



AFRICA LTD

ABRIDGED AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

for the period ended 31 December 2023



www.unifreight.co.zw

Dear Esteemed Shareholders,

I am honored, as the Board Chairperson of Unifreight, to present the comprehensive annual report for the fiscal year ending in 2023. The year under review was characterized by considerable challenges and transformations, yet it also brought forth encouraging advancements that fortify our trajectory towards sustained growth.

Economic Overview

The fiscal year 2023 was marked by a challenging economic environment, primarily due to the substantial depreciation of the Zimbabwean Dollar. This eventually led to the introduction of a new currency, the Zimbabwe Gold (ZIG). The significant currency depreciation experienced during the year continued to constrict market liquidity as industries grappled with reduced access to finance in either Zimbabwean Dollars or Nostro. This fiscal tightening adversely affected many sectors, including Unifreight, by impacting cash flows.

Financial Performance Summary

Our financial results have been prepared on an inflation-adjusted basis, in compliance with IAS 29 "Financial Reporting in Hyperinflationary Economies". We urge shareholders to exercise caution when using these audited abridged consolidated financial statements due to the material and pervasive impact of the technical complexities associated with reporting under IAS 29.

In FY2023, the group posted a profit of ZWL 192b. This was largely attributed to improvements in our operating margins, which rose from 0% in 2021 to 2.56% in 2022, and further to 20.6% in 2023. The significant improvement in 2023 was driven by the management team's aggressive pursuit of cost containment strategies, coupled with the deployment of an additional 50 FAW 380FT Truck Tractors with Afrit Tautliner Trailers into the local and cross-border market.

During the year, we successfully renegotiated terms on foreign-denominated loans with major financiers to more favorable local conditions. As of 31 December 2023, our loan book stood at ZWL24Bn. Additionally, we transitioned our Property Plant and Equipment policy from a cost model to a revaluation model, resulting in a deferred tax liability of ZWL52Bn in 2023, up from ZWL28Bn in 2022.

Dividend Declaration

The Board has resolved to declare a final dividend for the year ended 31 December 2023. The dividend, payable to all ordinary shareholders registered in the company's books, is a blend of Zimbabwe Dollars (ZWL) and United States Dollars (USD). The Zimbabwe Dollars amount is now payable in the new currency, Zimbabwe Gold (ZIG). The final dividend amounts are US\$200,000.00 (US\$0.001878 per share) and ZIG1,344,000.00 (ZIG0,012623 per share). A separate announcement will be made regarding the payment of the dividend.

ABRIDGED AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2023	Audited			Audited		
	December 2023	December 2022	December 2021	December 2023	December 2022	December 2021
	Inflation Adj	*Restated Inflation Adj	Restated Inflation Adj	Historic	*Restated Historic	Restated Historic
	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000
ASSETS						
Non current assets	295,490,207	53,325,929	54,835,203	225,203,038	7,074,395	1,894,447
Vehicles and equipment	159,603,909	18,264,079	21,302,219	159,603,908	1,481,311	168,349
Investment properties	34,384,000	19,572,289	12,610,903	34,384,000	4,073,426	763,792
Investment in equity instruments	14,923,790	2,791,721	13,384,611	14,923,790	580,958	810,258
Right of use of asset	85,468,750	11,588,082	6,427,712	16,289,840	937,200	150,548
Intangible assets	1,109,758	1,109,758	1,109,758	1,500	1,500	1,500
Current assets	61,454,738	44,555,919	8,900,985	44,250,506	6,915,918	528,836
Inventories	20,944,502	3,349,901	3,199,221	3,740,270	500,303	183,669
Income tax asset	-	-	4,930	-	2,697	300
Trade and other receivables	31,390,769	40,217,091	5,288,175	31,390,769	6,207,122	320,128
Cash and cash equivalents	9,119,467	988,927	408,659	9,119,467	205,796	24,739
TOTAL ASSETS	356,944,945	97,881,848	63,736,188	269,453,544	13,990,313	2,423,283

EQUITY AND LIABILITIES						
Equity	238,075,862	51,843,256	52,387,465	170,214,858	5,164,843	1,952,014
Share capital	787,928	787,928	787,928	1,065	1,065	1,065
Share premium	1,524,159	1,524,159	1,524,159	2,060	2,060	2,060
Revaluation reserve	40,172,328	-	-	97,838,799	-	-
Non-distributable reserve	26,802,970	26,802,970	26,802,970	46,356	46,356	46,356
Fair value reserve for financial assets at FVOCI	7,157,083	(4,368,383)	6,012,648	14,281,486	247,693	476,994
Equity component of shareholders loans	-	6,607,726	6,607,726	-	8,931	8,931
Retained earnings	161,631,394	20,488,856	10,652,034	58,045,092	4,858,738	1,416,608
Non current liabilities	76,985,843	25,548,556	6,536,290	57,355,446	4,626,028	179,941
Loans and borrowings	14,791,436	17,695,445	-	14,791,436	3,682,428	-
Lease liability	10,126,528	5,611,706	2,544,249	10,126,528	915,204	154,020
Deferred tax liabilities	52,067,879	2,241,405	3,992,041	32,437,482	28,396	25,921
Current liabilities	41,883,240	20,490,036	4,812,433	41,883,240	4,199,442	291,328
Trade and other payables	24,265,924	8,541,529	3,972,132	24,265,924	1,777,495	240,459
Income tax payable	1,204,483	239,947	-	1,204,483	-	-
Lease liability	5,849,431	324,542	115,848	5,849,431	52,929	7,013
Loans and borrowings	10,563,402	11,384,018	724,453	10,563,402	2,369,018	43,856
TOTAL EQUITY AND LIABILITIES	356,944,945	97,881,848	63,736,188	269,453,544	13,990,313	2,423,283

ABRIDGED AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the period ended 31 December 2023	Audited		Audited	
	December 2023	December 2022	December 2023	December 2022
	Inflation Adj	*Restated Inflation Adj	Historic	*Restated Historic
	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Revenue	201,458,835	69,612,079	119,095,201	9,940,426
Operating costs	(160,855,013)	(67,833,005)	(97,097,344)	(9,610,693)
Movement in expected credit losses	(2,060,345)	(170,192)	(3,199,893)	(167,762)
Dividend received	-	59,543	-	12,391
Other operating income	81,441,768	8,886,356	48,411,587	3,865,918
Earnings before interest, tax, depreciation and amortisation (EBITDA)	119,985,245	10,554,781	67,209,551	4,040,280
Finance costs	(6,449,954)	(2,984,767)	(3,446,833)	(473,621)
Depreciation	(12,014,168)	(4,918,911)	(9,006,576)	(71,901)
Monetary gain	78,206,525	5,899,839	-	-
Profit before taxation	179,727,648	8,550,942	54,756,142	3,494,758
Income tax (expense)/credit	(38,585,110)	1,285,880	(1,569,788)	(52,628)
Profit for the year from continuing operations	141,142,538	9,836,822	53,186,354	3,442,130
Profit for the year	141,142,538	9,836,822	53,186,354	3,442,130
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Net (loss)/gain on equity instruments designated at fair value through other comprehensive income, net of tax	11,525,466	(10,381,031)	14,033,793	(225,548)
Revaluation gain, net of tax	40,172,328	-	65,711,074	-
Other comprehensive (loss)/income for the year, net of tax	51,697,794	(10,381,031)	79,744,867	(225,548)
Total comprehensive (loss)/ income for the year, net of tax	192,840,332	(544,209)	132,931,221	3,216,548
Earnings per share				
- Basic (loss)/earnings for the year attributable to ordinary equity holders of the parent (cents)	181,115	(6,804)	124,848	3,021
- Diluted (loss)/earnings for the year attributable to ordinary equity holders of the parent (cents)	181,115	(6,805)	124,848	3,021
- Headline earnings for the year attributable to ordinary equity holders of the parent (cents)	64,715	(8,139)	34,934	(65,205)

Outlook

Despite a challenging Q1 marked by subdued volumes due to the introduction of the new Zimbabwean Currency, the ZIG, we remain optimistic about Unifreight's future. Our growth is underpinned by quality contracts we have been able to execute following the completion of the fleet expansion project in 2023. We have successfully secured a larger share of the tobacco market and now transport over 20% of the total Zimbabwean tobacco crop.

Appreciation

I would like to express my profound gratitude and appreciation to our customers, business partners, and our valued shareholders for their unwavering confidence in us. Your trust will be deservedly rewarded over time. I also extend my gratitude to the Unifreight Board of Directors, employees, management, and executive team for their passion, commitment, and dedication to fostering a high-performance culture and ensuring Unifreight's continued growth.

For and on behalf of the Board

Peter Annesley
Board Chairman
28 May 2024

ABRIDGED AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2023	Attributable to equity shareholders of the parent Fair value reserve of financial assets at FVOCI							Total
	Share Capital	Share Premium	Non-distributable Reserves	Revaluation Reserve	Equity portion of Shareholders Loans	Retained Earnings		Equity
	Inflation Adj	Inflation Adj	Inflation Adj	Inflation Adj	Inflation Adj	Inflation Adj		Inflation Adj
	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000		ZWL 000
Balance as at 1 January 2022	787,928	1,524,159	26,802,970	-	6,012,648	6,607,726	10,144,672	51,880,103
Change in accounting policy	-	-	-	-	-	507,362	507,362	507,362
Restated opening balance	787,928	1,524,159	26,802,970	-	6,012,648	6,607,726	10,652,034	52,387,465
Restated profit for the period	-	-	-	-	-	9,836,822	9,836,822	9,836,822
Change in accounting policy	-	-	-	-	-	7,063,779	7,063,779	7,063,779
Profit for the year	-	-	-	-	-	2,773,043	2,773,043	2,773,043
Net loss on equity instruments designated at fair value through other comprehensive income	-	-	-	-	(10,381,031)	-	-	(10,381,031)
Balance as at 31 December 2022	787,928	1,524,159	26,802,970	-	(4,368,383)	6,607,726	20,488,856	51,843,256
Balance as at 1 January 2023	787,928	1,524,159	26,802,970	-	(4,368,383)	6,607,726	20,488,856	51,843,256
Profit for the period	-	-	-	-	-	141,142,538	141,142,538	141,142,538
Net gain on equity instruments designated at fair value through other comprehensive income	-	-	-	-	11,525,466	-	-	11,525,466
Reclassification of equity portion of share holder loans	-	-	-	-	(6,607,726)	-	-	(6,607,726)
Revaluation gains	-	-	-	40,172,328	-	-	-	40,172,328
Balance as at 31 December 2023	787,928	1,524,159	26,802,970	40,172,328	7,157,083	-	161,631,394	238,075,862

ABRIDGED AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 December 2023	Audited	
	2023	2022
	Inflation Adj	Inflation Adj
	ZWL 000	ZWL 000
Net (utilised)/cash generated from operating activities	99,742,158	(20,084,786)
Cash (Utilised)/ generated from operations	101,258,759	(17,083,762)
Interest paid	(1,516,601)	(2,984,767)
Taxation paid	-	(16,257)
Net cash utilised in investing activities	(92,402,737)	(2,906,108)
Purchase of vehicles and equipment to increase operations	(97,716,441)	(6,416,683)
Proceeds from sale of property, vehicles and equipment	5,313,704	3,451,032
Dividend received	-	59,543
Net cash generated from financing activities	(6,886,641)	29,659,255
Proceeds from borrowings	10,997,548	33,109,557
Principal payment of lease liabilities	(2,251,569)	(164,954)
Repayments of borrowings	(15,632,620)	(3,285,348)
Increase in cash and cash equivalents	452,780	6,668,361
Cash and cash equivalents at beginning of year	988,927	408,659
Effects of currency translation on cash and cash equivalents	(803,560)	(7,911,260)
Effects of IAS 29 on cash and cash equivalents	8,481,320	1,823,167
Cash and cash equivalents at end of year	9,119,467	988,927

Auditor's Statement

These abridged consolidated financial statements derived from the audited inflation adjusted consolidated financial statements of Unifreight Africa Limited "the Group" for the financial year ended 31 December 2023, should be read together with the complete set of audited inflation adjusted consolidated financial statements, for the year ended 31 December 2023, which have been audited by Grant Thornton Chartered Accountants (Zimbabwe) and the auditor's report signed by Farai Chibisa, Registered Public Auditor 0547.

A qualified opinion has been issued on the audited inflation adjusted consolidated financial statements, for the year then ended regarding non-compliance with the requirements of International Accounting Standards (IAS) 21- The Effects of Changes in Foreign Exchange Rates. The auditor's report includes a section on key audit matters outlining matters that in the auditor's professional judgement were of most significance in the audit of the consolidated inflation-adjusted financial statements. The key audit matter was with respect to revenue recognition. The auditor's opinion is not modified in respect of this matter.

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

Trade and other receivables	Dec 2023	Dec 2022
	ZWL 000	ZWL 000
Current		
Trade receivables	28,350,176	10,529,589
Receivables due from related parties	562,504	-
Less: provision for impairment	(3,287,503)	(1,227,158)
Trade receivables - net	25,625,177	9,302,431
Prepayments	16,992	29,289,045
Staff debtors	13,308	44,301
Other debtors	5,735,292	1,581,314
Total Trade and Other Receivables	31,390,769	40,217,091

Trade and other payables	Dec 2023	Dec 2022
	ZWL 000	ZWL 000
Current		
Trade payables	19,537,083	5,510,251
Trade payables due to related parties	231,591	911,382
Accrued expenses	4,272,436	1,223,117
Social security and other statutory liabilities	224,814	896,779
Total Trade and Other Payables	24,265,924	8,541,529

General Information

Unifreight Africa Limited (formerly Pioneer Corporation Africa Limited) was incorporated in Zimbabwe in 1970. It is the holding company of a Group of companies primarily involved in the road transport industry whose main activities include inter-city freight consolidations, the distribution of general goods, and a courier service. The Company is incorporated in Zimbabwe. Other entities in the Group are incorporated in Botswana. The company is listed on the Zimbabwe Stock Exchange. These Group consolidated financial statements are presented in Zimbabwean Dollars and were authorised for issue by the Board of Directors on 15 May 2024.

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). In the current year, management has decided to change the accounting policy relating to the subsequent recognition of vehicles, furniture and equipment from a cost model to a revaluation model in accordance with IAS 16, Property Plant and Equipment. Management also decided to change the policy related to the subsequent recognition of investment properties from a cost model to the fair value model in accordance to IAS 40, Investment Properties. Both these changes in policies were done in accordance to IAS 8, accounting policies, changes in accounting policies, accounting for changes in estimates and errors. During the year there was also a prior year adjustment with relation to a lease. For the prior year adjustment of the lease and the change in policy relating to IAS 40 and IAS 16, a prior year restatement was performed. Other than this, all other accounting policies are applied consistently throughout the Group. The consolidated financial statements are presented in Zimbabwean dollars (ZWL) and all values are rounded to the nearest 1 000 dollars except where otherwise stated.

The consolidated financial statements are prepared under the historical cost convention as restated for the changes in the general purchasing power of the functional currency for the purposes of fair presentation in accordance with IAS 29, (Financial Reporting in Hyperinflationary Economies). Accordingly, the inflation adjusted consolidated financial statements represent the primary financial statements of the Group and the Historical Cost Consolidated Statement of profit or Loss and other comprehensive income and Consolidated Statement of financial position have been included only as supplementary information.

Inflation adjustment

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

IAS 29 requires that the financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date and the corresponding figures for the previous period be stated in the same terms. The restatement has been calculated by means of conversion factors derived from the consumer price index. The Group used the following inflation adjustment factors derived from the Total Consumption Poverty Line (TCTL) as published by the Zimbabwe National Statistics Agency (ZIMSTATS). The following factors were applied:

Period / Month	Factor
December 2021	16.5189
December 2022	4.8054
December 2023	1.0000

Accounting policies

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.



Unifreight Africa Limited
Annual Financial Statements
31 December 2023

NATURE OF BUSINESS:

Operating within Zimbabwe for 75 years, Unifreight Africa Limited is a listed Zimbabwean, national-transport company offering a range of end-to-end logistics services. The well-known service brands operating under Unifreight Africa Limited have over 100 years combined experience and expertise in the local and regional transport industry. Unifreight Africa Limited specialises in courier, express-freight, full loads and consolidated freight under its primary service brand, Swift Transport.

DIRECTORS:

Annesley P. J.	(Board Chairman)
Ndebele B. N.	
Kalweit M. A.	
Clarke R. P. A.	(Appointed on 1 January 2023)
Mnemo M. T. J	(Appointed on 1 April 2023)
Fambawaputa J. N	(Appointed on 1 January 2023)

SECRETARIES:

First Transfer Secretaries (Pvt) Limited
No 1 Armagh Avenue
Eastlea
HARARE

REGISTERED OFFICE:

Corner Orme\Willow Roads
Southerton
HARARE

AUDITORS:

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

PRINCIPAL BANKERS:

NMB Bank limited
9 Plymouth Road
Southerton
HARARE

Nedbank Bank Limited
Old Mutual Centre
Cnr 3rd Street/ J Moyo
P.O. Box 3200
HARARE

CBZ Bank Limited
Corner Paisley Road/Highfield road
HARARE

LAWYERS:

Matsikidze Attorneys- At- Law
No 7 Frank Johnson Drive Avenue
Eastlea
HARARE

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These financial statements are expressed in Zimbabwe Dollars (ZWL).

Responsibilities of Management and Those Charged with Governance for the Financial Statements for the year ended 31 December 2023

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 annual 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 Standards Interpretations Committee (SIC) interpretations issued under previous constitutions.

The Conceptual Framework for Financial Reporting 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.

As enacted by the Finance Act No. 2 of 2019, the requirement to comply with Statutory Instrument (S.I) 33 of 2019 created inconsistencies with IAS 21, as well as the principles embedded in the Conceptual Framework for Financial Reporting. This has resulted in the adoption of accounting treatment in the financial statements for the prior period, which deviates from that which would have been applied if the Group had been able to fully comply with IFRSs.

The Group's accounting and internal control systems are designed to provide reasonable assurance as to the integrity and reliability of the annual 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

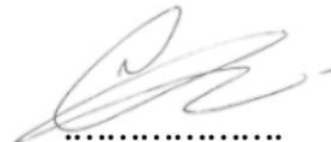
come to the attention of the Directors have been addressed and the Directors confirm that the system of accounting and internal control is operating in a satisfactory manner.

The Group's financial statements for the year ended 31 December 2023 which are set out on pages **8 to 64** were, in accordance with their responsibilities, approved by the Board of Directors on 28 May 2024 and are signed on its behalf by:



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Annesley P. J.
Chairman



.....

Clarke R. P. A
Director

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INDEPENDENT AUDITOR'S REPORT

To the members of Unifreight Africa Limited and its subsidiaries

Report on the Audit of the Consolidated Inflation Adjusted Financial Statements

Qualified Opinion

We have audited the consolidated inflation adjusted financial statements of Unifreight Africa Limited and its subsidiaries set out on pages **8 to 64**, which comprise the consolidated inflation adjusted statement of financial position as at 31 December 2023, and the consolidated inflation adjusted statement of profit or loss and other comprehensive income, the consolidated inflation adjusted statement of changes in equity and the consolidated inflation adjusted statement of cash flows for the year then ended, and the notes to the consolidated inflation adjusted financial statements, including a summary of the Group's significant accounting policies.

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

Basis for Qualified Opinion

Non-compliance with International Accounting Standard (IAS) 21 - The Effects of Changes in Foreign Exchange Rates

During the prior and current financial period, the foreign currency denominated transactions and balances of the Group were translated into ZWL using internally generated rates, which were not considered appropriate spot rates for the Group as required IAS 21. IAS 21 defines the spot exchange rate as the exchange rate for immediate delivery.

Had the consolidated inflation adjusted financial statements been prepared in accordance with the requirements of IAS 21, some elements would have been materially affected. The effects of the non-compliance with the requirements of IAS 21 have been considered to be material but not pervasive to the consolidated inflation adjusted financial statements as a whole.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated inflation adjusted financial statements of the current year. These matters were addressed in the context of our audit of the consolidated inflation adjusted financial statements as a whole and we did not provide a separate opinion on these matters. The key audit matters noted below relate to the annual consolidated inflation adjusted financial statements:

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>IFRS 15 - Revenue from Contracts with Customers</p> <ul style="list-style-type: none"> • There is a presumed fraud risk with regards revenue recognition as required by International Standard on Auditing (ISA 240 Revised). There is a risk that the revenue is presented at amounts higher than what has been actually generated by the Group. • The Group is in the business of providing transport and logistics services. Revenue from contracts with customers is recognised when services are delivered to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. • The Group also has revenue generated from prepacks and driving schools. These goods and services are paid for in advance. The Group recognises revenue when payment is received. • Revenue recognition was identified as a risk area requiring special audit consideration. 	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Tested the general and application controls around the revenue systems of the Group and reviewed the controls. • Performed revenue analytics to identify anomalies in the revenue and corroborated by tracing to supporting documentation on the explanations provided. • Performed gap detection and duplicates test. • Reviewed whether the revenue recognition criteria is appropriate and in line with the requirements of IFRS 15. <p>Based on the audit work performed and the assumptions made, we satisfied ourselves that the Group's revenue recognition is in accordance with IFRS 15.</p>

Other information

The Directors are responsible for the other information. The other information comprises the ‘Corporate information’, ‘Directors’ report’, ‘Corporate governance’, ‘Chairman’s report’, and ‘Chief Executive Officers’ report’, which we obtained prior to the date of this auditor’s report. The other information does not include the consolidated inflation adjusted financial statements and our auditor’s report thereon. Our opinion on the consolidated inflation adjusted financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated inflation adjusted financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated inflation adjusted financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Inflation Adjusted Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated inflation adjusted financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of consolidated inflation adjusted financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated inflation adjusted 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 either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Inflation Adjusted Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated inflation adjusted financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated

inflation adjusted financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated inflation adjusted financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditor's report to the related disclosures in the consolidated inflation adjusted financial statements or, if such disclosures are inadequate, to modify our opinion.
- Our conclusions are based on the audit evidence obtained up to the date of our auditor's 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 consolidated inflation adjusted financial statements, including the disclosures, and whether the consolidated inflation adjusted 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 inflation adjusted financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

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 inflation adjusted financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Report on Other Legal and Regulatory Requirements

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion, the consolidated inflation adjusted financial statements have been properly prepared, in all material respects in accordance with the requirements of the Companies and Other Business Entities Act [Chapter 24:31].

The engagement partner on the audit resulting in this Independent Auditor's Report is Farai Chibisa.

Grant Thornton

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Farai Chibisa

Partner

Registered Public Auditor (PAAB No: 0547)

Grant Thornton

Chartered Accountants (Zimbabwe)

Registered Public Auditors

HARARE

30 May 2024