

TURNALL HOLDINGS LIMITED

Financial Highlights	ZWG'000
Revenue	310,735
Loss from operations	(83,122)
Loss before taxation	(85,278)
Loss for the year	(75,397)

AUDITED ABRIDGED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

Consolidated Translated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2024

	Year ended 31.12.2024 ZWG	Year ended 31.12.2023 ZWG
Revenue	310,735,197	323,911,596
Cost of sales	(250,413,047)	(248,596,797)
<b>Gross profit</b>	<b>60,322,150</b>	<b>75,314,799</b>
Other income	4,687,835	2,526,627
Selling and distribution expenses	(35,894,491)	(33,295,571)
Administrative expenses	(112,237,977)	(81,545,780)
<b>Loss from operating activities</b>	<b>(83,122,483)</b>	<b>(36,999,925)</b>
Finance costs	(2,155,026)	(2,385,329)
<b>Loss before taxation</b>	<b>(85,277,509)</b>	<b>(39,385,254)</b>
Income tax credit	9,880,722	569,708
<b>Loss for the year</b>	<b>(75,396,787)</b>	<b>(38,815,546)</b>
<b>Other comprehensive income</b>		
Loss on change in functional currency	(3,453,129)	-
<b>Other comprehensive loss for the year net of tax</b>	<b>(3,453,129)</b>	<b>-</b>
<b>Total comprehensive loss for the year</b>	<b>(78,849,916)</b>	<b>(38,815,546)</b>
<b>Loss per share</b>		
Number of shares in issue	4,315,726,499	4,315,726,499
Basic and diluted (cents per share)	(1.75)	(0.90)
Headline (cents per share)	(1.75)	(0.90)

# Consolidated Translated Statement of Financial Position as at 31 December 2024

	as at 31.12.24 ZWG	as at 31.12.2023 ZWG
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	607,416,939	554,222,107
Right-of-use asset	-	493,267
Investment property	16,253,055	16,253,055
Investments in financial assets	1,935	1,935
<b>Total non-current assets</b>	<b>623,671,929</b>	<b>570,970,364</b>
<b>Current assets</b>		
Inventories	105,777,230	126,799,834
Trade and other receivables	157,862,930	196,393,506
Bank and cash balances	90,789,514	6,909,148
<b>Total current assets</b>	<b>354,429,674</b>	<b>330,102,488</b>
<b>Total assets</b>	<b>978,101,603</b>	<b>901,072,852</b>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Capital and reserves</b>		
Share capital	127,393,741	127,393,741
Share premium	172,239,661	172,239,661
Non-distributable reserve	197,493,683	197,493,683
Revaluation reserve	7,522,378	7,522,378
Foreign currency translation reserve	(40,906,024)	(37,452,895)
Retained earnings	196,840,285	272,237,072
<b>Total equity</b>	<b>660,583,724</b>	<b>739,433,640</b>
<b>Non-current liabilities</b>		
Lease liability	-	224,653
Deferred taxation	5,041,826	11,468,594
<b>Total non-current liabilities</b>	<b>5,041,826</b>	<b>11,693,247</b>
<b>Current liabilities</b>		
Trade and other payables	169,050,944	134,118,275
Loans and borrowings	143,425,109	15,552,781
Lease liability	-	274,599
Bank overdraft	-	310
<b>Total current liabilities</b>	<b>312,476,053</b>	<b>149,945,965</b>
<b>Total liabilities</b>	<b>317,517,879</b>	<b>161,639,212</b>
<b>Total equity and liabilities</b>	<b>978,101,603</b>	<b>901,072,852</b>

Consolidated Translated Statement of Cash flows for the year ended 31 December 2024		
	Year ended 31.12.2024 ZWG	Year ended 31.12.2023 ZWG
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Loss before income tax</b>	<b>(85,277,509)</b>	<b>(39,385,254)</b>
<i>Adjustment for:</i>		
Depreciation of property, plant and equipment	28,057,881	27,203,925
Amortisation of right of use asset	258,346	287,447
Investment property fair value gain	246,788	-
Finance costs	2,155,026	2,385,329
Loss from disposal of property, plant and equipment	332,285	5,124,046
Translation differences	850	-
<b>Operating cash flow before working capital changes</b>	<b>(54,226,333)</b>	<b>(4,384,507)</b>
<i>Movement in working capital</i>		
Change in inventories	21,022,604	(52,280,660)
Change in trade and other receivables	38,530,576	(151,666,931)
Change in trade and other payables	34,932,669	47,737,518
<b>Net cash generated from/(utilised in) operating activities</b>	<b>40,259,516</b>	<b>(160,594,580)</b>
Tax paid	-	(3,103,818)
Financing costs	(2,155,026)	(2,385,329)
<b>Net cash flows generated from / (utilised in) operating activities</b>	<b>38,104,490</b>	<b>(166,083,727)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	239,384	-
Acquisition of property, plant and equipment	(81,836,274)	(14,651,665)
<b>Net cash flows utilised in investing activities</b>	<b>(81,596,890)</b>	<b>(14,651,665)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Change in loans and borrowings	127,872,328	15,552,789
Change in lease liabilities	(499,252)	105,458
Change in share capital	-	156,489,443
<b>Net cash flows generated from financing activities</b>	<b>127,373,076</b>	<b>172,147,690</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>83,880,676</b>	<b>(8,587,702)</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>6,908,838</b>	<b>15,496,540</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>90,789,514</b>	<b>6,908,838</b>
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**Consolidated Translated Statement of Changes in Equity for the six months ended 31 December 2024**

	Share capital ZWG	Share premium ZWG	Non- distributable reserves ZWG	Revaluation reserves ZWG	Foreign currency translation reserve ZWG	Retained earnings ZWG	Total ZWG
<b>Balance at 1 January 2023</b>	<b>127,197,002</b>	<b>4,692,954</b>	<b>197,493,683</b>	<b>7,522,378</b>	<b>(37,452,895)</b>	<b>313,098,233</b>	<b>612,551,355</b>
Issue of share capital	196,739	167,546,707	-	-	-	-	167,743,446
Transactions with owners	196,739	167,546,707	-	-	-	-	167,743,446
Total comprehensive loss for the year	-	-	-	-	-	(38,815,546)	(38,815,546)
<b>Balance at 31 December 2023</b>	<b>127,393,741</b>	<b>172,239,661</b>	<b>197,493,683</b>	<b>7,522,378</b>	<b>(37,452,895)</b>	<b>274,282,687</b>	<b>741,479,255</b>
<b>Balance at 1 January 2024</b>	<b>127,393,741</b>	<b>172,239,661</b>	<b>197,493,683</b>	<b>7,522,378</b>	<b>(37,452,895)</b>	<b>274,282,687</b>	<b>741,479,255</b>
Transactions with owners	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(3,453,129)	(75,396,787)	(78,849,916)
<b>Balance at 31 December 2024</b>	<b>127,393,741</b>	<b>172,239,661</b>	<b>197,493,683</b>	<b>7,522,378</b>	<b>(40,906,024)</b>	<b>198,885,900</b>	<b>662,629,339</b>

## Supplementary Information

### 1. Basis of preparation

These consolidated translated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange (ZSE) Listing Requirements, except for some instances of non-compliance with International Accounting Standard (“IAS”) 21 as noted in the audit report. The financial statements also comply with the Monetary Policy Statement (MPS) as pronounced by the Reserve Bank Governor on the 6th of February 2025.

In preparing the consolidated financial statements, the entity translated the functional currency balances and transactions from United States Dollars (USD) to Zimbabwe Gold (ZWG) using the closing official exchange rates as at 31 December 2024 as provided by IAS 21 paragraph 39. The consolidated financial statements and the corresponding figures for the previous year have been translated from USD to ZWG as per requirement of the Reserve Bank of Zimbabwe (RBZ) Monetary Policy Statement of 6 February 2025. Both the Consolidated Statement of Profit or loss and Other Comprehensive Income and the Statement of Financial Position balances and transactions were translated at the closing rate as at 31 December 2024.

### 2. Change in functional currency

Following the promulgation of Statutory Instrument (“SI”) 185 of 2020, issued on 24 July 2020, the Group has witnessed a gradual increase in the usage of foreign currency. The USD is part of the legally allowed multi-currencies in the economy. Consequently, the Group changed its functional currency from Zimbabwe dollar (ZWL) to United States dollars (USD) effective 1 January 2024. The Zimbabwean currency was later changed from Zimbabwe dollars (ZWL) to Zimbabwe Gold (ZWG) effective the 5th of April 2024. The USD and the ZWG continue to be the most widely used currencies. IAS 21 permits entities to change their functional currencies based on underlying transactions, events and conditions that are relevant to them. Management will continue to review and assess the appropriateness of the functional currency determination for the entity's operations.

### 3. Accounting policies and reporting currency

The accounting policies have remained unchanged since the date of the last consolidated financial statements. The special purpose translated financial statements are presented in ZWG as per the Monetary Policy Statement (MPS) pronounced on the 6th of February 2025 and the Securities and Exchange Commission of Zimbabwe (SECZ) Notice Number SECZ070325 which requires all listed companies to report in ZWG.

### 4. Significant events and transactions

There was a provision made for obsolete and slow-moving inventory amounting to ZWG30.9 million made for the year. The figure is included in administrative expenses.

### 5. Events after the reporting date

The Group has evaluated events from 31 December 2024 through to the date that the consolidated financial statements were issued. The Board concluded that no subsequent events have occurred that would require recognition or disclosure in the consolidated financial statements.

### 6. Going concern considerations

The Group has secured adequate raw materials to meet production demand in the current financial year. In addition, the Group is also setting up a state of the art fibre cement plant which is being financed by the shareholders and is expected to be operational during the 3rd quarter of 2025.

- a) The Group will focus on improving its product offering to enhance competitiveness and grow its revenue base.
- b) The Group will also focus on improving its production efficiencies.
- c) The Group will continue to implement cost containment measures to improve the viability of the business.
- d) The Group will continue to source and ensure adequate raw materials are available to meet production demand.

### 7. Approval of abridged consolidated financial statements

The audited abridged consolidated translated financial statements for the year ended 31 December 2024 were approved by the board on 22 April 2025.

# Independent Auditors' Report

**Grant Thornton**

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To the Members of Turnall Holdings Limited

## Report on the Audit of the Special Purpose Consolidated Annual Financial Statements

### Opinion

We have audited the accompanying special purpose annual consolidated financial statements of Turnall Holdings Limited, set out on pages 7 to 55, which comprise the consolidated statement of financial position as at 31 December 2024, 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 accounting policies and other explanatory notes. These special purpose consolidated annual financial statements were derived from the audited general purpose consolidated financial statements of Turnall Holdings Limited for the year ended 31 December 2024.

In our opinion, the accompanying special purpose consolidated financial statements of Turnall Holdings Limited as at 31 December 2024 have been prepared, in all material respects, in accordance with the financial reporting provisions established by the Monetary Policy Statement (MPS) of 6 February 2025 and Zimbabwe Stock Exchange Directive issued on 12 March 2025.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Special Purpose Consolidated 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) that is relevant to our audit of the translated special purpose consolidated financial statements in Zimbabwe, and we have fulfilled our other ethical



responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use**

We draw attention to **Note 2.1** to the special purpose consolidated financial statements, which describes the basis of accounting. The special purpose consolidated financial statements were prepared to assist the Group to meet the requirements of the Monetary Policy Statement (MPS) of 6 February 2025 and Zimbabwe Stock Exchange Directive issued on 12 March 2025. As a result, the special purpose consolidated financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### **Other Matter**

The Group has prepared general purpose consolidated financial statements for the year ended 31 December 2024 in accordance with International Financial Reporting Standards (IFRS) on which we issued a separate independent auditor's report to the members of Turnall Holdings Limited dated 28 April 2025. Our audit report thereon includes a qualified opinion with respect to non-compliance with International Accounting Standard (IAS) 21 *"The Effects of Changes in Foreign Exchange Rates"* on translating comparative consolidated inflation adjusted financial statements. As such, these special purpose consolidated financial statements should not be taken as having substituted the general purpose consolidated financial statements, from which they are derived.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the general purpose consolidated 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 *Emphasis of Matter* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key Audit Matter
<p><b>IFRS 15 – Revenue from Contracts with Customers</b></p> <p>There is a presumed risk of inappropriate revenue recognition specifically identified in ISA 240 (R), 'The auditor's responsibility to consider fraud in an audit of financial statements. This is a significant risk and accordingly a key audit matter.</p>	<p>Our audit procedures incorporated a combination of tests of the Group's controls relating to revenue recognition and the appropriateness of revenue recognition policies as well as substantive procedures in respect of testing the occurrence assertion. Our substantive procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Reviewed that revenue recognition</li> </ul>

	<p>criteria is appropriate and in line with the requirements of IFRS 15.</p> <ul style="list-style-type: none"> <li>• Performed cut-off tests on year end balances to ensure revenue is recognised in the correct period.</li> <li>• Tested design, existence and operating effectiveness of internal controls implemented as well as tests of detail to ensure accurate processing of revenue transactions.</li> <li>• Identified key controls and tested these controls to obtain satisfaction that they were operating effectively for the year under review.</li> <li>• The results of our controls testing have been the basis for the nature and scope of the additional tests of detail, which mainly consisted of testing individual transactions by reconciling them to external sources (supporting documentation).</li> <li>• Performed analytical procedures and assessed the reasonableness of explanations provided by management.</li> </ul> <p>We satisfied ourselves that the revenue recognition is appropriate and in compliance with the requirements of IFRS 15.</p>
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### **Responsibilities of Management and Those Charged With Governance for the Special Purpose Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the special purpose consolidated financial statements in accordance with financial reporting provisions established by the Monetary Policy Statement (MPS) of 6 February 2025 and Zimbabwe Stock Exchange Directive issued on 12 March 2025.

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 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 Special Purpose Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the special purpose consolidated financial statements have been prepared in all material respects in accordance with the financial reporting provisions established by the Monetary Policy Statement (MPS) of 6 February 2025 and Zimbabwe Stock Exchange Directive issued on 12 March 2025.

The engagement partner on the audit resulting in this independent auditors' report is Onessious Mabuya.

A handwritten signature in blue ink that reads "Grant Thornton".

Onessious Mabuya

**Partner**

Registered Public Auditor (PAAB Number 0634)

**Grant Thornton**

Chartered Accountants (Zimbabwe)

Registered Public Auditors

28 April 2025

HARARE