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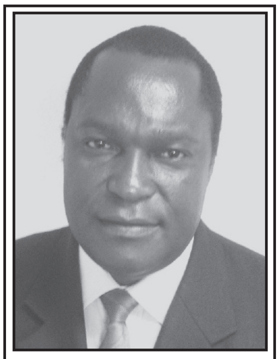
NATURE OF BUSINESS:	Manufacturing and distribution of chemical and rubber products.	
DIRECTORS:	Mr. G. G. Nhemhachena	(Board Chairman)
	Dr. I. Murefu	(Non-executive)
	Mrs. P. Nyazenga	(Non-executive)
	Mr. T. Mabeza	(Non-executive)
	Mr. T. Muganyi	(Non-executive)
	Mr. C. Dzumbunu	(Non-executive)
	Mr. 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	

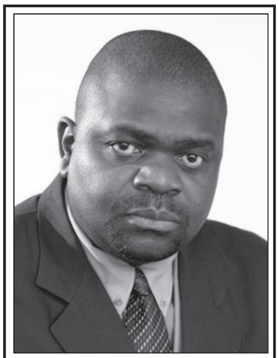
G. G. Nhemachema
Chairman

C. M. Dzumbunu
Non-Executive Director

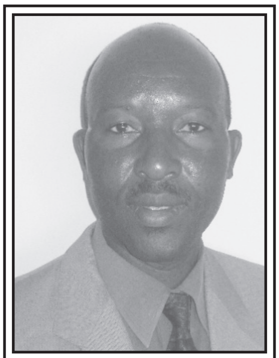
T. Mabeza
Non-Executive Director



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
It is my pleasure to present to you the report for the year ended 31 December 2022 in which the domestic economic landscape endured the negative effects of post COVID 19 and the ongoing Russia- Ukraine conflict. Commentary is on inflation adjusted figures.

As the world focused on the remnants of the COVID 19 pandemic and directed effort on recovery, the Russia Ukraine war escalated without the cessation of conflict in sight. Logistical constrains in the flow of raw materials ensued resulting in unprecedented shortages exacerbated by curtailed exports from producers in their bid to protect own domestic economies. The ripple effect in smaller economies like Zimbabwe was felt through imported USD inflation and wide spread shortages in energy, grain and fertiliser chemicals among others.

Locally, the contractionary monetary measures in the fourth quarter which among others included suspension of payments for services provided to government stemmed the deteriorating exchange rate. Although price stability was achieved in hard currency the year on year inflation soared to 243.8% compared to 61 % recorded in the same period prior year. Consequently, aggregate demand declined as disposable incomes were decimated due to the increased dollarization in the economy while at the same time punitive interest rates of plus 200 % discouraged borrowings.

Nevertheless, the company continued on its growth path in pursuit of its strategy of delivering a commensurate value proposition to its customers through consistent product quality, competitive pricing and timeous delivery of products. The rubber division consolidated its market positioning while the Chemicals division focused on market recovery post the COVID 19 pandemic while at the same time established new market niches.

Group Performance
Overall volumes at 944 metric tonnes declined from the 1488 metric tonnes recorded in the prior year which included 514 metric tonnes of COVID 19 related business. Total turnover at ZWL 3 billion was an increase of 53% when compared with prior year's ZWL 2 billion attributable to the increased market consolidation and product mix. The company's improved process efficiencies and strong technical partnerships cushioned it against the logistical constraints.

The order book firmed up as consumers of the company's products opted for a local producer as a mitigant against their own supply risk. Despite stiff competition from imports, the company held its own in terms of price, product quality and turnaround times. Gross profit increased by 96% to ZWL 1,6 billion when compared with the prior period's ZWL846 million due to improved overhead recoveries. Notwithstanding the unrelenting inflation and increased dollarization, operating expenses at ZWL 1.183 billion were 69% above the prior year's ZWL 698 million due to cost containment measures in the year. The company posted an operating profit increase of 274% to ZWL 564 million from the ZWL 151 million recorded in the prior year.

Divisional Performance

General Beltings
The rubber division volumes increased by 26% to 379 metric tonnes when compared with the prior year's same period of 301 metric tonnes driven by the growth recorded in the mining sector. The division was buoyed by a consistent order book and improved throughput despite intermittent shortages of raw material in 2 months of the year. Turnover increased by 114% to ZWL2.126 billion from the ZWL995 million recorded in the prior year.

Cernol Chemicals
Cernol Chemicals total volumes at 564 metric tonnes was a decrease of 52% when compared with the prior year's 1178 metric tonnes. The decline in volumes was attributable to depressed aggregate demand and the absence of exceptional COVID 19 business recorded in the prior year. Turnover at ZWL 884 million decreased by 11 % from the ZWL 983 million recorded in the prior year.

COVID-19
The company remains alert to the lingering occurrences in China of the disease despite the global efforts made towards containing the pandemic. Employees are continually educated on the mitigation measures on prevention of the spread of the disease at the workplace and beyond. GB Holdings Limited will ensure that employee safety and organisational sustainability are balanced in its approach in the management of the disease. The company will assist where appropriate should such cases arise amongst its employees.

Environmental Social Sustainability & Governance
The company regularly reviews its comprehensive waste water treatment procedures which are aimed at ensuring that discharge is not harmful to the downstream eco-system and aquatic life. The company collaborates and cooperates with the Environmental Management Agency and complies with all regulations in this regard.

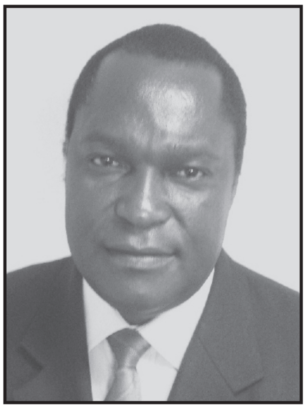
Raw materials for both Divisions are sourced from environmentally conscious partners. Formulations strive to eliminate any substances that have been shown to harm the environment.

Dividend
At their meeting on 30 March 2023, the Board considered the need for additional working capital requirements and resolved not to declare a dividend.

Outlook
Although the pessimism around the Russia Ukraine conflict was pervasive, the rest of the world sought alternative methods of sourcing raw materials to sustain the growth in production post the COVID 19 pandemic. General Beltings will build on the market confidence and product reliability established in the yesteryears to remain a preferred supplier in its pursuit of delivering commensurate value to its customers. Cernol Chemicals will continue in its effort of market recovery following the COVID 19 restrictions on the back of product quality, innovation and skills retention. Overally the company expects to deliver an improved performance in 2023 although the supply of power for industrial purposes remains a significant operational risk that threatens the growth momentum thus far.

Appreciation
Our customers, employees, management, stakeholders and the Board were steadfast in the year that presented multiple challenges. I thank you all for the loyalty and support given in the past year and look forward to yet another significant step in our growth and profitability trajectory in 2023.

G. G. NHEMACHENA
Chairman
30 March 2023



W. Tsuroh
Managing Director

The twin challenges of a deteriorating exchange rate and a hyperinflationary environment were dominant throughout the year 2022. There was concerted effort to rein in both challenges at national level through the deliberate adoption of contractionary measures which among others included non-payment for services provided to the government and legislation of high interest rates of plus 220 % which discouraged local borrowings.

Although the measures were a timeous intervention for price stability there was a notable decline in the downstream domestic aggregate demand as disposable incomes were decimated while accessing credit was prohibitive. The Russia Ukraine conflict escalated causing further turmoil as imported inflation was an unavoidable consequence of global shortages of raw materials. According to Zimstats inflation closed at 243.75 as at 31 December 2022 while it was 61 % at the same period prior year. Erratic national power supplies and skills flight to better economies emerged as key operational risks at the tail end of the fourth quarter and disrupted production.

Guided by its commitment to delivering a commensurate value proposition to its customers in a fluid operating environment, the company focused on market consolidation while at the same time sharpened its advantage through consistent price competitiveness together with reliability of product supply. The retention of key skills, planned plant maintenance together with benefits from technical partnerships enabled the company to improve its in process efficiencies while simultaneously enhanced product quality and delivery times. In response, our customers steadily increased their confidence in us as they substituted imports in favour of the company's locally produced products resulting in a consistent and improved order book throughout the year.

Performance
Commentary is on Inflation Adjusted Accounts
The containment of COVID 19 in the prior year was a welcome development although isolated incidences were reported and dealt with. As a result, COVID 19 related business petered off for the Chemicals Division. However, there were emerging opportunities for market recovery as restrictions were lifted and allowed the economy to fully open up. In view of the above, overall volumes at 944 metric tonnes dropped by 37 % from the 1488 metric tonnes recorded in the prior year same period.

General Beltings volumes at 379 metric tonnes increased by 26 % from the 301 metric tonnes recorded in the same period prior year. This was partly attributable to the preference for locally produced products from imports as local companies mitigated against the supply risk emerging from global logistical supply chain disruptions. Continuous investment in plant maintenance with own resources enhanced internal in process efficiencies and market competitiveness. Cernol Chemicals' volumes were set back by 52 % at 564 metric tonnes when compared with the prior year volumes of 1178 metric tonnes which were dominated by the COVID 19 business. The focus for the division was consolidation on new market niches and recovery of traditional markets.

Nonetheless total turnover at ZWL 3 billion was a 53 % increase when compared with the ZWL 2 billion recorded in the same period prior year. The increase was attributable to enhanced market opportunities and favourable product mix at General Beltings that more than offset the decline at Cernol. General Beltings turnover increased by 114 % to ZWL 2,131 billion from the ZWL 995 million recorded in the same period prior year. Cernol Chemicals turnover declined by 10 % at ZWL 884 million from the ZWL 983 million recorded in the prior year. Overall gross profit increased by 96 % to ZWL 1.6 billion from the prior year same period of ZWL 846 million driven by market opportunities and improved in process efficiencies. Although there was incessant inflationary pressure and increased dollarization in the economy, operating costs at ZWL 1.183 billion were 69 % above same period prior year's ZWL 698 million due to cost rationalisation and containment. An improved operating profit at ZWL 557 million was a 122 % jump from the prior year's ZWL 251 million.

Strategy Review
The economic landscape continues to present emerging risks to company operations. The prior year foreign currency availability constraints were ameliorated through market relaxation and enabled the procurement of raw materials. However, the challenges with traditional power sources and the consequent power outages present a national operational risk which threatens the recovery to date for the company and nation at large. Initiatives to augment the hydro electricity power supplies still fall far short of national requirements given the negative publicity on ESKOM. To counter this negative development the company has resorted to production scheduling as dictated by load shedding. Inevitably labour costs soar as power supply is seldomly available during normal working hours. The new skills mobility trend has morphed to include spousal Visa relaxations. These require a new perspective on compensation models to include those aspects that dissuade families from migrating to better economies on Spousal Visas and has a bearing on total employment costs. In order to mitigate the skills flight risk, a comprehensive succession and skills pipe line model has been developed targeting individuals with potential and loyalty to the company. The company will reman customer centric as dollarization presents intense price competition and product dumping. The planned capital expenditure is targeted at enhancing plant efficiency, reduction in process losses and adherence to new product trends suitable for the market.

Future Prospects

The country's National Development Strategy continues to guide national policy thrust and is premised among others the growth in the mining, manufacturing and agricultural sectors. The company's products serve these identified silos which will spur its growth in 2023.The mining sector is expected to enjoy growth on the back of lithium resurgence as a critical global raw material while platinum and gold remain as anchor minerals that enjoy price buoyancy. A good agricultural season output is predicted and will drive growth for Cernol products while efforts to engage the Commonwealth for Zimbabwe's readmission may further enhance prospects for the Tourism industry.

Appreciation.

The past year was yet another milestone for the company's recovery process. We draw inspiration from the support from all stakeholders, employees and management who remain steadfast in pursuit of set objectives. The Directorate provided wise counsel throughout the year and I am truly grateful for the support and look forward to the same as we navigate yet another challenging but promising 2023.

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 2022.

ANNUAL RESULTS

INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT
Capital expenditure for the year ended 31 December 2022 amounted to ZWL16 645 712 (Historical: ZWL 15 920 546). 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 9 to 10 of the financial statements.

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

Dr. I Murefu 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 2021, in excess of 5% of the issued share capital of the company:

Jemaimah Synergies (Private) limited	62%
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 2023

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, 2022 were as follows:

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

Finance and Business Development Committee

The members of the Committee as at 31 December, 2022 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, 2022 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
30 March 2023

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 International Financial Reporting Standards (IFRS), 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.

The Company's financial statements for the year ended 31 December 2022 which are set out on pages 14 to 34 were, in accordance with their responsibilities, approved by the Directors on 30 March 2023 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
Company Secretary

Grant Thornton

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

T +263 0242 442511-4
F +263 0242 442517 / 496985
E info@zw.gt.com
www.grantthornton.co.zw

INDEPENDENT AUDITOR'S REPORT

To the members of GB Holdings Limited

Report on the Audit of the Financial Statements

Qualified Opinion
We have audited the financial statements of GB Holdings Limited set out on pages 14 to 34 which comprise the statement of financial position as at 31 December 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 accounting policies.

In our opinion, except for the matters described in the *Basis for Qualified Opinion* section of our report, financial statements present fairly, in all material respects, the financial position of GB Holdings Limited as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion
Non-compliance with International Accounting Standard (IAS) 21 - The Effect of Changes in Foreign Exchange Rate in the prior financial years and International Accounting Standards (IAS)-8 accounting policies, changes in Accounting Estimates and Errors

During the prior financial years, the foreign currency denominated transactions and balances of the Company were translated into ZWL using the interbank exchange 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 2022.

As the non-compliance with IAS 21 is from prior financial years and there have been no restatements to the prior year financial statements in accordance with IAS 8, some comparative numbers in the financial statements may be misstated. Our opinion on the current year financial statements is modified because of the possible effects of the above matters on the comparability of the current year's figures to corresponding figures of the comparative period. As a result of the residual effects of the non-compliance with IAS 21 and the non-restatement of the comparative figures in accordance with IAS 8, the retained earnings may contain misstatements.

The effects of the above non-compliance with International Financial Reporting Standards were considered to be material but not pervasive to the financial statements.

Non-compliance with International Accounting Standard (IAS) 2 - Inventories

During the financial year ended 31 December 2022, the General Beltings division did not include costs of conversion, fixed and variable production overheads that are incurred in converting raw materials into finished goods. The division only included the cost of purchase of raw materials in the valuation of finished goods, this accounting treatment constitutes a departure from the requirements of IAS 2 paragraph 10, in that the cost of inventories did not include costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The effects of the non-compliance with the requirements of IAS 2 have been considered to be material but not pervasive to the financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (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 qualified 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
Revenue recognition There is a presumed fraud risk with regards to revenue recognition as guided by International Standard on Auditing (ISA) 240 *"The Auditor's Responsibilities Relating to Fraud in an Audit of Financia/ Statements"* Revised. There is a risk that revenues are presented at amounts higher than what has been generated by the Company. This is a significant risk and accordingly a key audit matter. ***Adequacy of allowance for credit losses on trade receivables*** As at 31 December 2022, the Company had trade receivables amounting to **ZWL 597 216 092.** This was considered to be an area of focus as IFRS 9 requires management to exercise significant judgement using subjective assumptions when determining both timing and amounts of the impairment provision for trade and other receivables. **Key areas of judgement included:** ➢ The interpretation of the requirements to determine impairment under application of IFRS 9, which is reflected in the Company's expected credit loss model; and ➢ Assumptions used in the expected credit loss model such as the financial condition of the counterparty, expected future cash flows.	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-'Revenue from contracts with customers'*. 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. Assessed management's allowance for credit losses, which included the following: ● We performed an assessment of the modelling techniques and methodology used against the requirements of IFRS 9; ● We assessed and tested the modelling assumptions with a focus on the: i. Key modelling assumptions adopted by the Company. ii. Reliability of the historical data collected; iii. and appropriateness of macroeconomic factors used. ● We examined a sample of exposures and performed procedures to evaluate the: i. Timely identification of exposures with a significant deterioration in credit quality; and ii. Expected loss calculation for exposures assessed on an individual basis. ● We assessed the adequacy of the disclosures in the financial statements. Based on our audit work performed, the assumptions used by management were appropriate.

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 International Financial Reporting Standards (IFRS), 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 mag 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 Qualified 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
HARARE

30 March 2023

Statement of Financial Position
as at 31 December 2022

	Notes	Inflation Adjusted 2022 ZWL	Inflation Adjusted 2021 ZWL	Historical cost 2022 ZWL	Historical cost 2021 ZWL
ASSETS					
Non-current assets					
Property, plant and equipment	4	4 750 549 209	1 462 764 623	4 750 549 209	18 525 195
Current assets					
Inventories	6	406 793 498	251 860 091	400 698 083	71 002 378
Trade and other receivables	7	597 216 092	492 480 142	597 216 092	143 262 834
Cash and cash equivalents	8	49 568 903	65 680 048	49 568 903	19 106 374
		1 053 578 493	810 020 281	1 047 483 078	233 371 586
Total assets		**5 804 127 702**	**2 272 784 904**	**5 798 032 287**	**251 896 781**
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	9	98 517 163	98 517 163	536 588	536 588
Share options reserve	10	3 525 106	3 525 106	19 200	19 200
Revaluation reserve	11	2 466 865 688	-	3 552 679 230	-
Retained earnings		1 255 042 841	1 149 987 277	220 023 651	48 119 728
		3 823 950 798	**1 252 029 546**	**3 773 258 669**	**48 675 516**
Non-current liabilities					
Deferred tax liability	12	1 090 715 078	322 316 384	1 135 311 792	1 770 431
Deferred revenue	13	-	6 034 842	-	29 965
		1 090 715 078	**328 351 226**	**1 135 311 792**	**1 800 396**
Current liabilities					
Current portion of borrowings	14	-	157 321 374	-	45 764 903
Trade and other payables	15	794 042 466	460 871 573	794 042 466	134 067 878
Corporate tax payable	18.2	95 419 360	74 211 185	95 419 360	21 588 088
		889 461 826	692 404 132	889 461 826	201 420 869
Total liabilities		**1 980 176 904**	**1 020 755 358**	**2 024 773 618**	**203 221 265**
Total equity and liabilities		**5 804 127 702**	**2 272 784 904**	**5 798 032 287**	**251 896 781**

Dzumbunu C.
Director

Tsuroh W.
Managing Director

Statement of Profit or Loss and other Comprehensive Income

For the year ended 31 December 2022

	Notes	Inflation Adjusted 2022 ZWL	Inflation Adjusted 2021 ZWL	Historical cost 2022 ZWL	Historical cost 2021 ZWL
Revenue	**16**	**3 010 706 021**	**1 977 716 012**	**2 292 917 615**	**460 338 834**
Cost of sales		(1 350 938 627)	(1 131 548 753)	(1 075 732 353)	(265 451 929)
Gross profit		1 659 767 394	846 167 259	1 217 185 262	194 886 905
Other income		87 106 735	1 948 001	80 064 303	351 972
Operating expenses		(1 183 339 925)	(697 556 677)	(1 042 023 845)	(165 669 026)
Profit from operations		563 534 204	150 558 583	255 225 720	29 569 851
Finance costs		(32 511 082)	(11 374 210)	(22 604 635)	(3 412 550)
Profit before tax and monetary loss		**531 023 122**	**139 184 373**	**232 621 085**	**26 157 301**
Monetary loss		(272 604 364)	(143 401 303)	-	-
Profit / (loss) before tax	**17**	**258 418 758**	**(4 216 930)**	**232 621 085**	**26 157 301**
Income tax expense	18	(153 363 194)	(36 202 849)	(60 717 162)	(7 913 747)
Profit / (loss) for the year		105 055 564	(40 419 779)	171 903 923	18 243 554
Other comprehensive income:					
Revaluation of property, plant and equipment; net of tax		2 466 865 688	-	3 552 679 230	-
Total comprehensive income / (loss) for the year		**2 571 921 252**	**(40 419 779)**	**3 724 583 153**	**18 243 554**

Indlation Adjusted

	Share capital ZWL	Share option reserve ZWL	Foreign currency translation reserve ZWL	Revaluation reserve ZWL	Retained earnings ZWL	Total ZWL
Balance at 1 January 2021	**98 517 163**	**3 525 106**	**(17 697 264)**	**-**	**1 242 210 621**	**1 326 555 626**
Realisation of foreign currency translation reserve	-	-	17 697 264	-	(17 697 264)	-
Dividend paid	-	-	-	-	(34 106 301)	(34 106 301)
Total comprehensive loss for the year	-	-	-	-	(40 419 779)	(40 419 779)
Balance at 31 December 2021	**98 517 163**	**3 525 106**	**-**	**-**	**1 149 987 277**	**1 252 029 546**
Total comprehensive income for the year	-	-	-	2 466 865 688	105 055 564	2 571 921 252
Balance at 31 December 2022	**98 517 163**	**3 525 106**	**-**	**2 466 865 688**	**1 255 042 841**	**3 823 950 798**

Historical cost

	Share capital ZWL	Share option reserve ZWL	Foreign currency translation reserve ZWL	Revaluation reserve ZWL	Retained earnings ZWL	Total ZWL
Balance at 1 January 2021	**536 588**	**19 200**	**(712 820)**	**-**	**38 229 313**	**38 072 281**
Realisation of foreign currency 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**
Total comprehensive income for the year	-	-	-	3 552 679 230	171 903 923	3 724 583 153
Balance at 31 December 2022	**536 588**	**19 200**	**-**	**3 552 679 230**	**220 023 651**	**220 579 439**

		Inflation Adjusted		Historical Cost	
	Notes	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
CASH FLOWS FROM OPERATING ACTIVITES					
Profit / (loss) before tax		258 418 758	(4 216 930)	232 621 085	26 157 301
Adjusted for:					
Depreciation charge for the year	4	5 781 540	40 899 873	3 183 501	2 351 832
Interest expense		32 511 082	11 374 210	22 604 635	3 412 550
Deferred revenue	13	(6 352 466)	(317 624)	(29 965)	(1 577)
Monetary loss		272 604 364	143 401 303	-	-
Operating cash inflows before working capital changes		562 963 278	191 140 832	258 379 256	31 920 106
Changes in working capital:					
Increase in inventories		(154 933 407)	(16 145 882)	(329 695 705)	(30 138 490)
Increase in trade and other receivables		(104 735 950)	(37 299 387)	(453 953 258)	(61 019 098)
Increase / (decrease) in trade and other payables		333 170 893	(18 192 742)	659 974 588	47 508 773
Cash generated from / (utilised in) operating activities		636 464 814	119 502 821	134 704 881	(11 728 709)
Income tax paid		(19 952 268)	-	(19 952 268)	-
Net cash generated from / (utilised in) operating activities		616 512 546	119 502 821	114 752 613	(11 728 709)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of equipment	4	(16 645 712)	(41 551 971)	(15 920 546)	(13 739 405)
Net cash utilised in investing activities		(16 645 712)	(41 551 971)	(15 920 546)	(13 739 405)
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		(32 511 082)	(11 374 210)	(22 604 635)	(3 412 550)
(Repayment on)/proceeds from borrowings		(45 764 903)	153 087 992	(45 764 903)	45 000 000
Dividend paid		-	(34 106 301)	-	(7 640 319)
Net cash (outflows) / inflows from financing activities		(78 275 985)	107 607 481	(68 369 538)	33 947 131
NET INCREASE IN CASH AND CASH EQUIVALENTS		**521 590 849**	**185 558 331**	**30 462 529**	**8 479 017**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**65 680 048**	**36 532 589**	**19 106 374**	**10 627 357**
Effects of inflation		**(537 701 994)**	**(156 410 872)**	**-**	**-**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8	**49 568 903**	**65 680 048**	**49 568 903**	**19 106 374**

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 2022 financial year, 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, 29 and 2.

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:

	Indices	Conversion factor
CPI on 31 December 2022	13 672.91	1.000
CPI on 31 December 2021	3 977.46	3.438

2.2 Changes in accounting policy and interpretations

New standards, interpretations and amendments

Several amendments and interpretations apply for the first time in 2022, 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 Accounting Estimates

The amendments include a definition of 'accounting estimates' as well as other amendments to IAS 8 that will help entities distinguish changes in accounting policies from changes in accounting estimates. This distinction between these two types of changes is important as changes in accounting policies are normally applied retrospectively to past transactions and events, whereas changes in accounting estimates are applied prospectively to future transactions and events.

Effective date 1 January 2023

IAS 12 income taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In specific circumstances, entities are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. There had been some diversity in practice as to whether the exemption applied to transactions such as leases and decommissioning obligations. These are transactions where entities recognise both an asset and a liability. The amendments require an entity to recognise deferred tax on certain transactions (e.g. leases and decommissioning liabilities) that give rise to equal amounts of taxable and deductible temporary differences on initial recognition. The amendments clarify that the initial recognition exemption set out in IAS 12 'Income Taxes' does not apply and entities are required to recognise deferred tax on these transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

Effective date 1 January 2023

IAS 1 Presentation of Financial Statements and Practice Statement 2 - Disclosure of Accounting Policies

The amendments to IAS 1 require reporting entities to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures

These amendments were issued as a result of feedback received indicating that reporting entities needed more guidance when determining what accounting policy information should be disclosed.

Effective date 1 January 2023

IAS 1 Presentation of Financial Statements - Non-current liabilities with covenants
The amendments set out in 'Non-current Liabilities with Covenants (Amendments to IAS 1)' state that at the reporting date, the entity does not consider covenants that will need to be complied with in the future, when considering the classification of the debt as current or non-current. Instead, the entity should disclose information about these covenants in the notes to the financial statements. The IASB want these amendments to enable investors to understand the risk that such debt could become repayable early and therefore improving the information being provided on the long-term debt.

Effective date 1 January 2024

Standards issued but not yet effective (continued)
Other Standards and amendments that are not yet effective and have not been adopted early by the company include:

- Amendments to IFRS 17 Insurance Contracts including the extension of the Temporary Exemption from Applying IRFS 9 (Amendments to IFRS 4);
- Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendment to IFRS 17)Amendments to IFRS 17 Insurance Contracts (Amendments to IFRS 17 and IFRS 4); and
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16).

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 follows a five step process:
1 Identifying the contract with a customer;
2 Identifying the performance obligation;
3 Determining the transaction price;
4 Allocating the transaction price to the performance obligation; and
5 Recognising revenue as/when 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 revenue

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.for the year ended 31 December 2022.

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-term employee 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 financial difficulties 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 fair value. 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	5 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.

2.13 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in most advantageous market for the asset or liability. The principal or most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non financial asset takes into account a market participants ability to generate economic benefits by using the asset in its highest and best use or selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets and liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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.

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 & 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. 40% of the company's revenue is in Zimbabwe dollars while 60% 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 2021	**167 817 540**	**646 741 865**	**634 517 357**	**10 045 753**	**2 990 010**	**1 462 112 525**
Gross carrying amount - cost	167 817 540	928 673 159	1 121 523 598	52 917 495	51 194 041	2 322 125 833
Accumulated depreciation	-	(281 931 294)	(487 006 241)	(42 871 742)	(48 204 031)	(860 013 308)
Opening carrying amount	167 817 540	646 741 865	634 517 357	10 045 753	2 990 010	1 462 112 525
Additions	-	-	2 238 554	38 594 014	719 403	41 551 971
Depreciation charge for the year	-	(16 168 546)	(15 918 898)	(8 441 488)	(370 941)	(40 899 873)
Closing carrying amount	167 817 540	630 573 319	620 837 013	40 198 279	3 338 472	1 462 764 623
Carrying amount at 31 December 2021	**167 817 540**	**630 573 319**	**620 837 013**	**40 198 279**	**3 338 472**	**1 462 764 623**
Gross carrying amount - cost	167 817 540	928 673 159	1 123 762 152	91 511 509	51 913 444	2 363 677 804
Accumulated depreciation and impairment loss	-	(298 099 840)	(502 925 139)	(51 313 230)	(48 574 972)	(900 913 181)
Opening carrying amount	167 817 540	630 573 319	620 837 013	40 198 279	3 338 472	1462 764 623
Additions	-	-	15 431 485	-	1 214 227	16 645 712
Revaluation	894 685 980	1 652 753 266	247 092 400	154 222 697	328 166 071	3 276 920 414
Depreciation charge for the year	-	(230 105)	(310 766)	(4927 364)	(313 305)	(5 781 540)
Closing carrying amount	1 062 503 520	2 283 096 480	883 050 132	189 493 612	332 405 465	4 750 549 209
Carrying amount at 31 December 2022	**1 062 503 520**	**2 283 096 480**	**883 050 132**	**189 493 612**	**332 405 465**	**4 750 549 209**
Gross carrying amount - cost / valuation	1 062 503 520	2 283 096 480	883 050 132	189 493 612	332 405 465	4 750 549 209
Accumulated depreciation and impairment loss	-	-	-	-	-	-

All the non-current assets of the company were revalued by independent professional valuer Messrs Bard Real Estate as at 31 December 2022. Land and Buildings were revalued using market values which were the estimated amounts for which an asset can be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction. Plant and machinery, Motor vehicles, and Office equipment were revalued using the Depreciated Replacement Cost.

Historical Cost

	Land ZWL	Buildings ZWL	Plant and machinery ZWL	Motor vehicles ZWL	Office Equipment ZWL	Total ZWL
Carrying amount at 1 January 2021	**751 000**	**3 548 682**	**2 670 517**	**91 518**	**75 905**	**7 137 622**
Gross carrying amount - Cost	751 000	5 058 152	6 674 864	588 923	396 542	13 469 481
Accumulated depreciation	-	(1 509 470)	(4 004 347)	(497 405)	(320 637)	(6 331 859)
Opening carrying amount	751 000	3 548 682	2 670 517	91 518	75 905	7 137 622
Additions	-	-	536 591	12 745 289	457 525	13 739 405
Depreciation charge for the year	-	(126 703)	(161 702)	(2012 033)	(51 394)	(2 351 832)
Closing carrying amount	751 000	3 421 979	3 045 406	10 824 774	482 036	18 525 195
Carrying amount at 31 December 2021	**751 000**	**3 421 979**	**3 045 406**	**10 824 774**	**482 036**	**18 525 195**
Gross carrying amount - Cost	751 000	5 058 152	7 211 455	13 275 727	854 067	27 150 401
Accumulated depreciation	-	(1 636 173)	(4 166 049)	(2 450 953)	(372 031)	(8 625 206)
Opening carrying amount	751 000	3 421 979	3 045 406	10 824 774	482 036	18 525 195
Additions	-	-	15 431 485	-	489 061	15 920 546
Revaluation	1 061 752 520	2 279 801 204	864 744 359	181 382 002	331 606 884	4 719 286 969
Depreciation charge for the year	-	(126 703)	(171 118)	(2 713 164)	(172 516)	(3 183 501)
Closing carrying amount	1 062 503 520	2 283 096 480	883 050 132	189 493 612	332 405 465	4 750 549 209
Carrying amount at 31 December 2022	**1 062 503 520**	**2 283 096 480**	**883 050 132**	**189 493 612**	**332 405 465**	**4 750 549 209**
Gross carrying amount- cost / valuation	1 062 503 520	2 283 096 480	883 050 132	189 493 612	332 405 465	4 750 549 209
Accumulated depreciation	-	-	-	-	-	-

All the non-current assets of the company were revalued by independent professional valuer Messrs Bard Real Estate as at 31 December 2022. Land and Buildings were revalued using market values which were the estimated amounts for which an asset can be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction. Plant and machinery, Motor vehicles, and Office equipment were revalued using the Depreciated Replacement Cost.

5 Fair value measurement

The company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:-

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument/asset.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The table below presents property, plant and equipment and investment property recognised at fair value in the statement of financial position of the entity:

Assets measured at fair value	Level 1	Level 2	Level 3	Fair Value
Land	-	1 062 503 520	-	1 062 503 520
Buildings	-	2 283 096 480	-	2 283 096 480
Office equipment	-	332 405 465	-	332 405 465
Motor vehicles	-	189 493 612	-	189 493 612
Plant and machinery	-	883 050 132	-	883 050 132
Total	**-**	**4 750 549 209**	**-**	**4 750 549 209**

	Inflation Adjusted		Historical Cost	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
6 Inventories				
Raw materials	159 748 275	80 952 880	323 452 346	22 535 433
Finished goods	74 511 264	78 507 355	71 183 747	21 854 655
Consumables	8 125	21 311 535	4 534	5 932 645
Work in progress	172 525 834	71 088 321	6 057 456	20 679 645
	406 793 498	**251 860 091**	**400 698 083**	**71 002 378**
7 Trade and other receivables				
Trade receivables	568 266 105	461 794 633	568 266 105	134 336 397
Less: Allowance for credit losses	(8 161 050)	(2 435 398)	(8 161 050)	(708 459)
Trade receivables-net	560 105 055	459 359 235	560 105 055	133 627 938
Other receivables	37 111 037	33 120 907	37 111 037	9 634 896
Financial assets other than cash and cash equivalents classified as loans and receivables	**597 216 092**	**492 480 142**	**597 216 092**	**143 262 834**

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

Trade receivables	560 105 055	459 359 235	560 105 055	133 627 938
Other receivables	37 111 037	33 120 907	37 111 037	9 634 896
	597 216 092	**492 480 142**	**597 216 092**	**143 262 834**

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 2022	**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**	**More than 180 days past due ZWL**
Gross carrying amount	3 359 386	62 002 265	20 869 011	1 914 926	145 165	625 773
Average ECL	0.3%	1.0%	1.5%	2.1%	2.6%	100.0%
Credit loss allowance	10 078	620 023	313 035	40 213	3 774	625 773
Total Cernol Chemicals						**1 612 896**

General Beltings 2022	**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**	**More than 180 days past due ZWL**
Gross carrying amount		37 178 523	120 896 902	-	-	2 323 815
Average ECL	0.1%	0.6%	3.1%	-	-	100.0%
Credit loss allowance	253 463	223 071	3 747 804	-	-	2 323 815
Total General Beltings						**6 548 153**
Total credit loss allowance GB Holdings Limited						**8 161 050**

Cernol Chemicals 2021	**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%	3%	
Credit loss allowance	**243 790**	**127 269**	**3 727**	**480**	**4 861**	**384 127**

General Beltings 2021	**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 loss allowance	**-**	**71 524**	**157 867**	**98 942**	**328 333**
Total credit loss allowance GB Holdings Limited					**708 459**

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

	Inflation Adjusted		**Historical Cost**	
	2022 ZWL	**2021 ZWL**	**2022 ZWL**	**2021 ZWL**
At 1 January	2 435 397	7 300 642	708 459	1 775 278
Increase/(decrease) during the year	7 452 591	(3 667 296)	7 452 591	(1 066 819)
Effects of IAS 29	(1 726 938)	(1 197 949)	-	-
As at 31 December	**8 161 050**	**2 435 397**	**8 161 050**	**708 459**

	Inflation Adjusted		Historical Cost	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
8 Cash and cash equivalents				
For the purposes of statement of cash flows, cash and cash equivalents consist of:				
Cash at bank	45 321 731	65 680 048	45 321 731	19 106 374
Cash in hand	4 247 172	-	4 247 172	-
	49 568 903	65 680 048	49 568 903	19 106 374
9 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	98 517 163	98 517 163	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.

10 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:

2022

	Number of options	Exercise price	Share option reserve	Inflation adjusted
Outstanding at the beginning of the year	6 400 000	0.003	19 200	3 525 106
Exercised during the year	-	-	-	-
Granted during the year	-	-	-	-
Outstanding at the end of the year	6 400 000	0.003	19 200	3 525 106

2021

	Number of options	Exercise price	Share option reserve	Inflation adjusted
Outstanding at the beginning of the year	6 400 000	0.003	19 200	3 525 106
Exercised during the year	-	-	-	-
Granted during the year	-	-	-	-
Outstanding at the end of the year	6 400 000	0.003	19 200	3 525 106

11 Revaluation reserve

Balance at the beginning of the period	-	-	-	-
Current year movement	2 466 865 688	-	3 552 679 230	-
Closing balance	**2 466 865 688**	**-**	**3 552 679 230**	**-**

		Inflation Adjustment		Historical Cost	
		2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
12	**Deferred tax**				
	Analysis of deferred tax				
	Accelerated wear and tear on property, plant and equipment	314 924 101	312 238 478	2 967 802	(1 161 239)
	Leave pay provision	(32 421 469)	9 475 876	(32 421 469)	2 756 539
	Expected credit losses	(1 842 280)	602 030	(1 842 280)	175 131
	Revaluation of property, plant and equipment	810 054 726	-	1 166 607 739	-
		1 090 715 078	322 316 384	1 135 311 792	1 770 431
	Opening balance	322 316 384	326 141 617	1 770 431	2 883 194
	Recognised in profit or loss	(41 656 032)	(3 825 233)	(33 066 378)	(1 112 763)
	Recognised through OCI	810 054 726	-	1 166 607 739	-
	Closing balance	1 090 715 078	322 316 384	1 135 311 792	1 770 431
13	**Deferred revenue**				
	Balance as at 1 January	6 352 466	6 352 466	29 965	31 542
	Plant and machinery income realised through profit and loss	(6 352 466)	(317 624)	(29 965)	(1 577)
	Balance as at 31 December	**-**	**6 034 842**	**-**	**29 965**

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. The entity fulfilled the conditions of the customer loyalty programme and deferred revenue has been realised in full.

		2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
14	**Borrowings**				
	Central African Building Society (CABS)	-	2 622 592	-	762 914
	FBC Bank	-	154 698 782	-	45 001 989
		-	157 321 374	-	45 764 903
	Less Short term portion of borrowings	-	(157 321 374)	-	(45 764 903)
	Long term portion of borrowings	-	-	-	-

The FBC short term loan facility accrued interest at 47.5% per annum and was repaid on 30 November 2022. The CABS loan facility accrued interest at 10% per annum and was repaid on 30 June 2022.

		2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
15	**Trade and other payables**				
	Trade payables	301 730 980	164 160 229	301 730 980	47 754 331
	Other payables	6 804 031	231 963 075	6 804 031	67 478 228
	Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	308 535 011	396 123 304	308 535 011	115 232 559
	Other payables	485 507 455	64 748 269	485 507 455	18 835 319
	Total trade and other payables	**794 042 466**	**460 871 573**	**794 042 466**	**134 067 878**
16	**Revenue**				
	Sale of chemicals	884 413 843	982 639 135	611 702 918	242 551 533
	Sale of rubber	2 126 292 178	995 076 877	1 681 214 697	217 787 301
		3 010 706 021	**1 977 716 012**	**2 292 917 615**	**460 338 834**

		Inflation Adjustment		Historical Cost	
		2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
17	**Profit/(loss) before tax**				
	Profit(Loss) before tax is shown after taking into account the following:				
	Expenses				
	Depreciation charge for the year	5 781 542	40 899 873	3 183 501	14 310 087
	Increase in allowance for credit losses	13 547 060	(2 435 398)	7 459 444	(708 459)
	Staff costs	364 785 587	368 533 206	274 091 272	84 821 448
	Audit fees	15 150 929	28 678 463	8 342 586	5 191 157
	Pension contributions	33 316 658	7 100 848	18 345 217	1 600 760
	Directors emoluments:				
	- for services as directors	29 578 743	20 305 061	25 970 559	4 577 415
	- for other services	235 093 977	139 421 103	182 151 110	31 430 007
18	**Income tax expense**				
	Current tax	195 019 226	40 028 082	93 783 540	9 026 510
	Deferred tax	(41 656 032)	(3 825 233)	(33 066 378)	(1 112 763)
		153 363 194	**36 202 849**	**60 717 162**	**7 913 747**
18.1	**Tax rate reconciliation**				
	Profit/(loss) before tax	531 023 122	139 184 373	232 621 085	26 157 301
	Tax at statutory rate of 24.72%	131 268 916	34 406 377	57 503 932	6 466 085
	Tax effect of:				
	Legal fees	30 852	10 962 090	27 723	24 720
	Government 2% tax	4 776 173	4 702 336	2 892 736	1 060 398
	Other non deductible items	623 260	1 607 707	292 771	362 544
	IAS 29 effects	16 663 993	(15 475 661)	-	-
		153 363 194	**36 202 849**	**60 717 162**	**7 913 747**
18.2	**Corporate tax payable**				
	Opening balance	74 211 185	69 522 479	21 588 088	12 561 578
	Income tax paid	(19 952 268)	-	(19 952 268)	-
	Current tax	195 019 226	40 028 081	93 783 540	9 026 510
	Effects of inflation	(153 858 783)	(35 339 375)	-	-
	Closing balance	**95 419 360**	**74 211 185**	**95 419 360**	**21 588 088**
19	**Earnings per share (EPS)**				
	Profit/(loss) from continuing operations attributable to equity holders of the company	105 055 564	(40 419 779)	171 903 923	18 243 554
	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 earnings / (loss) per share
Basic loss per share is calculated by dividing the loss / earnings attributable to ordinary equity holders of the parent company by the average number of ordinary shares in issue during the year.

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

	Inflation Adjustment 2022 ZWL	Inflation Adjustment 2021 ZWL	Historical Cost 2022 ZWL	Historical Cost 2021 ZWL
Headline earnings / (loss) is calculated as follows:				
Profit/(loss) for the year attributable to ordinary holders of the company	105 055 564	171 903 923	22 207 076	(17 706 731)
Differed revenue realised	(6 352 466)	(317 624)	(29 965)	(1 577)
Headline profit/(loss)	**98 703 098**	**(18 024 355)**	**171 873 958**	**22 205 499**
Basic earnings / (loss) per share (cents)	0.196	(0.075)	0.320	0.034
Diluted earnings / (loss) per share (cents)	0.193	(0.074)	0.317	0.034
Headline earnings / (loss) per share (cents)	0.182	(0.033)	0.317	0.041

20 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 451 499 per month. Contributions for the year were ZWL 18 345 217.

21 Related party disclosure

21.1

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

Nature of transactions
Sale of chemicals

21.2 Related party transactions

The following represent transactions with related parties during year:-

Reliable Cleaners (Private) Limited	Inflation Adjustment 2022 ZWL	Inflation Adjustment 2021 ZWL	Historical Cost 2022 ZWL	Historical Cost 2021 ZWL
Transactions during the year	9 277 631	2 827 160	5 690 152	822 423
Amounts owed during the year	-	-	-	-

21.3 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.

	Inflation Adjustment 2022 ZWL	Inflation Adjustment 2021 ZWL	Historical Cost 2022 ZWL	Historical Cost 2021 ZWL
Short term employee benefits	235 093 977	139 421 103	182 151 109	28 876 405
Long term benefits	58 566 487	79 469 831	58 566 487	9 073 352
	293 660 464	**218 890 934**	**240 717 596**	**37 949 757**

22 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.

23 Principal financial instruments

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

1. Trade and other receivables
2. Bank and cash balances
3. Trade and other payables
4. Borrowings
5. Bank overdraft

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

	Inflation Adjustment		Historical Cost	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Financial assets				
Bank and cash balances	45 321 731	65 680 048	45 321 731	19 106 374
Trade and other receivables	597 216 092	492 480 142	597 216 092	143 262 834
	642 537 823	**558 160 190**	**642 537 823**	**162 369 208**
Financial liabilities				
Borrowings	-	157 321 374	-	45 764 903
Trade and other payables	794 042 466	460 871 573	794 042 466	134 067 878
	794 042 466	**618 192 947**	**794 042 466**	**179 832 781**

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.

23.1 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 7.

23.2 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.G B Holdings Limited

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

23.3 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 and overdraft as disclosed in note 12.

The table summarizes the maturity profile of the company's financial liabilities at 31 December 2022 based on contractual undiscounted payments:

At 31 December 2022

	Up to 3 months ZWL	3 to 12 months ZWL	1 to 5 years ZWL	Over 5 years ZWL	Total ZWL
Borrowings	-	-	-	-	-
Trade and other payables	794 042 466	-	-	-	794 042 466
	794 042 466	-	-	-	794 042 466

At 31 December 2021

	Up to 3 months ZWL	3 to 12 months ZWL	1 to 5 years ZWL	Over 5 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

24 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 Historical: 73% (2021: 55%) of the company's external revenue.

The chemical segment is involved in the manufacturing, importation and distribution of chemical products and contributed Historical: 27% (2021: 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		
2022	**Chemicals ZWL**	**Rubber ZWL**	**Company ZWL**	**Chemicals ZWL**	**Rubber ZWL**	**Company ZWL**
Revenue	884 413 843	2 126 292 178	3 010 706 021	611 702 918	1 681 214 697	2 292 917 615
Inter-segmental revenue	-	-	-	-	-	-
Revenue from external customers	884 413 843	2 126 292 178	3 010 706 021	611 702 918	1 681 214 697	2 292 917 615
Depreciation charge	3 402 689	2 378 853	5 781 542	1 873 630	1 309 871	3 183 501
Segment profit/(loss)	(92 722 177)	1 135 245 672	1 042 523 495	(51 058 878)	625 102 554	574 043 676
Finance expense	-	-	-	(22 604 635)	-	(22 604 635)
Company profit/ (loss) before tax	**(92 722 177)**	**1 135 245 672**	**1 042 523 495**	**(73 663 513)**	**625 102 554**	**551 439 041**
2021						
Revenue	982 639 135	995 076 877	1 977 716 012	242 551 533	217 787 301	460 338 834
Inter-segmental revenue	-	-	-	-	-	-
Revenue from external customers	982 639 135	995 076 877	1 977 716 012	242 551 533	217 787 301	460 338 834
Depreciation	16 359 949	24 539 924	40 899 873	1 429 052	582 981	2 012 033
Segment profit/(loss)	30 370 305	167 330 225	197 700 530	38 210 783	29 299 595	22 207 076
Finance expense	(10 432 335)	(941 875)	(11 374 210)	(3 151 575)	(260 975)	(3 412 550)
Company profit/ (loss) before tax	**19 937 970**	**166 388 350**	**186 326 320**	**35 059 208**	**29 038 620**	**18 794 526**
2022						
Reportable segment assets	3 180 441 435	2 623 686 267	5 804 127 702	3 176 441 435	2 621 590 852	5 798 032 287
Corporate head office			-			-
Total company assets	3 180 441 435	2 623 686 267	5 804 127 702	3 176 441 435	2621 590 852	5 798 032 287
Reportable segment liabilities	145 916 353	427 921 924	573 838 277	145 916 353	427 921 924	573 838 277
Borrowings	-	-	-	-	-	-
Corporate liabilities						
Liabilities			315 623 549			315 623 549
Borrowings			-			-
Deferred tax liability			1 090 715 078			1 135 311 792
Total company liabilities	**145 916 353**	**427 921 924**	**1 980 176 904**	**145 916 353**	**427 921 924**	**2 024 773 618**
2021						
Reportable segment assets	1 479 730 321	793 048 588	2 272 778 909	150 557 937	101 337 100	251 895 037
Corporate head office			5 995			1 744
Total company assets	**1 479 730 321**	**793 048 588**	**2 272 784 904**	**150 557 937**	**101 337 100**	**251 896 781**
Reportable segment liabilities	307 421 423	66 662 778	374 084 201	89 429 117	19 392 251	108 821 368
Borrowings	154 691 945	6 837	154 698 782	45 000 000	1 989	45 001 989
Corporate liabilities						
Liabilities			163 208 166			46 864 563
Borrowings			2 622 592			762 914
Deferred tax liability			326 141 616			1 770 431
Total company liabilities	**462 113 368**	**66 669 615**	**1 020 755 357**	**134 429 117**	**19 394 240**	**203 221 265**

25 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	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Share capital	98 517 163	98 517 163	536 588	536 588
Share option reserve	3 525 106	3 525 106	19 200	19 200
Revaluation reserve	2 466 865 688	-	3 552 679 230	-
Retained earnings	1 255 042 841	1 149 987 277	220 023 651	48 119 728
	3 823 950 798	**1 252 029 546**	**3 773 258 669**	**48 675 516**

26 Capital commitments

The Company had no significant capital commitments authorised by the Board of Directors or contracted for at the reporting date.

27 Contingent liabilities

The Company had no significant capital commitments authorised by the Board of Directors or contracted for at the reporting date.

28 Going concern considerations

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.

29 Subsequent event after reporting date

No adjusting or significant non-adjusting events occurred between the reporting date and the date of authorisation of the financial statements.

Top Ten Shareholders	Total holding	% of total holding
JEMAIMAH SYNERGIES (PVT) LTD	332,348,610	62
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 Twentieth Annual General Meeting of members of GB Holdings Limited will be held in the **Cernol Chemicals Boardroom, 111 Dagenham Road, Willowvale, Harare on Wednesday 28 June 2023 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 2022, 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. C. C.Dzumbunu , 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. Dr. I. Murefu 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 2022.

4. To approve the remuneration of the Auditors for the year ended 31 December 2022.

5. To appoint Auditors for the current year. Grant Thornton Chartered Accountants Zimbabwe, have been external auditors for the company for 2 years 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 2023