

### FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED 31 DECEMBER 2023

	REVENUE	PROFIT FROM OPERATIONS	LOSS BEFORE TAXATION	PROFIT FOR THE YEAR
	ZWL '000	ZWL '000	ZWL '000	ZWL '000
	84,158,417	3,790,563	(1,198,772)	128,626
	↑109%	↑149%	↑93%	↑101%



## Chairman's Statement

### Review of the Operating Environment

#### Background

The business environment, during the year under review, remained depressed and was characterized by a weakening local currency on the back of high inflation levels which severely affected business operations. Exchange rate disparities between the official and alternative markets continued to cause price distortions within the economy. There were elevated levels of uncertainty, low liquidity and high costs of borrowing. The economy continued to encounter erratic power supplies which adversely affected productivity and increased the cost of production.

On a positive note, there was a continuation of the tight monetary fiscal stance which was aimed at stabilising both the foreign currency exchange rates and the prices of basic commodities. The interventions implemented resulted in some positive effects on economic performance such as the annual inflation declining from 55.93% in December 2022 to 26.52% in December 2023. The average annual inflation was 29.8% for 2023 compared to 43% achieved in 2022 which bears testament to the improved inflation management initiatives. There was also an increase in the foreign currency retention rate from 80% to 100% in respect of foreign currency earnings from domestic sales.

The Group's business performance was, however, adversely affected by a disruption in the supply of fibre from Russia as a result of the Russia/Ukraine conflict. Consequently, lead times increased to as long as 6 months, thereby resulting in intermittent production runs and shortages of our finished products. The Group has since secured alternative sources of fibre and supplies normalized towards the end of the fourth quarter of 2023. Adequate fibre has been secured which will take the Group through the 2024 financial year.

#### Financial Performance

The Group's turnover for the year was \$84.2 billion in inflation adjusted terms compared to \$40.3 billion achieved in the prior year, representing an increase of 109%. In historical terms, revenue was \$54.5 billion representing an 834% growth over last year. The improved performance was mainly due to an increase in concrete product sales and also furnish modifications which enabled the group to maximise on the available raw materials for the fibre-cement products. However, as alluded to above, the Group was unable to meet sales demand on the fibre-cement products due to the fibre supply disruptions.

The inflation adjusted gross margin for the year under review was 45% compared to 31% achieved last year. In historical terms, the gross margin was 49% compared to 50% reported in the prior year. The improvement in the gross margin in inflation adjusted terms, is attributed to the timeous review of selling prices in line with inflation and the tight cost containment initiatives being implemented by management. Management will continue to manage costs and ensure that the business remains competitive and profitable.

The inflation adjusted operating expenses to sales ratio was 41% compared to 52% in the prior year and in historical terms was 31% compared to 60% recorded last year. The reduction is attributed to cost containment initiatives being implemented by management. In addition, in the prior year the business had some unusual expenses such as the provision of terminal benefits for the former executives and impairment of some of the old equipment. However, the expenses have remained high due to the general price increases experienced in the economy as evidenced by the hyperinflationary environment.

The Group incurred an exchange loss amounting to \$26.4 billion (historical \$17.1 billion) due to the sharp increases in the exchange rates during the year and this impacted negatively on the Group's performance. A total of \$9.3 billion in historical terms arose from the outstanding terminal benefits for the former executives.

Other income was \$593 million, representing a 17% increase compared to the prior year figure in inflation adjusted terms. The other income arose largely from scrap sales and rental income.

A fair value adjustment gain amounting to \$5.7 billion (historical \$3.8 billion) was realized on the investment property and this was due to the exchange rate movements. The Group had a monetary gain of \$16.4 billion during the year compared to a loss of ZWL14.7 billion incurred last year.

In inflation adjusted terms, the Group had a loss before tax of ZWL1.2 billion compared to a loss of \$17.7 billion realized in the prior year. In historical terms, the Group had a loss before taxation of \$3.4 billion driven mainly by the exchange losses amounting to ZWL17 billion. The exchange losses were incurred on foreign denominated liabilities held during the year owing to the sharp increases in the official exchange rates from USD1:ZWL684 in December 2022 to close the 2023 financial year at USD1:ZWL6,715 representing an 882% increase.

The Group had a negative cashflow from operations in inflation adjusted terms of ZWL60.3 billion representing a 2,273% drop compared to the prior year. A total of ZWL35.7 billion was paid towards the recapitalization of the plants which will be installed in 2024 and 2025 and are thus included in prepayments. The capital projects were funded through a shareholders' rights issue. The Group is embarking on a massive expansion drive in order to grow the revenue base and improve profitability. A total of ZWL24.8 billion was invested in inventories, with the bulk of that going towards the purchase of fibre as the business made a deliberate decision to acquire adequate fibre as a mitigation measure against the long lead times.

Capital expenditure for the year was \$2.9 billion with the focus being mainly on improving production efficiencies.

#### Sustainability Performance

We continue to apply an integrated approach in managing our sustainability impacts and opportunities. The Group adopted the Global Reporting Initiatives (GRI) Sustainability Reporting Framework as a business model in addressing and managing economic, environmental, social and governance aspects of our operations.

#### Legislative Environment

Turnall Holdings Limited has continued to uphold its ISO14001 and ISO9001 certifications. We continue to comply with relevant legislative requirements of the Environmental Management Act, Labour Act, Companies and Other Business Entities Act and other related legislation.

#### Prospects

The economic situation for the country in the upcoming year is expected to be unstable on the back of a poor agricultural season as a result of the drought and declining commodity prices on the global market. Nevertheless, the Group remains committed to the implementation of an ambitious recovery plan which involves the introduction of a new modern production line in Harare for roofing sheets and flat products, extensive modifications to the Bulawayo sheeting plant and a major investment in new templates and spares aimed at reducing costs and increasing output from the Harare concrete tile plant. Maintaining high standards of product quality remains a key priority and this will be underpinned when spares and equipment with a value of over United States Dollars (USD) 2million start to arrive in Bulawayo in Quarter 2 2024.

The Group is also committed to returning to the regional export market and a significant investment in new equipment to convert the Bulawayo sheeting plant to "NuTech" production for the export market will come on stream in Quarter 2 2025, following the commissioning of the new sheeting plant in Harare in Quarter 1 2025. The Group has recently recommissioned the fibre cement pipe plant in Bulawayo due to an increase in demand and is also expected to place an order for a Glass Reinforced Plastic (GRP) pipe machine in 2024. GRP pipes are now the preferred product for large diameter water pipes and the Group is focused on being able to supply pipes to support the large number of infrastructure renewal projects in Zimbabwe and the region.

#### Dividend

The directors have resolved that there will not be any dividend declared in respect of the year under review due to the major projects that the Group is undertaking in an effort to retool the factories.

#### Appreciation

I would like to express my appreciation to all our stakeholders, fellow board members, management, and staff for your continued support to the Group.

#### By Order of the Board

*G. Hampshire*  
Grenville Hampshire  
Board Chairman  
27 March 2024

### Abridged Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2023

	Inflation Adjusted		*Historical Cost	
	Year ended 31.12.2023	Year ended 31.12.2022	Year ended 31.12.2023	Year ended 31.12.2022
	ZWL	ZWL	ZWL	ZWL
Revenue	84,158,417,379	40,326,405,561	54,542,727,439	5,838,892,428
Cost of sales	(46,207,101,806)	(27,648,054,112)	(27,738,985,201)	(2,941,531,378)
Gross profit	37,951,315,573	12,678,351,449	26,803,742,238	2,897,361,050
Other income	592,917,179	507,340,815	477,029,980	77,597,303
Selling and distribution expenses	(14,099,104,502)	(4,468,448,329)	(5,690,297,803)	(645,370,784)
Administrative expenses	(20,654,565,301)	(16,385,231,155)	(11,142,777,711)	(2,831,514,224)
Operating profit / (loss) before fair value adjustments & impairments	3,790,562,949	(7,667,987,220)	10,447,696,704	(501,926,655)
Fair value adjustments on investment property	5,648,884,120	2,218,178,586	3,760,572,762	462,116,117
Foreign exchange (loss) / gain	(26,389,562,814)	2,422,442,347	(17,057,170,849)	406,611,960
Finance costs	(606,143,116)	(12,495,686)	(579,571,461)	(965,015)
Gain/(loss) on net monetary position	16,357,487,029	(14,706,348,111)	-	-
(Loss) / profit before taxation	(1,198,771,832)	(17,746,210,084)	(3,428,472,844)	365,836,407
Income tax credit/(expense)	1,327,398,193	(705,052,956)	408,772,276	(121,938,128)
Profit / (loss) for the year	128,626,361	(18,451,263,040)	(3,019,700,568)	243,898,279
Other comprehensive income				
Gain on revaluation of property, plant and equipment	-	31,099,045,395	-	10,581,175,341
Total comprehensive income / (loss) for the year	128,626,361	12,647,782,355	(3,019,700,568)	10,825,073,620
Earnings/(loss) per share				
Number of shares in issue	4,315,726,499	493,040,308	4,315,726,499	493,040,308
Basic and diluted earnings / (loss) (cents per share)	6.81	(2,724.22)	(159.76)	36.01
Headline earnings/(loss)(cents per share)	74.87	(2,624.84)	(117.86)	50.46

\*The historical values are shown as supplementary information. This information does not comply with International Financial Reporting Standards in that it has not taken account of the requirements of International Accounting Standard 29: Financial Reporting for Hyperinflationary Economies.

### Abridged Consolidated Statement of Financial Position as at 31 December 2023

	Inflation Adjusted		*Historical Cost	
	as at 31.12.2023	as at 31.12.2022	as at 31.12.2023	as at 31.12.2022
	ZWL	ZWL	ZWL	ZWL
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	64,605,392,269	71,984,941,362	15,925,584,553	14,551,582,794
Right-of-use asset	116,644,900	171,018,657	116,644,900	11,161,116
Investment property	4,230,572,762	2,256,021,587	4,230,572,762	470,000,000
Investments in financial assets	505,344	2,293,952	505,344	477,902
<b>Total non-current assets</b>	<b>68,953,115,275</b>	<b>74,414,275,558</b>	<b>20,273,307,559</b>	<b>15,033,221,812</b>
<b>Current assets</b>				
Inventories	35,726,503,272	10,895,010,784	19,102,563,191	885,161,440
Trade and other receivables	64,498,767,367	6,316,113,848	40,476,368,919	1,150,507,459
Cash and cash equivalents	1,810,216,025	1,973,111,204	1,810,216,025	411,060,901
<b>Total current assets</b>	<b>102,035,486,664</b>	<b>19,184,235,836</b>	<b>61,389,148,135</b>	<b>2,446,729,800</b>
<b>Total assets</b>	<b>170,988,601,939</b>	<b>93,598,511,394</b>	<b>81,662,455,694</b>	<b>17,479,951,612</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Share capital	5,104,541,982	5,046,962,519	42,315,637	4,930,403
Share premium	61,009,320,180	186,208,484	39,491,454,528	181,908
Non-distributable reserve	7,836,216,292	7,836,216,292	7,655,239	7,655,239
Revaluation reserve	50,227,565,244	52,186,801,184	10,119,724,161	10,872,146,216
Retained earnings/(accumulated loss)	580,075,834	(1,507,786,467)	(1,765,850,553)	501,427,960
<b>Total equity</b>	<b>124,757,719,532</b>	<b>63,748,402,012</b>	<b>47,895,299,012</b>	<b>11,386,341,726</b>
<b>Non-current liabilities</b>				
Lease liability	58,476,898	28,338,122	58,476,898	5,903,719
Deferred taxation	15,188,955,507	16,929,664,814	2,725,229,782	3,401,876,357
<b>Total non-current liabilities</b>	<b>15,247,432,405</b>	<b>16,958,002,936</b>	<b>2,783,706,680</b>	<b>3,407,780,076</b>
<b>Current liabilities</b>				
Loans and borrowings	3,796,145,519	-	3,796,145,519	-
Trade and other payables	27,115,745,289	11,862,909,033	27,115,745,289	2,471,415,734
Current tax liabilities	-	1,007,394,937	-	209,871,937
Lease liability	71,475,674	21,802,476	71,475,674	4,542,139
Bank overdraft	83,520	-	83,520	-
<b>Total current liabilities</b>	<b>30,983,450,002</b>	<b>12,892,106,446</b>	<b>30,983,450,002</b>	<b>2,685,829,810</b>
<b>Total liabilities</b>	<b>46,230,882,407</b>	<b>29,850,109,382</b>	<b>33,767,156,682</b>	<b>6,093,609,886</b>
<b>Total equity and liabilities</b>	<b>170,988,601,939</b>	<b>93,598,511,394</b>	<b>81,662,455,694</b>	<b>17,479,951,612</b>

\*The historical values are shown as supplementary information. This information does not comply with International Financial Reporting Standards in that it has not taken account of the requirements of International Accounting Standard 29: Financial Reporting for Hyperinflationary Economies.



#### Abridged Consolidated Statement of Cash Flows for the year ended 31 December 2023

	Inflation adjusted		*Historical Cost	
	Year ended 31.12.2023 ZWL	Year ended 31.12.2022 ZWL	Year ended 31.12.2023 ZWL	Year ended 31.12.2022 ZWL
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
(Loss) / profit before income tax	(1,198,771,832)	(17,746,210,084)	(3,428,472,844)	365,836,407
<b>Adjustment for:</b>				
Depreciation of property, plant and equipment	9,693,746,124	2,565,283,309	819,305,072	27,148,843
Depreciation of investment property	-	1,212,607	-	4,995
Amortisation of financial assets	(1,788,608)	(114,644)	(27,442)	(23,884)
Amortisation of right of use asset	30,519,013	20,349,128	22,418,983	2,739,192
Investment property fair value gain	(5,648,884,120)	(1,025,661,017)	(3,760,572,762)	(462,116,117)
Impairment of property, plant & equipment	-	28,790,963	-	5,998,060
Finance costs	606,143,116	12,495,686	579,571,461	965,015
Loss from disposal of property, plant and equipment	135,921,198	-	135,921,198	-
Adjustment for movement in non-monetary items	(16,357,487,029)	14,706,348,111	-	-
Effects of inflation	20,176,659,847	(5,044,694,631)	-	-
<b>Operating cash flows before working capital changes</b>	<b>7,436,057,709</b>	<b>(6,482,200,572)</b>	<b>(5,631,856,334)</b>	<b>(59,447,489)</b>
<b>Movements in working capital</b>				
Change in inventories	(24,831,492,488)	4,881,700,715	(18,217,401,751)	(642,472,937)
Change in trade and other receivables	(58,182,653,519)	(1,904,257,517)	(39,325,861,460)	(892,157,489)
Change in trade and other payables	15,252,836,256	7,066,002,746	24,644,329,555	2,181,230,092
<b>Operating cash flows after working capital changes</b>	<b>(60,325,252,042)</b>	<b>3,561,245,372</b>	<b>(38,530,789,990)</b>	<b>587,152,177</b>
<b>Tax paid</b>	<b>(868,141,413)</b>	<b>(705,052,951)</b>	<b>(477,746,236)</b>	<b>(164,444,603)</b>
Financing costs	(606,143,116)	(12,495,686)	(579,571,461)	(965,015)
<b>Net cash flows (utilised in) / generated from operating activities</b>	<b>(61,799,536,571)</b>	<b>2,843,696,735</b>	<b>(39,588,107,687)</b>	<b>421,742,559</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Acquisition of property, plant and equipment	(2,942,147,466)	(2,987,954,017)	(2,323,822,339)	(152,636,754)
Acquisition of right of use asset	(177,943,314)	(191,367,785)	(133,308,457)	(13,900,308)
<b>Net cash flows utilised in investing activities</b>	<b>(3,120,090,780)</b>	<b>(3,179,321,802)</b>	<b>(2,457,130,796)</b>	<b>(166,537,062)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Change in loans and borrowings	3,796,145,519	-	3,796,145,519	-
Payment of lease liabilities	79,811,974	50,140,598	119,506,714	10,445,858
Rights issue	60,880,691,159	-	39,528,657,854	-
Dividend paid	-	(474,969,681)	-	(20,294,112)
<b>Net cash flows raised from / (utilised in) financing activities</b>	<b>64,756,648,652</b>	<b>(424,829,083)</b>	<b>43,444,310,087</b>	<b>(9,848,254)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(162,978,699)</b>	<b>(760,454,150)</b>	<b>1,399,071,604</b>	<b>245,357,243</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>1,973,111,204</b>	<b>2,733,565,354</b>	<b>411,060,901</b>	<b>165,703,658</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>1,810,132,505</b>	<b>1,973,111,204</b>	<b>1,810,132,505</b>	<b>411,060,901</b>

\*The historical values are shown as supplementary information. This information does not comply with International Financial Reporting Standards in that it has not taken account of the requirements of International Accounting Standard 29: Financial Reporting for Hyperinflationary Economies.

#### Supplementary Information

##### 1. Basis of preparation

The abridged consolidated financial statements are presented in Zimbabwean dollars (ZWL) and are based on the historical cost approach and restated to take account of the effects of inflation in accordance with International Accounting Standard 29 - Financial Reporting in Hyper-inflationary Economies - (IAS 29). Accordingly, the inflation adjusted financial statements represent the principal financial statements of the Group. The historical financial statements have been provided by way of supplementary information and the auditors have not expressed an opinion on them.

In accordance with IAS 29, the financial statements and the corresponding figures for the previous year have been restated to take into account the changes in the general purchasing power of the Zimbabwean dollar (ZWL) and as a result, are stated in terms of the measuring unit current at the balance sheet date - 31 December 2023. The restatement is based on conversion factors derived from the Total Consumer Price Line (TCPL) compiled by the Zimbabwe Central Statistical Office.

##### 2. Inflation adjustment

The Public Accountants and Auditors Board (PAAB) in their circular 01/19 communicated that the factors and characteristics to apply IAS 29, Financial Reporting in Hyper-inflationary Economies had been met in Zimbabwe. The pronouncement requires that entities reporting in Zimbabwean dollars apply the requirements of IAS 29 with effect from 1 July 2019.

IAS 29 requires that the financial statements prepared in the currency of a hyper-inflationary economy be stated in terms of the measuring unit current at the balance sheet date and the corresponding figures for the previous period be stated on the same terms. The standard stipulates the use of a general price index of the hyper-inflationary currency as the basis for restatement. The inflation rates were estimated using monthly published Total Consumption Poverty Line (TCPL) which is published by ZIMSTAT in ZWL. The following factors were applied:

	Index	Conversion factor
TCPL as at 31 December 2023	140,252.59	1.00
TCPL as at 31 December 2022	29,219.01	4.80
TCPL as at 31 December 2021	8,008.57	17.51

##### 3. Accounting policies and reporting currency

The accounting policies have remained unchanged since the date of the last consolidated financial statements. The financial statements are presented in ZWL for the current year which is the functional currency of the Group and are rounded to the nearest dollar (\$) unless otherwise indicated.

Following the promulgation of Statutory Instrument ("SI") 185 of 2020, issued on 24 July 2020, the Group has witnessed a gradual increase in the use of foreign currency (USD) over the local currency (ZWL) transactions and an assessment was done to determine the functional currency in accordance with International Accounting Standard ("IAS") 21 - The Effects of Changes in Foreign Exchange Rates.

The International Accounting Standard permits entities to change their functional currencies based on the underlying transactions, events and conditions that are relevant to them. Management will continue to review and assess the appropriateness of the functional currency for the Group's operations.

##### 4. Significant events and transactions

In historical terms, the Group incurred an exchange loss amounting to ZWL17.1 billion owing to the sharp increase in the exchange rates during the year. In inflation adjusted terms this translated to ZWL26.4 billion. Part of the loss amounting to ZWL9.3 billion in historical terms arose from employee terminal benefits which were provided for in December 2022 and are being settled as per the deed of settlement.

##### 5. Fair value measurement of investment property

The Group realised a fair value gain of ZWL3.8 billion, in historical terms, on the investment property held as at 31 December 2023. The fair value of the investment property was measured using the USD base value provided by an independent valuer as at 31 December 2022 and converted to the reporting currency using the closing official bank rate as at 31 December 2023. In inflation adjusted terms the gain was ZWL5.6 billion.

##### 6. Rights issue

A total of ZWL39.5 billion, in historical terms, was raised through a shareholders rights issue during the year and the funds were used for the acquisition of a new sheeting plant and a Glass Reinforced Plastic (GRP) Pipe Plant. The new plants are expected to be installed in 2024 and 2025 respectively. The rights issue in inflation adjusted terms amounted to ZWL60.9 billion.

##### 7. Approval of abridged consolidated financial statements

The audited abridged consolidated financial statements for the year ended 31 December 2023 were approved by the board on 27 March 2024.

#### EXTERNAL AUDITOR'S STATEMENT

These abridged financial results derived from the audited inflation-adjusted consolidated financial statements of Turnall Holdings Limited for the financial year ended 31 December 2023, should be read together with the complete set of audited consolidated inflation-adjusted financial statements of the Group for the year ended 31 December 2023, which have been audited by Grant Thornton Chartered Accountants (Zimbabwe) and the auditor's report signed by Onesius Mabuya, Registered Public Auditor 0634.

A qualified opinion has been issued on the audited inflation adjusted consolidated financial statements for the year then ended. The qualified opinion was made regarding non-compliance with the requirements of the following:

- International Financial Reporting Standard (IFRS) 13 - Fair Value Measurement with respect to fair valuation disclosures for property, plant and equipment; and investment property.

The auditor's report includes a section on key audit matters outlining matters that in the auditor's professional judgement, were of most significance in the audit of the consolidated inflation-adjusted financial statements. The key audit matter was with respect to revenue recognition. The auditor's opinion is not modified in respect of this matter.

The auditor's report on the inflation adjusted consolidated financial statements and the full set of the audited consolidated inflation adjusted financial statements, is available for inspection at the company's registered office and the auditor's report has been lodged with the Zimbabwe Stock Exchange.

#### Abridged Consolidated Statement of Changes in Equity for the year ended 31 December 2023

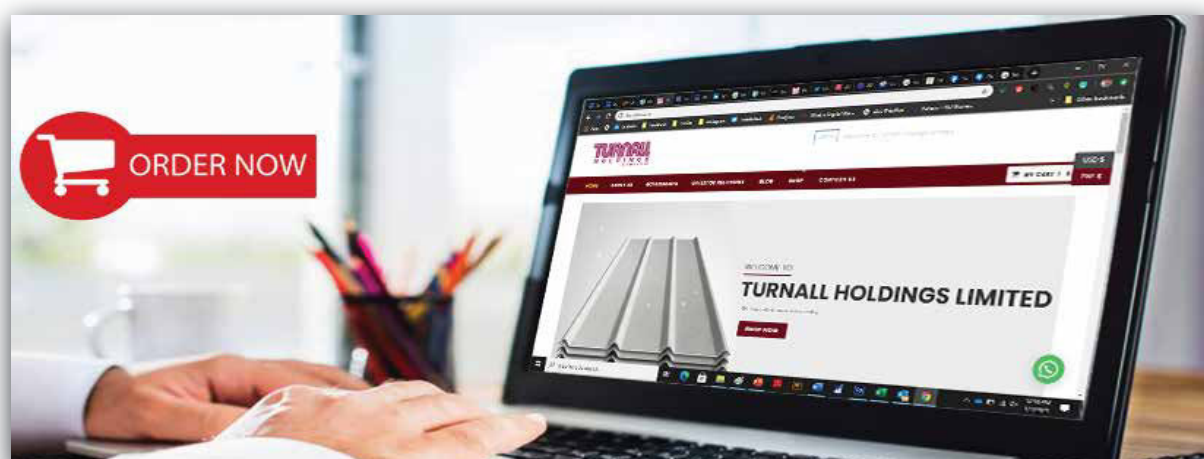
##### Inflation adjusted

	Share capital ZWL	Share premium ZWL	Non-distributable reserve ZWL	Revaluation reserve ZWL	Retained earnings ZWL	Total ZWL
Balance at 1 January 2022	5,046,962,519	186,208,484	7,836,216,292	21,087,755,789	17,418,446,254	51,575,589,338
Dividend paid	-	-	-	-	(474,969,681)	(474,969,681)
Transactions with owners	-	-	-	-	(474,969,681)	(474,969,681)
Total comprehensive income/(loss) for the year	5,046,962,519	186,208,484	7,836,216,292	31,099,045,395	(18,451,263,040)	12,647,782,355
Balance at 31 December 2022	5,046,962,519	186,208,484	7,836,216,292	52,186,801,184	(1,507,786,467)	63,748,402,012
Rights issue	57,579,463	60,823,111,696	-	-	-	60,880,691,159
Transfer to retained earnings	-	-	-	(1,959,235,940)	1,959,235,940	-
Transactions with owners	57,579,463	60,823,111,696	-	-	-	60,880,691,159
Total comprehensive income for the year	-	-	-	-	128,626,361	128,626,361
Balance at 31 December 2023	5,104,541,982	61,009,320,180	7,836,216,292	50,227,565,244	580,075,834	124,757,719,532

##### \*Historical Cost

	Share capital ZWL	Share premium ZWL	Non-distributable reserve ZWL	Revaluation reserve ZWL	Retained earnings ZWL	Total ZWL
Balance at 1 January 2022	4,930,403	181,908	7,655,239	290,970,875	277,823,793	581,562,218
Dividend paid	-	-	-	-	(20,294,112)	(20,294,112)
Transactions with owners	-	-	-	-	(20,294,112)	(20,294,112)
Total comprehensive income for the year	4,930,403	181,908	7,655,239	10,581,175,341	243,898,279	10,825,073,620
Balance at 31 December 2022	4,930,403	181,908	7,655,239	10,872,146,216	501,427,960	11,386,341,726
Rights issue	37,385,234	39,491,272,620	-	-	-	39,528,657,854
Transfer to retained earnings	-	-	-	(752,422,055)	752,422,055	-
Transactions with owners	37,385,234	39,491,272,620	-	-	-	39,528,657,854
Total comprehensive loss for the year	-	-	-	-	(3,019,700,568)	(3,019,700,568)
Balance at 31 December 2023	42,315,637	39,491,454,528	7,655,239	10,119,724,161	(1,765,850,553)	47,895,299,012

\*The historical values are shown as supplementary information. This information does not comply with International Financial Reporting Standards in that it has not taken account of the requirements of International Accounting Standard 29: Financial Reporting for Hyperinflationary Economies.





# Independent Auditors' Report

**Grant Thornton**

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To the Members of Turnall Holdings Limited

Report on the Audit of the Consolidated Financial Statements

## Qualified Opinion

We have audited the accompanying annual consolidated financial statements of Turnall Holdings Limited, set out on pages 10 to 59, which comprise the consolidated statement of financial position as at 31 December 2023, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant group accounting policies and other explanatory notes.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Turnall Holdings Limited as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

## Basis for Qualified Opinion

### *Valuation of Property, Plant and Equipment; and Investment Property*

The determination of fair values for property plant and equipment; and investment property presented in the consolidated financial statements is affected by the prevailing economic environment. These consolidated financial statements include property, plant and equipment; and investment property that was last revalued by independent professional valuers as at 31 December 2022. The property, plant and equipment; and investment property valuations were determined in USD and translated to ZWL at the interbank foreign exchange rate as at 31 December 2022.

Although the determined USD values as at 31 December 2022 reflect the fair values of property, plant and equipment; and investment property in USD as at that date, the converted ZWL fair values were not in compliance with IFRS 13 as they did not reflect the assumptions that market participants would apply in valuing similar items of property, plant and equipment; and investment property in ZWL. No subsequent independent valuations of property, plant and equipment; and investment property were done for the year ended 31 December 2023. As at 31 December 2023 management translated the property, plant and equipment; and investment property values determined in USD as at 31 December 2022 to ZWL at the interbank foreign exchange rate as at 31 December 2023. The prior year opinion was modified with regards to this matter.

The effects of the above non-compliance with International Financial Reporting Standards were 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key Audit Matter
<p><b>IFRS 15 – Revenue from Contracts with Customers</b></p> <p>There is a presumed risk of material misstatement due to fraud related to revenue recognition revenue recognition specifically identified in ISA 240 (R), ‘The auditor’s responsibilities relating to fraud in an audit of financial statements. This is a significant risk and accordingly a key audit matter.</p>	<p>Our audit procedures incorporated a combination of tests of the Group’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:</p> <ul style="list-style-type: none"> <li>• Reviewed that revenue recognition criteria is appropriate and in line with the requirements of IFRS 15.</li> <li>• Performed cut-off tests on year end balances to ensure revenue is recognised in the correct period.</li> <li>• Tested design, existence and operating effectiveness of internal controls implemented as well as test of details to ensure accurate processing of revenue transactions.</li> <li>• Identified key controls and tested these controls to obtain satisfaction that they were operating effectively for the year under review.</li> <li>• 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).</li> <li>• Performed analytical procedures and assessed the reasonableness of explanations provided by management.</li> </ul> <p>We are satisfied that the revenue recognition is appropriate.</p>

#### **Responsibilities of Management and Those Charged With Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as



management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management intends to liquidate the Group's or to cease operations, or has no realistic alternative but to do so. The Directors, as Those Charged With Governance, are responsible for overseeing the Group's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 Group'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 Group'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 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 Group 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 entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinion.

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

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

From the matters communicated with Those Charged With Governance, we determine those matters that were of most significance in the audit of the consolidated 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. These have been communicated in this report.

### **Report on Other Legal and Regulatory Requirements**

In our opinion, except for the matters described in the basis for qualified opinion section of our report, the consolidated financial statements have been properly prepared, in all material respects, in accordance with the Group's 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 auditors' report is Onessious Mabuya.



Onessious Mabuya  
**Partner**  
Registered Public Auditor (PAAB Number 0634)

**Grant Thornton**  
Chartered Accountants (Zimbabwe)  
Registered Public Auditors

28 March 2024

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