



SEED CO LIMITED

ABRIDGED COMPANY AUDITED RESULTS
FOR THE YEAR ENDED 31 MARCH 2023



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Seed Co Limited

SHORT-FORM FINANCIAL ANNOUNCEMENT

Issued in terms of practice Note 13 of the Zimbabwe Stock Exchange (ZSE)

SUSTAINABILITY STATEMENT

Seed Co Limited is committed to sustainable ethical business practices, the protection of the environment, and economic development while improving the livelihoods of all its stakeholders, including but not limited to employees, farmers, consumers, and communities. To this end, the DNA of our seed-to-feed business is to innovate and make available climate-smart high-yielding seed solutions, agronomic support, and training for the efficient utilization of arable land and other farming inputs to sustainably make both small and large-scale farming profitable enterprises that feed both people and livestock with catalytic effects on critical economic value chains.

OUR BUSINESS SOCIAL IMPACT AND BENEFITS:

During the year under review, our business continued to contribute positively to:

- Improved food security
- Enhanced agricultural productivity
- Empowering smallholder farmers
- Conservation of biodiversity
- Climate change adaptation
- Knowledge sharing and capacity building
- Employment generation and empowerment of local communities
- Fiscal revenue generation by being a responsible and compliant corporate citizen in all our markets

KEY METRICS

KEY METRICS	Inflation adjusted		Historical cost	
	Mar 2023	Mar 2022	Mar 2023	Mar 2022
Maize seed sales volumes	↑	12.2%	↑	12.2%
Revenue	↑	56.5%	↑	454.7%
EBITDA	↑	450.6%	↑	1212.4%
Net debt	↑	191.3%	↑	752.6%

* All inflation adjusted comparatives have been presented in terms of the measuring unit current at the end of the latest reporting period.

^ Foreign currency translation reserve through OCI and investments in associates have been restated at the applicable exchange rates.

ABRIDGED COMPANY INCOME STATEMENT

	Inflation adjusted		Historical cost	
	Mar 2023	Mar 2022	Mar 2023	Mar 2022
Revenue	42,653.2	27,255.1	38,219.4	6,890.4
Cost of sales	(25,200.4)	(18,224.1)	(15,687.5)	(3,156.8)
Gross profit	17,452.8	9,030.9	22,531.9	3,733.5
Other income	36,801.0	5,472.1	34,743.9	1,470.8
Operating expenses	(18,366.1)	(8,619.7)	(16,014.5)	(2,206.1)
Operating profit	35,887.8	5,883.3	41,261.1	2,998.3
Net finance costs	(11,142.4)	(2,493.0)	(10,082.8)	(629.2)
Monetary loss	(4,377.0)	(2,914.4)	-	-
Share of profit from associates & JV	1,867.9	850.4	3,104.4	454.2
Profit before tax	22,236.2	1,326.3	34,282.7	2,823.3
Income tax expense	(6,443.9)	(3,515.8)	(7,014.1)	(642.1)
Profit/(loss) for the year	15,792.3	(2,189.5)	27,268.6	2,181.2
BEPS - cents	6,348	(884)	10,961	881
DEPS - cents	6,166	(859)	10,647	856
HEPS - cents	5,545	(734)	10,245	932

ABRIDGED COMPANY STATEMENT OF OTHER COMPREHENSIVE INCOME

	Inflation adjusted		Historical cost	
	Mar 2023	Mar 2022	Mar 2023	Mar 2022
Profit/(loss) for the year	15,792.3	(2,189.5)	27,268.6	2,181.2
Exchange differences ^a	10,354.4	4,697.1	17,530.9	1,604.8
Revaluation net of tax	15,265.9	3,038.2	23,446.0	2,671.1
Total comprehensive income for the year	41,412.6	5,545.9	68,245.5	6,457.2

ABRIDGED COMPANY STATEMENT OF CHANGES IN EQUITY

	Inflation adjusted		Historical cost	
	Mar 2023	Mar 2022	Mar 2023	Mar 2022
Opening shareholders' equity	37,767.5	47,774.6	12,807.7	6,345.1
Comprehensive income	41,412.6	(10,032.9)	68,245.5	6,457.2
Exercise of share options	366.9	-	144.9	(2.4)
Share based payments	214.3	32.7	84.6	7.8
Closing shareholders' equity	79,761.3	37,774.4	81,282.7	12,807.7

ABRIDGED COMPANY STATEMENT OF FINANCIAL POSITION

	Inflation adjusted		Historical cost	
	Mar 2023	Mar 2022	Mar 2023	Mar 2022
Assets	132,326.7	56,117.4	131,543.4	18,198.9
Property, plant & equipment (PPE)	37,166.9	18,504.1	37,157.0	6,322.0
Investments in associates & JV ^a	25,413.4	13,250.9	25,303.6	4,444.3
Other financial assets	4,096.2	1,879.8	4,096.2	642.2
Inventories	10,819.9	9,693.3	10,234.1	2,431.4
Receivables	54,090.1	12,030.0	54,012.2	4,099.5
Cash and cash equivalents	740.2	759.2	740.2	259.4
Equity and liabilities	132,326.7	56,117.4	131,543.4	18,198.9
Shareholders' equity	79,761.3	37,767.5	81,282.7	12,807.7
Loans and borrowings	24,860.4	9,040.0	24,860.4	3,088.6
Deferred tax liability	15,858.6	6,771.9	13,553.9	1,435.4
Payables and provisions	11,846.2	2,538.1	11,846.2	867.2

ABRIDGED COMPANY STATEMENT OF CASH FLOWS

	Inflation adjusted		Historical cost	
	Mar 2023	Mar 2022	Mar 2023	Mar 2022
Profit before tax	22,236.2	1,326.3	34,282.7	2,823.3
Reconciling items to net cash flows	15,423.7	5,556.1	7,575.4	375.2
Working capital changes	(34,868.2)	3,147.8	(48,274.1)	(2,204.4)
Tax paid	(1,399.8)	(3,394.0)	(851.6)	(755.5)
Operating cash flows	1,391.9	6,636.1	(7,267.6)	238.6
PPE disposal proceeds	25.8	42.7	24.2	13.6
Purchase of PPE	(749.1)	(1,275.2)	(675.8)	(393.6)
Non-current financial assets changes	(17.9)	346.5	(79.2)	(30.2)
Dividends received	15.7	9.5	14.8	2.4
Interest received	4.8	6.7	4.0	2.1
Investing cash flows	(720.7)	(869.9)	(712.1)	(405.7)
Net proceeds from borrowings	18,239.5	6,137.0	13,780.0	816.9
Interest paid	(11,147.1)	(2,499.7)	(10,086.8)	(631.2)
Net cash flows during the year	7,763.5	9,403.5	(4,286.5)	18.6
Effects of monetary changes	(14,092.8)	(10,924.1)	-	-
Effects of exchange rate	6,310.3	(423.0)	4,767.3	(294.0)
Opening cash and cash equivalents	759.2	2,702.7	259.4	534.7
Closing cash and cash equivalents	740.2	759.2	740.2	259.3

IAS 29 discourages the publication of historical cost financial statements as the inflation adjusted results are the primary records. However, the historical cost results are included as supplementary information to allow for comparability during the transitional phase of applying the Standard and to meet most user requirements.

SUPPLEMENTARY INFORMATION

1. Corporate information

Seed Co Limited is a company which is incorporated and domiciled in Zimbabwe and listed on the Zimbabwe Stock Exchange.

2. Basis of preparation

The basis of preparation of these financial statements is International Financial Reporting Standards (IFRS) with the exception of IAS 8 and IAS 21

Directors

D E B Long (Group Chairman), P Gowero (Group Deputy Chairman), M Nzwere (Group CEO)*, J Matorofa (Group CFO)*, R C D Chitungu, Dr D Garwe, R Fournier, F Savin, P Spadin. *Executive



Since the adoption of IAS 29 on 1 October 2018, the Company adopted the Zimbabwe consumer price index (CPI) as the general price index to prepare inflation adjusted financial statements up to 31 January 2023. On the 3rd of March 2023, government issued SI 27 of 2023, which defined the term "rate of inflation" and introduced a new inflation rate measurement method. Consequently, ZIMSTATS stopped reporting ZW\$ inflation and CPI figures and only released blended CPI figures. This change created a challenge for the Company, as it had been using the ZW\$ CPI for reporting inflation adjusted historical figures. In order to comply with International Accounting Standard (IAS29) - "Financial Reporting in Hyperinflationary Economies" in the preparation of its financial statements, the Company estimated and applied inflation rates for February 2023 and March 2023 based on the Total Consumption Poverty Line published by ZIMSTAT. The estimation of the consumer price index is permitted by IAS 29 where a general consumer price index is not readily available.

	Inlex	Conversion factor
Closing as at 31 March 2023	13,950	1.00
Closing as at 31 March 2022	4,766	2.93
Average for the year ended 31 March 2023	11,547	1.32
Average for the year ended 31 March 2022	3,583	4.64

3. Accounting policies

The principal accounting policies of the Group have been consistently followed in all material respects.

	Inflation adjusted		Historical cost	
	Audited	Unaudited	Audited	Unaudited
4. Capital expenditure (CAPEX)	Mar 2023	Mar 2022	Mar 2023	Mar 2022
	ZWL'm	ZWL'm	ZWL'm	ZWL'm
	749.1	1,275.2	675.8	393.6
5. Depreciation	1,441.1	896.2	510.8	184.5
			US\$m	US\$m
6. Commitments for CAPEX			3.6	4.0

7. Directorate

Mr Michael Shongwe Ndoro resigned from the Board in March 2023.

8. Dividend

In view of the uncertain local and global economy, the Board decided not to declare a dividend.

9. External auditors' opinion

"The abridged Seed Co Limited results for the year ended 31 March 2023, should be read in conjunction with the inflation adjusted financial statements for the year ended 31 March 2023, from which they have been extracted.

The inflation adjusted financial statements for the year ended 31 March 2023 have been audited by KPMG Chartered Accountants (Zimbabwe) and an adverse opinion issued thereon.

The auditors' report is modified for IAS 21, *The Effects of Changes in Foreign Exchange Rates*, in respect of use of internally generated rates in accounting for transactions with growers and determination of split of exchange gains into realised and unrealised portions, IAS 28, *Investments in associates and joint ventures*, in respect of the associate entity's application of the cost model in accounting for property, plant and equipment (PPE) which is not consistent with Company's policies which require PPE to be revalued annually, in respect of non-compliance with IFRS 13, *Fair Value Measurement*, in relation to the valuation of land and buildings, IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* due to these areas of non-compliance remaining uncorrected in the comparative periods and the consequential impact of these items on IAS 29, *Financial Reporting in Hyperinflationary Economies*.

The independent auditors' opinion has been made available to management and those charged with governance of Seed Co Limited. The engagement partner responsible for this audit is Vinay Ramabhai (PAAB Practising Certificate Number 0569).

The auditors' opinion is available for inspection at the Company's registered office."

10. Approval of financial statements

These abridged results have been extracted from the full set of financial statements and are the responsibility of the directors. The full set of financial statements which have been signed on behalf of the board by the Chairman and CEO, are available on the ZSE data portal and Company's website.

D.E.B. Long (Chairman)
25 July 2023

M. Nzwere (CEO)
25 July 2023

COMMENTARY

Overview

In a continuous trend from prior year, the period under review saw a worsening harsh operating environment where inflationary pressures, scarcity of critical inputs, high prices, unstable exchange rates, liquidity challenges, policy inconsistencies and uneconomic interest rates brought about an unprecedented difficult operating landscape. Uncertainty around commodity prices and unreliability of the payment system for produce delivered to approved buyers had a direct impact on farmer interest in certain cropping lines especially the winter wheat production whose condition was made worse by the absence of reliable power and water supply.

Sales volume performance

Maize and soyabean seed sales volumes increased by 12% and 49% from prior year respectively driven by the heightened seed demand due to improved rainfall received and government programmes aimed towards ensuring food security supplemented by export opportunities across the region.

Winter wheat sales were subdued when compared to prior year, dropping by 7% driven mainly by high prices of inputs, unreliable power supply and uncertainty around commodity producer prices

Financial performance

The revenue growth recorded was on the back of 14% increase in sales volumes and selling price adjustments in response to inflation-induced increases in operating costs, as well as the general effects of exchange rate fluctuations.

Other income increased due to exchange gains on debtors and non seed sales. Operating expenses rose steeply due to the prevailing hyperinflationary conditions.

Finance costs were at 26% of turnover with an interest cover ratio of 4.4 caused by the unexpected hikes in interest rates that ranged 80%-200% p.a. The appetite to borrow was worsened by delayed payments from Government schemes and a sharp increase in prices for both operating expenses and seed deliveries.

Associate and joint venture operations made a negative contribution to the Company's performance due to subdued sales volume growth. Quton sales declined 10% and Prime Seed sales were 18% below prior year due effects of the various challenges in the Zimbabwean economic landscape

Financial position

The rise in property, plant and equipment was driven by revaluation assets and acquisitions made during the year.

Inventories on hand at the reporting date were higher than prior year due to wheat seed which has since been sold during the ongoing winter growing season.

The increase in receivables at the year end date was attributable to the growing sales and the outstanding debt from growers and Government programmes.

Trade payables were significantly high as compared to prior year as the business has been facing liquidity challenges due to the mismatch between inflows from debtors and expected outflows. To finance seed production, the Company raised its borrowing levels during the year.

Outlook

The operating economic environment is crowded with a busload of headwinds and increasing uncertainties. The Global economy is also facing unprecedented challenges. Whilst these developments impact fragile economies the most, the unavoidable need to focus on food security places the Company in a better position to leverage its strong brand and intellectual property to actively participate in enhancing primary food production to plug supply gaps.

By Order of the Board

T Chatiza (Group Secretary)
25 July 2023



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Independent Auditors' Report

To the shareholders of Seed Co Limited

Adverse opinion

We have audited the inflation adjusted financial statements of Seed Co Limited (the Company), set out on pages 10 to 55, which comprise the inflation adjusted company statement of financial position as at 31 March 2023, and the inflation adjusted company Income statement, inflation adjusted company statement of comprehensive income, inflation adjusted company statement of changes in equity and the inflation adjusted company statement of cash flows for the year then ended, company accounting policies and notes and other explanatory information.

In our opinion, because of the significance of the matters described in the *Basis for adverse opinion* section of our report, the inflation adjusted financial statements do not present fairly the inflation adjusted financial position of Seed Co Limited as at 31 March 2023, and its inflation adjusted financial performance and inflation adjusted cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Standards) and in the manner required by the Companies and Other Business Entities Act [Chapter 24:31].

Basis for adverse opinion

Non-compliance with IAS 21, The Effects of Changes in Foreign Exchange Rates (IAS21)

Use of internally generated exchange rate

The accounting policy of the Company is to record foreign currency denominated transactions and balances at the foreign currency exchange rate ruling at the transaction date (spot rate). Purchases of seed to growers and sales of farming inputs to growers, are undertaken with the growers using US\$ values and invoiced in US\$. The invoices are then recorded in the system on transaction date at a translated amount using an internally agreed exchange rate with the growers. These transactions are ultimately settled in ZWL at the internally generated rates, which vary from the official foreign currency exchange rates.

Grower balances, receivable in ZWL at the year end, are determined by translating the underlying US\$ values outstanding using the official interbank exchange rate. To the extent these transactions are settled in the financial period and the related inventories have been sold, a potential misstatement may arise between cost of sales and the exchange gains and losses accounts in the income statement. Where the related inventories have not been sold a potential misstatement also arises between closing inventory balances and exchange/fair value gains or losses in the income statement. The impact on the exchange gains/losses, cost of sales and inventory balances could not be quantified as this would be impracticable.



Foreign exchange gains/losses: determination of the amount of realised and unrealised portions

Included in Other income is net exchange gains of ZWL 32 872 234 004. Management determined split of ZWL 7 455 596 135 as the realised portion and ZWL 25 416 637 869 as the unrealised portion, based on proportion of foreign currency denominated trade receivables collected and uncollected, during the year. However, foreign currency denominated trade receivables are not the only driver of exchange rate gains and losses. Other drivers include currency swap, external borrowings, foreign denominated cash balances and foreign currency denominated creditors/payables, which were not taken into account in determining the split of realised and unrealised portions.

The resultant split into realised and unrealised portions does not reflect the correct actual split for all the exchange rate drivers. The inability to correctly split foreign exchange gains and losses impacts (i) the allocation into current tax expense and deferred tax expense, and the related tax liabilities, and (ii) the portion of realised net exchange rate gains to which inflation indices are applied to obtain IAS 29 numbers (see point on IAS 29 below). In addition, as stated under IAS 21 mentioned above, the company was using Seed Co internally generated exchange rates. Whilst considered to be material the impact on the exchange gains/losses, related taxliabilites and expense could not be quantified.

Non-compliance with IAS 28, Investments in Associates and Joint Ventures - Inconsistent application of policies

An associate, Quton Seed Company (Private) Limited ("Quton"), accounts for its property, plant and equipment (PPE) using the cost model, which is not consistent with the accounting policies which require PPE to be revalued annually. The Company has not made any adjustments on the equity accounting of Quton, as required by IAS 28 to apply uniform accounting policies. The impact, whilst considered to be material, cannot be quantified on the share of profit/(loss).

This is also a prior period error which has not been corrected in terms of IAS 8, *Accounting policies, changes in accounting estimates and errors*, and is continuing in the current year, thus still impacting the comparatives.

Non-compliance with IFRS 13, Fair Value Measurement (IFRS 13) - Inappropriate valuation inputs used

As disclosed in note 9.3, the Company's property, plant and equipment, which is carried at ZWL 37 166 822 989 includes land and buildings of ZWL 18 509 633 514, which are revalued annually. The market approach was applied for the valuation of land and buildings and key inputs into the calculations include rentals per square metre and yield rates. The valuation of land and buildings was performed based on USD denominated inputs and converted to ZWL reporting currency at closing spot foreign currency exchange rates.

IFRS 13 defines fair value as the price that would be received to sell an asset in an orderly transaction between market participants at a measurement date. Current market practice is to determine the ZWL fair value of land and buildings using ZWL denominated inputs. Valuing in USD and applying a conversion rate to USD valuation inputs may not provide an accurate reflection of market dynamics and fair values. The impact, whilst considered to be material, cannot be quantified.

This is also a prior period error which has not been corrected in terms of IAS 8, *Accounting policies, changes in accounting estimates and errors*, and is continuing in the current year, thus still impacting the comparatives.



Non-compliance with International Financial Reporting Standards IAS 29 - Financial Reporting in Hyperinflation Economies (IAS 29)

In addition, as described in note 2.1 to the inflation adjusted financial statements, Zimbabwe became a hyperinflationary economy with effect from 1 July 2019. IAS 29 Financial Reporting in Hyperinflationary Economies (IAS 29) has been applied to incorrect balances due to the non-compliances with the standards as noted above.

All these items identified in the *basis of adverse opinion* paragraph are considered material and pervasive to the inflation adjusted financial statements as a whole.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the inflation adjusted Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the inflation adjusted financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the inflation adjusted financial statements of the current period. Except for the matter described in the *Basis for adverse opinion* section, we have determined that there are no other key audit matters to communicate in our report.

Other matter

The inflation adjusted financial statements of the Company as at and for the year ended 31 March 2022, were audited by another auditor who expressed an adverse opinion on those inflation adjusted Company financial statements on 7 July 2022. The adverse opinion was due to the following:

- Non-compliance with IAS 28, Investments in Associates and Joint Ventures, with the inconsistent application of accounting policies in Quton Zimbabwe where PPE was accounted for using the cost model.
- Non-compliance with IFRS 13, Fair Value Measurement, where the inputs used in estimating the fair values of land and buildings were not considered to be appropriate.
- Non-compliance with IAS 21, Effects of Change in Foreign Exchange Rates, with inappropriate exchange rates used, and incorrect change of functional currency dates being applied in prior periods.
- Non-compliance with IAS 29, Hyperinflationary Economies with the underlying calculations being based on incorrect historical balances due to the matters noted above.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Seed Co Limited Financial Statements 31 March 2023" including the information titled "historical cost" but does not include the inflation adjusted financial statements and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Seed Co Limited Annual Report, which is expected to be made available to us after that date.

Our opinion on the inflation adjusted financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the inflation adjusted financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted 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 have obtained prior to the date of this auditors' 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.

When we read the Seed Co Limited Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors for the inflation adjusted financial statements

The directors are responsible for the preparation and fair presentation of the inflation adjusted financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Standards) and in the manner required by the Companies and Other Business Entities Act [Chapter 24:31], and for such internal control as the directors determine is necessary to enable the preparation of inflation adjusted financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the inflation adjusted financial statements, the 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the inflation adjusted financial statements

Our objectives are to obtain reasonable assurance about whether the inflation adjusted financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 inflation adjusted 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 inflation adjusted financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



- Conclude on the appropriateness of the directors' 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 auditors' report to the related disclosures in the inflation adjusted 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 auditors' 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 inflation adjusted financial statements, including the disclosures, and whether the inflation adjusted financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the inflation adjusted financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG

Vinay Ramabhai
Chartered Accountant (Z)
Registered Auditor
PAAB Practicing Certificate Number 0569

21 July 2023

For and on behalf of, KPMG Chartered Accountants (Zimbabwe), Reporting Auditors

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