,257,800
Total equity and liabilities		2,600,994,892	3,876,261,937	1,738,605,645	1,769,982,619

STATEMENT OF CHANGES IN EQUITY AS AT JUNE 30, 2022

HISTORICAL				
	Derived equity ZWL\$	Revaluation reserve ZWL\$	Retained income ZWL\$	Total ZWL\$
Balance as at June 30, 2021	11,967,508	187,161,783	(64,069,426)	135,059,865
Loss for the year	-	-	(8,490,843)	(8,490,843)
Realisation of revaluation	-	(1,316,139,571)	1,316,139,571	-
Revaluation reserve	-	1,526,793,644	-	1,526,793,644
Exchange gain	-	-	7,517,315	7,517,315
Balance as at December 31, 2021	11,967,508	397,815,856	1,251,096,617	1,660,879,981
Revaluation reserve	-	-	-	-
Exchange loss	-	-	(33,631,206)	(33,631,206)
Loss for the year	-	-	(4,955,695)	(4,955,695)
Balance as at June 30, 2022	11,967,508	397,815,856	1,212,509,716	1,622,293,080

INFLATION ADJUSTED				
	Derived equity ZWL\$	Retained income ZWL\$	Total ZWL\$	
Balance as at June 30, 2021	34,945,123	(187,082,724)	(152,137,601)	
Exchange gain	-	7,517,315	7,517,315	
Profit for the year	-	3,792,141,916	3,792,141,916	
Balance as at December 31, 2021	24,729,979	3,612,576,507	3,647,521,630	
Loss for the year	-	(3,605,901,785)	(3,605,901,785)	
Fair value adjustment	-	2,487,503,789	2,487,503,789	
Exchange loss	-	(33,631,206)	(33,631,206)	
Balance as at June 30, 2022	24,729,979	2,460,547,305	2,485,277,285	

ABRIDGED UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2022

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NOTES TO THE FINANCIAL STATEMENTS

1 General Information

ZECO Holdings Limited specializes in residential and commercial property investment and development as well as steel fabrication of products required in the construction industry.

2 Currency of reference

Functional and presentation currency

The company changed its functional and presentation currency from United States Dollars (US\$) to Zimbabwe dollar (ZWL\$) for the financial year ended 30 June, 2022. The change in currency was effected in response to Statutory Instrument (SI) 33 of 2019 (effective from 22 February 2019), and to enable compliance with Statutory Instrument 142 of 2019 (effective from 24 June 2019).

The promulgation of SI 142 of 2019 on 24 June 2019 resulted in the Zimbabwe Dollar being the only legally accepted legal tender for transactions in Zimbabwe apart from those transactions otherwise specified therein. Through SI 142, the Zimbabwe Dollar was placed at par with bond notes and coins and Real Time Gross Settlements dollars, (RTGS), which forms of currency were declared legal tender with the gazetting of SI 33.

Historical cost comparative financial information as at and for the year ended 31 December 2018 was converted from US\$ to ZWL\$ at a rate of 1US\$:12WL\$, being the official exchange rate between US\$ and the defined ZW\$ as at that date.

With effect from 22 February 2019, transactions that are in a currency other than the Zimbabwe Dollar were reported using the official exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such balances of monetary assets and liabilities denominated in foreign currencies at the exchange rates at the end of the reporting period are generally recognised in the statement of profit and loss.

Hyperinflation

The Public Accountants and Auditors Board issued pronouncement 01/2019 on the application of International Accounting Standard (IAS 29) Financial Reporting in Hyperinflationary Economies in Zimbabwe. The pronouncement requires that companies generally recognised in statement of profit and loss and other comprehensive income within that prepare and financial periods ended on or after 1 July 2019 to apply present financial statements for the requirements of IAS29' Financial Reporting in Hyperinflationary Economies. Appropriate adjustments and reclassifications, including restatements for currency changes and general purchasing power of the Zimbabwe dollar and for the purposes of fair presentation in accordance with IAS 29 have been made in these financial statements to the historical financial information. For inflation adjustments, the following indices from the Zimbabwe: Statistical Office were used. Trade economics journal from June 2021 to June 2022

	INDICES	FACTOR
CPI as at 30 June 2021	2,986.44	2.92
CPI as at 31 December 2021	3,977.46	2.19
CPI as at 30 June 2022	8,707.35	1

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

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

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

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

The application of the IAS29 restatement procedures has the effect of amending certain accounting policies which are used in the preparation of the financial statements under historical cost convention. The policies affected are:

- Monetary assets and liabilities are not restated as they are already stated in terms of the measuring unit current at the reporting date;
- Non monetary assets and liabilities are not carried at amounts current at the reporting date and components of shareholders equity are restated by applying the relevant monthly adjusting factor

Inventory is carried at the lower of indexed cost and net realisable value

Deferred tax is provided in respect of temporary differences arising from the restatement of assets and liabilities; and

All items of cash flow statement are expressed in terms of measuring unit current at the reporting date

3 Statement of compliance

The abridged unaudited financial statements for the six months ended 30 June 2022 have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting". They do not include all of the information required to fully comply with IFRSs and should be read in conjunction with the audited annual financial statements for the year ended 31 December 2021. These financials are based on statutory records that are maintained under the historical cost convention.

	Inflation Adjusted		Historical	
	June 2022 Reviewed ZWL\$	June 2021 Reviewed ZWL\$	June 2022 Reviewed ZWL\$	June 2021 Reviewed ZWL\$
4 Revenue				
Sales	46,577,448	56,685,349	23,271,404	29,992,248
Total revenue	46,577,448	56,685,349	23,271,404	29,992,248
5 Cost of sales				
Direct materials	19,154,966	23,274,881	9,336,123	12,314,752
Direct labour	1,029,467	1,627,001	677,281	860,847
Production overheads	-	-	-	-
Total cost of sales	20,184,433	24,901,882	10,013,404	13,175,599
6 Other income				
Sundry income	35,872	1,806,662	23,600	955,906
Interest Received - Bank	7,647	-	5,031	-
Scrap sales	1,349,532	-	887,850	-
Total other income	1,393,051	1,806,662	916,481	955,906
7 Administration expenses				
Audit fees	205,200	3,288,294	135,000	1,739,838
Depreciation	-	-	-	-
Employee costs	21,851,282	22,901,277	14,375,850	12,117,078
Contribution to pension fund	292,019	122,816	172,381	69,982
Administration expenses	6,690,956	23,136,435	4,401,945	12,241,500
Total administration costs	29,009,468	49,448,822	19,085,176	26,163,398

	Inflation Adjusted		Historical	
	June 2022 Reviewed ZWL\$	December 2021 Audited ZWL\$	June 2022 Reviewed ZWL\$	December 2021 Audited ZWL\$
8 Inventory				
Raw materials-contents	1,417,937	2,941,746	1,417,937	1,343,263
Work in progress	7,155,926	18,652,686	7,155,926	8,517,208
Finished goods	189,972	679,761	189,972	264,731
Total inventory	8,763,835	22,174,192	8,763,835	10,125,202

9 Trade and other receivables				
Trade	1,420,259	4,028,982	1,420,259	1,839,718
Other	17,222	43,723	17,222	19,965
Discontinued operations	(3,946)	(8,640)	(3,946)	(3,945)
Total trade and other receivables	1,433,535	4,064,066	1,433,535	1,855,738

	Inflation Adjusted		Historical	
	June 2022 Reviewed ZWL\$	December 2021 Audited ZWL\$	June 2022 Reviewed ZWL\$	December 2021 Audited ZWL\$
10 Related Party balances				
The company's related parties include companies under common control, key management and others as described below:				
Related party receivables				
Deldard Engineering (Private) Limited	12,947	23,974	12,947	10,947
ZECO Holdings	1,250	-	1,250	-
Zimplastics (Private) Limited	20	5,900	20	2,694
Total	14,217	29,874	14,217	13,641
Related party payables				
Non-current liabilities due to:				
ZECO Holdings	28,320	-	28,320	-
Pinnacle Holdings	-	932,377	-	425,743
Critical Hope (Private) Limited	9,087	-	9,087	-
Total	37,407	932,377	37,407	425,743
Discontinued operations				
Non-current liabilities due to:				
Pinnacle Properties (Private) Limited	1,306,105	2,860,370	1,306,105	1,306,105
Shareholders loan	124,883	-	124,883	57,024
Zimplastics (Private) Limited	43,306	10,950	43,306	5,000
Critical Hope (Private) Limited	2,683	5,876	2,683	2,683
Total	1,352,094	3,002,078	1,352,094	1,370,812
Current liabilities due to:				
Native Investments (Private) Limited	776	1,699	776	776
Discontinued operations				
T and S Marketing	5,000	-	5,000	-
Jeaster (Private) Limited	2,233	4,690	2,233	2,233
Total	8,009	6,590	8,009	3,009

11 Other financial assets				
Gain on financial assets	5,726	12,540	5,726	5,726
Total other financial assets	5,726	12,540	5,726	5,726
12 Cash and cash equivalents				
Cash at bank	5,350,865	483,311	5,350,865	220,690
Bank overdraft - discontinued operations	(28,597)	-	(28,597)	-
Total cash and cash equivalents	5,322,268	483,311	5,322,268	220,690
13 Trade and other payables				
Trade	16,702,900	62,032,863	16,702,900	28,325,508
Other	22,303,583	5,024,309	22,303,583	2,294,205
Continued operations	39,006,483	67,057,171	39,006,483	30,619,713
Discontinued operations	(1,368,087)	(2,404,811)	(1,368,087)	(1,098,087)
Total trade and other payables	37,638,396	64,652,361	37,638,396	29,521,626

Current liabilities due to:				
Native Investments (Private) Limited	776	1,699	776	776
Discontinued operations				
T and S Marketing	5,000	-	5,000	-
Jetmaster (Private) Limited	2,233	4,890	2,233	2,233
Total	8,009	6,590	8,009	3,009
Other financial assets				
Gain on financial assets	5,726	12,540	5,726	5,726
Total other financial assets	5,726	12,540	5,726	5,726
Cash and cash equivalents				
Cash at bank	5,350,865	483,311	5,350,865	220,690
Bank overdraft - discontinued operations	(28,597)	-	(28,597)	-
Total cash and cash equivalents	5,322,268	483,311	5,322,268	220,690
Trade and other payables				
Trade	16,702,900	62,032,863	16,702,900	28,325,508
Other	22,303,583	5,024,309	22,303,583	2,294,205
Continued operations	39,006,483	67,057,171	39,006,483	30,619,713
Discontinued operations	(1,368,087)	(2,604,811)	(1,368,087)	(1,098,087)
Total trade and other payables	37,638,396	64,452,361	37,638,396	29,521,626



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NOTES TO THE FINANCIAL STATEMENTS

	Inflation Adjusted		Historical	
	June 2022 Reviewed ZWL\$	December 2021 Audited ZWL\$	June 2022 Reviewed ZWL\$	December 2021 Audited ZWL\$
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross profit/(loss)	-	-	-	-
Other income	-	-	-	-
Other (losses)/gains	-	-	-	-
Administration expenses	(68,400)	(189,000)	(45,000)	(100,000)
Operating loss before tax	(68,400)	(189,000)	(45,000)	(100,000)
Taxation	-	-	-	-
Loss for the year from discontinued operations	(68,400)	(189,000)	(45,000)	(100,000)

Assets				
Property, plant and equipment	573,195,877	1,255,298,971	573,195,877	573,195,877
Trade receivables	3,946	8,642	3,946	3,946
Assets classified as held for sale	573,199,823	1,255,307,612	573,199,823	573,199,822

Liabilities				
Deferred tax liability	22,758,071	49,840,175	22,758,071	22,758,071
Shareholders loan - Pinnacle Holdings (Private) Limited	1,306,105	2,860,370	1,306,105	1,306,105
Shareholders loan - T & S Marketing (Private) Limited	5,000	10,950	5,000	5,000
Zimplastics (Private) Limited	43,306	-	43,306	-
Shareholders loan	-	124,883	-	57,024
Trade and other payables	1,368,087	2,404,811	1,368,087	1,098,087
Related party payables	2,683	5,876	2,683	2,683
Bank overdraft	28,597	62,627	28,597	28,597
Jetmaster	2,233	4,890	2,233	2,233
Liabilities associated with assets classified as held for sale	25,514,082	55,314,582	25,514,082	25,257,800

Net assets associated with discontinued operations	547,685,741	1,199,993,030	547,685,741	547,942,022
At 01 January	29,915	65,514	29,915	29,915
Charge to profit or loss	-	-	-	-
At 31 December	29,915	65,514	29,915	29,915

Loss per share (cents)

Basic loss per share

Loss for the year from continuing operations	(1,223,402)	(24,501,258)	(4,910,695)	(8,390,842)
Loss for the year from discontinued operations	(68,400)	(292,000)	(45,000)	(100,000)
Basic loss per share (cents)	(0.28)	1.74	1.07	0.60

Basic loss per share is calculated by dividing the net loss attributed to shareholders by the weighted average number of ordinary shares in issue during the year, excluding the average number of ordinary shares purchased by the group and held as treasury shares.

Diluted loss per share (cents)

For diluted loss per share (cents), the weighted average number of shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group does not have any dilutive potential ordinary shares.

Net loss used to determine diluted loss per share:				
Loss for the year from continuing operations	(1,223,402)	(17,339,060)	(4,910,695)	(8,390,842)
Loss for the year from discontinued operations	(68,400)	(206,643)	(45,000)	(100,000)
Loss for the year	(1,291,802)	(17,545,703)	(4,955,695)	(8,490,842)

	Inflation Adjusted		Historical	
	June 2022 ZWL\$	June 2021 ZWL\$	June 2022 ZWL\$	June 2021 ZWL\$
The weighted average number of ordinary shares in issue for the purpose of diluted loss per share, reconciles to the weighted average number of ordinary shares used in the calculations of basic loss per share as follows:				
Weighted average number of ordinary shares in issue	463,337,661	463,337,661	463,337,661	463,337,661
Diluted loss per share from continuing operations	(0.26)	1.05	1.06	1.81
Diluted loss per share from discontinued operations	(0.01)	0.70	0.01	0.02
Diluted loss per share (cents)	(0.28)	1.74	1.06	1.83

20 Property, plant and equipment

	Land ZWL\$	Buildings ZWL\$	Plant and machinery ZWL\$	Cranes ZWL\$	Furniture and fixtures ZWL\$	Motor vehicles ZWL\$	Office equipment ZWL\$	Computer equipment ZWL\$	Tools and equipment ZWL\$	Total ZWL\$
Year end December 31, 2021										
Opening net book value	15,539,454	510,032,767	11,564,055	-	-	40,893	16,484	91,931	-	537,285,584
Transfer of assets	79,016,358	85,301,150	138,279,835	3,626,883	2,911,363	534,180	156,703	597,260	347,904	310,771,636
Revaluation	31,090,802	215,475,706	29,358,628	710,608	183,553	36,257	13,110	43,452	21,934	276,934,050
Disposal	(104,997,648)	(150,016,895)	(165,372,740)	(4,337,491)	(3,094,916)	(567,859)	(166,583)	(634,916)	(369,838)	(429,558,886)
Addition	-	-	-	-	-	-	84,500	-	-	84,500
Closing net book value	20,648,966	660,792,728	13,829,778	-	-	43,471	104,214	97,727	-	695,516,884

At December 31, 2021

Cost	20,648,966	660,792,728	13,829,778	-	-	43,471	104,214	97,727	-	695,516,884
Net book value	20,648,966	660,792,728	13,829,778	-	-	43,471	104,214	97,727	-	695,516,884

Year end June 30, 2022

Opening net book value	20,648,966	660,792,728	13,829,778	-	-	43,471	104,214	97,727	-	695,516,884
Revaluation	-	-	-	-	-	-	-	-	-	-
Closing net book value	20,648,966	660,792,728	13,829,778	-	-	43,471	104,214	97,727	-	695,516,884

At June 30, 2022

Cost	20,648,966	660,792,728	13,829,778	-	-	43,471	104,214	97,727	-	695,516,884
Net book value	20,648,966	660,792,728	13,829,778	-	-	43,471	104,214	97,727	-	695,516,884

20 Property, plant and equipment

	Land ZWL\$	Buildings ZWL\$	Plant and machinery ZWL\$	Cranes ZWL\$	Furniture and fixtures ZWL\$	Motor vehicles ZWL\$	Office equipment ZWL\$	Computer equipment ZWL\$	Tools and equipment ZWL\$	Total ZWL\$
Year end June December, 2021										
Opening net book value	34,031,404	1,116,971,760	25,325,280	-	-	89,556	36,100	201,329	-	1,176,418,000
Transfer of assets	173,045,824	186,809,519	302,832,839	7,942,874	6,375,885	1,169,854	343,180	1,307,999	761,910	678,176,794
Revaluation	68,088,856	471,891,796	64,295,395	1,556,232	401,981	79,403	28,711	95,160	48,035	606,313,663
Disposal	(229,944,849)	(328,537,000)	(362,166,301)	(9,499,105)	(6,777,866)	(1,243,611)	(364,817)	(1,390,466)	(809,945)	(938,168,732)
Addition	-	-	-	-	-	-	185,055	-	-	185,055
Closing net book value	45,221,236	1,447,136,074	30,287,214	-	-	95,201	228,229	214,022	-	1,523,181,976

At June 30, 2021

Cost	45,221,236	1,447,136,074	30,287,214	-	-	95,201	228,229	214,022	-	1,523,181,976
Net book value	45,221,236	1,447,136,074	30,287,214	-	-	95,201	228,229	214,022	-	1,523,181,976

Year end June 30, 2022

Opening net book value	45,221,236	1,447,136,074	30,287,214	-	-	95,201	228,229	214,022	-	1,523,181,976
Closing net book value	45,221,236	1,447,136,074	30,287,214	-	-	95,201	228,229	214,022	-	1,523,181,976

At June 30, 2022

Cost	45,221,236	1,447,136,074	30,287,214	-	-	95,201	228,229	214,022	-	1,523,181,976
Net book value	45,221,236	1,447,136,074	30,287,214	-	-	95,201	228,229	214,022	-	1,523,181,976

Independent auditor's report

To the members of ZECO Holdings Limited

The review of inflation adjusted interim financial information

We have reviewed the accompanying inflation adjusted condensed consolidated statement of financial position of ZECO Holdings Limited and its subsidiaries ("the Group") as at 30 June 2022 and the inflation adjusted condensed consolidated statement of comprehensive income, inflation adjusted condensed consolidated statement of changes in equity and inflation adjusted condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes.

The Directors are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standards on Interim Financial Reporting (IAS 34) and the requirements of the Companies and Other Business Entities Act (24:31). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Adverse Conclusion

Impact of incorrect date of application of International Accounting Standard (IAS) 21 "The Effects of Changes in Foreign Exchange Rates" on comparative financial information

The Group and Company did not comply with IAS 21 in the prior financial period, as it elected to comply with Statutory Instrument 33 of 2019 ("SI 33/19"). Had the assessment required by IAS 21 occurred in the correct period from 1 October, 2018, the adjustments that were recognised in the comparative 2019 period would have been materially different. Therefore, the departure from the requirements of IAS 21 were considered to be pervasive in the prior period. The financial effects on the inflation adjusted consolidated financial statements of this departure were not determined. Furthermore, our conclusion on the current period's financial results is modified because of the possible effects of the matter on the comparability of the current period's financial results with that of the prior year.

Independent auditor's report

To the members of ZECO Holdings Limited

The review of inflation adjusted interim financial information

Adverse conclusion

Due to the significance of the matters described in the Basis for Adverse Conclusion paragraphs, we conclude that the accompanying interim financial information of the Group does not present fairly, in all material respects, the consolidated interim inflation adjusted financial position of the Group as at 30 June 2022, and of its consolidated interim inflation adjusted financial performance and cash flows for the six month period then ended in accordance with International Accounting Standards on Interim Financial Reporting (IAS 34) and the requirements of the Companies and Other Business Entities Act (24:31).

The engagement partner on the audit resulting in this independent auditor's report is Mr. Fanuel Pange (PAAB Practicing Certificate Number 0457).

MGI

MGI (Mazhandu) Chartered Accountants
Registered Public Auditors
Harare
August 24, 2022



24/08/2022