TURNALL HOLDINGS LIMITED

ANNUAL REPORT 2023

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Contents

Scope of this Report

We are pleased to present the integrated annual report for Turnall Holdings Limited, a Group listed on the Zimbabwe Stock Exchange (ZSE), for the year ended 31 December 2023.

This report is targeted at a broad range of our stakeholders with the aim of presenting a balanced review of material issues from our operations.

This is our twelfth report prepared in accordance with the Global Reporting Initiatives (GRI) Sustainability Reporting Framework and it meets the GRI-G3.1 Application Level C reporting requirements. Our sustainability reporting is integrated with our consolidated financial statements. Our consolidated financial statements were audited by Grant Thornton Chartered Accountants (Zimbabwe) in accordance with International Standards on Auditing (ISA). Their report on the consolidated financial statements appears on pages 41 to 45.

Forward Looking Statements

Certain statements in this report constitute 'forward looking statements'. Such statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance, objectives or achievements of Turnall Holdings Limited to be materially different from future results, performance, objectives or achievements expressed or implied in forward looking statements. The performance of Turnall Holdings Limited is subject to changes in the operating environment and other factors. Turnall Holdings Limited undertakes no obligation to update publicly or to release any revision of these forward looking statements to reflect the events or circumstances after the date of publication of this integrated annual report or to reflect the occurrence of unanticipated events.

We would welcome your feedback on our reporting and any suggestions you have in terms of what you would have liked to see incorporated in our integrated annual report for the year ended 31 December 2023. To do so, please contact us on tfcinvestor@turnall.co.zw.

G. H Hampshire

G.H. Hampshire
Chairman
14 May 2024

J.P. Mkushi
Managing Director
14 May 2024

CORPORATE HISTORY

OUR STORY

For more than 60 years, Turnall Holdings Limited has been a regional market leader in the manufacture and supply of fibre cement products made from select quality chrysotile asbestos fibres.

Alfred Porter, a dynamic Australian, who was both an engineer and entrepreneur and a specialist in the field of asbestos cement, saw the great potential of starting the industry in the country. Porter Cement Industries was born and the Harare Works produced its first asbestos cement sheets, which were used to provide cover for the machine that had made them.

Highlights of some important milestones in the development of our group and establishment of the asbestos cement industry in Zimbabwe are listed below:

1949: Bulawayo produces its first asbestos cement sheets.

1953: Turner & Newall bought out Alfred Porter, and over the next few years introduced modern techniques and expertise and built new offices and laboratories.

1962: Bulk cement silos installed at both the Harare and Bulawayo plants.

1977: A second sheeting machine built and installed in Harare.

1992: Brand new sheeting line purchased from Lamort, France, installed at Harare factory as the third sheeting line.

1996: Environment-friendly fibre treatment facilities installed at both Harare and Bulawayo factories.

2002: Completed three tier change rooms in compliance with ILO 162 Convention.

Turnall Holdings Limited was listed on the Zimbabwe Stock Exchange.

Certified to an integrated Quality and Environmental Management System (ISO 9001: 2000 and ISO 14001:1996).

2003: Certified to OHSAS 18001:1999 Occupational Health and Safety Management System.

2004: A computerised Enterprise Resource Planning system was introduced, integrating the three certified systems incorporating the HIV/AIDS management system and the Social Accountability Standard among others.

2006: Awarded, in recognition of Business Excellence, the Confederation of Zimbabwe Industries (CZI), Industrialist of the Year Award-Second Runner Up.

2008: Started manufacture of asbestos-free products destined for export markets.

2010: Won awards for the Best Manufacturing Company and Overall Best Quoted Company on the Zimbabwe Stock Exchange, sponsored by Zimbabwe Independent and African Banking Corporation of Zimbabwe Limited.

2013: Started the manufacture of concrete roofing tiles.

Overall winner of the inaugural Corporate Governance Awards 2013 - Institute of Chartered Secretaries and Administrators of Zimbabwe (ICSAZ).

Overall Winner in Sustainability Reporting Category 2013 - Institute of Chartered Secretaries and Administrators of Zimbabwe (ICSAZ).

Awarded Life Time Investor, Construction 2013 - Zimbabwe Investment Authority (ZIA).

2017: Second Prize for Best Stakeholder Practices and Sustainability Reporting under Listed Companies Category (ICSAZ).

Second Prize for Best Board Governance Disclosures under Listed Companies Category (ICSAZ).

Third Prize for Overall Best Corporate Governance Disclosures under Listed Companies Category (ICSAZ).

First Prize Energy Management - CZI Matebeleland chamber - sponsored by ZETDC.

2018: First Prize Energy Management – Matebeleland Chamber Sponsored by ZETDC

Overall Winner 2018 on Energy Management CZI Award supported by ZETDC

2019: Overall Winner 2019 on Energy Management CZI Award supported by ZETDC.

Ravenna tile product of the year at 2019 National Annual Quality Awards.

Winner in roofing construction sector at MAZ Superbrands 2019.

2019 Business Transformation Award - CSR Network Zimbabwe.

2020: Second Runner Up in the Construction Companies Sector for Superbrands 2020 by MAZ.

2021: First Runner Up in the Construction Companies Sector - Roofing for Superbrands 2021 by MAZ.

OUR VISION, MISSION AND VALUES

01

VISION

To be a regional leader in the provision of high quality construction solutions.

02

VALUES

Innovation | Teamwork | Integrity | Excellence | Customer Centricity

03

MISSION

We satisfy stakeholder needs by providing innovative, safe, sustainable and cost effective construction solutions.

Group Profile

TURNALL HOLDINGS LIMITED

Tractor and Equipment (Private) Limited

Turnall Holdings Limited

Turnall Holdings Limited (the company) comprises of four main product categories namely;

- Building Products
- Piping Products
- Concrete Products
- Construction

The main raw materials are chrysotile fibre, sand and cement. Manufacturing takes place in Bulawayo and Harare.

Business Associations

Turnall Holdings Limited is a member of the following bodies;
- Confederation of Zimbabwe Industries (CZI);
- Business Council on Sustainale Development in Zimabwe (BCSDZ);
- Zimbabwe National Chrysotile Taskforce;
- Marketers Association of Zimbabwe (MAZ);
- Institute of People Management of Zimbabwe (IPMZ); and
- Construction Industry Federation of Zimbabwe (CIFOZ).

Our Market Presence

Key markets include the low-income housing sector for building products and local authorities and municipalities for piping products.

Apart from our local market, Turnall Holdings limited supports the following regional markets with high quality and affordable construction materials;

- Mozambique
- South Africa; and
- Zambia

Salient details of Our Group Performance

Statistics	Inflation Adjusted Year ended 31 December 2023	Inflation Adjusted Year ended 31 December 2022
Group performance and position (ZWL)		
Revenue	84 158 417 379	40 326 405 561
Profit for the year	128 626 361	(18 451 263 040)
Total assets	170 988 601 939	93 598 511 394
Total liabilities	46 230 882 407	29 850 109 382
Profitability ratios (%)		
Gross profit margin	45%	31%
Operating profit margin	-20%	-8%
Return on shareholders equity	0%	-29%
Share performance		
Closing market capitalisation (ZWL'000)	172 629 060	17 478 692
Basic and diluted earnings per share (cents)	6.81	(2 724)
Net asset value per share (cents)	2 891	12 930
Closing share price (cents)	4 000	405
Highest share price (cents)	4 000	740
Liquidity and leverage ratios		
Interest cover (times)	(28)	(242)
Current ratio	3.29	1.49

01

GROUP OVERVIEW

Chairman's Statement

"Turnover increased by 109%"

G.H. Hampshire | Chairman

On behalf of the Board of Directors, I hereby present the Turnall Holdings Limited audited financial statements for the year ended 31 December 2023.

Operating Environment

The business environment, during the year under review, remained challenging 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

Chairman's Statement (continued)

Perfomance Overview (continued)

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.

Outlook

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 2 million United States Dollars (USD) 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 Non-AC 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

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 2 million United States Dollars (USD) start to arrive in Bulawayo in Quarter 2 2024.

Plans are under way to set up a Glass Reinforced Plastic (GRP) pipe plant in 2025. 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

In view of the loss recorded during the year, the Board resolved not to declare a dividend.

Appreciation

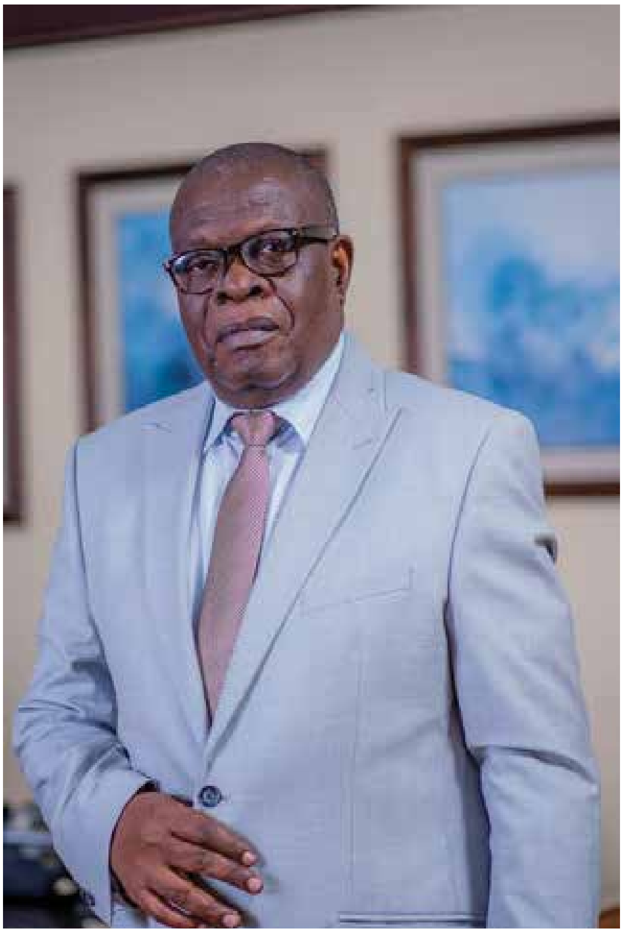
I would like to express my appreciation to all our stakeholders, fellow board members, management, and staff for your continued support to the Group.

By Order of the Board

G. H Hampshire

Grenville Hampshire
Board Chairman
27 March 2024

Management Review of Operations



> Sales volumes grew by 10%.

J.P. Mkushi | Managing Director

OPERATING ENVIRONMENT

The operating environment was challenging throughout the financial year under review, particularly marked by currency volatility and rising inflationary pressures. The annual inflation rate closed the year at 26.52% after Zimstat adopted the geometric aggregation method in computing the weighted CPI (consumer price index) beginning September 2023 to reflect the increased use of US dollars in the economy, which now makes up 80% of all transactions. This is the second time the method of calculating inflation statistics was changed during the year after the introduction of the blended inflation rates in March 2023.

The situation was worsened by the disruptions in the global supply chain which resulted in delays in deliveries of key raw materials for the company. The company started receiving adequate supply of fibre in August 2023 and this affected both production and sales volumes for the year.

While there is currency instability, it is extremely difficult to attract industrial investment capital. Turnall has achieved this but the scope is very narrow and makes it very challenging for the free flow of investment capital.

The multitude of directives and regulations is driving players into the informal sector and therefore out of the structured economy. This informalisation of the markets is leading to de-industrialisation and a complex operating environment that we believe is adverse for all key stakeholders in the long term.

PERFOMANCE REVIEW

The financial commentary is based on inflation adjusted numbers.

Sales volumes and revenue

The company recorded volumes of 37,104 tons representing a 10% growth compared to prior year, despite the product shortages experienced during the year. The growth was anchored by growth in Concrete products (21%), and AC building products 3%.

Notwithstanding the growth, demand remained firm and continued to outpace supply across all categories. Global supply chain disruptions negatively impacted procurement of raw materials from Russia and this affected AC building products production and sales volumes.
The revenue for the year was as $84.2 billion (Historical $54.5bln) which was 109% increase compared to $40.3 billion (historical $ 5.8 bln) achieved in the prior year. The revenue growth was driven by the 10% growth in sales volumes and timely price adjustments to prevent sales margin erosion by inflation.

Portfolio Performance

The table below shows the volume contribution by portfolio.
Volumes

Product Category	FY2023	FY2022
AC building products	57%	61%
AC pipes	1%	2%
Concrete Products	41%	37%
Nutech products	1%	0%
Metal product	0%	0%
TOTAL	**100%**	100%

Profitability

The company recorded an operating loss of $1.2 billion compared to a loss of 17.7 billion reported in prior year. The loss was mainly driven by the foreign currency exchange losses of $26 billion (Historical $17 billion) incurred during the year. 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.

Management Review of Operations (continued)

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.

Cash Generation and Utilisation

The adverse operating climate and shortage of critical raw materials mentioned earlier impacted the cash flows from operations, which decreased to negative ZWL61.8 billion from ZWL2.8 billion in the preceding year. The company raised ZWL 60.8 billion through the rights issue which went towards purchase of new AC machine to boost volumes and improve efficiencies. Cash balances at the end of the financial year were ZWL1.81 billion down from ZWL1.97 billion from previous year.

SUSTAINABILITY PERFOMANCE

We continue to apply an integrated approach in managing our sustainability impacts and opportunities. The company 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

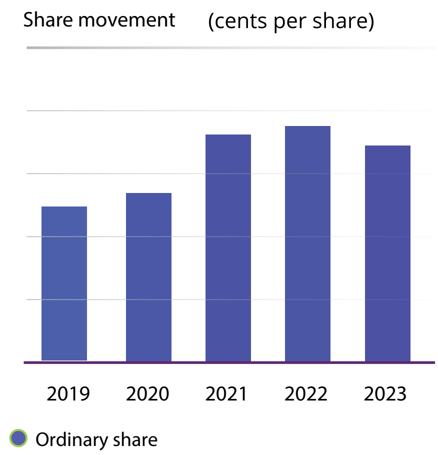
Turnall Holdings Limited has continued to uphold its ISO14001 and ISO9001 certification. We continue to comply with relevant legislative requirements of the Environmental Management Act, Labour Act, Companies Act and other related legislations.

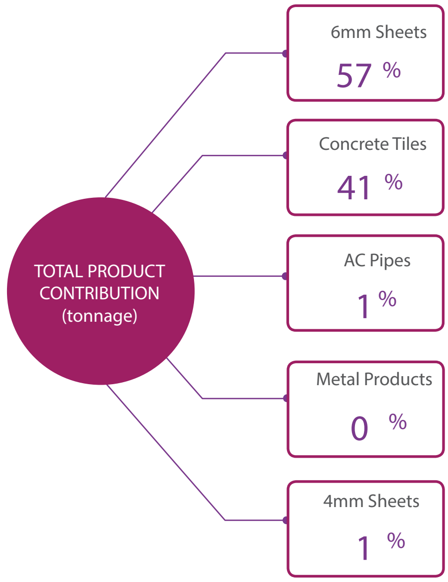
PROSPECTS

The Group looks forward to improved profitability and cashflows following the resizing of the business subsequent to year end. Management is focusing on maximizing revenue through increased sales activity and containing costs to ensure that the cost base is matched with business activity and revenue. The business is looking to improving production capacity of both the Tile plant and Bulawayo sheeting machine. The Tile plant will be recapitalized with new additional templates which will boost output from the current 25, 000 units per day to 40,000 units by the end of the 2024 financial year.

The Bulawayo sheeting machine is being converted to non-AC. Once the conversion is complete, the Bulawayo machine will focus on producing non-AC products and the new Harare machine will focus on AC production. The civil works for the installation of the new Harare sheeting machine are in progress. The machine has a capacity of 210 tons per day and is double the current output coming from Bulawayo.

The significant portion of the company's AC sales volumes comes from Harare and so the installation of Harare plant is going to cut product transport costs from Bulawayo to Harare. This is going to lower costs and selling prices.





[1] *Total product contribution in 2023 by tonnage.*

Appreciation

I would like to take this opportunity to thank our shareholders, the Board, suppliers, customers, employees, and all other stakeholders for their continued support.

John P. Mkushi
Managing Director
27 March 2024

OUR GOVERNANCE AND ETHICS APPROACH

DIRECTORS

The table below provides more information regarding the Board of Directors

Grenville H. Hampshire

Non-Executive Director - Board Chairman

BSc (Mechanical Engineering), Chartered Engineer, member UK Institute of Mechanical Engineers

Tenure: - Joined in Dec 2022.. He has extensive knowledge of the fibre cement industry gained in a career which extended for more than 30 years and involved him occupying a diverse range of roles from being a hands-on Production Manager, through to Technical Director and Chief Executive Officer.

John P. Mkushi

Managing Director

Msc. Food Science, Bsc. Agriculture , PG. Dip in Management Development

Tenure: -Joined in Dec 2022. He has also served on the Boards of 6 listed companies in Zimbabwe and several non-listed companies including;

- Reserve Bank of Zimbabwe.

Bothwell P. Nyajeka

Non-Executive Director

BAcc Hons (UZ), CA(Z), MBL (UNISA)

Tenure: 7 years. He is also a Non-Executive Director for several companies listed on the Zimbabwe Stock Exchange which includes;

- Zimnat Life Assurance Limited.
- Sable Chemical limited.
- Caps (Pvt) Ltd.

C.J. Chakona

Non-Executive Director

BAcc Hons (UZ), BAcc Hons Science (S.A), CA (Z), RPA

Tenure: Joined August 2023.

She has vast experience as a chartered accountant in Zimbabwe and has 12 years of experience as an Audit Partner at Ernst & Young Zimbabwe where she has served on various listed and non-listed companies in various sectors of the economy.

Cynthia J. Mahari

Finance Director

BAcc Hons (UZ), ACCA, MSMCG

Tenure: 3 years

She is a seasoned finance professional with an articles of clerkship background and over 20 years of financial accounting and management experience. She has diverse experience, having worked for various companies across different industries in Zimbabwe which include a public listed company.

Bevin Ngara

Non-Executive Director

CFA(Zimbabwe), MBA (ESMT)

Tenure: 3 years.

He is Vice President of the Investments Professional Association of Zimbabwe (An association of local members of the CFA institute based in Zimabwe)

Dhirubhai M. Desai

Non-Executive Director

MSc Applied Mechanics (UK), BSc Engineering (UZ)

Tenure: Joined in August 2023.

He is a qualified and seasoned engineer with more than 30 years of experience in various sectors of the economy of Zimbabwe, as well as in project management.

K.R.R Schofield

Non-Executive Director

Bachelor of Commerce (S.A)

Tenure: Joined in June 2023.

He has experience in the manufacturing industry and in the construction materials sector. He is also a Non-Executive Director and board member of companies including:

-Radar Holdings

-ZIDA (Zimbabwe Investment and Development

Our Governance and Ethics Approach (continued)

Management

John P. Mkushi
Managing Director

He rejoined Turnall Holdings Limited in 2022

Cynthia J. Mahari
Finance Director

She joined Turnall Holdings Limited in 2021

Turnall Holdings Group strategy

Salient Information

Revenue	Loss from Operations	Loss Before Taxation	Profit for The Year
↑ 109%	↓ 460%	↓ 93%	↑ 101%

Strategic value drivers

Growth	Productivity	Risk & capital management

Strategic value focus

Delivering market-leading client solutions	Ongoing disruptive market activities	Driving efficient execution	Focusing on areas that create value	Creating positive impacts

OUR GOVERNANCE AND ETHICS APPROACH (CONT'D)

Governance and Management Approach

We recognise that good corporate governance is vital to the long term success and integrity of our Group. As such, we are committed to the highest standards of ethical and sustainable business practices to enable management of risks and opportunities arising from our operations.

To reflect our commitment to good corporate governance and sustainable business practices, we have included our twelfth sustainability report using the Global Reporting Initiatives (GRI's) Sustainability Reporting Guidelines. As custodians of good governance and strategy direction, we strive to ensure that there is clear allocation of responsibilities to demonstrate balance of power and authority. The Group endeavors to improve its corporate governance systems toward alignment with the National Code on Corporate Governance of Zimbabwe.

Business Ethics

Turnall Holdings Limited is a member of the tip-offs Anonymous service provided by Deloitte & Touche. All of our staff have been trained on how to use this service should they detect or become aware of any corrupt acts impacting on the Group's profitability or operations. Where incidents of corruption are identified, investigations are carried out through our internal audit and risk department. Depending on the nature of the case, the Zimbabwe Republic Police may also be engaged.

Mechanisms for Communication with Shareholders

Turnall Holdings Limited has formal platforms for engaging and communicating with shareholders. The platforms include formal meetings, the Annual General Meeting, press announcements on interim and year-end results, presentations, the Group website, annual reporting to shareholders and exercising of shareholders voting rights through the proxy forms.

Board and Management Ethics

Turnall Holdings Limited believes that it is the responsibility of the Board and management to lead by example in observing ethical practices. As such, all Directors are required to declare their interests that may be deemed to be in conflict with their appointment or contract with the Group.

Board Structure

The structure of our Board is such that 75% are non-executive (6) and 25% are executive (2). Four of the non-executive directors are independent.

Board Expertise

Board members possess skills that include accounting, finance and investment, health and economics. The main responsibility of our Board is to support good corporate governance, strategy formulation and guide policy implementation. Some members are further allocated responsibilities within sub-committees in areas of strategic strength and expertise.

OUR GOVERNANCE AND ETHICS APPROACH (CONT'D)

Sub-committees, Membership and Roles

Strategic to the implementation of key policies, decisions and guidance are our committees that work closely with management. These are Audit and Risk, New Business, Technical and Investments, and Remuneration, Human Resources and Nominations Committees. It is the Group's ambition that the composition and mandates of the committees are aligned to the requirements of the National Code on Corporate Governance of Zimbabwe and the listing requirements of Zimbabwe Stock Exchange.

Committee	Composition	Roles and Responsibilities
AUDIT AND RISK COMMITTEE	Mr. B. Ngara (Chairman) Mr. B. P. Nyajeka Mr. D. M. Desai Mrs. C.J. Chakona	• Reviewing reports from management, internal auditors and the Group's external auditors in relation to interim and Group annual financial statements, as well as accounting and internal control systems. • Recommending the appointment of external auditors and their remuneration to the main Board. • Reviewing reports on the Group's risk policies, risk assessment and risk management. The committee meets at least quarterly.
NEW BUSINESS, TECHNICAL AND INVESTMENT COMMITTEE	Mr. K.R.R. Schofield (Chairman) Mr. B. Ngara Mr. D. M. Desai	• Identifying new business portfolios. • Conducting and appraising new projects identified to ensure they fit with the business's overall vision and mission. The committee meets at least quarterly.
REMUNERATION, HUMAN RESOURCES AND NOMINATION COMMITTEE	Mr. B.P. Nyajeka (Chairman) Mr. K.R.R. Schofield Mrs. C. J. Chakona	• Discussing and advising on matters pertaining to human resource policies, staff retention. and remuneration of non-executive directors, executive directors and staff. The committee meets at least quarterly.

OUR GOVERNANCE AND ETHICS APPROACH (CONT'D)

Meeting Attendance during 2023

As part of our performance and commitment, Board members are expected to attend all board meetings. These meetings shape the strategic direction and value creation by the Group. Attendance information of Board members is outlined below.

Director	Position	Date of First Appointment	Attendance at Board Meetings	Attendance at Committee Meetings
Grenville H. Hampshire	Chairman	05/12/2022	4/4	
John P. Mkushi	Managing Director	05/12/2022	4/4	8/8
Dhirubhai M. Desai	Non-Executive	01/08/2023	1/4	2/8
Bevin Ngara	Non-Executive	12/08/2020	3/4	8/8
Kenneth R. R. Schofield	Non-Executive	29/06/2023	3/4	6/8
Bothwell P. Nyajeka	Non-Executive	25/01/2016	3/4	7/8
Constance J. Chakona	Non-Executive	12/08/2023	3/4	6/8
Cynthia J. Mahari	Finance Director	01/12/2021	3/4	8/8

Declaration of Director's Interests

During the year under review, no director had material interests in contracts which could cause significant conflict of interest with the Group's objectives.

OUR GOVERNANCE AND ETHICS APPROACH (CONT'D)

We strive to operate our business in a socially and environmentally responsible manner. The Group continues to strengthen its systems to address both environmental and social aspects associated with its operations. The Group adopted implementation of the Global Reporting Initiatives (GRI)'s Sustainability Reporting Framework through a sustainability team responsible for assisting in identifying and managing material issues, risks and opportunities associated with the Group's operations. Our sustainability teams in Harare and Bulawayo monitored and provided performance data on our sustainability key performance indicators for the period under review.

The teams comprise of representatives from Finance, Administration, Human Resources, Sales and Marketing, Engineering, Production and World Class Practices (Quality, Environment and Health and Safety) departments. In keeping with reasonable expectations and interest of a wide range of our stakeholders who include customers, suppliers, regulators, employees, shareholders, investors, government, communities and others, Turnall Holdings Limited adopted an inclusive strategy which requires continuous engagement with stakeholders.

Our stakeholder engagement process helps us capture material issues from our stakeholders that help us balance the long term social, environmental and economic interests with the principle of maximising the Group's earnings and business value while responding to concerns of our stakeholders. The process of identifying indicators reported in this report involved an assessment of the overall business and key issues of concern from our stakeholders. In the process of identifying material issues and choice of indicators, the sustainability team made reference to the GRI-Sustainability Reporting Framework guidelines.

Data measurement

Data measurement in this report is according to specific indicators selected, particularly where graphs and tables are presented. In most indicators, quantitative data is provided. Where the latter is not provided, qualitative data is provided. Data measurement is according to systems and policies of Turnall Holdings Limited.

Limitations

For the specific indicators reported, no major limitations were encountered in providing required data.

Principal Risks and Opportunities

Our Approach

We believe that our operations are subject to risks and opportunities material to the business and implementation of our strategies. Therefore, we apply a Risk Management (RM) framework which is designed to identify potential risks and manage those risks within our Group's risk appetite in order to enhance the outcome of our corporate objectives. Our risk framework considers challenges, opportunities and uncertainties that may impact our strategic and financial objectives.

Risk and Opportunity	Mitigation Measure and Action
Increased competition We are faced with increased competition from local competitors and imports supplying at a low cost to our markets. The opening of global markets has attracted competition from foreign companies. Competition could lead to a reduction in the rate at which we attract new customers especially in the export markets.	We continue focusing on high quality customer service and value of our products. We are enhancing distribution channels to get closer to customers and using targeted promotions, where appropriate, to attract and retain specific customers by offering competitive prices. We closely monitor and model competitor behavior, customer partnerships and products by understanding future intentions to be more proactive. We continue to build strong customer relations by offering free technical support.
Threats of products' ban in foreign markets. The anti-asbestos campaign has led to the banning of asbestos products in some of our foreign markets.	The Group plans to increase capacity of our non-asbestos plant so that it produces to meet demand in export markets. The manufacturing of concrete based roofing materials provides an alternative to asbestos based products that face the ban. The Group ensures and monitors the production and safe use of asbestos-containing materials in Zimbabwe under the guidance of the Zimbabwe National Chrysotile Task Force (NCTF).
Limited working capital The Group is facing cashflow challenges.	The Group is accessing financial support from banks and shareholders.
Huge infrastructure backlog and housing deficit The government is working on improving infrastructure and providing accommodation to citizens in a quest to be a middle-income economy by 2030.	The Group has built capacity to provide high high quality, affordable construction materials. The Group is actively involved in enhancing product offering.
Disruptions in fibre supply The Group relies heavily on imported raw material of crysotile asbestos fibre which has been disrupted due to the Russia/ Ukraine war.	The Group has found an alternative supplier in Brazil.
Loss of consumer confidence The confidence of consumers in our products depends on our ability to maintain high quality. Therefore, failing to provide appropriate quality could lead to loss of confidence.	We depend on contionous improvement of our production processes, strict maintenance schedules and upgrading where necessary. Product perfomance on our markets is also continously monitored. We have established good relationships and processes with key suppliers to ensure provision of high-quality raw materials. We also periodically monitor the state of our equipment.

Stakeholder Engagement

Stakeholders

Investors Customers Employees

Regulators Society Planet

Critical to our strategy is building and maintaining strong relationships with key stakeholders. Our stakeholders include customers, suppliers, financial institutions, government, regulators, shareholders, investors, employees, local authorities, civil society, communities, economic sector representativ bodies and others. These stakeholders are identified following due process based on how the Group impacts them and how they impact the Group both directly and indirectly. The prioritisation of these stakeholders is conducted following internal due process supported with guidance provided in the Global Reporting Initiatives (GRI's)-Sustainability reporting framework.

The Group developed a system of engaging key internal and external stakeholders so as to capture material issues that the Group can improve on. In so doing, the Group used a broad range of strategies that included one on one formal and informal meetings, presentations, media, workshops, circulars, conferences and consultations to name a few. Outcomes of these key engagements are reviewed to provide appropriate responses and actions as reflected below:

Stakeholder	Method of engagement	Frequency	Material issues raised	Action taken / planned
Employees	• Works council meetings • NEC meetings • SHEQ meetings • Management meetings	Monthly and as agreed by both parties	Business performance, conditions of service and continued employment	Improvement of identified performance gaps and continuous updates to employee on Group performance
Shareholders	• Board meetings • Annual General Meeting • Updates on the websites	Quarterly and annually	Business performance	Improvement of identified performance gaps
Suppliers	• Meetings • Written correspondences • Supplier evaluations	Bi-annually and as appropriate	Quality of service/ product and payment models	Conforming to the agreed issues
Customers	• Meetings • Correspondence through email • Customer evaluations	Continuously	Customer service, promotions, transportation issues, pricing and product performance	Improvement on identified gaps
Government	• Meetings • Written communication	On all developments that merit a meeting/ communication as required.	Business performance and environmental, safety and health impact of policy issues	Improvement of identified performance gaps and adoption of new policies, standards and/ or legislation as appropriate
Regulators	• Written correspondences • Meetings and workshops/ conferences	At least quarterly and all developments that merit a meeting, as required.	Employee wellness and welfare, environment, process, product and service quality. Business performance with tax regulators	Regular performance monitoring through active engagement to enhance improvements
Local Authorities	• Environmental cluster meetings	At least twice a year	Waste and water management	Improved relations and waste and water management practices
Civil Society (NGOs, Trade Unions, N.E.C)	• Seminars and meetings	At least twice a year	Safe use of asbestos, environmental stewardship and conditions of employment	Improved relations

OUR SUSTAINABILITY PERFOMANCE

OUR SUSTAINABILITY PERFOMANCE

Turnall Holdings continues to pay attention to issues of sustainability and implementing strategies that ensure sustainable operation as per the SI 134 of 2019 guidelines on sustainability reporting for Zimbabwe Stock Exchange listed entities. The manufacturing company specializes in fibre-cement roofing materials and pipes as well as concrete roofing products. In line with the company's vision of being a global leader in the of high-quality construction solutions, Turnall Holdings is always striving to achieve excellence in service provision and environmental stewardship. The organization places special emphasis on environmental management and is committed reducing all forms of pollution be it air, land, and water. In its endeavor for continual improvement, the organization has put in place a comprehensive monitoring and measurement program for various performance indicators which have been developed over the years and continues to be improved upon. The organization is certified to both the Environmental Management System ISO 14001:2015 and Quality Management system ISO 9001:2015 standards.

Environmental Performance

As a standard requirement that is in accordance with the Environmental Management System ISO 14001:2015, Turnall Holdings is committed to the management and control of all environmental aspects that arise from the organization's activities and processes. The environmental management system in place has procedures that provide guidelines to ensure that manufacturing processes are done in an environmentally sustainable manner. These procedures are reviewed regularly for continual improvement and effectiveness. Environmental management initiatives such as waste segregation and recycling and re-use of materials are some of the standard practices within the organization.

Policy and Management Approach

Land Pollution

Turnall Holdings acknowledges that its manufacturing activities and processes have a bearing on environmental pollution. The business continues with environmental awareness to mitigate land pollution in areas of management of e-waste and other solids and hazardous wastes that arise from the production processes. Working together with local councils and other regulatory authorities, Turnall Holdings ensures that any solid and hazardous waste that is produced during manufacturing processes is correctly disposed of. It has also come up with initiatives of recycling waste back into the production process, thereby reducing consumption of raw materials and improving environmental sustainability.

Water Pollution

The management of water resource is of paramount importance to the continued existence of Turnall Holdings. Manufacturing and other related processes are done with extreme caution being taken to prevent contamination of water bodies. The organization works within the regulatory framework to conserve the environment. A functional closed loop system is in place at the fibre-cement manufacturing plant to ensure that process water does not find its way into the environment.

Air Pollution

Acid rain and smog are some of the negative environmental impacts that can result from failure to manage air emissions within the manufacturing industry. Turnall Holdings has a comprehensive aspects and impacts register that details all the initiatives to protect the environment from negative impacts. The organization is regularly monitoring air emissions from equipment such as utility vehicles; boilers and generators to ensure that the quality of emissions released into the environment is in line with statutory requirements.

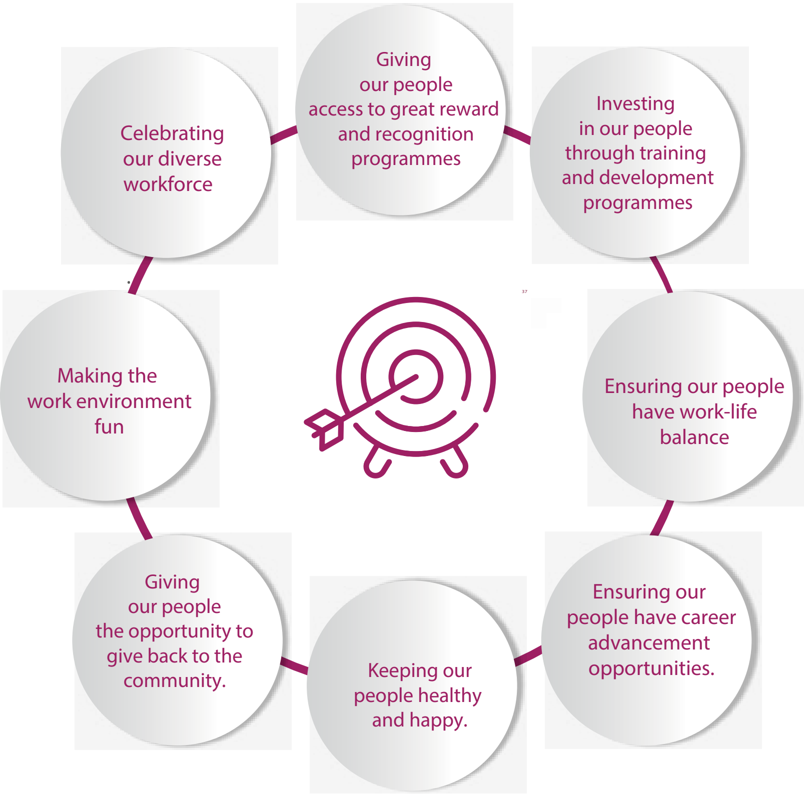
OUR SUSTAINABILITY PERFOMANCE (CONT'D)

HUMAN CAPITAL MAINTANANCE

Policy and Management Approach

People are the company's most important assets. Turnall Holdings Limited takes pride in its people. However, it is important to be aware that changes in the global market and demographics are escalating causing turmoil.

The company continues to engage employees through the NEC platforms to resolve or diffuse any potential industrial dispute. On health issues the company continues to focus on its preventive health model for its employees by regularly having 5 minutes awareness programs encouraging employees to stay healthy. A healthy employee is a productive employee. Employees are encouraged to take charge of their health.



LONG SERVICE AWARDS

Surname	Name	Tenure
BVEKERWA	LUCIA	10 yrs
MAHACHI	DAY-LIGHT	10 yrs
SHAVA	ALFRED	15 yrs
NYAMUJARA	CHARLES	15 yrs
MAKAZA	PRISCA	15 yrs
CHIKWANGULA	LAURINE	15 yrs
MAKUMBE	GODFREY	15 yrs
CHIMANGA	TRUST	15 yrs
MTEVEDZI	MDUDUZI	15 yrs
MUMBA	GABRIEL M	15 yrs
MATUNGAMIDZE	VENGESAI	20 yrs
TARUVINGA	ALECK	20 yrs
CHAZUWA	OWEN	20 yrs
CHIKWANDA	JAMES	20 yrs
CHIRATIDZO	MUNYARADZI	20 yrs
GURURE	TAURAI	20 yrs
GURURE	LLOYD	20 yrs
HLENGWE	GODFREY	20 yrs
JAMU	ENOCK	20 yrs
NYAKWIMA	MISHECK	20 yrs
SANYAHAVA	AMON	20 yrs

Surname	Name	Tenure
SHONGEDZA	BONNIE	20 yrs
ZIMUNHU	JOSEPH	20 yrs
RUHODE	RESANIYA	20 yrs
GOMO	MACDONALD LLYOD	20 yrs
NYNGWETE	TICHAONA	20 yrs
GARAPO	NABOTH MASIMBA	20 yrs
MUZAMA	MORGEN	20 yrs
NYAMADZAWO	DOUBT	20 yrs
RUKANDA	NORDEN	20 yrs
CHASOKELA	LENSON MKHULULI	20 yrs
JAUKE	FARAI	25 yrs
MUPAZVIRIHO	MOREBLESSING	25 yrs
MUPERERI	ALLAN	25 yrs
MADERA	FRANCISCO	25 yrs
MHLIWA	LOVEMORE	25 yrs
TSHUMA	MTHANDAZO	25 yrs
MUKWATI	EDMORE	25 yrs
REID	DONOVAN	25 yrs
PHIRI	KENNY	30 yrs
DHARIO	ANDERSON	30 yrs
MAPFUMO	PETER	35 yrs

OUR SUSTAINABILITY PERFOMANCE (CONT'D)

TOTAL WORKFORCE ANALYSIS

Performance

Employment Type	2023	2022	2021	2020
Permanent	91	100	126	148
Contract	221	207	209	207
Graduate Trainees	3	1	0	1
Apprentice	0	0	1	2
Attachment Students	1	29	2	3
Total	316	337	361	371

Work Related fatalities

0%

Workforce Distribution by Region

Employment Type	2023		2022		2021		2020	
	Hre	Byo	Hre	Byo	Hre	Byo	Hre	Byo
Permanent	46	45	45	55	61	65	73	73
Contract	89	132	91	116	86	123	75	134
Graduate Trainees	3	0	1	0	0	0	1	2
Apprentice	0	0	0	0	1	0	2	1
Attachment Students	0	1	18	11	0	2	1	1
Total	138	178	155	182	148	190	159	211

Total Workforce Distribution by Gender

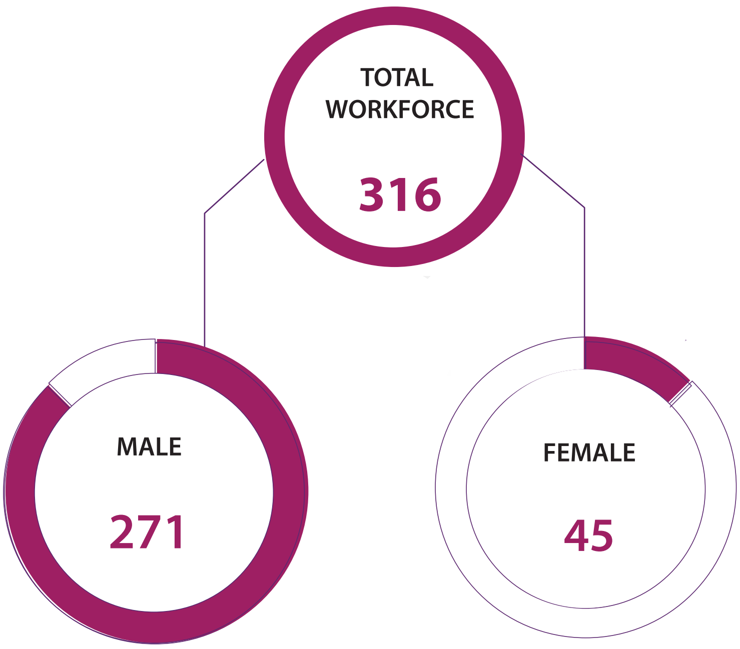
Gender	2023	2022	2021	2020
Male	271	298	311	194
Female	45	39	27	17
Total Workforce	316	337	338	211

Gender Distribution

Health and Safety

Parameter	2023	2022	2021	2020
Lost time injuries	1	2	2	3
Non-lost time	2	2	1	4
Work related fatalities	0	0	0	0

The business considers employee health and safety as of paramount importance and the business objective is to achieve a ZERO injury rate. There is a robust SHE program in place to ensure employees are not exposed to injuries at work.



OUR SUSTAINABILITY PERFOMANCE (CONTINUED)

PRODUCTS RESPONSIBILITY

Policy and Management Approach

Turnall Holdings Limited strives to continually improve the processes to ensure that there is maintenance of high quality, affordable and environmentally friendly product for its customers. Turnall offers its customers a variety of quality and safe products; that is Concrete Tiles (Double Roman in different colours), Non Asbestos roofing products, Asbestos Cement Roofing products, pipes (water reticulation and sewer) driveway pavers, fascia boards and flower pots. Turnall Holdings Limited has stood the test of time in the provision of durable quality and safe products by running a mature quality management system and the company has upgraded to the newer version of the standard.

OUR ECONOMIC PERFORMANCE

Achievements

- Sustaining a good and open relationship with tax authorities.
- Periodic review of processes to ensure controls remain effective.

This section provide a brief summary of selected economic performance indicators of the Group in 2023. Complete economic performance is provided in the financial statements section of this report.

Key Economic Value Generated

Direct Economic Value	2023 ZWL	2022 ZWL
Turnover	84 158 417 379	40 326 405 561
Loss from operating activities	(16 950 115 745)	(3 027 366 287)
Net cash flows (utilised in)/generated from operating activities	(61 799 536 571)	2 843 696 735

Financial Support from Government

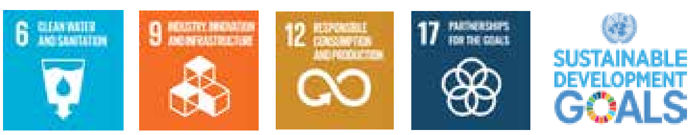
The Group acknowledges that, in some instances, Government may assist companies in distressed positions due to economic factors beyond their control. During 2023, the business did not receive any financial support from the Government.

National Pension Scheme

All employees are required by law to be members of the National Social Security Scheme, which is a defined contribution fund. Both the employees and the Group contribute. The Group's obligation under the scheme is limited to specific contributions legislated from time to time. The Group's contributions charged to profit or loss in the current year amounted to ZWL 428 761 630 (2022: ZWL50 471 958).

Supporting the United Nations Sustainable Development Goals (SDGs)

Through our activities and initiatives, Turnall Holdings Limited is contributing to progress on the UN SDGs. While we recognize that the construction industry has an opportunity to positively contribute to all 17 of the SDGs, Turnalls' sustainability strategy is most strongly aligned with the following goals:



Ravenna Tiles

08677004874/5

HOME SWEET RAVENNA

WHY CHOOSE **RAVENNA**

Inspired by classical and medieval Italian architecture, the RAVENNA range adds an instant touch of class to your home. A choice of natural grey, red or black Double Roman and Venetian giving architects and interior designers great scope for creating beautifully coordinated designs.

- **HIGH QUALITY**
- **NON- FLAMMABLE**
- **DURABLE**
- **GOOD INSULATION**

TURNALL HOLDINGS LIMITED

CONTACT DETAILS

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+263 712 404 474

ONLINE
www.turnall.co.zw
customercare@turnall.co.zw

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

It is the Directors' responsibility to ensure that the financial statements fairly present the state of affairs of the Group. The external auditors are responsible for independently reviewing and reporting on the financial statements.

The Directors have assessed the ability of the Group to continue 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 Group 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.

The financial statements are prepared with the aim of complying fully with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), which includes standards and interpretations approved by the IASB and Standing Interpretations Committee (SIC) interpretations issued under previous constitutions.

While full compliance with International Financial Reporting Standards has been possible up to 2018; only partial compliance has been achieved fthereafter. This is because it was not possible to comply with the requirements of International Accounting Standard (IAS) 21 "The Effects of Changes in Foreign Exchange rates".

IFRS Conceptual Framework requires that in applying fair presentation of financial statements, entities should go beyond the consideration of the legal form of transactions and any other factors that could have an impact on them. IAS 21 requires an entity to apply certain parameters in determining the functional currency of an entity for use in the preparation of its financial statements. This standard also requires an entity to make certain judgements, where applicable, regarding appropriate exchange rates between currencies where exchangeability through a legal and market exchange mechanism is not achievable.

There are also limitations arising from the caveats placed by the professional valuers on the revaluation of property, plant and equipment that create inconsistencies with the fair value measurement requirements of IFRS 13, as well as with the principles embedded in the IFRS Conceptual Framework as also enunciated in the guidance issued by the Public Accountants and Auditors Board on 21 March 2019. The directors and management have been unable to produce consolidated financial statements which in their view would be true and fair it had used market determined exchange rate and urge users of the consolidated financial statements to exercise due caution.

The Group's accounting and internal control systems are designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of its assets. Such controls are based on established written policies and procedures and all employees are required to maintain the highest ethical standards in ensuring that the Group's business practices are conducted in a manner which in all reasonable circumstances is above reproach. Issues that came to the attention of the Directors have been addressed and the Directors confirm that the system of internal control and accounting control is operating in a satisfactory manner.

The Group's financial statements for the year ended 31 December 2023 which are set out on pages 40 to 83 were, in accordance with their responsibilities, approved by the Directors on 27 March 2024 and are signed on its behalf by:

G. H Hampshire
....
G.H. Hampshire
Board Chairman

....
J. P. Mkushi
Managing Director

....
C. J. Mahari
Finance Director

DIRECTORS' REPORT

The Directors present their report, together with the audited consolidated and separate financial statements of the Group for the year ended 31 December 2023.

Annual Results

Total comprehensive income to shareholders was ZWL128 626 361 (2022: ZWL12 647 782 355) for the year ended 31 December 2023.

Going Concern

The company has net current asset position of ZWL71 billion (PY: ZWL6.3 billion) in inflation adjusted terms. In historical terms the net current asset position was ZWL30.4 billion compared to last year net current liability position of ZWL239.1 million. The company experienced fibre supply disruption during the year but has since managed to secure adequate fibre supplies to sustain the Group in the following year. The company has no significant exposure to foreign borrowings.

To consolidate and sustain the gains achieved the directors will continue with the following measures to ensure that the Group continues to operate in the near future.

a. The Group continues to implement cost control measures to improve the viability of the business.
b. The Group will focus on improving product offering to enhance competitiveness, thereby growing its revenue base; and
c. The Group will continue to prepay for imported raw materials and spares to avoid significant exposure to foreign borrowings and related exchange losses.

The conflict between Russia and Ukraine and the subsequent sanctions imposed on Russia disrupted the fibre supply chain as most countries could not trade directly with Russia. The Group has assessed the impact of the conflict between Russia and Ukraine on the following significant areas:

- Extent of operational disruptions - the Group imports fibre from Russia. The Group has managed to secure fibre via China. The Group has also identified agents who have very close links with fibre suppliers in Brazil and this will go a long way in terms of mitigating the long fibre lead times experienced in 2023 and addressing the concentration risk.

- Contractual obligations due or anticipated in one year – the Group has a short-term loan facility which will be settled by May 2024. The Board believes that the Group is able to meet its loan repayment and interest obligations despite the disruption in operations in 2023 caused by delays in the supply of fibre.

- Potential liquidity and working capital shortfalls. The business has secured adequate fibre to run the plants in 2024 and does not anticipate to encounter any supply challenges in the future.

The financial statements have been prepared on a going concern basis as the Board believes that the Group will continue in operating existence for the foreseeable future.

Dividend

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

Investment in Property, Plant and Equipment

Capital expenditure for the period was $2.3 billion in historical terms compared to 152 million spent last year and this was mainly aimed at improving production efficiencies. The construction of a new AC Plant is currently under way and it is expected to be commissioned by the end of 2024 and commence production in the 1st quarter of 2025.

Directors' Report

Share Capital
As of 31 December 2023, the authorised share capital comprised of 7 000 000 000 ordinary shares. Issued share capital comprised 4 315 726 499 ordinary shares. The details of authorised and issued share capital are set out in **Note 18** of the consolidated financial statements.

Directors and their Interests
No director had, during or at the end of the year, any material interest in any contract with the Group which could be significant in relation to the Group's business. Related party transactions and balances are disclosed in **Note 21** of the consolidated financial statements.

COMPANY SECRETARY CERTIFICATION

I certify that, to the best of my knowledge and belief, the Group has lodged with the Registrar of companies all such returns as are required to be lodged by a public entity in terms of the Companies and Other Business Entities Act (Chapter 24:31) of the Republic of Zimbabwe, and that all such returns are true, correct and up to date.

L. Samunda (Ms)

Company Secretary

14 May 2024

Turnall Holdings Limited
(Registration Number 476/1962)
Consolidated Annual Financial Statements
31 December 2023

NATURE OF OPERATIONS:

Turnall Holdings Limited is a public limited company which is incorporated and domiciled in Zimbabwe with Registration Number 476/1962. The principal activities of the Company include the production of building and construction materials comprising corrugated sheeting, flat sheets, pan tiles, pressure pipes, sewer pipes, concrete roofing tiles and related accessories.

The Company's ultimate controlling entity is Zimbabwean Brands (Private) Limited which is also incorporated and domiciled in Zimbabwe.

DIRECTORS:

Hampshire Grenville	(Non-Executive Chairman)
Mkushi John	(Managing Director)
Mahari Cynthia	(Finance Director)
Chakona Constance	(Non-Executive)
Desai Dhirubai	(Non-Executive)
Ngar Bevin	(Non-Executive)
Nyajeka Bothwell	(Non-Executive)
Schofield Keneth	(Non-Executive)

SECRETARY:

Mahari Cynthia

MANAGING DIRECTOR:

Mkushi John Piniel

REGISTERED OFFICE:

5 Turnham Road
Southerton
HARARE

INDEPENDENT AUDITORS:

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors
135 Enterprise Road
Highlands
HARARE

Responsibilities of Management and Those Charged With Governance and approval of financial statements for the year ended 31 December 2023

To the Members of Turnall Holdings Limited

It is the Directors' responsibility to ensure that the consolidated financial statements fairly present the state of affairs of the Group. The external auditors are responsible for independently reviewing and reporting on the financial statements.

The Directors have assessed the ability of the Group to continue operating as a going concern and believe that the preparation of these consolidated 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 Company 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 consolidated financial statements.

The accompanying consolidated financial statements set out in this report have been prepared by management in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements are based on appropriate accounting policies which are supported by reasonable and prudent judgements and estimates.

The Group's accounting and internal control systems are designed to provide reasonable assurance as to the integrity and reliability of the consolidated financial statements and to adequately safeguard, verify and maintain accountability of its assets. Such controls are based on established policies and procedures and all employees are required to maintain the highest ethical standards in ensuring that the Group's operating practices are conducted in a manner which in all reasonable circumstances is above reproach. Issues that come to the attention of the Directors have been addressed and the Directors confirm that the systems of accounting and internal control are operating in a satisfactory manner.

In light of the current financial position, the Directors are satisfied that the Group is a going concern and have continued to adopt the going concern basis in preparing the consolidated financial statements.

The Group's consolidated financial statements which are set out below on pages 40 to 83 were, in accordance with their responsibilities, approved by the Directors of Turnall Holdings Limited on 27 March 2024 and are signed on its behalf by:

G. H Hampshire
………………………………………

Hampshire Grenville Holden
Chairman

………………………………………

Mkushi John
Managing Director

These consolidated financial statements were prepared under the supervision of:

……………………………………

Mahari Cynthia

Finance Executive and Company Secretary

Registered Public Accountant (PAAB Number 04866)

Independent Auditors' Report

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 40 to 83, 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
IFRS 15 – Revenue from Contracts with Customers 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.	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: • Reviewed that revenue recognition criteria is appropriate and in line with the requirements of IFRS 15. • Performed cut-off tests on year end balances to ensure revenue is recognised in the correct period. • Tested design, existence and operating effectiveness of internal controls implemented as well as test of details to ensure accurate processing of revenue transactions. • Identified key controls and tested these controls to obtain satisfaction that they were operating effectively for the year under review. • The results of our controls testing have been the basis for the nature and scoping of the additional test of details, which mainly consisted of testing individual transactions by reconciling them to external sources (supporting documentation). • Performed analytical procedures and assessed the reasonableness of explanations provided by management. We are satisfied that the revenue recognition is appropriate.

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.

Grant Thornton

Onessious Mabuya
Partner
Registered Public Auditor (PAAB Number 0634)

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors

28 March 2024

BULAWAYO

Group Annual financial statements

The reports and statements set out below comprise the consolidated financial statements for the financial year ended 31 December 2023 presented to the shareholders:

Group Financial Statements FY2023

The reports and statements set out below comprise the consolidated financial statements for the financial year ended 31 December 2023 presented to the shareholders:

01 Consolidated Statement of Profit or Loss and Other Comprehensive Income

02 Consolidated Statement of Financial Position

03 Consolidated Statement of Changes in Equity

04 Consolidated Statement of Cash Flows

05 Notes to the Consolidated Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2023

	Notes	INFLATION ADJUSTED		HISTORICAL COST	
		Group 2023 ZWL	Group 2022 ZWL	Group 2023 ZWL	Group 2022 ZWL
Revenue	5	84 158 417 379	40 326 405 561	54 542 727 439	5 838 892 428
Cost of sales	6	(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	7	592 917 179	507 340 815	477 029 980	77 597 303
Selling and distribution expenses	8.1	(14 099 104 502)	(4 468 448 329)	(5 690 297 803)	(645 370 784)
Administrative expenses	8.2	(20 654 565 301)	(16 385 231 155)	(11 142 777 711)	(2 831 514 224)
Operating profit / (loss) before fair value adjustments		**3 790 562 949**	**(7 667 987 220)**	**10 447 696 704**	**(501 926 655)**
Fair value adjustments on investment property	7.2.1	5 648 884 120	2 218 178 586	3 760 572 762	462 116 117
Foreign exchange (loss) / gain	7.2.2	(26 389 562 814)	2 422 442 347	(17 057 170 849)	406 611 960
(Loss)/profit from operating activities		**(16 950 115 745)**	**(3 027 366 287)**	**(2 848 901 383)**	**366 801 422**
Finance costs	9	(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)	10.1	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	18.6	**128 626 361**	**12 647 782 355**	**(3 019 700 568)**	**10 825 073 620**
Earnings / (loss) cents per share					
Number of shares in issue	11.2	4 315 726 499	493 040 308	4 315 726 499	493 040 308
Basic and diluted earnings /(loss) (ZWL 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. As a result, the auditors have not expressed an opinion on the historical financial information and corresponding notes.

Consolidated Statement of Financial Position

as at 31 December 2023

	Notes	INFLATION ADJUSTED		HISTORICAL COST	
		as at 31.12.2023 ZWL	as at 31.12.2022 ZWL	as at 31.12.2023 ZWL	as at 31.12.2022 ZWL
ASSETS					
Non-current assets					
Property, plant and equipment	12	64 605 392 269	71 984 941 362	15 925 584 553	14 551 582 794
Investment property	12.2	4 230 572 762	2 256 021 587	4 230 572 762	470 000 000
Right-of-use asset	13.1	116 644 900	171 018 657	116 644 900	11 161 116
Investments in financial assets	14	505 344	2 293 952	505 344	477 902
Total non-current assets		**68 953 115 275**	**74 414 275 558**	**20 273 307 559**	**15 033 221 812**
Current assets					
Inventories	16	35 726 503 272	10 895 010 784	19 102 563 191	885 161 440
Trade and other receivables	15.1	64 498 767 367	6 316 113 848	40 476 368 919	1 150 507 459
Cash and cash balances	17	1 810 216 025	1 973 111 204	1 810 216 025	411 060 901
Total current assets		**102 035 486 664**	**19 184 235 836**	**61 389 148 135**	**2 446 729 800**
Total assets		**170 988 601 939**	**93 598 511 394**	**81 662 455 694**	**17 479 951 612**
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	18.2	5 104 541 982	5 046 962 519	42 315 637	4 930 403
Share premium	18.3	61 009 320 180	186 208 484	39 491 454 528	181 908
Non-distributable reserve	18.5	7 836 216 292	7 836 216 292	7 655 239	7 655 239
Revaluation reserve	18.6	50 227 565 244	52 186 801 184	10 119 724 161	10 872 146 216
Retained earnings/(accumuated Loss)		580 075 834	(1 507 786 467)	(1 765 850 553)	501 427 960
Total equity		**124 757 719 532**	**63 748 402 012**	**47 895 299 012**	**11 386 341 726**
Non-current liabilities					
Lease liability	13.2	58 476 898	28 338 122	58 476 898	5 903 719
Deferred taxation	10.3	15 188 955 507	16 929 664 814	2 725 229 782	3 401 876 357
Total non-current liabilities		**15 247 432 405**	**16 958 002 936**	**2 783 706 680**	**3 407 780 076**
Current liabilities					
Trade and other payables	20.1	27 115 745 289	11 862 909 033	27 115 745 289	2 471 415 734
Lease liability	13.2	71 475 674	21 802 476	71 475 674	4 542 139
Current tax liabilities	20.2	-	1 007 394 937	-	209 871 937
Loans and borrowings	19	3 796 145 519	-	3 796 145 519	-
Bank overdraft	17	83 520	-	83 520	-
Total current liabilities		30 983 450 002	12 892 106 446	30 983 450 002	2 685 829 810
Total liabilities		**46 230 882 407**	**29 850 109 382**	**33 767 156 682**	**6 093 609 886**
Total equity and liabilities		**170 988 601 939**	**93 598 511 394**	**81 662 455 694**	**17 479 951 612**

*The historical cost amounts 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. As a result, the auditors have not expressed an opinion on the historical financial information and corresponding notes.

G. H Hampshire

Chairman
27 March 2024

Managing Director
27 March 2024

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	Accumulated loss 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	-	-	-	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**	-	**(1 959 235 940)**	**1 959 235 940**	**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	Accumulated loss 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	-	-	-	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**	**10 872 146 216**	**(2 518 272 608)**	**47 895 299 012**

*The historical cost amounts 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. As a result the auditors have not expressed an opinion on the historical financial information and corresponding notes.

Consolidated Statement Of Cash Flows

for the year ended 31 December 2023

		INFLATION ADJUSTED		HISTORICAL COST	
		2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
CASH FLOWS FROM OPERATING ACTIVITIES	Notes				
(Loss)/ profit before income tax		(1 198 771 832)	(17 746 210 084)	(3 428 472 844)	365 836 407
Adjustments for:					
Depreciation of property, plant and equipment	12	9 693 746 124	2 565 283 307	819 305 072	27 148 843
Depreciation of investment property		-	1 212 607	-	4 995
Amortisation of financial assets	14	(1 788 608)	(114 644)	(27 442)	(23 884)
Amortisation of right of use asset	13.1	30 519 013	20 349 128	22 418 983	2 739 192
Impairment of property, plant & equipment	12	-	28 790 963	-	5 998 060
Finance costs	9	606 143 116	12 495 686	579 571 461	965 015
Investment property fair value gain	12	(5 648 884 120)	(1 025 661 017)	(3 760 572 762)	(462 116 117)
Loss from disposal of property, plant and equipment	7.1	135 921 198	-	135 921 198	-
Effects of inflation		20 176 659 847	(5 044 694 629)	-	-
Adjustment of movement in non monetary items		(16 357 487 029)	14 706 348 111	-	-
Operating cash flows before working capital changes		7 436 057 709	(6482 200 572)	(5 631 856 334)	(59 447 489)
Movements in working capital					
Change in trade and other receivables		(58 182 653 519)	(1 904 257 517)	(39 325 861 460)	(892 157 489)
Change in inventories		(24 831 492 488)	4 881 700 715	(18 217 401 751)	(642 472 937)
Change in trade and other payables		15 252 836 256	7 066 002 746	24 644 329 555	2 181 230 092
Operating cash flows after working capital changes		(60 325 252 042)	3 561 245 372	(38 530 789 990)	587 152 177
Tax paid		(868 141 413)	(705 052 951)	(477 746 236)	(164 444 603)
Finance costs	9	(606 143 116)	(12 495 686)	(579 571 461)	(965 015)
Net cash flows (utilised in)/generated from operating activities		(61 799 536 571)	2 843 696 735	(39 588 107 687)	421 742 559
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of property, plant and equipment	12	(2 942 147 466)	(2 987 954 017)	(2 323 822 339)	(152 636 754)
Acquisition of right of use asset	13.1	(177 943 314)	(191 367 785)	(133 308 457)	(13 900 308)
Net cash flows utilised in investing activities		(3 120 090 780)	(3 179 321 802)	(2 457 130 796)	(166 537 062)
CASH FLOWS FROM FINANCING ACTIVITIES					
Changes 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
Increase in share capital		60 880 691 159		39 528 657 854	-
Dividend paid		-	(474 969 681)	-	(20 294 112)
Net cash flows generated from /(utilised) in financing activities		64 756 648 652	(424 829 083)	43 444 310 087	(9 848 254)
CHANGE IN CASH AND CASH EQUIVALENTS		(162 978 699)	(760 454 150)	1 399 071 604	245 357 243
OPENING CASH AND CASH EQUIVALENTS		1 973 111 204	2 733 565 354	411 060 901	165 703 658
CLOSING CASH AND CASH EQUIVALENTS	17	1 810 132 505	1 973 111 204	1 810 132 505	411 060 901

*The historical amounts 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. As a result, the auditors have not expressed an opinion on the historical financial information and corresponding notes.

GROUP STATEMENT OF ACCOUNTING POLICIES (CONT'D)

for the year ended 31 December 2023

1. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

Turnall Holdings Limited is a limited liability Group incorporated in Zimbabwe. Its ultimate controlling party is Zimbabwean Brands (Private) Limited. The address of its registered office and principal place of business are disclosed on the second page of the report in which these consolidated financial statements are contained.

The Board of Directors approved these consolidated financial statements for issue on 23 March 2024.

INCORPORATION AND ACTIVITIES

The Group was incorporated as Penhalonga Exploration (Private) Limited on 16 August 1962. On 14 October 1970, Penhalonga Exploration (Private) Limited changed its name to Penhalonga Development Group (Private) Limited, which was again changed on 29 March 1976 to PDC (Private) Limited, and then to Turnall Holdings Limited on 31 October 2002. Its main business involves the production of building and construction materials comprising corrugated sheeting, flat sheets, pantiles, pressure pipes, sewer pipes, concrete roofing tiles and related accessories.

1.1 Statement of compliance

1.1.1 Compliance with legislation

These consolidated financial statements, which have been prepared after restating underlying amounts prepared under the historical cost convention (except for fair value and amortized cost measurement where applicable), are in agreement with the underlying books and records, which have been properly prepared in accordance with the accounting policies set out in Note 2, and comply with the disclosure requirements of the Companies and Other Businesses Entities Act (Chapter 24:31), and the applicable Zimbabwe Stock Exchange Listing Requirements.

1.1.2 Compliance with IFRSs

The annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), except for the effects of non-compliance with International Accounting Standard 21 (IAS 21) and International Accounting Standard 29 (IAS 29).

2. BASIS OF PREPARATION AND MEASUREMENT

2.1. Basis of preparation

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

The Zimbabwe economy was in a hyperinflationary environment effective 1 July 2009. IAS 29 requires that consolidated financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date, and the corresponding figures for previous period also be restated in terms of the same measuring unit. Although IAS 29 discourages the presentation of historical consolidated financial statements when inflation adjusted consolidated financial statements are presented, historical consolidated financial statements are included to allow comparability.

Group Statement Of Accounting Policies (cont'd)

for the year ended 31 December 2023

2. **BASIS OF PREPARATION AND MEASUREMENT (continued)**

2.1 **Basis of preparation (continued)**

In accordance with IAS 29, the consolidated financial statements and the corresponding figures for the previous period have been restated to take account of 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 balance sheet date – 31 December 2023. The restatement is based on conversion factors derived from the Zimbabwe Total Consumption Poverty Line (TCPL) compiled by the Zimbabwe Central Statistical Office.

The main procedures applied in the restatement of transactions and balances are as follows:

- All corresponding figures as of, and for the prior year ended, are restated by applying the change in the index from the end of the prior year to the end of the current year;
- Monetary assets and liabilities, are not restated because they are already stated in terms of the measuring unit current at balance sheet date;
- Non-monetary assets and liabilities, and components of shareholders equity/funds, are restated by applying the change in index from the date/month of transaction or, if applicable, from the date of their most recent revaluation to the balance sheet date;
- Property, plant and equipment and intangible assets are restated by applying the change in the index from the date of transaction, or if applicable from the date of their most recent/last revaluation, to the balance sheet date. Depreciation and amortization amounts are based on the restated amounts;
- Profit and loss statement items/transactions, except depreciation and amortization charges as explained above, are restated by applying the change in the average change in the index during the period to balance sheet date;
- Gains and losses arising from net monetary asset or liability positions are included in the profit or loss statement
- All items in the cash flow statement are expressed in terms of the measuring unit current at the balance sheet date.

The following Total Consumption Poverty (TCPL) indices were used to prepare the financial statements:

Dates	TCPL Indices	Conversion factors
Dec 2023	140 253	1.00
Dec 2022	29 219	4.80
Dec 2021	8 009	17.51
Dec 2020	4 670	30.03

Historical cost is generally based on the fair values of the consideration given in exchange for goods and services at the transaction date.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the entity takes into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability at measurement date. Fair value for measurement and/or disclosure in these consolidated financial statements is determined on such a basis except for measurements that have similarities to fair value but are not fair value, such as net realisable value in IAS 2 "Inventories" or value in use in IAS 36 "Impairment of Assets".

Group Statement Of Accounting Policies (cont'd)

for the year ended 31 December 2023

2. BASIS OF PREPARATION AND MEASUREMENT (continued)

2.2 Basis of measurement (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 New or revised Standards or Interpretations

3.1.1 Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

"The amendments clarify the guidance in IAS1 by:
• clarifying that the classification of a liability as either current or non-current is based on the entity's rights at the end of the reporting period
• stating that management's expectations around whether they will defer settlement or not does not impact the classification of the liability
• adding guidance about lending conditions and how these can impact classification
• including requirements for liabilities that can be settled using an entity's own instruments."

Effective date

January 1, 2024

3.1.2 Amendments to IAS 1 - 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. These amendments impact what accounting policies are disclosed which could affect investors decisions.

Effective date

January 1, 2023

Group Statement Of Accounting Policies (CONT'D)

for the year ended 31 December 2023

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1.3 Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements

"The amendments require additional disclosures that complement the existing disclosures in these two standards. They require entities to disclose :

- the terms and conditions of the arrangement
- the amount of the liabilities that are part of the arrangements, breaking out the amounts for which the suppliers have already received payment from the finance providers, and stating where the liabilities are included on the statement of financial position
- ranges of payment due dates
- liquidity risk information."

Effective date
January 1, 2024

3.1.4 Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

"The amendments clarify the guidance in IAS 8 by:

Aligning the definition of "material" across the standards and to clarify certain aspects of the definition.
The new definition states that, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose consolidated financial statements make on the basis of those consolidated financial statements, which provide financial information about a specific reporting entity"."

The amendments to the definition of material is not expected to have a significant impact on Turnall Holdings Limited's consolidated financial statements.

Effective date
January 1, 2023

3.1.5 Amendments to IAS 12 - 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
January 1, 2023

3.1.6 Amendments to IAS 21 - Lack of exchangeability

I"The amendments introduce a two-step approach:
Assessing exchangeability: An entity determines whether a currency is exchangeable into another currency. "
Estimating exchange rate: If not, the exchange rate is estimated to reflect the rate at which an orderly transaction would take place between market participants under prevailing economic conditions.

Effective date
January 1, 2025

3.1.7 Amendments to IFRS S1 and IFRS S2

"IFRS S1 provides a set of disclosure requirements designed to enable companies to communicate to investors about the sustainability-related risks and opportunities they face over the short, medium and long term.

IFRS S2 sets out specific climate-related disclosures and is designed to be used with IFRS S1."

Effective date
January 1, 2025

Group Statement Of Accounting Policies (cont'd)

for the year ended 31 December 2023

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Revenue

Revenue represents sales (excluding VAT) of goods and services net of discounts provided in the normal course of business and is recognised when goods or services have been collected or delivered to the customer. Revenue is derived from sales of AC pipes, building products and concrete products. Revenue is recognised when performance obligations have been satisfied.

To determine whether to recognise revenues, the Group follows a 5 step process:

1. Identifying the contract with the customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transactional price to the performance obligations
5. Recognising revenues when/as performance obligation(s) are satisfied.

The Group sales are mainly to distributors and retailers. For sale of goods to retail customers, revenue is recognised when the performance obligation has been satisfied, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods. For distributors, revenue is recognised when the goods are delivered or collected by the customer.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Construction contracts

Where the outcome of construction contract can be measured reliably, revenue and costs are recognised by reference to the stage of completion of the contract at the statement of financial position date, as measured by the proportion that contract costs incurred for work to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion.

Variations in contract work, claims and incentive payments are included to the extent that collection is probable and the amounts can be measured reliably. Anticipated losses to completion are recognised immediately as an expense in contract costs. This method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15. The Group becomes entitled to invoice customers on construction contracts based on achieving a series of performance related milestones. When a particular milestone is achieved, the customer is sent the relevant statement of work signed by site engineers and an invoice for the related milestone payment. Where the outcome of the construction contracts cannot be reliably determined, contract revenues are recognised to the extent that the recoverability of incurred costs is probable. Contract costs are recognised as expenses in the period in which they are incurred. When contract costs incurred to date plus recognised profit less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profit less recognized losses, the surplus is shown as the amount due to customers for contract work. Amounts received before the related work is performed are included in the statement of financial position, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the statement of financial position under contracts in progress and contracts receivables.

3.3 Basis of consolidation (continued)

Subsidiaries

Subsidiaries are those enterprises controlled by the Group. An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affects those returns through its power over the investee. The consolidated financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Changes in Group Ownership interests in existing subsidiaries

Changes in the Groups' ownership interests in subsidiaries that do not result in the entity losing control over the subsidiaries are accounted for as equity transactions.

Group Statement Of Accounting Policies (cont'd)
for the year ended 31 December 2023

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Property, plant and equipment

Items of property, plant and equipment are initially measured at cost less accumulated depreciation and impairment losses, then subsequently using the revaluation model less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the anticipated costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as components of an item of property, plant and equipment. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of an item of property, plant and equipment, and are recognised within other income in profit or loss.

The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Items of property, plant and equipment are revalued at least once every three years or earlier if it becomes apparent that their carrying amounts differ from their recoverable amount to a material extent.

Gross carrying amounts of plant and equipment are determined by revaluation on a net replacement basis and for property on a market value basis. Revaluation surpluses are realised on disposal of the assets.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The depreciation rates are shown below:

	Rate		Useful life
Industrial buildings	2.5%	per annum	40 years
Plant and machinery	7.5 - 20%	per annum	5-10 years
Furniture, fittings and office equipment	10 - 20%	per annum	5- 10 years
Motor vehicles	20 - 25%	per annum	4 -5 years

Land and capital work in progress are not depreciated.

The residual values, depreciation method and useful lives are reassessed annually.

Expenditure on additions and improvements to property, plant and equipment is capitalised for major projects based on measured work completed and qualifying for recognition.

Group Statement Of Accounting Policies (cont'd)

for the year ended 31 December 2023

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, nor use in the production or supply of goods or services, nor for administrative purposes. Investment property is initially measured at cost and subsequently at fair value. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. The investment property is remeasured at fair value, which 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. Gains or losses arising from changes in the fair value of investment property must be included in net profit or loss for the period in which it arises.

3.6 Taxation

Income tax

Income tax for the year comprises current and deferred tax. Income tax is recognised in profit or loss unless it relates to an item recognised directly in other comprehensive income or in equity, in which case it is recognised in other comprehensive income or equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax liabilities are recognised for all taxable temporary differences, unless the temporary differences arise from:
- Goodwill
- The initial recognition of an asset or liability in a transaction which:
    - is not a business combination; and
    - at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit.

Witholding tax on interest received

Where withholding tax is withheld on interest received, the interest is recognised at the gross amount with the related withholding tax recognised as part of the income tax expense unless it is otherwise reimbursable, in which case it is recognised as an asset.

3.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the weighted average basis and includes expenditure incurred in acquiring the inventories, manufacturing and bringing them to their existing location and condition.

Group Statement Of Accounting Policies (cont'd)

for the year ended 31 December 2023

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as finance costs.

3.9 Foreign currencies

Foreign currency transactions (which are in currencies other than the functional currency), on initial recognition, are translated at the exchange rates ruling on the date of the transaction. Subsequent to that, all foreign currency denominated financial assets and liabilities are translated at each reporting date, using the exchange rates ruling at that date. Accordingly, foreign currency denominated income and expenses are recorded at exchange rates ruling on the date of the transaction.

Exchange differences are recognised in profit or loss in the period in which they arise.

3.10 Financial instruments

3.10.1 Classification and measurement of financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when it becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss if the transaction price differs from fair value at initial recognition.

The Group will account for such differences as follows:

- If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);

- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability) ; and

- After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL. Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit or loss.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Group Statement Of Accounting Policies (cont'd)

for the year ended 31 December 2023

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Financial instruments (continued)

3.10.1 Classification and measurement of financial instruments (continued)

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets are classified into the following specified categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI), or
- Amortised cost (AMCO)

Financial assets at FVTPL

Financial assets at FVTPL are:

- assets with contractual cash flows that are not Solely Payments of Principal and Interest (SPPI); or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option

Financial assets may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or

- The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance evaluated on a fair value basis, in accordance with the Group's risk management or investment strategy, and information about the grouping is provided initially on that basis, or

- It forms part of a contract containing one or more embedded derivatives, and IAS 39.

Financial instruments, recognition and measurement, permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are measured at fair value, with any resultant gain or loss recognised in profit or loss. Interest income from these financial assets is included in interest and related income using the effective interest rate method.

Financial assets at FVOCI

The Group applies the new category under IFRS of debt instruments measured at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and

- The contractual terms of the financial asset meet the Solely Payments of Principal and Interest (SPPI) test.
  Gains and losses arising from changes in fair value are recognised directly in other comprehensive income in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest rate method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss.

Financial assets at amortised cost

This includes amounts due from banks, loans and other receivables, bills of exchange and debentures with fixed or determinable payments and fixed maturity debts that the Group has the positive intent and ability to hold to maturity. Investments are recorded using the effective interest method less any impairments with revenue being recognised on an effective yield basis.

Group Statement Of Accounting Policies (cont'd)

for the year ended 31 December 2023

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Financial instruments (continued)

3.10.1 Classification and measurement of financial instruments (continued)

The Group only measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold the financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Reclassifications

- If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in the business model that results in reclassifying the Group's financial assets. During the current financial year and previous accounting period, there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on modification and de-recognition of financial assets.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other income' line item;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'other income' line item. Other exchange differences are recognised in OCI in the investments revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedge accounting relationship, exchange differences are recognised in profit or loss either in 'net trading income', if the asset is held for trading, or in 'net income from other financial instruments at FVTPL' if otherwise held at FVTPL; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in OCI in the investments revaluation reserve.

Impairment of financial assets

The Group recognises loss allowances for Expected Credit Losses (ECLs) on the financial instruments that are not measured at FVTPL:

No impairment loss is recognised on equity investments.

The measurement of ECL reflects:

- An unbiased and probability - weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group performs an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. Based on the above processes and changes in credit risk since initial recognition, the financial assets migrate through the three stages.

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Group Statement Of Accounting Policies (cont'd)

for the year ended 31 December 2023

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Financial instruments (continued)

3.10.1 Classification and measurement of financial instruments (continued)

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or

- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without considering any collateral held by the Group). Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Impairment of financial assets (continued)

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, considering legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Modification and de-recognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is met or not (e.g. a change to the increase in the interest rate that arises when covenants are breached).

Write Offs

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (in either its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a de-recognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

Group Statement Of Accounting Policies (cont'd)

for the year ended 31 December 2023

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Financial instruments (continued)

3.10.2 Financial liabilities and equity instruments

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group or a contract that will or may be settled in the Group's own equity instruments and is a non-derivative contract for which the Group is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over its own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Group's own equity instruments. Financial liabilities are classified as either financial liabilities at 'FVTPL' or 'other financial liabilities'.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities at FVTPL

Either financial liabilities are classified as at 'FVTPL' where the financial liability is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing in the near future, or
- It is part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short term profit taking, or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability, other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination, may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a Group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire hybrid (combined) contract to be designated as at FVTPL.

Other financial liabilities

Other financial liabilities, including payables and borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Group Statement Of Accounting Policies (cont'd)

for the year ended 31 December 2023

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Financial instruments (continued)

3.10.2 Financial liabilities and equity instruments (continued)

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

De-recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument for another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of the terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

3.10.3 Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. Derivatives embedded in hybrid contracts with a financial asset host within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured at either amortised cost or fair value as appropriate.

Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL. If the hybrid contract is a quoted financial liability, instead of separating the embedded derivative, the Group generally designates the whole hybrid contract at FVTPL.

3.11 Pension costs

The Group contributes to a defined contribution plan. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

3.12 Leases

(a) The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Group Statement Of Accounting Policies (cont'd)

for the year ended 31 December 2023

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Leases (continued)

(b) **The Group as lessor**

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

3.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised and included in the cost of that qualifying assets. These comprise borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Investment income earned on the temporary reinvestment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.14 Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and deferred consideration.

3.15 Segment reporting

The Group has four reportable segments, as described below. The segments offer different products but are however managed by the one central team as they require similar technology, processes and marketing strategies. For each of the segments, the Group's Managing Director (the chief operating decision maker) reviews internal management reports at least monthly. The following summary describes the operations in each of the Group's reportable segments:

- Building products - production of roofing sheets, flat sheets and moulded goods.
- Piping products - production of water and sewer reticulation pipes.
- Concrete tiles - production of concrete roofing products.
- Construction - Provision of housing solution through alternative building technologies.

Group Statement Of Accounting Policies (cont'd)

for the year ended 31 December 2023

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Segment reporting (continued)

There is a minimal level of integration between the reportable segments that includes transfers of raw materials and shared distribution services, respectively.

Performance is measured based on segment gross profit before tax, as included in the internal management reports that are reviewed by the Managing Director. Segment gross profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

4. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements requires directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information about significant areas of estimation, uncertainty and critical judgement, in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following:

4.1 Valuation of property, plant and equipment

The Group reviews their estimates for residual values, useful lives and methods of depreciation of all property, plant and equipment annually. Residual values of each asset have been assessed by reviewing the fair value of the assets after considering age, usage and obsolescence. In determining the recoverable amounts of the assets, expected cash flows are discounted to their present values. In determining useful lives, directors consider technology changes, local operating environment and the use of each asset.

The directors also apply significant judgement', estimates and assumptions on carrying out the revaluation of property, plant and equipment in line with the policy on revaluation. The directors engage a professional valuer to perform an independent valuation.

The fair values of the land and buildings was, as a result of the above, determined in United States Dollars (USD) and converted to Zimbabwe Dollars (ZWL) at the closing interbank rate of 1 USD: 684.3339 ZWL as at 31 December 2022.

4.2 Impairment of trade and other receivables

The Group recognises a loss allowance for expected credit losses on trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in the credit risk since initial recognition of the respective financial assets.

The Group always recognises lifetime expected credit losses for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit losses experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Group Statement Of Accounting Policies (cont'd)

for the year ended 31 December 2023

4. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.2 Impairment of trade and other receivables (continued)

The Group measures the loss allowance for trade and other receivables at an amount equal to 12-month expected credit losses. Lifetime expected credit losses represents the expected credit losses that will result from all possible default events over the expected life of a financial asset. In contrast, 12-month expected credit losses represents the portion of lifetime expected credit losses that is expected to result from default events on a financial asset that are possible within 12 months after the reporting date.

4.3 Deferred tax assumptions on profits

Deferred tax assets should be recognised when it is probable that taxable profits will be available against which the deferred tax asset can be utilised. When an entity has tax losses, the entity recognises deferred tax assets only to the extent that the entity has sufficient taxable temporary differences, or there is convincing other evidence that sufficient taxable profit will be available.

4.4 Contingent assets and liabilities

While the contingent liabilities are not recognised in the consolidated financial statements in line with the requirements of IFRSs, the directors and management exercise key judgments, in consultation with legal counsel, in evaluating and concluding;

- the extent of the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; and

- that it is not probable that an outflow of resources embodying economic benefits would be required to settle the obligation; or

- that the amount of the obligation cannot be measured with sufficient reliability.

The existence of the contingent assets are dependent on the occurrence or non-occurrence of one or more uncertain future events not within the control of the Group.

A change in the directors' and management judgements regarding contingent liabilities, or in the outcomes of future events impacting contingent liabilities, could result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.5 Presentation and functional currency

These inflation adjusted financial results are presented in Zimbabwe Dollars (ZWL) which is the Group's functional and presentation currency. The Group had been using the United States Dollar (US$) as its functional and reporting currency since 2009 till 2018.

In 2016 the monetary authorities introduced the Bond note which was at par with the USD. On the 1st of October 2018 an Exchange Control Directive RT120/2018 was promulgated directing all banks to separate domestic and Nostro currency accounts. On the 22nd of February 2019, Statutory Instrument 32 of 2019 was issued as an amendment to the Reserve Bank of Zimbabwe Act and it introduced a new currency called the RTGS Dollar. Another Exchange Control Directive RU 28 of 2019 was issued at the same time and it introduced an interbank market for the RTGS Dollar and the USD as well as other currencies in the multi-currency regime.

On June 24, 2019 the government gazetted Statutory Instrument 142 of 2019 which outlawed the use of multi-currencies and compelled that local transactions to be done in local currency (ZWL). The Group followed the legal instruments and changed the functional currency on the 22nd of February 2019. The requirement to comply with Statutory Instrument 33 (SI 33) of 2019 created inconsistencies with IAS 21 as well as the principles embedded in the IFRS Conceptual Framework.

This has resulted in the adoption of an accounting treatment in the current year's Group's consolidated financial statements which is at variance from that which would have been applied if the Group had been able to fully comply with IFRS. The Group adopted the exchange rate of 1:1 between the USD and ZWL for the period 1 October 2018 to 23 February 2019 and thereafter adopted the interbank exchange rates.

Group Statement Of Accounting Policies (cont'd)

for the year ended 31 December 2023

4. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.6 Significant increase in credit risk

Expected credit losses are measured as an allowance equal to 12-month expected credit losses for stage 1 assets, or lifetime expected credit losses for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group considers qualitative and quantitative reasonable and supportable forward-looking information.

4.7 Calculation of loss allowance

When measuring expected credit losses, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring expected credit losses. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Notes To The Consolidated Financial Statements (continued)

for the year ended 31 December 2023

		INFLATION ADJUSTED		HISTORICAL COST	
		2023	2022	2023	2022
5.	**REVENUE**	ZWL	ZWL	ZWL	ZWL
	Sale of goods - local sales	84 125 069 983	40 273 288 958	54 520 104 321	5 828 622 917
	- exports	33 347 396	53 116 603	22 623 118	10 269 511
		84 158 417 379	**40 326 405 561**	**54 542 727 439**	**5 838 892 428**

Export sales were to South Africa, Mozambique and Zambia.

6.	**COST OF SALES**				
	Canteens	527 197 481	583 320 949	332 240 731	83 349 533
	Consumables	1 450 255 040	721 691 029	960 852 287	110 010 080
	Contracted maintenance services	544 322 454	281 279 250	378 047 463	41 789 663
	Depreciation of property, plant and equipment	7 427 846 733	1 699 966 237	629 357 819	19 459 322
	Electricity and water	3 733 278 363	1 300 958 416	2 385 078 693	207 860 128
	Employee expense	11 085 428 406	5 283 455 881	6 874 082 318	784 279 050
	Maintenance	1 947 317 950	840 274 066	1 315 192 841	121 629 176
	Other	561 827 642	420 991 359	328 990 370	63 330 654
	Plant hire	23 448 493	5 359 602	6 037 086	598 832
	Professional services	269 247 411	87 288 533	142 533 165	10 198 011
	Raw materials	18 636 931 833	16 423 468 790	14 386 572 428	1 499 026 929
		46 207 101 806	**27 648 054 112**	**27 738 985 201**	**2 941 531 378**
7.1	**OTHER INCOME**				
	Rental income	164 403 380	86 863 239	72 815 738	8 433 382
	Loss on disposal of property, plant and equipment	(135 921 198)	-	(135 921 198)	-
	Scrap sales	-	32 112	-	6 690
	Fair value gain on financial assets	52 553 441	114 644	52 553 441	23 884
	Sundry income	479 356 319	149 113 868	401 648 208	28 280 892
	Pallet sales	32 525 237	271 216 952	85 933 791	40 852 455
	Othe Income	**592 917 179**	**507 340 815**	**477 029 980**	**77 597 303**
7.2	**EXCEPTIONAL ITEMS**				
7.2.1	**Fair value gain on investment property**	5 648 884 120	2 218 178 586	3 760 572 762	462 116 117
		5 648 884 120	**2 218 178 586**	**3 760 572 762**	**462 116 117**
7.2.2	**EXCHANGE LOSS**				
	Exchange loss	27 169 990 678	-	17 837 464 383	-
	Translation of foreign assets and liabilities	(780 427 864)	(2 422 442 347)	(780 293 534)	(406 611 960)
	Net exchange loss/(gain)	**26 389 562 814**	**(2 422 442 347)**	**17 057 170 849**	**(406 611 960)**

Notes To The Consolidated Financial Statements (continued)

for the year ended 31 December 2023

	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
8. OPERATING EXPENSES	ZWL	ZWL	ZWL	ZWL
8.1 Selling and distribution expenses				
Employee expenses	7 210 492 711	1 471 862 443	1 550 318 467	220 885 197
Transport costs	5 109 076 991	2 148 883 553	3 324 741 604	317 854 723
Light motor vehicle running costs	72 871 859	102 582 986	44 814 497	14 458 871
Sales promotion	44 972 435	163 766 805	22 650 509	17 908 358
Other	1 661 690 506	581 352 542	747 772 726	74 263 635
	14 099 104 502	**4 468 448 329**	**5 690 297 803**	**645 370 784**
8.2 Administrative expenses				
Auditors' remuneration - external audit	386 664 857	170 087 112	229 487 461	30 868 418
Amortisation of right of use asset	30 519 013	20 349 128	22 418 983	2 739 192
Directors remuneration - non executive	259 335 762	47 225 089	173 856 227	7 209 001
- executive	1 357 974 957	791 868 300	755 146 227	128 281 958
Depreciation of investment property	-	1 212 607	-	4 995
Bank charges	651 109 100	282 086 075	510 172 661	32 615 307
Conferences and training	384 584	60 961 318	250 000	6 145 040
Depreciation of property, plant and equipment	2 265 899 391	865 317 072	189 947 253	7 689 521
Employee costs	5 790 080 927	2 682 863 309	3 319 633 149	442 998 215
Interest and penalties on legacy statutory liabilities	-	352 608 633	-	66 511 138
Interest on pension liabilities	-	61 064 053	-	4 435 486
Intermediated money transfer tax (IMTT)	812 099 367	496 770 078	493 663 115	70 256 922
Impairment/(reversal) of trade and other receivables	915 567 467	357 330 150	614 820 360	68 784 706
Legal fees	933 218 886	162 346 501	443 203 904	27 713 193
Licences	102 567 292	1 180 861 411	64 364 591	241 760 796
Light motor vehicle running costs	752 421 960	191 031 489	474 013 560	29 901 661
Professional fees	1 119 825 108	170 428 458	726 132 200	26 967 712
Retrenchment costs	329 358 164	6 082 852 904	87 122 922	1 257 671 681
Risk control expenses	1 219 085 889	446 054 569	741 099 944	68 575 254
Staff welfare	1 286 578 732	673 099 809	791 988 487	97 894 862
Telephone and communication	747 445 270	360 300 817	408 835 030	55 351 515
Travel	784 779 064	197 619 917	472 837 964	29 000 180
Other	909 649 511	730 892 356	623 783 673	128 137 471
	20 654 565 301	**16 385 231 155**	**11 142 777 711**	**2 831 514 224**
9. FINANCE COSTS				
Interest expense on right of use asset	14 997 855	5 151 203	6 615 439	693 403
Interest expense on loans and borrowings	591 145 261	7 344 483	572 956 022	271 612
	606 143 116	**12 495 686**	**579 571 461**	**965 015**
10. TAXATION				
10.1 Recognised in statement of profit or loss				
Current tax	413 285 396	1 312 071 713	267 848 581	273 345 658
Deferred tax	(1 740 709 307)	(607 582 810)	(676 646 575)	(151 525 040)
Withholding tax	25 718	564 053	25 718	117 510
	(1 327 398 193)	**705 052 956**	**(408 772 276)**	**121 938 128**

Notes To The Consolidated Financial Statements (continued)

for the year ended 31 December 2023

10. TAX ATION (continued)

10.2 Reconciliation of tax rate

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2023 %	Group 2022 %	Group 2023 %	Group 2022 %
Notional tax charge based on loss for the year	(24.72)	(24.72)	(24.72)	(24.72)
Non-deductible expenses:				
Subscriptions	0.00	0.01	0.00	(0.01)
Intermediated Money Transfer Tax (IMTT)	26.70	0.85	3.56	(4.75)
Legal expenses	9.89	0.05	1.32	(0.31)
Other	(122.49)	27.64	7.93	(3.51)
Tax benefits arising from:				
Permanent differences	0.00	0.00	(0.02)	0.00
Withholding taxation	0.00	0.00	0.00	(0.03)
	(110.62)	3.84	(11.93)	(33.33)

10.3 Deferred taxation – Inflation Adjusted

	Opening balance ZWL	Recognised in profit or loss ZWL	Recognised in other comprehensive income ZWL	Closing balance ZWL
Year ended 31 December 2023				
Deferred tax liability/(asset)				
Property, plant and equipment	17 694 229 604	(1 740 709 307)	-	15 953 520 297
Deferred tax asset				
Provisions	(764 564 790)	-	-	(764 564 790)
Net deferred tax liability/(asset)	**16 929 664 814**	**(1 740 709 307)**	-	**15 188 955 507**
Year ended 31 December 2022				
Deferred tax liability/(asset)				
Property, plant and equipment	11 413 466 952	(11 895 666)	6 292 658 318	17 694 229 604
Deferred tax asset				
Provisions	(168 877 646)	(595 687 144)	-	(764 564 790)
Net deferred tax liability/(asset)	**11 244 589 306**	**(607 582 810)**	**6 292 658 318**	**16 929 664 814**

Notes To The Consolidated Financial Statements (continued)

for the year ended 31 December 2023

10.3 Deferred taxation – Historical Cost

Movement in temporary differences during the year

	Opening balance ZWL	Recognised in profit or loss ZWL	Recognised in other comprehensive income ZWL	Closing balance ZWL
Year ended 31 December 2023				
Deferred tax liability/(asset)				
Property, plant and equipment	3 401 876 357	(676 646 575)	-	2 725 229 782
Deferred tax asset				
Provisions	-	-	-	-
Net deferred tax liability /(asset)	**3 401 876 357**	**(676 646 575)**	-	**2 725 229 782**
Year ended 31 December 2022				
Deferred tax liability/(asset)				
Property, plant and equipment	91 514 156	(2 478 240)	3 472 124 290	3 561 160 206
Deferred tax asset				
Provisions	(10 237 049)	(149 046 800)	-	(159 283 849)
Net deferred tax liability / (asset)	81 277 107	(151 525 040)	3 472 124 290	3 401 876 357

11. EARNINGS PER SHARE

11.1 Inflation Adjusted

Basic and diluted earnings per share have been calculated based on a profit/(loss) for the year of ZWL (128 626 361) (2022: ZWL 18 451 263 041) and 4 315 726 499 (2022: 493 040 308) shares in issue for the year ended 31 December 2023.

11.2 Historical Cost - Group

Basic and diluted earnings per share have been calculated based on a profit/(loss) for the year of ZWL (3 019 700 568) (2022: ZWL 243 898 278) and 4 315 726 499 (2022: 493 040 308) shares in issue for the year ended 31 December 2023.

	INFLATION ADJUSTED		HISTORICAL COST	
Basic earnings per share	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Numerator				
Profit/l(oss) for the year and earnings used in basic EPS	128 626 361	(18 451 263 040)	(3 019 700 568)	243 898 279
Denominator				
Weighted average number of shares used in basic EPS	4 315 726 499	493 040 308	4 315 726 499	493 040 308
Basic earnings/(loss) per share (ZWL cents)	**3**	**(3 742)**	**(70)**	**49**

Notes To The Consolidated Financial Statements (continued)

for the year ended 31 December 2023

12. PROPERTY, PLANT AND EQUIPMENT

INFLATION ADJUSTED

	Land ZWL	Buildings ZWL	Plant and machinery ZWL	Motor vehicles ZWL	Furniture and fittings ZWL	Office equipment ZWL	Capital work in progress ZWL	Total ZWL
As at 31 December 2021								
Cost/revaluation	2 174 728 930	23 573 339 672	21 870 083 546	190 682 962	218 357 517	383 395 969	170 989 574	48 581 578 170
Accumulated depreciation	-	(604 444 603)	(1 773 282 849)	(63 082 199)	(23 020 766)	(84 083 149)	-	(2 547 913 565)
Carrying amount as at 31 December 2021	**2 174 728 930**	**22 968 895 069**	**20 096 800 697**	**127 600 763**	**195 336 751**	**299 312 820**	**170 989 574**	**46 033 664 605**
Year ended 31 December 2022								
Carrying amount as at 1 January 2022	2 174 728 930	22 968 895 069	20 096 800 697	127 600 763	195 336 751	299 312 820	170 989 574	46 033 664 604
Additions	-	-	959 867 503	24 517 756	5 561 170	32 321 551	1 965 686 037	2 987 954 017
Revaluations	4 497 334 911	1 347 776 413	18 529 955 727	310 075 954	312 265 562	531 197 481	-	25 528 606 048
Depreciation charge	-	(604 444 593)	(1 775 829 335)	(66 910 725)	(24 497 682)	(93 600 972)	-	(2 565 283 307)
Carrying amount as at 31 December 2022	**6 672 063 841**	**23 712 226 889**	**37 810 794 592**	**395 283 748**	**488 665 801**	**769 230 880**	**2 136 675 611**	**71 984 941 362**
As at 31 December 2022								
Cost/revaluation	6 672 063 841	24 316 671 482	39 586 623 927	462 194 473	513 163 483	862 831 852	2 136 675 611	74 550 224 669
Accumulated depreciation	-	(604 444 593)	(1 775 829 335)	(66 910 725)	(24 497 682)	(93 600 972)	-	(2 565 283 307)
Carrying amount as at 31 December 2022	**6 672 063 841**	**23 712 226 889**	**37 810 794 592**	**395 283 748**	**488 665 801**	**769 230 880**	**2 136 675 611**	**71 984 941 362**
Year ended 31 December 2023								
Carrying amount as at 1 January 2023	6 672 063 841	23 712 226 889	37 810 794 592	395 283 748	488 665 801	769 230 880	2 136 675 611	71 984 941 362
Additions	-	-	1 479 015 968	-	24 193 057	126 114 088	1 312 824 353	2 942 147 466
Disposals	-	-	(627 950 436)	-	-	-	-	(627 950 436)
Depreciation charge	-	(2 205 296 656)	(6 759 121 210)	(262 757 515)	(91 287 349)	(375 283 394)	-	(9 693 746 124)
Carrying amount as at 31 December 2023	**6 672 063 841**	**21 506 930 233**	**31 902 738 914**	**132 526 233**	**421 571 509**	**520 061 574**	**3 449 499 964**	**64 605 392 269**
As at 31 December 2023								
Cost/revaluation	6 672 063 841	24 316 671 482	40 437 689 459	462 194 473	537 356 540	988 945 940	3 449 499 964	76 864 421 700
Accumulated depreciation	-	(2 809 741 249)	(8 534 950 545)	(329 668 240)	(115 785 031)	(468 884 366)	-	(12 259 029 431)
Carrying amount as at 31 December 2023	**6 672 063 841**	**21 506 930 233**	**31 902 738 914**	**132 526 233**	**421 571 509**	**520 061 574**	**3 449 499 964**	**64 605 392 269**

Notes To The Consolidated Financial Statements (continued)

for the year ended 31 December 2023

12. PROPERTY, PLANT AND EQUIPMENT

HISTORICAL COST

	Land ZWL	Buildings ZWL	Plant and machinery ZWL	Motor vehicles ZWL	Furniture and fittings ZWL	Office equipment ZWL	Capital work in progress ZWL	Total ZWL
As at 31 December 2021								
Cost/revaluation	18,282,000	197,693,818	174,243,907	2,215,133	2,740,262	6,462,708	5,998,060	407,635,888
Accumulated depreciation	-	(5,101,317)	(14,307,053)	(478,162)	(257,903)	(1,011,242)	-	(21,155,677)
Carrying amount as at 31 December 2021	**18 282 000**	**192 592 501**	**159 936 854**	**1 736 971**	**2 482 359**	**5 451 466**	**5 998 060**	**386 480 211**
Year ended 31 December 2022								
Carrying amount as at 1 January 2022	18 282 000	192 592 501	159 936 854	1 736 971	2 482 359	5 451 466	5 998 060	386 480 211
Additions	-	-	141 398 999	4 900 138	429 424	5 908 193	-	152 636 754
Revaluation	1 371 718 000	4 737 023 003	7 548 098 993	74 832 233	98 452 152	147 601 713	(5 998 060)	13 971 728 034
Charge for the year	-	(5 101 329)	(19 459 324)	(523 526)	(307 095)	(1 757 569)	-	(27 148 843)
Eliminated on revaluation	-	15 485 825	47 197 978	1 404 177	747 561	3 051 097	-	67 886 638
Carrying amount as at 31 December 2022	**1 390 000 000**	**4 940 000 000**	**7 877 173 500**	**82 349 993**	**101 804 401**	**160 254 900**	-	**14 551 582 794**
As at 31 December 2022								
Cost/revaluation	1 390 000 000	4 929 615 504	7 849 434 846	81 469 342	101 363 935	158 961 372	-	14 510 844 999
Accumulated depreciation	-	10 384 496	27 738 654	880 651	440 466	1 293 528	-	40 737 795
Carrying amount as at 31 December 2022	**1 390 000 000**	**4 940 000 000**	**7 877 173 500**	**82 349 993**	**101 804 401**	**160 254 900**	-	**14 551 582 794**
Year ended 31 December 2023								
Carrying amount as at 1 January 2023	1 390 000 000	4 940 000 000	7 877 173 500	82 349 993	101 804 401	160 254 900	-	14 551 582 794
Additions	-	-	1 153 623 643	-	12 785 202	50 934 727	1 106 478 767	2 323 822 339
Disposals	-	-	(130 515 508)	-	-	-		(130 515 508)
Depreciation charge	-	(122 269 933)	(627 041 114)	(20 377 693)	(10 321 312)	(39 295 020)	-	(819 305 072)
Carrying amount as at 31 December 2023	**1 390 000 000**	**4 817 730 067**	**8 273 240 521**	**61 972 300**	104 268 291	171 894 607	**1 106 478 767**	**15 925 584 553**
As at 31 December 2023								
Cost/revaluation	1 390 000 000	4 929 615 504	8 872 542 981	81 469 342	114 149 137	209 896 099	1 106 478 767	16 704 151 830
Accumulated depreciation	-	(111 885 437)	(599 302 460)	(19 497 042)	(9 880 846)	(38 001 492)	-	(778 567 277)
Carrying amount as at 31 December 2023	**1 390 000 000**	**4 817 730 067**	**8 273 240 521**	**61 972 300**	**104 268 291**	**171 894 607**	**1 106 478 767**	**15 925 584 553**

12.1 Revaluation of property, plant and equipment

The last revaluation was carried out by Dawn Properties, an independent professional valuer, as at 31 December 2022. The revaluation is carried out every 3 years as per Group policy. The basis of revaluation was as follows:

- Land and buildings	Market value
- Other asset categories	Depreciated replacement cost

Property, plant and equipment valuation was primarily derived using comparable recent market transactions on arms length terms. The valuation was done by an independent valuer on 31 December 2022.

12.2 INVESTMENT PROPERTY

Investment property comprises of a building at number 4 Darwin Road, Workington, Harare and stand 19644 Seke, Chitungwiza. The rental is indexed to consumer prices. Subsequent renewals are negotiated with the lessee and on average, the renewal period is 12 months. No contingent rentals are charged.

The fair value of the investment property as at 31 December 2023 amounted to ZWL4 230 572 752. This was based on a valuation carried out by an independent valuer on 31 December 2022. The infered USD value was reinstated to ZWL as at 31 December 2023 using the applicable interbank rate.

The measurement of the investment property was changed from cost model to revaluation model effective 1 January 2022 as this gives a more appropriate presentation in this hyperinflationary environment.

Included in other income **(Note 8)** is rental income of ZWL72 815 738 (2022: ZWL8 433 382) at historical cost, and ZWL164 403 380 (2022: ZWL86 863 239) inflation adjusted, relating to this investment property.

	INFLATION ADJUSTED		HISTORICAL COST	
	2023 (ZWL)	2022 (ZWL)	2023 (ZWL)	2022 (ZWL)
Opening Balance	2 256 021 587	318 351 843	470 000 000	250 812
Reclassification - Chitungwiza Property	-	912 008 727	-	7 633 071
Fair value adjustment	5 648 884 120	2 218 178 586	3 760 572 762	462 116 117
Effects of inflation	(3 674 332 945)	(1 192 517 569)	-	-
Closing Balance	**4 230 572 762**	**2 256 021 587**	**4 230 572 762**	**470 000 000**

Notes To The Consolidated Financial Statements (continued)

for the year ended 31 December 2023

13. FINANCE LEASES

Right of use assets and lease liabilities are recognised for contracts containing a lease. The right of use at initial recognition will be recognised at cost and the Group will recognise the lease liability at the present value of the lease payments not paid at that date. Right of use asset are depreciated in accordance with the accounting policy applicable to property, plant and equipment. The corresponding rentals obligation, net of finance costs, are included in long term borrowings. Lease finance costs are amortised to profit or loss over the duration of the leases so as to achieve a constant rate of interest on the remaining balance of the liability.

13.1 Right Of Use Asset

	INFLATION ADJUSTED		HISTORIAL COST	
	2023 (ZWL)	2022 (ZWL)	2023 (ZWL)	2022 (ZWL)
At 1 January 2023	171 018 657	-	11 161 116	-
Additions	177 943 314	191 367 785	133 308 457	13 900 308
Depreciation for the year	(30 519 013)	(20 349 128)	(22 418 983)	(2 739 192)
Derecognised during the year	(78 095 417)	-	(5 405 690)	-
Effects of IAS 29	(123 702 641)	-	-	-
At 31 December 2023	**116 644 900**	**171 018 657**	**116 644 900**	**11 161 116**

13.2 Lease Liability

	INFLATION ADJUSTED		HISTORICAL COST	
	2023 (ZWL)	2022 (ZWL)	2023 (ZWL)	2022 (ZWL)
At 1 January 2023	50 140 598	-	10 445 858	-
Additions	177 943 314	191 367 785	133 308 457	13 900 308
Interest expense	14 997 855	5 151 203	6 615 439	693 403
Lease payments	(54 422 290)	(19 215 222)	(32 730 064)	(3 103 868)
Derecognised during the year	(57 931 689)	-	(57 931 689)	-
Effects of IAS 29	(775 216)	(127 163 168)	70 244 571	(1 043 985)
At 31 December 2023	**129 952 572**	**50 140 598**	**129 952 572**	**10 445 858**
Current	71 475 674	21 802 476	71 475 674	4 542 139
Non-Current	58 476 898	28 338 122	58 476 898	5 903 719
At 31 December 2023	**129 952 572**	**50 140 598**	**129 952 572**	**10 445 858**

14. INVESTMENTS IN FINANCIAL ASSETS

The Group holds treasury bills with a face value of ZWL833 063 that are maturing in 2030. The treasury bills were received from a delinquent customer as full and final payment of the amount outstanding in 2016. As at 31 December 2023, the fair value of the treasury bills was ZWL505 344.

	INFLATION ADJUSTED		HISTORICAL COST	
	2023 (ZWL)	2022 (ZWL)	2023 (ZWL)	2022 (ZWL)
Amortised cost at beginning of year	2 293 952	7 489 800	477 902	454 018
Effects of inflation	(1 816 050)	(5 195 848)	-	-
Interest	27 442	-	27 442	23 884
Amortised cost at the end of the year	**505 344**	**2 293 952**	**505 344**	**477 902**

The treasury bills have been classified as financial assets and are measured at amortised cost.

Notes To The Consolidated Financial Statements (continued)

for the year ended 31 December 2023

15. TRADE AND OTHER RECEIVABLES

15.1 Analysis

	INFLATION ADJUSTED		HISTORICAL COST	
	2023 (ZWL)	2022 (ZWL)	2023 (ZWL)	2022 (ZWL)
Trade receivables	2 741 500 311	2 810 303 657	2 741 500 311	585 474 326
Allowance for credit losses	(686 773 560)	(345 378 665)	(686 773 560)	(71 953 201)
Net receivables	2 054 726 751	2 464 924 992	2 054 726 751	513 521 125
Prepayments	61 619 548 707	3 789 159 669	37 597 150 259	624 063 708
Amounts owed by ZIMRA	691 475 121	-	691 475 121	-
Other receivables	133 016 788	62 029 187	133 016 788	12 922 626
	64 498 767 367	**6 316 113 848**	**40 476 368 919**	**1 150 507 459**

Other receivables include ZWL 371 028 (2022: ZWL 371 028) relating to loans to former Executive directors.

The average credit period on sale of goods is 21 days. The Group made a provision for credit losses based on past customer behaviors and payment patterns.

The Group measures the loss allowance for trade receivables at an amount equal to either 12 months expected credit losses or lifetime expected credit losses (ECL). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100 per cent against all receivables over 12 months past due because historical experience has indicated that these receivables are generally not recoverable.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

There has been no significant change in the estimation techniques or significant assumptions made during the current reporting period given that the Group has moved to a predominantly prepayment basis with credit terms being offered to selected customers.

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer segments.

15.2 Impairment losses on trade receivables

	HISTORICAL COST				
	Total ZWL	Not past due ZWL	Past due 31 - 60 days ZWL	Past due 61 - 120 days ZWL	More than 120 days ZWL
31 December 2023					
Expected loss rate	25.1%	14.708%	14.7%	14.7%	100%
Gross trade receivables	2 741 500 311	1 541 700 581	865 688 154	1 579 077	332 532 499
Allowance for credit losses	(686 773 560)	(226 757 156)	(127 251 936)	(231 969)	(332 532 499)
Net trade receivables	**2 054 726 751**	**1 314 943 425**	**738 436 218**	**1 347 108**	-
31 December 2022					
Expected loss rate	12.3%	12.3%	12.3%	12.3%	12.3%
Gross trade receivables	585 474 326	358 966 095	35 983 994	27 416 031	163 108 206
Allowance for credit losses	(71 953 201)	(44 115 955)	(4 422 335)	(3 369 356)	(20 045 555)
Net trade receivables	**513 521 125**	**314 850 140**	**31 561 659**	**24 046 675**	**143 062 651**

Notes To The Consolidated Financial Statements (continued)

for the year ended 31 December 2023

15. TRADE AND OTHER RECEIVABLES (continued)

Impairment losses on trade receivables

	INFLATION ADJUSTED				
	Total ZWL	Not past due ZWL	Past due 31 - 60 days ZWL	Past due 61 - 120 days ZWL	More than 120 days ZWL
31 December 2023					
Expected loss rate	25.1%	14.7%	14.7%	14.8%	100%
Gross trade receivables	2 741 500 311	1 541 700 581	865 688 154	1 579 077	332 532 499
Allowance for credit losses	(686 773 560)	(226 756 149)	(127 251 936)	(231 969)	(332 532 499)
Net trade receivables	**2 054 726 751**	**1 314 944 431**	**738 436 218**	**1 347 108**	-
31 December 2022					
Expected loss rate	12.3%	12.3%	12.3%	12.3%	12.3%
Gross trade receivables	2 810 303 657	1 723 053 742	172 724 825	131 598 208	782 926 882
Allowance for credit losses	(345 378 665)	(211 758 612)	(21 227 411)	(16 173 061)	(96 219 581)
Net trade receivables	**2 464 924 992**	**1 511 295 130**	**151 497 414**	**115 425 147**	**686 707 301**

15.3 Reconciliation of impairment

The following table shows the movement in lifetime ECL that has been recognised for trade and other receivables in accordance with the simplified approach set out in IFRS 9.

	Inflation Adjusted		Historical Cost	
	Group 2023 ZWL	Group 2022 ZWL	Group 2023 ZWL	Group 2022 ZWL
Opening balance	345 378 667	78 653 682	71 953 201	4 767 841
Effects of inflation	(273 425 466)	(55 767 829)	-	-
Increase in loss allowance recognised in profit or loss	614 820 359	322 492 814	614 820 359	67 185 360
Closing balance	686 773 560	345 378 667	686 773 560	71 953 201

15.4 Contingent assets

The Group is pursuing the recovery of specific amounts from former Group employees for losses incurred during their tenure. The amounts being pursued cannot be disclosed as such disclosure could prejudice seriously the position of the Group in the legal action currently being pursued.

Notes To The Consolidated Financial Statements (continued)

for the year ended 31 December 2023

16. INVENTORIES

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2023 ZWL	Group 2022 ZWL	Group 2023 ZWL	Group 2022 ZWL
Raw materials	10 837 549 206	2 705 862 965	9 079 940 678	253 343 567
Work in progress	401 476 589	182 540 759	401 476 589	37 742 359
Finished goods	14 875 500 428	6 064 166 882	3 805 021 011	461 602 703
Goods in transit	4 238 124 289	-	4 238 124 289	-
Consumables	5 373 852 760	1 942 440 178	1 578 000 624	132 472 811
	35 726 503 272	**10 895 010 784**	**19 102 563 191**	**885 161 440**

17. CASH AND CASH EQUIVALENTS

For the purposes of the consolidated statement of cashflows, cash and cash equivalents comprise the following:

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2023 ZWL	Group 2022 ZWL	Group 2023 ZWL	Group 2022 ZWL
Bank and cash balances	1 810 216 025	1 973 111 204	1 810 216 025	411 060 901
Bank overdraft	(83 520)	-	(83 520)	-
Net bank and cash balances end of year	**1 810 132 505**	**1 973 111 204**	**1 810 132 505**	**411 060 901**

18. SHARE CAPITAL AND RESERVES

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2023 ZWL	Group 2022 ZWL	Group 2023 ZWL	Group 2022 ZWL
18.1 Authorised				
7 billon ordinary shares of ZWL1 cent each	7 000 000 000	6 900 000	7 000 000 000	6 900 000
18.2 Issued and fully paid				
Opening balance	5 046 962 519	5 046 962 519	4 930 403	4 930 403
New issue of share capital	57 579 463	-	37 385 234	-
Closing balance	**5 104 541 982**	**5 046 962 519**	**42 315 637**	**4 930 403**
18.3 Share Premium				
Opening balance	186 208 484	186 208 484	181 908	181 908
New issue of share capital	60 823 111 696	-	39 491 272 620	-
Closing balance	**61 009 320 180**	**186 208 484**	**39 491 454 528**	**181 908**

18.4 Unissued shares

2 684 273 501 unissued ordinary shares of ZWL0.01 are under the control of the Directors for an indefinite period, subject to the limitations imposed by the Companies and other Businesses Entities Act (Chapter 24:31).

Notes To The Consolidated Financial Statements (continued)

for the year ended 31 December 2023

18.5 Non-distributable reserve

This reserve arose as a result of the change in the Group's functional currency from the United States Dollar to the Zimbabwe Dollar. It represents the residual equity that existed as at 1 February 2009, the date of the changeover.

Non-distributable reserve	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2023 ZWL	Group 2022 ZWL	Group 2023 ZWL	Group 2022 ZWL
	7 836 216 292	7 836 216 292	7 655 239	7 655 239

18.6 Revaluation reserve

This reserve arose from a revaluation of property, plant, and equipment in line with the Group's policy on the subsequent measurement of property, plant and equipment.

The revaluation surplus included in equity in respect of items of property, plant and equipment is transferred to retained profit through profit or loss over the useful life of the asset.

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2023 ZWL	Group 2022 ZWL	Group 2023 ZWL	Group 2022 ZWL
Opening balance	52 186 801 184	21 087 755 788	10 872 146 216	290 970 875
Other comprehensive income for the year	-	31 099 045 395	-	10 581 175 341
Transfer to retained earnings	(1 959 235 940)	-	(752 422 055)	-
Closing balance	**50 227 565 244**	**52 186 801 184**	**10 119 724 161**	**10 872 146 216**

19.0 Short term borrowings

Nedbank	839 398 750	-	839 398 750	-
Shareholder loan	2 956 746 769	-	2 956 746 769	-
Balance at end of the year	**3 796 145 519**	-	**3 796 145 519**	-

20. Trade and other payables

20.1 Trade payables

Trade payables	9 896 257 864	2 178 108 888	9 896 257 864	453 768 343
Amounts owing to ZIMRA	-	471 863 609	-	98 303 978
Revenue received in advance	5 151 073 931	1 612 535 777	5 151 073 931	335 941 739
Other payables	12 068 413 494	7 600 400 759	12 068 413 494	1 583 401 674
	27 115 745 289	**11 862 909 033**	**27 115 745 289**	**2 471 415 734**

20.2 Current tax liability

The amounts owing to Zimbabwe Revenue Authority (Zimra) relates to current tax obligations.

Current tax liability		1 007 394 937	-	209 871 937
Total		**1 007 394 937**	-	**209 871 937**

Notes To The Consolidated Financial Statements (continued)

for the year ended 31 December 2023

21. RELATED PARTY TRANSACTIONS

21.1 Non-distributable reserve

Below is a summary of all the identifiable related parties as at 31 December 2023 as defined by International Accounting Standard 24 - Related party disclosures:

Entity	Nature of relationship
Zimbabwean Brands (Pvt) Ltd	Significant shareholder
Mega Market (Pvt) Ltd	Commonly owned entity

21.2 Transactions and balances

Transactions and balances with related parties other than key management and personnel

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 2023 ZWL	Group 2022 ZWL	Group 2023 ZWL	Group 2022 ZWL
21.3 Transactions and balances				
Transactions				
Mega Market (Pvt) Ltd	1 488 356 014	264 716 611	925 969 998	53 844 629
Balances				
Zimbrands Group loan	2 929 005 000		2 929 005 000	
Mega Market (Pvt) Ltd	200 235 276	171 352 534	200 235 276	35 097 698
	3 129 240 276	171 352 534	3 129 240 276	35 097 698
21.4 Key management personnel remuneration				
Key management personnel compensation comprised the following:				
Remuneration for services as employees	1 357 974 957	791 868 300	755 146 227	128 281 958
21.5 Loans to key management personnel				
Loans owed by former executives	371 028	1 780 951	371 028	371 028

All transactions with all the identifiable related parties are priced on an arm's length basis. All outstanding balances with these related parties are also priced on an arm's length basis and are to be settled in cash on normal terms. All related party balances are unsecured.

Notes To The Consolidated Financial Statements (continued)

for the year ended 31 December 2023

22. PENSION SCHEMES

22.1 National Social Security Authority Scheme (NSSA)

All employees are required by law to be members of the National Social Security Scheme, which is a defined contribution fund. Both the employees and Group contribute. The Group's obligation under the scheme is limited to specific contributions legislated from time to time. The Group's contributions are charged to profit or loss and, in the current year, amounted to ZWL404 553 567 (2022: ZWL74 931 633).

23. PRINCIPAL INVESTMENTS AND THE GROUP'S BENEFICIAL INTEREST

23.1	**Operating divisions**	**Percentage holding**
23.2	**Operating subsidiary companies**	
	Tractor and Equipment (Private) Limited	100%

24. Contingent liabilities

As at the reporting period, the Group is engaged in legal cases involving former employees. As at 31 December 2023, Turnall owed USD 1 326 386 which translated to ZWL 8 906 932 850 and is included in other creditors.

Notes To The Consolidated Financial Statements (continued)

for the year ended 31 December 2023

25. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

25.1 Accounting classification and fair values – Inflation Adjusted

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and liabilities not measured at fair values if the carrying amount is a reasonable approximation of fair value.

31-Dec-23	Designated at FVTPL ZWL	Amortised cost ZWL	Other financial liabilities ZWL	Total ZWL	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL	Total ZWL
Financial assets measured at fair value								
Cash and cash equivalents	1 810 216 025	-	-	1 810 216 025	1 810 216 025		-	1 810 216 025
Financial assets not measured at fair value								
Trade and other receivables -current	-	64 498 767 367	-	64 498 767 367	-	64 498 767 367	-	64 498 767 367
Treasury bills	-	505 344	-	505 344	-	505 344	-	505 344
	-	64 499 272 711	-	64 499 272 711	-	64 499 272 711	-	64 499 272 711
Financial liabilities not measured at fair value								
Trade and other payables:								
- current	-	-	30 983 450 002	30 983 450 002				
	-	-	30 983 450 002	30 983 450 002				

Accounting classification and fair values – Inflation Adjusted

31-Dec-22	Designated at FVTPL ZWL	Amortised cost ZWL	Other financial liabilities ZWL	Total ZWL	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL	Total
Financial assets measured at fair value								
Cash and cash equivalents	1 973 111 204		-	1 973 111 204	1 973 111 204	-	-	1 973 111 204
Financial assets not measured at fair value								
Trade and other receivables -current	-	6 316 113 848	-	6 316 113 848	-	6 316 113 848	-	6 316 113 848
Treasury bills	-	2 293 952	-	2 293 952	-	2 293 952	-	2 293 952
	-	6 318 407 800	-	6 318 407 800	-	6 318 407 800	-	6 318 407 800
Financial liabilities not measured at fair value								
Trade and other payables - non-current	-	-	-	-				
- current	-	-	12 870 303 970	12 870 303 970				
	-	-	12 870 303 970	12 870 303 970				

Notes To The Consolidated Financial Statements (continued)

for the year ended 31 December 2023

25. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

Accounting classification and fair values – Historic Cost

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and liabilities not measured at fair values if the carrying amount is a reasonable approximation of fair value.

31-Dec-23	Designated at FVTPL ZWL	Amortised cost ZWL	Other financial liabilities ZWL	Total ZWL	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL	Total ZWL
Financial assets measured at fair value								
Cash and cash equivalents	1 810 216 025	-	-	1 810 216 025	1 810 216 025	-	-	1 810 216 025
Financial assets not measured at fair value								
Trade and other receivables -current	-	40 476 368 919	-	40 476 368 919	-	40 476 368 919	-	40 476 368 919
Treasury bills	-	505 344	-	505 344	-	505 344	-	505 344
	-	**40 476 874 263**	-	**40 476 874 263**	-	**40 476 874 263**	-	**40 476 874 263**
Financial liabilities not measured at fair value								
Trade and other payables:								
- current	-	-	26 156 421 601	26 156 421 601				
	-	-	**26 156 421 601**	**26 156 421 601**				

Accounting classification and fair values – Historic Cost

31-Dec-22	Designated at FVTPL ZWL	Amortised cost ZWL	Other financial liabilities ZWL	Total ZWL	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL	Total ZWL
Financial assets measured at fair value								
Cash and cash equivalents	411 060 901	-	-	165 703 658	411 060 901	-	-	411 060 901
Financial assets not measured at fair value								
Trade and other receivables -current	-	1 150 507 459	-	258 349 970	-	1 150 507 459	-	1 150 507 459
Treasury bills	-	477 902	-	454 018	-	477 902	-	477 902
	-	1 150 985 361	-	258 803 988	-	1 150 985 361	-	1 150 985 361
Financial liabilities not measured at fair value								
Trade and other payables								
- current			391 087 847	391 087 847				

Notes To The Consolidated Financial Statements (continued)

for the year ended 31 December 2023

25. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (continued)

25.2 Financial risk management

The Group has a defined risk appetite that is set by the Board, and it outlines the amount of risk that business is prepared to take in pursuit of its objectives, and it plays a pivotal role in the development of risk management plans and policies. The Group regularly reviews its policies and systems to reflect changes in markets, products, regulations, and best market practices.

The Group Risk and Audit review from time to time the integrity of the risk control systems in place and ensure that risk policies and strategies are effectively implemented within the Group.

The main risk areas to which the Group is exposed are capital risk, liquidity risk, market risk (including interest rates, currency, and commodity prices) and credit risk. The Group's corporate treasury provides business services, coordinates access to financial markets, and monitors and manages financial risks associated with the Group's operations.

The treasury function, reports to the Finance Director and is responsible for considering and managing the Group's day-to-day financial market risks by implementing strategies that adhere to the criteria established by the treasury policy manual and approved by the Audit and Risk Committee.

Hedging instruments are used to cover risks that affect the Group's cash flows and are not used for trading or speculative purposes.

Compliance with policies and exposure limits are periodically reviewed by the Treasury Committee.

25.2.1 Currency risk

The Group is a diversified local company whose primary trading and reporting currency is the ZWL.

The Group is exposed to a variety of currencies, primarily the US dollar (USD), the Euro (EUR), and the South African Rand (ZAR). For financial reporting purposes, balances other than the Zimbabwean dollar at December 31, 2023 were translated using the official auction exchange rates.

Foreign exchange risks arise from future commercial transactions and recognized assets and liabilities.

The Group manages this risk through monitoring long and short positions and assessing the likely impact of forecasted movements in exchange rates on the Group's profitability.

Notes To The Consolidated Financial Statements (continued)

for the year ended 31 December 2023

25. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (continued)

25.2.1 Currency risk (continued)

	ZAR	USD	EUR	BWP
31-Dec-23				
Trade receivables	7 493	6 491 486	-	-
Trade payables	(389)	(1 257 148)	(30 854)	-
Cash and cash equivalents	-	117 668	-	-
Net exposure	7 104	5 352 006	(30 854)	-
31-Dec-22				
Trade receivables	7 493	850 018	-	64 800
Trade payables	-	(378 438)	-	-
Cash and cash equivalents	452 861	249 866	-	-
Net exposure	460 354	721 446	-	64 800

25.2.2 Commodity price risk management

Commodity price risk is the risk that the Group may suffer financial loss when a fluctuating price contract is entered into, and commodity prices increase or when a fixed price agreement is entered into, and commodity prices fall.

The Groups' dependence on single suppliers for some key raw materials exposed the business to supply chain and concentration risks, which could cause volatility in raw material prices and disrupt production.

The Group is making significant strides in identifying alternative suppliers for the critical raw materials.

25.2.3 Interest rate risk

The interest rates for both interest receivable and payable from/to local financial institutions are generally pegged against the market rate. The Group finances their operations through a mixture of equity and bank borrowings. The interest rate characteristics of new borrowings and the refinancing of fixed borrowings are positioned according to expected movements in interest rates.

This analysis assumes all other variables in foreign currency exchange rates remain constant.

Notes To The Consolidated Financial Statements (continued)

for the year ended 31 December 2023

25. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (continued)

25.3 Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. In order to minimise credit risk, the Group has a policy of only dealing with recognised, and creditworthy counterparties.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis limiting the Group's exposure to bad debts.

Default is defined as the failure to honour the credit terms agreed with the customer concerned. Ongoing credit evaluations on the financial condition of customers are performed, taking into account their financial position and past experience. Trade receivables have similar payment profiles as evidenced by low write-offs at a portfolio level.

To the extent possible, the Group only deposits cash with major banks with high-quality credit standing and limits exposure to any one counterparty.

The Group does not consider there to be any significant concentration of credit risk which has not been adequately provided for at the year-end.

	INFLATION ADJUSTED		HISTORICAL COST	
	2023 (ZWL)	2022 (ZWL)	2023 (ZWL)	2022 (ZWL)
25.3.1 Analysis				
Trade receivables	2 054 726 751	2 464 924 992	2 054 726 751	513 521 125
Other receivables	62 444 040 616	3 851 188 856	38 421 642 168	636 986 334
	64 498 767 367	**6 316 113 848**	**40 476 368 919**	**1 150 507 459**

	INFLATION ADJUSTED		HISTORICAL COST	
25.3.2 Analysis	2023 (ZWL)	2022 (ZWL)	2023 (ZWL)	2022 (ZWL)
Domestic	64 475 667 986	6 258 995 425	40 453 269 538	1 141 295 422
Zambia	23 099 381	17 818 689	23 099 381	5 433 522
Mozambique	-	18 988 625	-	302 120
Botswana	-	20 311 110	-	3 476 395
	64 498 767 367	**6 316 113 848**	**40 476 368 919**	**1 150 507 459**

25.4 Money Laundering Risk

The business now has an approved Anti-Money Laundering and Terrorist Financing Policy in place, and training of the policy was done during the reporting period. Checks are being continuously done, and all updates by the regulators are being responded to timelessly. This is being done to ensure full compliance with both national and international regulations. No money laundering activities and transactions were identified during the period under review.

25.5 Capital Management

The Board's policy is to maintain a strong capital base to maintain the confidence of its shareholders, creditors and the market and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as attributable earnings divided by total shareholders' equity, as well as the return on invested capital, defined as profit before interest after tax divided by total shareholders' equity plus interest bearing debt, net of cash resources. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group's target is to achieve a return on capital above 10%; in 2023, the return was 11% (2023: 10%).

There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

Notes to The Consolidated Financial Statements (continued)

for the year ended 31 December 2023

25. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (continued)

25.5.1 Capital Risk Management

The Group manages its capital to ensure that the company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances.

The Group completed a successful rights offer on 16 August 2023 that generated ZWL 39.5 million. This was a significant milestone for the Group as the proceeds of this rights offer were invested in capital equipment.

Capital expenditure for the year amounted to $2.9 billion, with the primary focus being on enhancing production efficiency.

The Board of Directors aims to achieve a balance between the prospect of greater returns from higher levels of borrowing and the benefits and security provided by a strong capital position.

25.5.2 Liquidity Risk Management

The impact of challenging trading conditions was characterized by rapid regulatory changes, persistent price changes that adversely impacted on consumer demand and supply dynamics. Compliance with laws and regulations governing currency resulted in high instore prices and loss of competitiveness especially against unregulated markets. Also, to note was inconsistent power supply, which imposed strain on the business, resulting in losses owing to process disruptions.

Management of liquidity risk is critical to ensure that cash needs are continuously met and this is achieved through effective customer and supplier relationships , employing rigorous cash flow forecasting, and ensuring diversified funding sources.

25.6 Borrowing Powers

The Articles of Association limit Turnall Holdings Limited's borrowing powers as follows:

The Directors may exercise all the powers of the company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part of it, and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the company or of any third party, provided that the aggregate amount at any one time owing in respect of monies borrowed by the company and its subsidiary companies (exclusive of intercompany borrowings) shall not exceed twice the aggregate of the nominal amount paid up on the company's issued share capital plus the total amount standing to the credit of the capital and reserves of the company as shown in the latest consolidated statement of financial position of the company except with the consent of the company's shareholders in general meeting by ordinary resolution.

The Directors shall procure that the aggregate amount at any one time owing in respect of monies borrowed by the company will not, without such consent, exceed the aforesaid limit.

Notes To The Consolidated Financial Statements (continued)

for the year ended 31 December 2023

26. REPORTABLE SEGMENTS

26.1 Analysis

INFLATION ADJUSTED

	Building Products ZWL	Piping Products ZWL	Contract Revenues ZWL	Concrete Products ZWL	Total ZWL
Year ended 31 December 2023					
Revenue from external customers	66 957 554 652	1 115 382 403	963 265 887	15 122 214 437	84 158 417 379
Operating profit	**(8 468 025 476)**	**329 842 347**	**(1 166 346 869)**	**(7 645 585 747)**	**(16 950 115 745)**
Depreciation and amortisation	8 243 022 366	812 296 198		638 427 560	9 693 746 124
Tax expense	663 148 374	(25 830 628)	91 339 006	598 741 440	1 327 398 193
Reportable assets	145 399 193 668	14 328 144 095	-	11 261 264 176	170 988 601 939
Reportable liabilities	(39 312 170 217)	(3 873 958 482)	-	(3 044 753 709)	(46 230 882 407)
Capital expenditure	**2 924 193 687**	-	-	**17 953 779**	**2 942 147 466**

INFLATION ADJUSTED

	Building Products ZWL	Piping Products ZWL	Contract Revenues ZWL	Concrete Products ZWL	Total ZWL
Year ended 31 December 2022					
Revenue from external customers	28 555 048 863	1 421 665 176	5 271 220 398	5 078 471 124	40 326 405 561
Operating profit	**(1 740 611 502)**	**55 392 293**	**291 491 991**	**(1 633 639 069)**	**(3 027 366 287)**
Depreciation and amortisation	2 549 707 627	6 327 116	-	9 248 566	2 565 283 309
Tax expense	(405 376 547)	12 900 487	67 886 496	(380 463 391)	(705 052 956)
Reportable assets	93 025 565 222	232 740 823	-	340 205 349	93 598 511 394
Reportable liabilities	(29 664 225 654)	(75 509 243)	-	(110 374 485)	(29 850 109 382)
Capital expenditure	**1 926 305 389**	-	-	**1 061 648 628**	**2 987 954 017**

Total liabilities and assets do not include deferred tax assets and liabilities.

Notes To The Consolidated Financial Statements (continued)

for the year ended 31 December 2023

26. REPORTABLE SEGMENTS (continued)

26.1 Analysis (continued)

HISTORICAL COST

	Building Products ZWL	Piping Products ZWL	Contract Revenue ZWL	Concrete Products ZWL	Total ZWL
Year ended 31 December 2023					
Revenue from external customers	43 750 969 018	664 665 553	62 689 489	10 064 403 379	54 542 727 439
Operating profit	(1 455 794 668)	272 378 533	(433 842 427)	(1 811 214 282)	(3 428 472 844)
Depreciation and amortisation	616 232 757	113 647 904	-	89 424 412	819 305 073
Tax expense	(53 725 199)	9 418 535	(15 001 769)	(62 629 694)	(121 938 128)
Reportable assets	69 441 208 807	6 842 979 117	-	5 378 267 770	81 662 455 694
Reportable liabilities	28 713 711 313	2 829 549 345	-	2 223 896 023	33 767 156 682
Capital expenditure	**2 442 136 720**	-	-	**14 994 076**	**2 457 130 796**

Total liabilities and assets do not include deferred tax assets and liabilities.

26.2 Analysis - Historical Cost

HISTORICAL COST

	Building Products ZWL	Piping Products ZWL	Contract Revenue ZWL	Concrete Products ZWL	Total ZWL
Year ended 31 December 2022					
Revenue from external customers	4 299 766 321	162 901 672	551 001 925	825 222 510	5 838 892 428
Operating profit	566 666 736	30 244 180	(16 239 711)	(213 869 784)	366 801 422
Depreciation and amortisation	17 049 677	2 301 812	-	7 802 349	27 153 838
Tax expense	(204 078 551)	(12 429 719)	6 674 178	87 895 965	(121 938 128)
Reportable assets	17 372 851 114	43 506 108	-	63 594 390	17 479 951 612
Reportable liabilities	6 055 644 067	15 422 384	-	22 543 435	6 093 609 886
Capital expenditure	-	-	-	-	-

Total liabilities and assets do not include deferred tax assets and liabilities.

26.3 Revenue attributable to external parties

	INFLATION ADJUSTED COST		HISTORICAL COST	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Attributable to Zimbabwe	84 125 069 983	40 273 288 958	54 520 104 321	5 828 622 918
Attributable to foreign countries	33 347 396	53 116 602	22 623 119	10 269 510
	84 158 417 379	**40 326 405 560**	**54 542 727 440**	**5 838 892 428**

Notes To The Consolidated Financial Statements (continued)

for the year ended 31 December 2023

27. GOING CONCERN

The Group has, secured adequate fibre to meet production demand in the up coming financial year. In addition, the Group raised a total of ZWL 39 billion from the rights issue exercise undertaken in August 2023 and all the money was invested in capital equipment which includes a state of the art fibre - cement plant and a Glass Reinforced Plastics (GRP) Plant. The two plants will come on board in 2025 and 2026 respectively.
The directors will continue with the following measures to ensure that the Group continues to operate in the foreseeable future;

a) Group continues to implement cost control measures to improve the viability of the business;

b) The Group will focus on improving product offering to enhance competitiveness; and grow the revenue base

c) The Group will continue to source and ensure adequate fibre is available to meet production demand.

28. EVENTS AFTER THE REPORTING PERIOD

The Group has evaluated events from 31 December 2023 through to the date the consolidated financial statements were issued. The Board concluded that other than events mentioned in note 28, no subsequent events have occurred that would require recognition or disclosure in the consolidated financial statements.

04

Annexes

SHAREHOLDERS' INFORMATION

as at 31 December 2023

ANALYSIS OF SHARES HELD	No. of shareholders	% of total shares	Total shares	% of total shares
1-500	6,820	75.43	837,182	0.02
501-1000	666	7.37	478,574	0.01
1001-5000	984	10.88	2,183,245	0.05
5001-10000	203	2.25	1,400,837	0.03
10001-20000	124	1.37	1,704,908	0.04
20001-50000	114	1.26	3,757,691	0.09
50001-100000	58	0.64	3,911,376	0.09
100001-500000	49	0.54	10,281,482	0.24
500001-1000000	8	0.09	6,219,111	0.14
100001 and over	15	0.17	4,284,952,093	99.29
Total	**9,041**	**100.00**	**4,315,726,499**	**100.00**

Analysis by category of shares	No. of shareholders	% of total shares	Total shares	% of total shares
Local Companies	469	5.19	4,248,611,107	98.44
Banks	3	0.03	21,358	0.00
Employee	225	2.49	8,991,907	0.21
Deceased Estate	7	0.08	9,967	0.00
External companies	1	0.01	13,687	0.00
Fund Managers	15	0.17	16,422	0.00
Insurance Companies	14	0.15	210,807	0.00
Investment Trusts and Property	34	0.38	532,310	0.01
Local resident	8,150	90.14	22,444,621	0.52
Nominees Local	58	0.64	31,185,092	0.72
Non Residents	2	0.02	1,740	0.00
Non Resident Individual	44	0.49	204,731	0.00
Other Coporate Holdings	3	0.03	16,952	0.00
Pension Fund	16	0.18	3,465,798	0.08
Grand Total	**9,041**	**100.00**	**4,315,726,499**	**100.00**

CONSOLIDATED TOP 10 AS AT 31 DECEMBER 2023

Account Name	Total Share holding	% of total Share holding
ZIMBABWEAN BRANDS (PVT) LTD	4,202,279,495	97.37
TN ASSET MANAGEMENT NOMINEES	26,161,751	0.61
AMAVAL INVESTMENTS (PVT) LTD	15,363,773	0.36
MUTARE MART	14,806,693	0.34
TURNALL HOLDINGS EMPLOYEE SHARE PARTICIPATION TRUST	8,541,412	0.20
SETMA (PRIVATE) LIMITED	4,761,093	0.11
GEZMARK INVESTMENTS (PVT) LTD	2,892,322	0.07
STANBIC NOMINEES (PRIVATE) LIMITED	2,294,284	0.05
DUBE RICHMOND	2,277,975	0.05
ZB FIN HOLDINGS GROUP PF	1,757,954	0.04
Total	**4,281,136,752**	**99.20**
Other Shareholders	**34,589,747**	**0.80**
Total Number Of Shares	**4,315,726,499**	**100.00**

Notice to Shareholders

Notice is hereby given that the Twenty-Second Annual General Meeting will be held by way of remote attendance on Tuesday, 18 June 2024, at 0900hrs for the following business:

1. Ordinary Business

1.1 To approve the holding of the Annual General Meeting through virtual means and remote attendance.
1.2 To receive, consider and adopt the Group Consolidated Financial Statements and the reports of the Directors and Auditors for the financial year ended 31 December 2023.
1.3 To elect Directors of the Company:
1.3.1 Messrs. K. R. R. Schofield, C. J. Chakona and D. M. Desai retire from the Board in terms of Article 101 of the Company's Articles of Association. The Directors have made themselves available for re-election. There will be separate resolutions for the election of each director.
1.4 To approve the remuneration of the Directors for the financial year ended 31 December 2023.
1.5 Appointment and Remuneration of Auditors:
To reappoint Grant Thornton as the auditors for the following year and approve their remuneration for the past year.

2. General

To transact such other business as may be transacted at an Annual General Meeting.

Electronic distribution

The electronic copies of the Company's 2023 Annual Report and the financial statements and Directors' and Auditors' Reports for the financial year ended 31 December 2023 will be available on or before 4 June 2024 and will be emailed to those shareholders whose email addresses are on record. These documents will also be available on the company's website https://www.turnall.co.zw/:

Notes:

Details of the Virtual AGM will be emailed by our transfer secretaries, First Transfer Secretaries (Pvt) Ltd, through emails to shareholders. Shareholders are advised to update their contact details with the transfer secretaries on the following contacts:

First Transfer Secretaries (Private) Limited
1 Armagh Avenue
Eastlea, Harare
Telephone: +263 242 782869/7
Email: info@fts-net.com

Shareholders are encouraged to pre-register on the online portal that will be provided by the transfer secretaries and submit their proxy forms at least 48 hours before the meeting. In order to ensure full consultations and shareholders participation, all queries/questions must be submitted to the Company and/or transfer secretaries at least 48 hours before the meeting. All the submitted questions will be read out and answered during the meeting by the Chairman and the Directors.

By order of the Board

L. Samunda
Company Secretary

Appointment of a proxy

A member entitled to attend and vote at a meeting may appoint a proxy to attend and speak, and on a poll to vote in his stead. Such proxy need not be a member of the Company. The instrument appointing a proxy shall be deposited at the Company's registered office at least forty-eight hours before the meeting.

Registered Office
5 Glasgow Road
P.O. Box 3985
Workington
Harare

3 June 2024

DETACHABLE FORM OF PROXY

For use at the Annual General Meeting ("AGM") of Turnall Holdings Limited to be held by way of remote attendance at 0900hrs on Tuesday 18 June 2024.

I/We ____
(Name/s in block letters)

Of ____

Being a member of Turnall Holdings Limited ("The Group")

And entitled to ____ votes

Hereby appoint ______________________________ of ______________________________

____

Or failing him/her ______________________________ of ______________________________

____

1. Ordinary Business	For	Against	Abstain
1.1 To approve the holding of Annual General Meeting through virtual/electronic means and/or by way of remote attendance.			
1.2 To receive, consider and adopt the Consolidated Financial Statements and the reports of the Directors and Auditors for the finial year ended 31 December 2023.			
1.3 To elect Directors of the Company.			
1.3.1 Messrs. K. R. R. Schofield, C. J. Chakona, D. M. Desai retire from the Board in terms of Article 101 of the Company's Articles of Association. The Directors have made themselves available for re-election. There will be separate resolutions for the election of each director.			
1.4 Appointment and Remuneration of Auditors. To reappoint Grant Thornton as the auditors for the following year and approve their remuneration for the past year.			
1.5 Approve the remuneration of the Directors for the financial year ended 31 December 2023.			
2. General			
To transact such other business as may be transacted at an AGM.			

Full Name ____

Signature ____

Dated this ____

NOTES TO PROXY

INSTRUCTIONS FOR SIGNING AND LODGING THIS FORM OF PROXY

1. A deletion of any printed matter and the completion of any blank spaces need not be signed or initialed. Any alteration or correction must be initialed by the signatory/ies.
2. The Chairperson shall be entitled to decline or accept the authority of a person signing the proxy form:
   a) Under a power of attorney
   b) on behalf of a company, unless that person's power of attorney or authority is deposited at the Company's registered office or the offices of the company's transfer secretaries not less than 48 hours before the meeting.
3. If two or more proxies attend the meeting then that person attending the meeting whose name appears first on the proxy form and whose name is not deleted, shall be regarded as the validly appointed proxy.
4. When there are joint holders of shares, any one holder may sign the form of proxy. In the case of joint holders, the senior who tenders a vote will be accepted to the exclusion of other joint holders. Seniority will be determined by the order in which names stand in the register of members.
5. The completion and lodging of this form of proxy will not preclude the member who grants this proxy form from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such member wish to do so.
6. In order to be effective, completed proxy forms must reach the Company's registered offices or the offices of the Company's transfer secretaries not less than 48 hours before the time appointed for the holding of the meeting.
7. Whether or not you intend to be present at the AGM, please complete and return the Form of Proxy. The completion of the Form of Proxy will not prevent you from attending and voting at the meeting or any adjournment thereof, in person if you wish to do so.

Transfer Secretaries

First Transfer Secretaries
1 Armagh Avenue
Eastlea,
Zimbabwe
P. O. Box 11
Harare
Zimbabwe

SHAREHOLDERS' DIARY

FOR THE YEAR ENDED 31 DECEMBER

Publication of Financial Results for the year ended 31 December 2023	28 March 2024
Annual General Meeting	18 June 2024
Half Year End	30 June 2024
Publication of Interim Results	30 September 2024

GLOSSARY OF TERMS

AIDS	– Acquired Immuno Deficiency Syndrome
Chrysotile/White Asbestos	– It is a soft, fibourous silicate mineral in the serpentine group, composed of silica, magnesia and iron and is of a yellow to green colour.
CO2e	– Carbon Dioxide equivalency
EMA	– Environmental Management Agency
GRI	– Global Reporting Initiative is a multi-stakehoder international process whose mission is to formulate and isseminate globally applicable sustainability reporting framework to help corporate reporting of economic, environmental and social performance.
Group	– Turnall Holdings Limited
IAS	– International Accounting Standards
IFRS	– International Financial Reporting Standards
ILO	– International Labour Organisation
ISO 14001	– ISO Standard for Environmental Management
ISO 9001	– ISO Standard for Quality Management
ISO	– International Organisation for Standardisation
MW	– Megawatt Electricity Measurement
NEC	– National Employment Council
NGO	– Non-Governmental Organisation
OHSAS	– Occupational Health and Safety Standard referring to OHSAS18001
SAZ	– Standard Association of Zimbabwe
SHEQ	– Safety Health Environment and Quality
Sustainability Reporting	– A sustainability report enables companies and organisations to report sustainability information in a way that is similar to financial reporting. Systematic sustainability reporting gives comparable data, with agreed disclosures and metrics.
Sustainability	– Sustainability is a way of working and living that balances immediate needs for commerce, living, habitation, food, transportation,energy and entertainment with future needs for these resources and systems as well as the liveliness and support of nature, natural resources and future generations.
Sustainable development –	Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.
PVC	– Poly Vinyl Choricle
HDPE	– High Density Polyethylene
GRP	– Glass Reinforced Plastic
Turnall	– Turnall Holdings Limited
SMM	– Shabani Mashava Mine
ZAMCO	– Zimbabwe Asset Management Company

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CORPORATE INFORMATION

DIRECTORS:	G.H. Hampshire	-	Chairman
	J.P. Mkushi	-	Managing Director
	C.J. Chakona	-	Non-Executive Director
	B.P. Nyajeka	-	Non-Executive Director
	B.Ngara	-	Non-Executive Director
	C. J. Mahari	-	Finance Director
	K. R. R. Schofield	-	Non-Executive Director
	D. M. Desai	-	Non-Executive Director
ADMINISTRATION	J.P. Mkushi	-	Managing Director
	C. J. Mahari	-	Finance Director
	T. Mundenda	-	Human Resources Manager

LEGAL ADVISORS:

Dube, Manikai and Hwacha Legal Practitioners
Matizanadzo and Warhurst Legal Practitioners
Sinyoro and Partners Legal Practitioners
Honey and Blankenberg Legal Practitioners

BANKERS:

CABS
First Capital Bank
cbz Bank
NMB BANK LIMITED
NEDBANK
FBC Bank Limited
BancABC part of atlasmara

GROUP SECRETARY: L. Samunda (Ms) (Appointed May 2023)

SECRETARIAL: FIRST TRANSFER SECRETARIES (PRIVATE) LIMITED

INSURERS: CBZ Insurance Company (Private) Limited

AUDITORS: Grant Thornton — An instinct for growth

ADDRESS: 5 Glasgow Road, Southerton, Harare, Zimbabwe

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