ZECO HOLDINGS LIMITED

We're building the future

Registered Office:
Stand 7753, Corner Canberra Road / Greenock Road, Workington, Harare, Zimbabwe

UNAUDITED FINANCIAL STATEMENTS AS AT 30 JUNE 2025

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CHAIRMAN'S STATEMENT

Operating overview

The operating environment was subdued with signs of recovery in the mining sector. The ZWG currency was stable due to tight monetary policy by the authorities resulting in a stable currency against the US Dollar. There was an improvement in the foreign currency market on a willing-buyer willing seller basis.

The Zimbabwe economy is expected to grow by 6% in 2025 as the economy recovers.

Performance review

The group recorded revenues of ZWG 2,062,125 for the six months ended 30 June 2025 compared to ZWG 689,591 for the same period last year. Other income from rentals amounted to ZWG 6,058,865 during the same period. The group reported a profit of ZWG 3,165,591 for the period. Total assets as at 30 June 2025 amounted to ZWG 85.773 million.

There were no changes in the Directorate during the period under review.

Dividend

No dividend was paid for the period.

Outlook

We expect the tight monetary conditions to continue with a stable ZWG currency resulting in positive economic growth. We therefore expect positives in the sector as business improves due to innovative initiatives and opening up of new markets

Acknowledgments

On behalf of the Board of Directors, I would like to thank our customers, suppliers, key stakeholders, fellow Directors, Management and Staff of ZECO Holdings for their continued support.

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Dr Eng. B. Rafemoyo
Chairman

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2025

	Note	Unaudited June 2025 ZWG	Audited December 2023 ZWG
Assets			
Non-current assets			
Property, plant and equipment	23	64,431,191	69,563,970
Investment property		1,277,959	1,277,959
Deferred tax		2,084	-
Total non-current assets		**65,711,234**	**70,841,929**
Current assets			
Inventory	10	40,021	217,099
Trade and other receivables	11	268,998	282,770
Other financial assets	13	3	2
Cash and cash equivalents	14	5,045,703	2,817,881
Total current assets		**5,354,725**	**3,317,752**
Assets of discontinued operations		14,707,264	72,881,723
Total assets		**85,773,222**	**147,041,407**
Equity and liabilities			
Equity			
Share Capital		2	2
Derived Equity		1,340,371	1,340,371
Distributable Reserve		5,452,519	3,255,423
Revaluation Reserve		63,358,905	133,109,633
Retained earnings		4,656,393	1,469,560
Total equity		**74,808,190**	**139,174,989**
Non current liabilities			
Deferred tax	18	67,482	67,482
Related party payables	12	198,242	201,804
Total non current liabilities		**265,724**	**269,286**
Current liabilities			
Trade and other payables	15	7,456,591	4,358,052
Total current liabilities		**7,456,591**	**4,358,052**
Liabilities associated with discontinued operations		3,242,717	3,239,080
Total equity and liabilities		**85,773,222**	**147,041,407**

STATEMENT OF CHANGES IN EQUITY AS AT JUNE 30, 2025

	Distributable reserve ZWG	Retained earnings ZWG	Total ZWG
Balance as at June 30, 2023	**-**	**3,137,023**	**3,137,023**
Loss for the year	3,255,423	(1,650,808)	**1,604,615**
Foreign exchange loss	-	(16,654)	**(16,654)**
Realisation of revaluation	-	-	**-**
Balance as at June 30, 2024	**3,255,423**	**1,469,561**	**4,724,985**
Profit for the year	-	3,165,591	**3,165,591**
Distributable reserve	2,197,096	-	**2,197,096**
Foreign exchange gain	-	21,241	**21,241**
Balance as at June 30, 2025	**5,452,519**	**4,656,393**	**10,108,913**

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME AS AT JUNE 30, 2025

	Note	Unaudited June 2025 ZWG	Unaudited June 2024 ZWG
Income			
Revenue	5	2,062,125	689,591
Cost of sales	6	(1,521,989)	(89,672)
Gross profit		**540,135**	**599,919**
Other income	7	6,058,865	64,136
Operating profit		**6,599,000**	**664,055**
Expenditure			
Administration costs	8	(3,433,409)	(2,314,863)
Total expenditure		**(3,433,409)**	**(2,314,863)**
Profit before tax		**3,165,591**	**(1,650,808)**
Profit from continuing operations		**3,165,591**	**(1,650,808)**
Discontinued operations			
Loss for the year after tax from discontinued operations		-	-
Loss before monetary gain		**3,165,591**	**(1,650,808)**
Monetary loss		-	-
Profit for the year		**3,165,591**	**(1,650,808)**
Attributable to:			
Equity holders of the parent company:		**3,165,591**	**(1,650,807)**
Loss per share (cents)			
Weighted average number of shares in issue		**1,029,301**	**1,029,301**
Basic loss per share from continuing operations		**3.08**	**(1.60)**
Basic loss per share from discontinued operations		**-**	**(0.00)**
Basic profit/(loss) per share		**3.08**	**(1.60)**
Diluted earnings per share from continuing operations		3.08	0.11
Diluted earnings per share from discontinued operations		-	(0.00)
Diluted earnings per share		**3.08**	**(1.60)**

STATEMENT OF CASH FLOWS AS AT JUNE 30, 2025

	Unaudited June 2025 ZWG	Unaudited June 2024 ZWG
Cash flows from operating activities		
Profit before tax - continuing operations	3,165,591	(1,650,808)
Loss for the year - discontinued operations	-	-
	3,165,591	**(1,650,808)**
Adjustments for non-cash items		
Depreciation	976,801	2,231,178
Fair value loss	-	113
Effects of opening balances	(63,399,734)	67,738,244
Foreign exchange gain/(loss)	21,241	13,917
Net cash flows after working capital changes	**(59,236,101)**	**68,332,645**
Working capital changes		
Decrease/(increase) in trade and other inventories	177,078	(217,099)
Decrease in trade and other receivables	13,771	(282,770)
Increase/(decrease) in related party payables	(3,562)	201,804
Increase in trade and other payables	3,098,539	4,358,052
Increase/(decrease) in deferred tax liability	-	67,482
Increase/decrease in discontinued operations liabilities	3,637	3,239,080
Increase in discontinued operations assets	58,174,459	(72,881,723)
Net cash outflows from working capital changes	**61,463,922**	**(65,515,174)**
Cash inflows/(outflows) from operating activities	**2,227,822**	**2,817,471**
Cash flows from investing activities		
Purchase of property and equipment	-	-
Net cash flows from investing activities	**-**	**-**
Increase in cash and cash equivalents	**2,227,822**	**2,817,471**
Movement of cash and cash equivalents		
Cash and cash equivalents at beginning of year	2,817,881	410
Increase in cash and cash equivalents	**2,227,822**	**2,817,471**
Cash and cash equivalents at end of year	5,045,703	2,817,881

NOTES TO THE FINANCIAL STATEMENTS

1 General Information

ZECO Holdings Limited specializes in steel fabrication and installation, manufacture of window frames and door frames and is moving towards a new strategic thrust.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

2.1 Basis of preparation and presentation

The Group's financial statements for the year ended December 31, 2024 have been prepared in accordance with the requirements of the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) (COBE). The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The group's financial statements have been prepared based on the statutory records that are maintained under the historical cost basis and are presented in Zimbabwean Gold (ZWG). The principal accounting policies applied in the preparation of the group financial statements are in terms of IFRS except for the non-compliance with IAS 21 (The Effects of Change in Foreign Exchange Rates).

3 Significant accounting policies

3.1 Functional and presentation currency

The financial statements have been presented in Zimbabwe Gold ('ZWG'), being the functional and presentation currency. The Group had been using United States Dollars ('USD') as its presentation and functional currency since 2009 until the 22nd of February 2019, when Statutory Instrument ('SI') 33 of 2019 was issued as an amendment to the Reserve Bank of Zimbabwe Act (Chapter 22:15) which introduced a local currency.

The authorities formally changed the country's functional currency with effect from 22 February 2019 and the Group only concluded the necessary system configurations on 31 March 2019. The group maintained amounts prior to the configuration date at an exchange rate of 1USD:1ZWL. On date the of configuration, foreign currency balances were converted at a rate of 1USD:2.5ZWL. Subsequently, foreign currency amounts were translated on a daily basis using the interbank rates as published by the RBZ and all local transactions were now being conducted in local currency.

3.2 Hyperinflation

On 11 October 2019, the Public Accountants and Auditors Board ("PAAB") issued a pronouncement on the application of IAS 29. The pronouncement requires the entities operating in Zimbabwe with financial periods ending on or after 1 July 2019, prepare and present financial statements in-line with the requirements of IAS 29. No adjustments and reclassifications, have been made in these financial statements to the historical cost financial information.

3.3 Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The group will conduct regular valuations going forward given the volatility in the economic environment to ensure that carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting date. Any revaluation increase arising on the revaluation of such property plant and equipment is recognised in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such property plant and equipment is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

Gains and losses on disposals of property and equipment are determined by comparing the proceeds with the carrying amount. These are included in the statement of profit or loss and other comprehensive income. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.4 Financial Instruments

Recognition

Financial assets and liabilities are recognised in the statement of financial position when the Group has become party to the contractual provisions of the instruments. Purchase and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the instrument.

NOTES TO THE FINANCIAL STATEMENTS CONT.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

3.4.1 Financial assets

Financial assets are recognised initially at fair value plus directly attributable transaction costs, except in the case of financial assets recorded at fair value through profit or loss, and subsequently as set out below.

Trade and other receivables

Trade receivables are measured at fair value and are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
The allowance for credit losses is established and recognised in profit or loss when there is objective evidence that the Group will not be able to collect all amounts due in accordance with the original terms of the credit given and includes an assessment of the recoverability based on historical trend analyses and events that exist at reporting date. Bad debts are written off to profit or loss when identified.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, restricted cash and short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are subsequently measured at amortised cost. For the purposes of the consolidated statement of cash flows, cash and cash equivalents consists of cash and short term investments.

Derecognition of financial assets

A financial asset (or where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

The rights to receive cash flows from the asset have expired or - when the Group has transferred the financial asset and substantially all the risks and rewards of ownership of the asset to another party, or the Group has neither transferred nor retained substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3.4.2 Financial liabilities

Financial liabilities include trade and other accounts payables and interest bearing borrowings, and these are recognised initially at fair value including transaction costs and subsequently carried at amortised cost using the effective interest rate method. Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Trade and other payables

Trade payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier.

Borrowings

Interest-bearing borrowings are initially measured at a fair value and are subsequently measured at amortised cost using the effective-interest rate method. Any difference between the proceeds (net of the transaction cost) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy of borrowing cost.

De-recognition of financial liabilities

A financial liability is de-recognised when, and only when, the Group's obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.5 Fair value measurement

The Group measures financial instruments and non-financial assets such as investment properties, at fair value at each reporting 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
(i) In the principal market for the asset or liability or
(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.
Level 1 – Quoted (unadjusted) market prices active markets for identical assets or liabilities
Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are measured at fair value in the financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3.6 Income tax

Income tax expense represents the sum of the tax paid, currently payable and deferred tax.

Current tax

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's and Company's asset and liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Current tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of 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 or taxable profit; and

Value added taxed (VAT)

Revenues, expenses and assets are recognised net of the amount of Value Added Taxes except:
(i) Where the Value Added Tax incurred on the purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable;
(ii) Receivables and payables that are stated with the amount of VAT included.
Outstanding net amounts of VAT recoverable from, or payable to, the taxation authority are included as part of receivables or payables in the statement of financial position. Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

3.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises costs of purchase, direct materials and, where applicable, direct labour costs, costs of conversion and those overheads that have been incurred in bringing the inventories to their present location and condition. Costs are assigned using the first-in-first-out method for raw materials, work in progress and finished goods, and using the weighted average cost method for maintenance spares. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

3.8 Prepayments and deposits

The group makes advance payments in respect of some key goods and services associated with its overall operations. The prepayments are initially recognised as assets in the balance sheet and subsequently expensed to profit or loss or capitalised to other assets on delivery.

3.9 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents comprise:
• cash on hand; and
• balances with banks.

Cash and cash equivalents only include items held for the purpose of meeting short-term cash commitments rather than for investing or other purposes. Cash and cash equivalents have a maturity of less than three months. Cash and cash equivalents are carried at cost which, due to their short term nature, approximates fair value.

3.10 Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

3.1 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on

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the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.12 Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered services entitling them to the contributions.

Retirements benefits are provided for the Group's employees through an independently administered defined contribution fund and the Zimbabwe government's National Social Security Authority (NSSA). With the group's independent fund, contributions are charged to profit or loss so as to spread the cost of pension over the employee's working life within the Group. The amounts payable to the National Social Security Authority are determined by the systematic recognition of legislated contributions. Payments to the two retirement benefit schemes are charged as an expense as they fall due.

3,13 Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer for the benefits or when the entity recognises costs for a restructuring that involves the payment of termination benefits. The calculation takes into account the employees' basic salary at agreed rate over the years of service.

3.14 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Sale of goods

For sales of steel metal products, revenue is recognised when control of the goods has transferred, being when the goods have been collected by the customer from the Group's premises, or shipped to the customer's specific location (delivery). Following collection or delivery, the customer has full discretion over the manner in which it handles the goods, and also bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the group when the goods are collected by, or shipped to, the customer as appropriate, as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Interest income

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rental income

Rental income from the Group's building is recognised on the basis of the amount of time that the tenants have used of the Group's offices.

3.2 Cost of sales

Cost of sales comprises of raw materials, packaging and consumables used and any other direct handling costs incurred.

3.2 Borrowings

a Unsecured

The Group did not obtain any new borrowings during the year under review.

b Borrowing powers

In terms of the Group's Articles of Association, management may exercise the powers of the Group to borrow as they deem necessary.

3.2 Financial risk management

The group is exposed through its operations to the following financial risks:-

a. Foreign exchange risk
b. Credit risk
c. Liquidity risk

In common with all other businesses, the group is exposed to risks that arise from its use of financial instruments. This note describes the group's objectives, policies and processes for managing those risks and methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from the previous periods unless otherwise stated in this note.

(a) Foreign currency risk management

The group is mainly exposed to the United States Dollar and Rand.

The Group undertakes transactions denominated in foreign currencies. Consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters.

(b) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by management annually. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The group defines counterparties as having similar characteristics if they are related entities.

(c) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the group's short, medium and long-term funding and liquidity management requirements. The group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecasts and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Borrowing facilities in the form of bank overdrafts and acceptance credits are negotiated with approved and registered financial institutions at acceptable interest rates. Expended overdraft facilities are repayable on demand. Approved financial institutions with sound capital bases are utilised to both borrow funds and invest surplus funds.

The table below summarises the maturity profile of the financial liabilities based on contractual undiscounted payments:

	0 - 12 months ZWG	1 - 5 years ZWG	>5 years ZWG	Total ZWG
As at 30 June 2025				
Trade payables	7,456,591	-	-	7,456,591
Other payables	3,242,717	-	-	3,242,717
	10,699,308	**-**	**-**	**10,699,308**
As at 31 December 2024				
Trade payables	4,358,052	-	-	4,358,052
Other payables	3,239,080	-	-	3,239,080
	7,597,132	**-**	**-**	**7,597,132**

3.18 Capital management

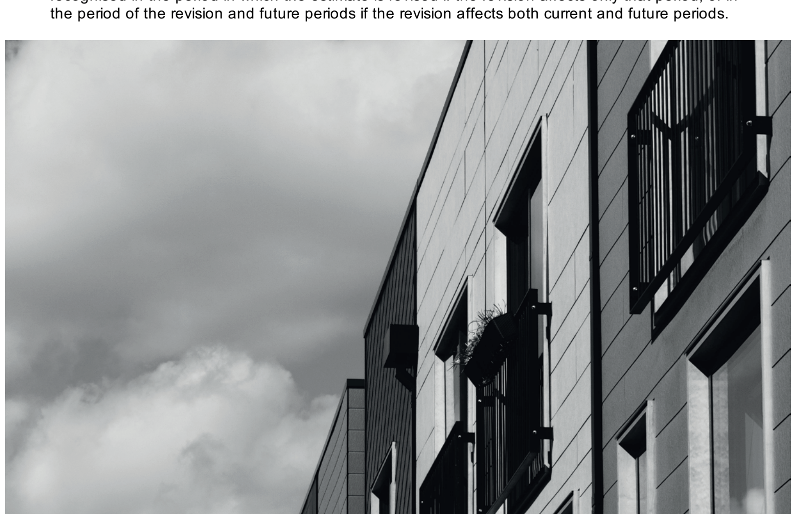
The Group manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from previous years. The capital structure of the group consists of debt and equity of the group comprising issued capital, reserves and retained earnings. The Group is not subject to any externally imposed capital requirements.

Gearing ratio	Unaudited June 2025 ZWG	Unaudited June 2024 ZWG
Debt	265,724	269,286
Equity	74,808,190	139,174,989
Net debt to equity ratio	0%	0%

(i) Debt is defined as long term and short term borrowings
(ii) Equity includes all capital and reserves of the group that are managed as capital.
(iii) Target debt to equity ratio is 0%.
(iv) The Group does not consider overdraft to be debt as it uses it intermittently to cover short term working capital requirements.

4 Critical accounting estimates and judgments

In the application of the Group's accounting policies, which are described in note 3, management are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.



4.1 Useful lives and residual values of property, plant and equipment

The Group assesses useful lives and residual values of property, plant and equipment each year taking into consideration past experience, technology changes and the local operating environment. The useful lives are set out in note 3.3 and no changes to those useful lives have been considered necessary during the year.

Residual values will be reassessed each year and adjustments for depreciation will be done in future periods if there is indication of impairment in value.

4.2 Provision for impairment of receivables

The provision for impairment of receivables is a specific provision made for trade and other receivables which is reviewed on a monthly basis. In determining the recoverability of a trade receivable the group considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the end of the reporting period as well as the value of security held over that receivable.

4.3 Functional Currency

The Group's financial statements are presented in Zimbabwean Dollars, which was determined to be the parent Group's functional currency. The Group applied this judgement after Government promulgated Statutory Instrument 33 of 2019 (SI 33) on 22 February 2019, giving legal effect to the reintroduction of the Zimbabwe Dollar (ZWL) as legal tender and prescribed that for accounting and other purposes, certain assets and liabilities on this effective date would be deemed to be Zimbabwe Dollars at a rate which was at par with the United States Dollar (USD).

4.4 Exchange Rate

The Group entered into foreign currency transactions throughout the year. Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. In determining transactional and closing exchange rates, the group made use of the prevailing interbank rate and trading arrangements.

		Unaudited June 2025 ZWG$	Unaudited June 2024 ZWG$
5	**Revenue**		
	Sales	2,062,125	689,591
	Total revenue	**2,062,125**	**689,591**
6	**Cost of sales**		
	Direct materials	1,521,989	89,672
	Total cost of sales	**1,521,989**	**89,672**
7	**Other income**		
	Rent received	6,058,865	61,678
	Sundry income	-	2,459
	Interest Received - Bank	-	-
	Scrap sales	-	-
	Total other income	**6,058,865**	**64,136**

		Unaudited June 2025 ZWG	Unaudited June 2024 ZWG
8	**Administration costs**		
	Audit fees	35,656	45,173
	Employee costs	2,453,026	366,019
	Administration expenses	944,727	1,903,671
	Total administration costs	**3,433,409**	**2,314,863**
9	**Deferred tax liability**		
	Deferred tax	1,236,865	1,200,840
	Total deferred tax liability	**1,236,865**	**1,200,840**
10	**Inventory**		
	Raw materials-contents	27,124	3,531
	Work in progress	-	68,316
	Finished goods	12,897	214,558
	Total inventory	**40,021**	**286,405**
11	**Trade and other receivables**		
	Trade	264,570	-
	Other	4,428	27
	Discontinued operations	-	-
	Total trade and other receivables	**268,998**	**27**

12 Related Party balances

The Group's related parties include companies under common control, key management and others as described below:

Related party payables		
Non-current liabilities due to:		
Pinnacle Holdings	198,242	198,242
Total	**198,242**	**198,242**
Discontinued operations		
Non-current liabilities due to:		
Pinnacle Properties (Private) Limited	3,413	3,413
Zimplastics (Private) Limited	13	13
Crittal Hope (Private) Limited	-	7
Total	**3,426**	**3,433**

13	**Other financial assets**		
	Other financial assets	3	3
	Total other financial assets	**3**	**3**

		Unaudited June 2025 ZWG	Unaudited June 2024 ZWG
14	**Cash and cash equivalents**		
	Cash at bank	5,045,703	65
	Total cash and cash equivalents	**5,045,703**	**65**
15	**Trade and other payables**		
	Trade	1,828,297	56,671
	Bank overdraft	75	181,130
	Other	5,628,219	1,554,976
	Continued operations	7,456,591	1,792,777
	Discontinued operations	-	-
	Total trade and other payables	**7,456,591**	**1,792,777**
16	**Reconciliation of income tax expense**		
	Loss before tax	3,165,591	(1,650,808)
	Notational tax expense at a rate of 25.75%	(815,140)	425,083
	Allowable deductions		
	Interest received	-	-
	Income tax due (receivable)	**2,350,451**	**(1,225,725)**

ZECO Holdings has cumulative assessed loss from prior periods hence no tax charge is applicable.

17 Share capital

Authorised

600 000 000 ordinary shares at USD nil par value

Issued and fully paid

463 337 661 ordinary shares at USD nil par value

18	**Deferred taxation**		
	Deferred tax liabilities		
	At 01 January	(67,482)	58,649
	Charge to profit or loss	-	(126,131)
	At 30 June 2024	**(67,482)**	**(67,482)**
	Deferred tax asset		
	At 01 January	2,084	376
	At 30 June 2025	**2,084**	**29,916**

19 Discontinued operations

Zimplastics (Private) Limited and Delward T/A ZECO (Private) Limited

The subsidiaries' operations were discontinued as it had been negatively affected by changing market dynamics and competition from cheap imports mainly from the East. The businesses had become unsustainable with no prospects of recovery.

	Unaudited June 2025 ZWG	Unaudited June 2024 ZWG
Revenue	-	-
Cost of sales	-	-
Gross profit/(loss)	**-**	**-**
Administration expenses	-	-
Operating loss before tax	-	-
Taxation	-	-
Profit/(loss) for the year from discontinued operations	-	-
Assets		
Property, plant and equipment	1,321,529	1,321,529
Inventories	479	479
Trade receivables	71,690	71,690
Cash and bank	14	14
Assets classified as held for sale	**1,393,712**	**1,393,712**
Liabilities		
Deferred tax liability	67,482	67,482
Pinnacle Holdings (Private) Limited	3,413	-
T & S Marketing (Private) Limited	13	13
Trade and other payables	3,171,579	3,171,579
Shareholders loan	149	-
Related party payables	-	-
Bank overdraft	75	-
Jetmaster	6	6
Liabilities associated with assets classified as held for sale	**3,242,717**	**3,239,080**
Net assets associated with discontinued operations	**(1,849,005)**	**(1,845,368)**

20 Loss per share (cents)

Basic loss per share				
Loss for the year from continuing operations			3,165,591	(549,281)
Loss for the year from discontinued operations			-	-
Loss for the year			**3,165,591**	**(32,545)**
			Unaudited June 2025 ZWG	**Unaudited Jun-24 ZWG**
Weighted average number of shares in issue			1,029,301	1,029,301
Basic loss per share from			3.08	(0.53)
Basic loss per share from			-	(0.00)
Basic loss per share (cents)	**-**	**-**	**3.08**	**(0.53)**

Basic loss per share is calculated by dividing the net loss attributed to shareholders by the weighted average number of ordinary shares in issue during the year, excluding the average number of ordinary shares purchased by the group and held as treasury shares.

Diluted loss per share (cents)

For diluted loss per share (cents), the weighted average number of shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group does not have any dilutive potential ordinary shares.

Net loss used to determine diluted loss per share:				
Loss for the year from continuing operations			3,165,591	(549,281)
• Loss for the year from discontinued operations			-	-
• **Loss for the year**			**3,165,591**	**(549,281)**

The weighted average number of ordinary shares in issue for the purpose of diluted loss per share, reconciles to the weighted average number of ordinary shares used in the calculations of basic loss per share as follows:

Weighted average number of ordinary shares in issue	-	-	1,029,301	1,029,301
Diluted loss per share from continuing operations			3.08	(0.53)
Diluted loss per share from discontinued operations			-	(0.00)
Diluted loss per share (cents)	**-**	**-**	**3.08**	**(0.53)**

21 Retirement benefit obligations

National Social Security Authority (NSSA) Scheme

The group and its employees also contribute to the National Social Security Authority Scheme. This is a social security scheme which was promulgated under the National Social Security Act. The group's obligations under the scheme are limited to specific contributions legislated from time to time.

Contributions to the schemes, recognised in profit or loss were as follows:

	June 2025 ZWG	Jun-24 ZWG
National Social Security Authority	19,403	19,403
Total contributions	**19,403**	**19,403**

22 Going concern

The Directors have satisfied themselves with the Group's ability to continue operating as a going concern. The going concern reporting basis has been maintained with the view of anticipated improved operational prospects for the entity.

Whilst management have put in place measures to preserve cash and secure additional finance, these circumstances create material uncertainties over future operating results and cash flows. Management have concluded that the combination of these circumstances create material uncertainties over future operating results and cash flows. Management have concluded that the combination of these circumstances represents a material uncertainty that casts significant doubt upon the group's ability to continue as a going concern and that, therefore, the group may be unable to realise its assets and discharge its liabilities in the normal course of business. However, after considering the uncertainties described above, management have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The following are some of the key initiatives in place that support the continued preparation of the group's financial statements on a going concern basis:

- Additional revenue is now being generated from Crittal hope renting out space
- Major construction work is underway at Dingani Investments and upon completion management will explore new revenue stream from the project
- The group also hires workers according to the number of ongoing projects so as to minimise on their staff costs.
- The group is actively applying for new tenders so as to increase revenue generation.

23 Property, plant and equipment

HISTORICAL

Description	Land ZWG	Buildings ZWG	Plant and machinery ZWG	Motor vehicles ZWG	Office equipment ZWG	Computer equipment ZWG	Total ZWG
Half Year ended June 30, 2025							
Opening net book value	5,119,067	57,811,393	6,585,324	16,298	20,795	11,093	**69,563,970**
Additions	-	-	-	-	-	-	**-**
Depreciation	-	(771,118)	(203,130)	(992)	(1,018)	(543)	**(976,801)**
Closing net book value	**5,119,067**	**57,040,275**	**6,382,194**	**15,306**	**19,777**	**10,550**	**68,587,169**
At June 30, 2025							
Cost/Valuation	5,119,067	57,811,393	6,585,324	16,298	20,795	11,093	**69,563,970**
Accumulated depreciation	-	(3,897,199)	(1,198,011)	(14,671)	(18,555)	(4,343)	**(5,132,779)**
Net book value	**5,119,067**	**53,914,194**	**5,387,313**	**1,627**	**2,240**	**6,750**	**64,431,191**
Year end December 31, 2024							
Opening net book value	45,872	1,409,229	34,346	58	185	130	**1,489,820**
Revaluation	5,073,195	59,469,527	7,546,032	22,235	28,277	14,676	**72,153,942**
Depreciation	-	(1,218,749)	(995,054)	(5,995)	(7,667)	(3,713)	**(2,231,178)**
Closing net book value	**5,119,067**	**57,811,393**	**6,585,324**	**16,298**	**20,795**	**11,093**	**69,563,970**
At December 31, 2024							
Cost/Valuation	5,119,067	57,811,393	6,585,324	16,298	20,795	11,093	**69,563,970**
Net book value	**5,119,067**	**57,811,393**	**6,585,324**	**16,298**	**20,795**	**11,093**	**69,563,970**