ZIMPLOW

ENGINEERING PERFORMANCE

Annual Report 2023

OUR MISSION, VISION AND VALUE STATEMENTS

OUR MISSION

To provide agricultural, mining and infrastructural engineering solutions through internationally acclaimed brands.

OUR VISION

To be the supplier of choice for quality and innovative equipment solutions.

OUR VALUES

- Integrity – We act honestly and ethically;
- Respect – We respect people for who they are;
- Teamwork – We trust, support and motivate each other; and
- Excellence – We deliver quality in our service, react quickly and positively in our interaction with our stakeholders.

ONLINE

You can find this report, previous reports and more information about Zimplow Holdings Limited online at www.zimplow.co.zw.

Our Annual Report along with other relevant documents can be downloaded at http://www.zimplow.co.zw/investor.

NAVIGATION

For easy navigation and cross-referencing, we have included the following icons within this report: Our Capitals and Strategic Objectives to make referencing between our report suite easier. With this report we also include additional information relating to online topics.

Information available elsewhere in this report.
Information available on our website.

CONTENTS

GROUP OVERVIEW

SCOPE OF THE REPORT

About this report
We are pleased to present the annual report of Zimplow Holdings Limited, a Group listed on the Victoria Falls Exchange (VFEX) for the year ended 31 December 2023. The report is targeted at the Group's stakeholders and integrates sustainability matters with financial information. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards. An independent auditor's report on the financial statements is contained on page 52 to 55.

This report is the responsibility of the company's directors and outlines the goals of the Group towards sustainable business values, therefore covers those material aspects of the company's environmental, social and governance activities together with the operational and financial performance of the business. The report also covers the approach taken to address those social, economic, environmental and governance issues which not only have a material impact on the long-term success of the business but are also important to key stakeholders.

Reporting Practice
The Group's reporting practice is to integrate economic, environmental and social performance in our reporting for transparency to our broad stakeholders, this approach requires that we disclose both financial and sustainability information in a annual report.

Report Boundary
In defining the reporting boundaries, we focused on Group specific material impacts and on those impacts that are material to our businesses. While sustainability reporting continued to be fully embedded across our business, we opted to define reporting boundaries by considering key Group companies with high and material impacts on economic, environmental and social aspects.

Reporting Period
The Group's reporting period spans from 1 January to 31 December each year. This report covers the 12 months for the period ending 31 December 2023.

Forward-Looking Statements
Certain statements in this report constitute 'forward looking statements' and readers should not place undue reliance on forward looking information. Such statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performances, objectives or achievements of Zimplow Holdings Limited to be materially different from future results, performance, objectives or achievements expressed or implied in forward looking statements.

The performance of Zimplow Holdings Limited is subject to effects of changes in the operating environment and other factors. Zimplow Holdings Limited undertakes no obligation to update publicly or to release any revision of these forward-looking statements to reflect the events or circumstances after the date of publication of these pages or to reflect the occurrence of unanticipated events.

This annual report is also available on the company's website at www.zimplow.co.zw. We would welcome your feedback on our reporting and any suggestions you have in terms of what you would like to see incorporated in our report. To do so, please contact: Sharon Manangazira smanangazira@zimplow.co.zw or call +263 (0) 8677007184.

GROUP PROFILE

For more than 75 years, Zimbabwe's farmers have been tilling the soil with Zimplow's products. We have been contributing to the national agricultural output, and in the last 12 years to infrastructure development and mineral wealth extraction and most recently logistical solutions. Our machinery and equipment can be seen in action at most of Zimbabwe's mines, construction sites fields,on the roads as well as the agricultural industry from which our business began. We are one of the largest distributors of agricultural, infrastructure, logistics and mining equipment in the country.

Zimplow serves a whole range of customers from large-scale agricultural corporations to the smallest subsistence farmer requiring tillage equipment. From the most impressive earthmoving equipment for mines, construction and engineering firms, through to the tiniest bolt that keeps it all together. The Group also provides logistical solutions from transport trucks to the tyres that get them to their destination. At Zimplow, we offer premium quality agricultural, infrastructure, logistical and mining products, but most importantly, support and backup to all those we do business with, providing a One Stop Shop. The Group is now firmly rooted in the key sectors of the economy serving agriculture, mining, infrastructural and logistical development. Zimplow Holdings is continually developing ways which will best exploit potential synergies and enhance value for all stakeholders.

Zimplow is committed to honour its vision to offer our customers with premium quality machinery, equipment and service solutions. We are action oriented and offer innovative technological solutions to our customers, providing convenience and value and assurance that their investment in our products will provide them with the tools for their future success.

We are here for our customers today, tomorrow and the future. Zimplow is serious about quality products and service.

OUR JOURNEY

1939

FOUNDED
The Company is founded.

1951

STOCK EXCHANGE
The Company is listed on the Stock Exchange.

2006

CT BOLTS
The Company enters the fasteners market through the acquisition of CT BOLTS.

2008

TASSBURG
The Company acquires TASSBURG to consolidate its position in the fasteners market.

2011

AFRITRAC
Acquisition of African Traction and Associated Technologies. (AFRITRAC).

2013

RESTRUCTURING
Group Restructuring
Disposal of Puzey and Payne.
Disposal of Tassburg.
Delisting of Tractive Power Holdings.
New corporate identity.

2015

STAFF RATIONALISATION
Rationalization & restructuring strategy for all business units.

$5million Rights issue. Exit from CASE franchise.

2021

ACQUISITION
Scanlink, Trentyre and Birmingham Properties.

2022

TPS
Resuscitation of Tractive Power Holdings now trading as Tractive Power Solutions.

OUR CORPORATE STRUCTURE

AGRICULTURAL CLUSTER

FARMEC 100% | VALMEC 100% | MEALIE BRAND 100%

Mechanised equipment
- Tractors
- Combine Harvesters
- Implements
- Parts

Farming equipment
- Ploughs
- Implements
- Small scale

MINING AND INFRASTRUCTURE CLUSTER

BARZEM 51% | TPS 100% | POWERMEC 100% | C.T. BOLTS 100%

Heavy Mobile Earthmoving Equipment
- Mining
- Parts
- Consignment stock
- Special projects
- Construction

Industrial and Domestic
- Generators
- Engines
- Solar
- Parts

Fasteners
- Nuts and Bolts
- Specialized Fasteners

LOGISTICS AND AUTOMOTIVE CLUSTER

Trentyre Zimbabwe 100% | SCANLINK 100%

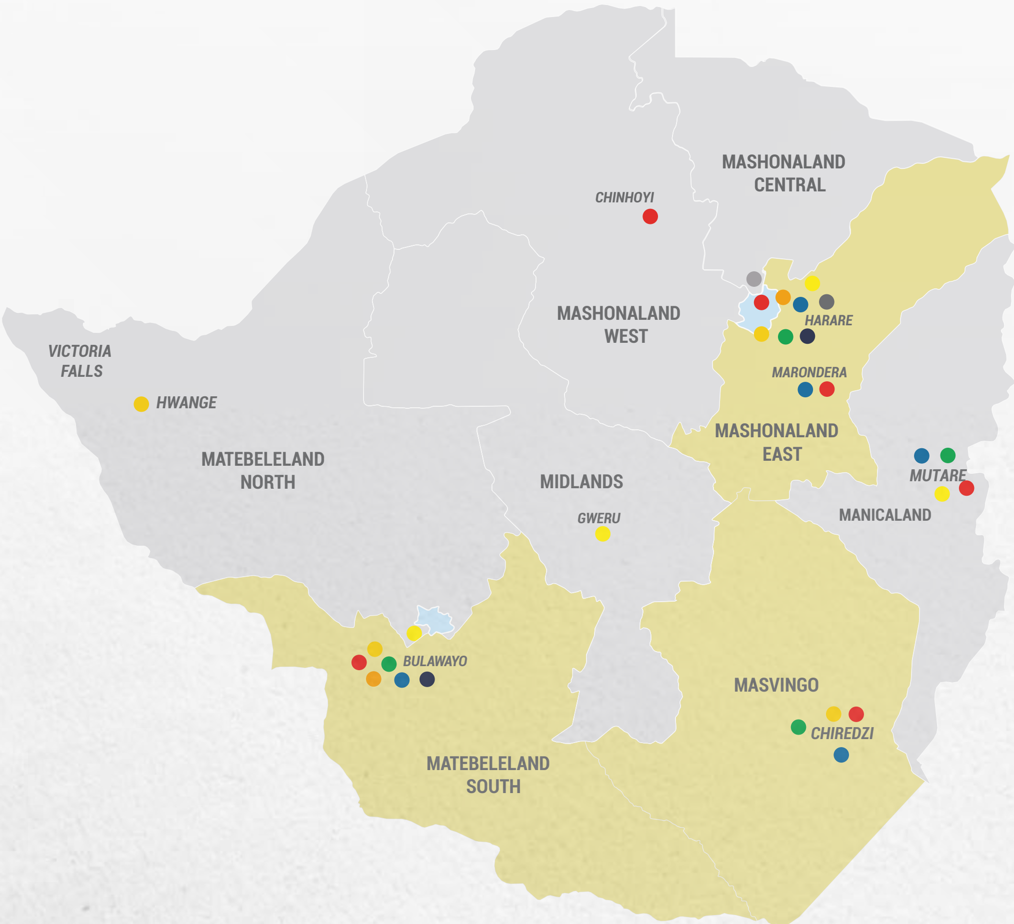
Tyres
- TBR
- PCR
- RETREADS
- OTR

Industrial & Commercial Vehicles
- Trucks
- Buses & coaches
- Parts
- Generators
- Engines

WHERE WE OPERATE

A DIVERSIFIED PORTFOLIO

The Group has the widest SBUs coverage in Zimbabwe. We have branches spread across all the regions in the country.



- FARMEC
- MEALIE BRAND
- C.T. BOLTS
- POWERMEC
- BARZEM TPS
- VALMEC
- SCANLINK
- TrenTyre ZIMBABWE
- MANICA ROAD Investments

OUR BRANDS

ZIMPLOW
ENGINEERING PERFORMANCE

FARMEC
VALMEC
MEALIE BRAND

TPS
POWERMEC
C.T. BOLTS

SCANLINK
TrenTyre ZIMBABWE

BARZEM
Birmingham Investments (Private) Limited
MANICA ROAD Investments

MASSEY FERGUSON
MEALIE BRAND
MONOSEM
BALDAN
Kverneland
agromaster
FALCON
VALTRA

DEVELON
FAW
WEICHAI
Perkins
victron energy
Agate
CanadianSolar
JinKO Solar

SCANIA
GOODYEAR

OUR BUSINESS UNITS

OUR BUSINESS UNITS

Agricultural Equipment Segment

A 100% owned Division of Zimplow Holdings Limited, Farmec is the flagship for mechanised agriculture equipment in the Group, holding franchise agreements for Massey Ferguson and Valtra tractors, combine harvesters as well as distributorships for Monosem, Vicon and Falcon implement ranges. The business is a one stop shop for the small to the most advanced farmer.

Farmec has branches in the main agricultural regions of the country and provides support to our valued customers and agriculture sector at large as follows:

Harare
36 Birmingham Road, Southerton.
Tel: +263 024 2754612/9, 08677 007184.
Email: farmec@farmec.co.zw.
Website: www.farmec.co.zw.

Chiredzi
54 Chironga Road
Tel: + 263 772 720 759, 08677 007184.
Email: dulanip@farmec.co.zw.

Mutare
12 Aerodrome Road
Tel: +263 712 978 789, 08677 007184.
Email: horsefieldm@farmec.co.zw.

Marondera
19 Smithfield way
Tel: +263 772 609 357, 08677 007184.
Email: mutambue@farmec.co.zw.

Bulawayo
Corner Falcon and Wanderer Street.
Tel: + 263 772 720 759, 08677 007184.
Email: dulanip@farmec.co.zw.

Valmec is a division of Zimplow Holdings and we are the proud distributor of Valtra branded tractors in Zimbabwe. The division also has a desirable mix of second-tier agricultural implements from Turkey that include 'Farmer' branded equipment from Farmer Ziraat with their affordable Land preparation equipment that include disc harrows, rippers, chisel plough, and rollers. The division also provides Mosh Agriculture products with their economic field sprayers, fertilizer spreaders and seed drills and Kayhan Ertugrul with quality hay equipment that include hay balers, disc mowers, forage harvesters and silage cutters. The company also provides affordable aftermarket tractor spares parts for top tractor brands and Makes through its Sparex franchise.

Harare
36 Birmingham Road, Southerton.
Tel: +263 024 2754612/9, 08677 007184.
Email: farmec@farmec.co.zw.
Website: www.farmec.co.zw.

OUR BUSINESS UNITS (CONT'D)

Agricultural Equipment Segment (Cont'd)

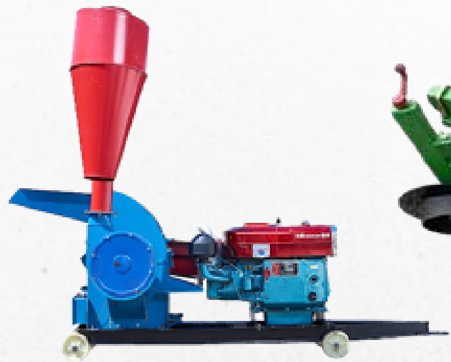
A 100% owned Division of Zimplow Holdings Limited, Mealie Brand is the largest manufacturer and distributor of animal drawn ploughs, harrows, rippers and planters in Zimbabwe. It offers a wide range of land preparation, cultivation and planting implements in Sub-Saharan Africa. Through its ISO 9001: 2015 Certification, the quality of Mealie Brand products is guaranteed to meet the requirements of even the most discerning export customer. Mealie Brand is focused on empowering Africa's subsistence farmers. Mealie Brand works closely with conservation and extension departments in Zimbabwe to ensure value is delivered to the grassroots level farmers in Zimbabwe and in the region.

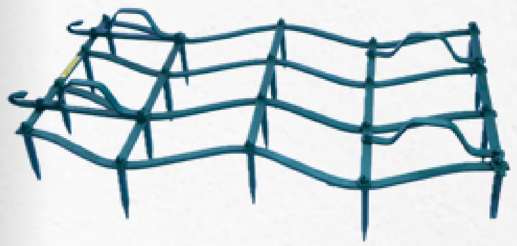
Mealie Brand has earned its slogan *'from generation to generation'* by manufacturing the most rugged durable Sammy scale agriculture equipment in Southern Central Africa. With a wide distribution network, their products can be found at the best-known wholesalers down to some of the most remote hardware stores.

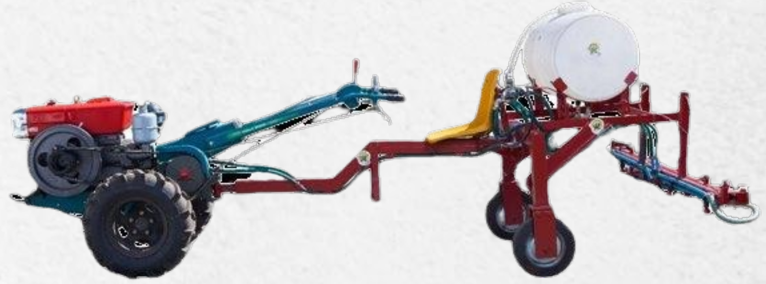
For more information, contact or visit us at:

Bulawayo
39 Steelworks Road, Heavy industrial sites.
Tel: +263 029 2880667/71363-4, 08677 007184.
Email: sales@zimplow.co.zw.
Website: www.mealiebrand.co.zw.

Harare
36 Birmingham Road, Southerton.
Tel: +263 024 2754612-9, 08677 007184.
Email: sales@zimplow.co.zw.







OUR BUSINESS UNITS

Mining and Infrastructure Segment

TRACTIVE POWER SOLUTIONS

Tractive Power Holdings T/A Tractive Power Solutions (TPS) is a wholly owned subsidiary of Zimplow Holdings Ltd.

TPS is the holder of two major Original Equipment Manufacturer Distributorships (OEM's), namely Develon, formerly Doosan- mining and construction equipment and FAW haulage and specialized Trucks. As such TPS distributes and maintains Develon and FAW equipment in the Zimbabwean market. The company also provides OEM and aftermarket spares, ground engaging tools, filtration and lubricants.

As an integral part of the Zimplow Mining Cluster which includes Powermec (Perkins generators and solar systems) and CT Bolts (Fasteners and custom engineering solutions) TPS also provides on-site maintenance, service and repair of mining equipment thereby allowing mining and construction companies to focus on their core businesses.

TPS is committed to providing quality back up services and exceptional performance across the range of Brands it represents. Our dedicated Team of product support and service technicians are standing by to deliver the performance you deserve.

For more information, contact or visit us at:

Harare
10 Harrow Road, Msasa, Harare, Zimbabwe
Tel: +263 024 2754612-9

OUR BUSINESS UNITS (CONT'D)

Mining And Infrastructure Segment (Cont'd)

Powermec, is a 100% owned Division of Zimplow Holdings Limited. Powermec is the authorised supplier of Perkins engines, spare parts and related services in the country. Powermec also offers solar packages from domestic up to industrial solutions such as installations, solar panels, inverters and batteries.

Powermec is the authorised distributor of Perkins engines, Perkins powered generators and genuine aftermarket spares and services.

For more information, contact or visit us at:

Harare
36 Birmingham Road, Southerton.
Tel: +263 024 2754612/9, 08677 007184.
Email: farmec@farmec.co.zw.
Website: www.zimplow.co.zw.

A 100% owned Division of Zimplow Holdings Limited. It was established in 1954 and incorporated into Zimplow in 2006, CT Bolts is a distributor of mild steel and high tensile bolts, nuts, nails threaded rod, wire nails and a wide range of fasteners including specialised mining, construction, agriculture and infrastructure fasteners. It is a key barometer of the economy as its products are required in the most basic to the most advanced sectors of the economy.

For more information, contact or visit us at:

Bulawayo
Corner Falcon Street and Wanderer Avenue, Belmont.
Tel: +263 9 471591-4/467746, 08677 007184
Email: sales@ctbolts.co.zw or buyer@ctbolts.co.zw.

Harare
36 Birmingham Road, Southerton
Tel: +263 4 755261-2 / 755258-9, 08677 007184.
Email: sales@ctbolts.co.zw or
buyer@ctbolts.co.zw.
Website: www.ctbolts.co.zw.

OUR BUSINESS UNITS

Logistic and Automotive Segment

SCANLINK

A 100% owned subsidiary of Zimplow Holdings Limited, established in 2004 and incorporated into Zimplow in 2021. Scanlink (Pvt.) Ltd is the sole distributor of Scania products in Zimbabwe. The Company offers vehicle sales and after sales support for Scania vehicles in the country. Scania also offers a wide range of generators from 250kva to 1.6mva.

For more information, contact or visit us at:

Bulawayo
15 Plumtree Road, Belmont, Bulawayo, Zimbabwe.
Tel: +263 766 655656 / +263 767 676956.
Email: info@scanlink.co.zw.

Harare
3001 Dagenham Road, Willowvale, Harare, Zimbabwe.

TrenTyre ZIMBABWE

A 100% owned subsidiary of Zimplow Holdings Limited, established in 1996 and incorporated into Zimplow in 2021. Tredcor Zimbabwe (Private) Limited trading as Trentyre Zimbabwe is the distributor for the Goodyear brand of tyres in Zimbabwe. The Company provides re-treading solutions, fleet tyre management, tyre fitting services and distribution of various brands of new vehicle tyres. Trentyre Zimbabwe was established as a partnership between the multi-national tyre distribution and re-treading subsidiary of the world-renowned tyre manufacture, Goodyear Tire and Rubber Company and a local Company Clan Services (Private) Limited.

For more information, contact or visit us at:

Bulawayo
Factory: 15 Plumtree Road, Belmont, Bulawayo.

Gweru
1848 Coventry Road, L.I.S, Gweru.

Harare
- Head Office and Accounts.
  30001 Dagenham Road, Willowvale,
- 153 Robert Mugabe Road
- Willowvale Branch and Retread Factory:
  177 Erith Road, Willowvale.

Mutare
2 Simon Mazorodze Road, Mutare.
Tel: (024) 660536/8 | +263 776 740 731
Email: wvsales@trentyre.co.zw

OUR BUSINESS UNITS (CONT'D)

Property Holding Companies

MANICA ROAD Investments

Manica Road Investments is a 100% owned subsidiary of Zimplow Holdings Limited. The Company is a property holding investment Company which owns the property that is used by Zimplow as office accommodation, showrooms and workshops.

Birmingham Investments (Private) Limited

A 100% owned subsidiary of Zimplow Holdings Limited, incorporated into the Group in 2021. Birmingham Investments (Private) Limited is the owner of an immovable property known as 63/65 Birmingham Road, Southerton, Harare.

For more information, contact or visit us at:

Harare
36 Birmingham Road, Southerton.
Tel: +263 024 2754612/9.

BARZEM

The aquisition of Barloworld Equipment UK's 49% shareholding in Barzem Enterprises (Private) Limited by Zimplow was successfully completed. Barzem became a wholly owned subsidiary with effect from March 2024. This business unit is earmarked to become a property holding company following the conclusion of the abovementioned transaction.

Tractive Power Solutions will utilize the entirety of Barzem's infrastructure in its operations.

STRATEGIC REVIEW

DEAR STAKEHOLDERS

Trading Environment
The trading environment was characterised by acute liquidity challenges, constraints in the availability of foreign currency, power supply challenges, and continued depreciation of the country's local currency. The period under review saw the implementation of a plethora of measures by the Government and the Reserve Bank of Zimbabwe to tame the above mentioned challenges. The Government introduced the use of a blended inflation rate in September 2023, owing to the increased use of the United States dollar currency for purposes of transacting. Resultantly, inflation stood at 26.6% at the close of 2023.

Migration to the Victoria Falls Stock Exchange
On 14 July 2023, the Group migrated from the Zimbabwe Stock Exchange (ZSE) to the Victoria Falls Stock Exchange (VFEX) and adopted the use of the United States Dollar (USD) as the Group's functional and reporting currency. We anticipate that the listing on the VFEX will unlock value for our stakeholders as well as provide opportunities for our investors. We expect the presentation of the financial statements in USD to simplify reporting and be more understandable to stakeholders.

The Group exercised careful judgement in the conversion of the comparative financial statements that were originally denominated in ZWL. This process entailed the identification and differentiation between USD and ZWL transactions and balances. Previous years' transactions and balances in USD were retained in foreign currency, with only the ZWL transactions and balances being converted into USD at the transaction-based rate.

The Directors were of the view that applying IAS 21 would have led to significant distortions in the financial statements. The applicable accounting standard directs that entities operating in hyperinflationary economies should translate their last reported inflation-adjusted financial statements using the closing rate of exchange as at the reporting date, in order to derive and present comparative financial statements under a new functional currency. Adherence to IAS 21 would have resulted in a different value for a transaction or balance that originated in USD.

The Group strongly believes that its chosen methodology provides a fair and accurate depiction of the financial performance of the business. These deviations from IAS 21 have led to the independent auditors issuing an adverse opinion on the financial statements.

Financial Performance Review
The Group recorded a 29% reduction in revenue from prior year. This decline is mainly attributable to the challenging operating environment. Operating profit decreased by 68%. In the period under review the Group continued to lay emphasis on cost containment measures as evidenced by a 19% variance in operating expenses when compared to the prior year.

"The Group continues to enhance its reporting framework pertaining to Environmental, Social And Governance (ESG) matters as guided by regulatory authority and international best practice.

Strategy & Outlook
Despite the challenging economic environment as well as the depressed financial performance, the Group followed through on the following initiatives which anchored its current year's strategy:

Launch of the Valmec Division which entailed separation of 2 leading tractor brands under Zimplow, the Massey Ferguson and the Valtra brands, to operate as two separate product offerings. Valmec was strategically established with the primary objective of propelling the growth trajectory of the Valtra brand as well as to offer alternative farm equipment and cost-effective aftersales solutions to the Group's customers.

Successful establishment of the Trentyre Harare Branch, thereby decentralising processes and enhancing motoring customers' experience through greater convenience.

Introduction of small scale farmer implements through Mealie Brand thereby expanding the product range.

The benefits and rewards of the above-mentioned initiatives will be realised in 2024 as the Group forges ahead with its strategy to stabilise the Logistics and Automotive

Cluster, build resilience in the Agriculture Cluster and transform the Mining and Infrastructure Cluster. Management has implemented the initiative to position the Group as a one stop shop:

- The Group subsequently concluded the acquisition of the 49% shareholding previously held by Barloworld Equipment UK Limited in Barzem in March 2024, thus resulting in Barzem becoming a wholly owned subsidiary. Another success story was the securing of a mining and infrastructural equipment distributorship agreement with Develon. It is against the background, that the Mining & Infrastructure Cluster is poised for notable growth and consolidation of a strong footprint in the mining sector.
- Capital expenditure initiatives at the Mealie Brand factory as well as the revival of the CT Bolts manufacturing capabilities will provide resilience and sustainability within the two Business Units.
- Review of the organisational structure will ensure that it is fit for purpose and an effective enabler of the delivery of sound Group financial performance.

Sustainability
The Group continues to enhance its reporting framework pertaining to environmental, social and governance (ESG) matters as guided by regulatory authority and international best practice. This Annual Report incorporates minimum reporting standards as outlined in Practice Note 2 that was issued by the Victoria Falls Stock Exchange. The said reporting standards pertain to the areas of governance, human capital management, water, paper and energy consumptions levels, the Group's chosen Sustainable Development Goals (SDGs) and corporate social responsibility initiatives embarked on in 2023.

Dividend
The Board will not declare a dividend in an endeavour to utilise all available cash resources to consolidate the business across all of its three Clusters.

Directorate
Mr Matthew Davis resigned from the Board on 6 April 2023. The Board and Management wish to express their heartfelt gratitude to Mr. Davis for his services.

The Board would also like to advise that Mrs. Angeline Vere was appointed as an independent non-executive director of Zimplow Holdings Limited with effect from 1 June 2023. Mrs. Vere is a registered legal practitioner with a wealth of experience in corporate governance, compliance, legal risk management and general business management. She is currently the Chief Executive Officer of Telecel Zimbabwe (Private) Limited. The Board of Directors, Management, and Staff warmly welcome Mrs. Vere to the team and wish her success in this new role.

Acknowledgements
I would like to extend my appreciation to my fellow Directors, Management and all Group staff members for their hard work and commitment whilst operating in a challenging trading environment. I would like to also thank our valued stakeholders for their continued support for the Zimplow brand.

G. T. Manhambara
Chairman

30 April 2024

DELIVERING NOW AND FOR THE FUTURE

GROUP PERFORMANCE OVERVIEW

Pursuant to migration from the Zimbabwe Stock Exchange (ZSE) to the Victoria Falls Stock Exchange (VFEX), the Group changed its functional and presentation currency from ZWL to USD with effect from 1 July 2023. The Group's financial statements for the year ended 31 December 2023 are hereby presented in USD.

The Group recorded a revenue of USD32 million being 29% below prior year. Barzem did not trade during the year under review due to the termination of the CAT distributorship agreement in September 2022. The late onset of summer rainfall in the 2023/4 cropping season dampened demand in the Agricultural Cluster with the impact of the economic headwinds resulting in a contraction in customer spending across the Group. The resultant Profit before Tax was $0.68 million being 74% below prior year.

AGRICULTURE CLUSTER

Mealie Brand
The launch of the two-wheel tractor and related implements during the period under review resulted in local sales revenue being at par with prior year. Implements sold in the local market were 23% ahead of prior year whilst exports were subdued by 24%. The Business Unit's (BU) revenue was 9% below prior year owing to lower export sales volumes due to the proliferation of a cheap, substandard product from Asia within the region.

The BU has been following through on refining and reviewing the supply chain as well as production efficiencies to reduce the cost of production of the plough. In addition, the Business Unit has progressed well with the capacitation project with the new equipment expected to be commissioned in Q4 of FY2024. The capacitation project is expected to result in improved factory efficiencies and increased capabilities as the BU seeks to increase its product offering for both agricultural implements and mining consumables. This initiative is expected to anchor the business's sustainability and profitability in the near future.

Farmec
The tight liquidity crunch and the late rains in the 2023/24 cropping season significantly impacted the Business Unit's performance with tractor units and service hours sold being 37% below prior year. Pressure on margins for the BU due to import cost push as well as pricing reviews had a negative impact on profitability. Farmec is at an advanced stage of introducing a comprehensive financing solution with a local financial institution for the benefit of its existing and prospective customers. Furthermore, the BU is following through demand management through refining its supply chain.

Valmec
The Business Unit was officially launched on 29 September 2023. Management is confident that the Business Unit will be able to reach the alternate target market which was previously unattended to by existing BU's through brand visibility and awareness initiatives. The drive on Tier 2 implements and aftermarket parts sales growth is expected to further strengthen the BU's portfolio.

MINING AND INFRASTRUCTURE CLUSTER

Powermec
Generator unit sales in the period under review were 6% ahead of prior year underpinned by the erratic power supply experienced in Q1 and Q3 of 2023. However, service hours and parts revenue were subdued by 20% in comparison to the same period in the prior year due to reduced call-out during the period where power was stable.
To ensure business growth and sustainability, the Business Unit is following through on an aggressive aftersales promotion. Powermec is set to capitalize on the effects of the El Nino induced drought which is expected to witness severe power cuts, through stock availability in Q2 and Q3 and buttressed through a healthy order pipeline.

CT Bolts
CT Bolts' revenue was level with prior year whilst tonnage volume sales were depressed by 6% mainly due to the sales mix. Pressure on margins and operating costs weighed down the operating profit by 83% compared to prior year. The Division is implementing various business development and growth initiatives targeted at the mining sector through collaboration with Mealie Brand's capabilities through its capacitation project. The Division has also invested in the local production of nails and other related products to support the infrastructure and construction sector.

TPS/Barzem
The recently established BU, Tractive Power Solutions (TPS), made a loss of $353,360. TPS has created a footprint in the supply of filtration, lubricants and mining Ground Engaging Tools (GET) as well as secured Service Level Agreements (SLA's) with key operators. Management is encouraged by the growth in the order pipeline and demand management in which the BU is expected to return to profitability in FY2024.

Management successfully signed distributorship agreements in late 2023 to replace CAT with Develon. Hyundai bought out Doosan creating HDI from which the Develon Brand was established. HDI is a global mining and construction equipment OEM which has been in existence since 1970. Develon is expected to be officiallly launched in Q3 of 2024.

TPS further secured FAW distributorship to pivot the Group's strength in the mining and logistics sector.

Management successfully concluded the acquisition of 49% shareholding in Barzem effective March 2024. Barzem is set to be renamed into a refreshing brand which will give it more access to the mining and infrastructure sector. Management is following through on full utilization of the infrastructure acquired.

LOGISTICS & AUTOMOTIVE CLUSTER

Trentyre
The Business Unit digressed from profitability in the prior year to a loss of $387,002 due to the withdrawal of OEM related commissions in 2022 as well as 18% drop in volume sales. Management are seized with a robust business turnaround anchored on cost containment initiatives, reclaiming market share through investment in stock supply, business development, introduction and strengthening tier 2 tyre and rubber brands as well as embarking on a branch re-organization exercise.

Scanlink
Scanlink reported a profit of $775,670 thereby anchoring Group profitability on the back of improved supply chain (post Covid-19 disruptions) of trucks and buses and a firm order book. The BU reported a 20% growth in a combined truck and bus volumes growth. Service hours sold grew by 19% compared to prior year.

The growth in the Logistics Cluster is expected to be pivoted through the FAW dealership with access to a wider distribution truck range.

OUTLOOK AND STRATEGIC FOCUS

The Group is expected to face headwinds in FY2024 as a result of the El Nino induced drought and the corresponding downstream effects thereof, the harsh economic operating environment which is expected to persist into 2025 and the impact of the soft mineral prices resulting in mines retreating or delaying expansion and capital expenditure spend. However, the Group is insulating itself from the effects of these macro economic factors through executing its factory capacitation, the launch of the newly acquired OEM's, business turnaround of the loss making entities as well as embarking on Group-wide cost containment measures.

W. Swan
Acting Group Chief Executive Officer

30 April 2024

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

GODFREY T. MANHAMBARA
Chairman

VIMBAYI NYAKUDYA*
Group Chief Executive Officer

BENJAMIN N. KUMALO
Deputy Board Chairman*

GRANT C. PIO
Non-Executive Director

LANCE KENNEDY
Non-Executive Director

DR KALPESH PATEL
Non-Executive Director

ANGELINE VERE
Non-Executive Director

BENJAMIN BURR*
Non-Executive Director

MATTHEW DAVIS*
Non-Executive Director

BOARD OF DIRECTORS (CONT'D)

GODFREY T. MANHAMBARA HR
Chairman

Godfrey holds a Bachelor of Science in Economics (Hons) degree from the University of London and an MBA from the University of Zimbabwe. He is a member of the Chartered Institute of Transport & Logistics (UK), the Institute of Directors (UK) and the Zimbabwe Institute of Management. He began his career in 1982 as a Graduate Trainee with British Rail (United Kingdom), before joining Afretair as Marketing Executive, a position he held until 1986 when he was promoted to Commercial Director and subsequently to Chief Executive Officer in 1991. In 1999, Godfrey joined the Civil Aviation Authority as its Chief Executive Officer. He joined Reacon Services in 2001 as Managing Director and in July 2003, Godfrey joined the BETA Group as Group Chief Operating Officer, before assuming the position of Group Chief Executive Officer in November 2004. Godfrey is currently the Group CEO of Beta International, the parent company of Beta Holdings (Zimbabwe) and United Beta (Zambia). He sits on the boards of Beta International (Mauritius) and James North Zimbabwe. He is also the non-executive Chairman of Zimnat Asset Management, Premier African Minerals (UK) and Zimplow Holdings Limited.

BENJAMIN N. KUMALO RA I
Deputy Board Chairman*

Ben is retired and is a former General Manager and Executive Director of the Industrial Development Corporation of Zimbabwe Limited (IDC). He is also former chairman of Chemplex Corporation Limited, Willowvale Motor Industries, FBC Building Society and ZimRe Holdings Limited. Ben has extensive experience in the manufacturing, tourism and automotive industries. He is a holder of a Bachelor of Accountancy (Hons) degree and is a Chartered Accountant.

**The appointment is with effect from 14 December 2023.*

LANCE KENNEDY RA I
Non-Executive Director

Lance is a holder of a Master of Science Degree in Business Management in the Agriculture and Food Industries from the Royal Agricultural University in the United Kingdom. He has a wealth of experience in the agribusiness and farming sector, including hands-on experience in managing farming operations. His career in the agricultural sector spans over 25 years.

BENJAMIN BURR*
Non-Executive Director

Mr Burr is a property professional with more than fourteen (14) years of experience in the property sector locally and within the region. In the course of his career, he has held the position of Managing Director of CBRE Excellerate Zimbabwe for five years and currently consults for a number of listed and private limited companies as it pertains to the management and development of immovable properties, disposals and acquisitions. He also provides development management consultancy services for several significant projects under construction and in the pipeline. Mr Burr currently sits on the boards of Unifreight Limited and Umfurudzi Park. He is a holder of a Bachelor of Commerce Degree from Rhodes University majoring in Business Management and Economics.

**Mr Burr was appointed to the Board with effect from 25 March 2024.*

VIMBAYI NYAKUDYA*
Group Chief Executive Officer

Vimbayi is a Chartered Accountant and a holder of a Master of Business Leadership. He trained at KPMG. Prior to his appointment as the Group Chief Executive Officer, he was the Group Chief Finance Officer.

**Vimbayi resigned from the Board with effect from 1 April 2024.*

GRANT C. PIO I
Non-Executive Director

Grant is an industrialist with over twenty (20) years' experience in agriculture, business management, engineering, project management and project development.

Grant is currently the Managing Director of Warapp Engineering, Zimbabwe.

DR KALPESH PATEL HR I
Non-Executive Director

Kalpesh is a seasoned executive in the Steel & Mining industry and is currently the Chief Executive Officer & Vice Chairman of Steelmakers Group and is in charge of its Sub- Saharan operations. He possesses a BSc in Economics and a BA in Political Science including a MSc in Economics from the London School of Economics. He sits on boards of various institutions including but not limited to companies carrying on business in the banking, insurance and healthcare sectors.

MATTHEW DAVIS*
Non-Executive Director

Matthew is currently the Chief Executive Officer for a Group of Mining and Construction companies that operate in the Southern African Region, that is, Tayanna Mozambique (SA) and R. Davis & Company . He has thirteen (13) years' experience in the aforesaid industries. His areas of expertise include but are not limited to tendering, contract negotiation, resource and asset planning, production strategy, budget implementation and control, human resources and recruitment, marketing, governance, legal as well as health and safety matters.

**Matthew resigned from the Board with effect from 6 April 2023.*

ANGELINE VERE HR I RA
Non-Executive Director

Mrs Vere is a registered legal practitioner with a wealth of working experience in the areas of corporate governance, compliance, legal risk management and business management, attained over twenty (20) years working for the Ministry of Justice, insurance and the telecommunications industry. She is currently the Chief Executive Officer of Telecel Zimbabwe (Private) Limited, a Zimbabwean based mobile telecommunications network operator.

She has held this position since 2015 following her promotion from the position of Company Secretary and Legal Director of the organisation.
She is a holder of a Masters in Corporate Law (LLM) attained from the University of South Africa (UNISA), a Bachelor of Laws (Honours) Degree (LLB) attained from the University of Zimbabwe (UZ), a Diploma in Finance and Accounting and an Executive Diploma in Business Administration.

Committee membership key:

— Chair appointment
HR Human Resources and Nominations Committee
RA Risk and Audit Committee
I Investments Committee

VIMBAYI NYAKUDYA*
Group Chief Executive Officer

WILLEM SWAN**
Acting Group Chief Executive Officer and Group Chief Operating Officer

CHARLES L. CHAIBVA
Group Chief Finance Officer

SHARON MANANGAZIRA
Group Corporate Services Executive

GLADYS MACHAWIRA
Group Risk Audit and Compliance Executive

HATSON CHIMUTASHA
Executive Head | Logistics and Automotive Cluster

RANDY POTE
Executive Head | Agriculture Cluster

Vimbayi Nyakudya resigned from the Board with effect from 1 April 2024.
*** Willem Swan was appointed the Group Operating Officer on 1 April 2024.*

The Executive Committee sits regularly to deliberate and review all the facets of the Group's business inter alia, strategic, operational, enterprise risk management and liquidity management issues in order to formulate the requisite strategies to ensure business growth and sustainability.

Business Unit Governance
Each individual business unit in the Group has a Business Unit Head with clearly defined responsibilities and objectives for the day to day operation of their businesses. The Group makes use of a robust financial reporting system that assists in entrenching a culture of financial accountability within each business unit on a monthly basis.

By order of the Board

S. F. Manangazira
Group COMPANY SECRETARY
30 April 2024

OUR BOARD IN ACTION

One of the key responsibilities of the Board of Directors towards the Group's shareholders, entails the provision of a clearly defined strategic direction for the Group and actively pursuing the achievement of the Group's set objectives and goals.

The Board conducts its business in the best interests of the Group and fulfils its fiduciary duty to act in good faith, with due care and diligence. The Board performs its mandate with due regard to the interests of the Group's different stakeholders, including but not limited to present and future investors, current and prospective clients, its business partners, employees and the societies in which it operates.

The entrenchment of robust reporting and accountability standards serves as a key monitoring tool by the Board of the Group's Management team. The Board is governed by a charter that sets out the framework of its accountability, responsibility and duty to the Group. The Group subscribes to the provisions of the National Code of Corporate Governance Zimbabwe which details the corporate governance standards that business entities operating in Zimbabwe are required to abide by. The Group is governed by legal and regulatory instruments, of which the following are the most significant;

(i) The Securities and Exchange (Victoria Falls Stock Exchange Listings Requirements) Rules, 2020;
(ii) The Companies and Other Business Entities Act [Chapter 24:31];
(iii) Income Tax Act [Chapter 23: 02];
(iv) The Labour Act [Chapter 28:01] as amended by the Labour Amendment Act No.11 of 2023.

Compliance Statement
The Group is governed by a plethora of legal and regulatory instruments, of which the following are the most significant;

(i) The Securities and Exchange (Victoria Falls Stock Exchange Listings Requirements) Rules, 2020;
(ii) The Companies and Other Business Entities Act [Chapter24:31];
(iii) Income Tax Act [Chapter 23: 02];
(iv) The Labour Act [Chapter 28:01] as amended by the Labour Amendment Act No.11 of 2023

During the period under review, the Group did not incur any fines and/penalties for non-compliance with applicable laws and regulations. Through its robust Legal and Regulatory Risk Management Framework, the Group has a zero tolerance to non-compliance with applicable legal and regulatory provisions. The Directors are not aware of any material cases of non-compliance with regulations governing the operations of all companies within the Group.

The Directors are not aware of any material litigation matters that the Group was involved in during the year 2023.

Board Composition and Personal Profiles
The Group's Board of Directors consists of a non-executive chairperson, two non-independent non-executives, one executive director and four independent non-executive directors. The Board consists of one female and six (6) male members. The chairpersons of the various committees are all non-executive directors. The personal profiles of each of the Group's directors are disclosed on page 29.

Evaluation of the Board, its Committees and individual directors
The Board has a framework for the evaluation of its work together with that of its Committees and the effectiveness thereof. In addition, the evaluation process entails a peer review of the performance of directors. Going forward, the board evaluation process will be on an annual basis with the matters raised being availed to the Human Resources and Nominations Committee for review and formulation of resolutions in order to strengthen the Board's oversight role.

Conflict of Interest
Members of the Board are required to sign a Conflict of Interest Declaration Form on a quarterly basis. These declaration forms are circulated as part of the board pack at each meeting. New developments which may have an impact on the independence of a director are outlined in these forms and submitted at each meeting or in instances when the board is not sitting submission thereof is done to the Group Company Secretary. The Board undertakes the requisite/appropriate action upon the disclosure of instances of conflict of interest.

Board Meetings
The Board holds a minimum of four scheduled meetings in a calender year. In order to ensure the effective discharge of its duties and responsibilities, the Board established three (3) committees namely: (i) Audit, Risk and Compliance Committee, (ii) Finance and Investments Committee, and (iii) the Human Resources and Nominations Committee. Their terms of reference and composition are reviewed annually.

Board Committees
The following is an outline of the Board's Committees;

Audit, Risk and Compliance Committee
The Group has an Audit, Risk and Compliance Committee that provides independent advice to the Executive Management on the appropriateness of the Group's financial and performance reporting, system of risk oversight and management, and system of internal control, as well as ensuring compliance with statutory and regulatory requirements. The Committee is chaired by a non-executive director and comprises of 2 (two) other non-executive directors.

The Committee meets at least 3 times a year with the Group's internal and external auditors in order to review compliance with financial reporting requirements, monitor the appropriateness of accounting policies and the effectiveness of systems of Internal control as well as reviewing the findings of the internal and external auditors. Both the internal and external auditors have unrestricted and/or direct access to the Audit, Risk and Compliance Committee in order to ensure their independence and the objectivity of their reports.

This Committee also oversees the implementation of Environmental, Social and Governance (ESG)/ sustainability matters of the Group. A Sustainability Policy was put in place in 2023 in order to guide the Group in it's implementation sustainability matters. In addition, Management team enforce and review of sustainability standards within the Group. The Group is guided by the minimum requirements as outlined in Practice Note 2 dated 13 November 2023 that was issued by the Victoria Falls Exchange. The Board of Directors made a deliberate decision to fulfil the requirements of the Practice Note in the 2023 Annual Report, notwithstanding the effective date wherein the minimum reporting standards are mandatory from 1 January 2024 onwards.

Human Resources and Nominations Committee

The Human Resources and Nominations Committee comprises 3 (three) non-executive directors. This Committee is required to hold meetings at least 3 times a year. The Group's remuneration policy seeks to provide packages that attract, retain and motivate high quality individuals who will contribute substantially to the growth and success of the Group. This Committee sets the remuneration of the Group's executive directors and approves guidelines for the Group's pay reviews as well as other related matters pertaining to staff members including employee benefits. The Committee superintends over the implementation performance related incentives linked to the achievement of set targets in line with the Group's performance management system. The Committee undertakes the nomination and vetting of prospective board members to ensure the Board has the appropriate range of skills in relation to the different functions and operations of the Group. Relevant considerations include education, leadership qualities, and the ability to exercise sound judgement, general business experience and familiarity with the Group's businesses. The Committee is responsible for the implementation of the aspect of diversity as it relates to professional background, experience, expertise, perspective, age, gender and ethnicity on the Group's Board of Directors.

Finance and Investments Committee

The Finance and Investments Committee consists of 3 non-executive directors. This Committee is required to hold meetings at least 3 times a year. This Committee assists the Board in reviewing the Company's policies, strategies, transactions and performance regarding its investment, disinvestment and disposals. Its scope also entails monitoring the execution and/or implementation of any Board approved investments, divestments and disposals. The Committee's mandate includes the review of recommendations regarding loans, borrowings and capital expenditure. In addition, this Committee sets, approves and monitors overall borrowing limits for the Group and for the individual companies within the Group. This Committee reviews the Group's annual budgets and business plans as well as the implementation of half-year reviews thereof. The formulation, implementation and review of capital and liquidity planning for the Group vests in this Committee. The Finance and Investments Committee provides guidelines for the Group's financing and internal capital management.

Board Attendances

In the year 2023, the Board and its Committees' attendance to meetings is below:

	Main Board				Board Audit, Risk and Compliance				Board HR & Nominations				Board Finance & Investments			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Godfrey T. Manhambara (Chairman)	√	√	√	√	N/A	N/A	N/A	N/A	√	√	√	N/A	N/A	N/A	N/A	N/A
Benjamin Kumalo (Deputy Chairman)	√	√	√	√	√	√	√	√	N/A	N/A	N/A	N/A	√	√	√	√
Vimbayi Nyakudya	√	√	√	√	√	√	√	√	√	√	√	N/A	√	√	√	√
Angeline Vere *	√	√	√	√	N/A	N/A	√	√	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Grant C. Pio	√	√	√	√	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	√	√	√	√
Kalpesh Patel	√	√	√	√	N/A	N/A	N/A	N/A	√	√	√	N/A	√	√	√	√
Lance Kennedy	√	√	√	√	√	√	√	√	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Matthew Davis **	√	N/A	N/A	N/A	√	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

KEY

√ - Attended
X - Apologies
N/A - Not applicable

Q1 – Quarter 1
Q3 - Quarter 3

Q4 – Quarter 4
Q2 - Quarter 2

* Angeline Vere joined the Board on 1 June 2023
** Matthew Davis resigned on 6 April 2023.

SUBSIDIARY BOARD COMMITTEE MEMBERSHIP

Subsidiary	Board Members
Manica Road Investments (Private) Limited	Vimbayi Nyakudya Charles Chaibva
Scanlink (Private) Limited	Vimbayi Nyakudya Charles Chaibva
Tredcor Zimbabwe (Private) Limited	Vimbayi Nyakudya Charles Chaibva
Birmingham Investments (Private) Limited	Vimbayi Nyakudya Charles Chaibva
Barzem Enterprises (Private) Limited	**Benjamin Nkosentya Kumalo** Non-Executive Chairman **Lance Kennedy** Non-Executive Director **Fritz Pistorius*** Non-Executive Director **Vimbayi Nyakudya** Group Chief Executive Officer **Mbali Tshitenge**** Non-Executive Director **Sean Walsh***** Non-Executive Director

* Resigned on 11 March 2024
** Resigned on 11 March 2024
*** Resigned on 11 March 2024

ENTERPRISE RISK GOVERNANCE AND FRAMEWORK

The Group's Audit, Risk and Compliance Committee takes responsibility for setting out appropriate ethical reviews. The key roles and responsibilities for risk management in our organisation are summarised below:

Key risk management roles and Responsibilities

Board of Directors (Board)
- Corporate governance oversight of risk management performed by the executive management.
- Review the performance of the board committees.

Executive Management Committee
- Reviews risks, views the progress and effectiveness of mitigation actions.
- Formulates and deploys risk management policies.
- Deploys practices for the identification, assessment, monitoring, mitigation and reporting of risks.

Employees
- Adhering to risk management policies and procedures. Implementation of prescribed risk mitigation actions.
- Reporting risk events and incidents in a timely manner.

Board Audit, Risk and Compliance Committee
- Assists the board in fulfilling its corporate governance oversight responsibilities with regard to identification, evaluation and mitigation of operational, strategic and external environment risks.
- Monitoring and reviewing risk management practices of the company.
- Reviewing and approving risk-related disclosures.

Human Resources and Nominations Committee
- Monitors trends in the Group industry's salary and bonus structures, policies and practices.
- Monitors the incentive programs to ensure that they promote people effectiveness, retention of critical skills as well as on-going long-term shareholder value.

Business Unit Management
- Responsible for managing their functions as per the Group risk management philosophy.
- Responsible for managing risks relating to the business decisions in their units, span of control or area of operations.
- Manage risks that may arise from time to time at the unit level.

The entity's risks have been categorized as strategic, operational, compliance and financial. The diagram below summarizes some of the main risks under each category:

Zimplow Risk Review Framework

01 STRATEGIC RISKS
- Growth
- Quality
- People
- Business Model
- Cost Leadership
- Differentiation

02 OPERATIONAL RISKS
- Core Processes
- Service Delivery
- Billing
- Customer Management
- Marketing
- Sales
- Enterprise Support
- Asset Management
- Security & Fraud Management
- HR Management
- IT Management
- Core Support Management
- Sales Channel Management
- Product Lifestyle Management
- Supply Chain Management
- Network Management

03 FINANCIAL RISKS
- Financial Reporting
- Treasury
- Liquidity & Credit
- Interest Rates & Forex
- Capital Structure
- Cash & Bank Management
- Transfer Pricing
- Depreciation
- Tax Audits
- Tax Litigation

04 LEGAL AND COMPLIANCE RISKS
- Legal & regulatory compliance
- Litigation
- Corporate Governance
- Code of conduct
- Privacy & Integrity
- Conflict of Interests
- Bribery & Corruption
- Environment Matters
- Human Rights

SUSTAINABILITY

SUSTAINABILITY

GROUP'S APPROACH TO SUSTAINABILITY

Zimplow is on a mission to provide value creation by concentrating on the needs of our stakeholders. Our goal is to fulfil our present day requirements without compromising our potential to meet future needs. Being a major player in Zimbabwe's agricultural, mining, construction, logistical and automotive industries, the Group prioritises optimising the social and environmental effect of its operations without jeopardising their economic sustainability. Our primary objective is to foster growth in the agricultural, mining, construction and logistical industries while also enhancing the lives of our neighbours.

Our sustainability plan was developed and bolstered through the process of completing a materiality assessment, in which Zimplow identified its stakeholder and business-relevant challenges. The process began with the identification of a wide range of issues pertinent to our industry and company, such as climate change, water conservation, food security, energy conservation and use of renewable energy, suppliers, waste management, employee health and safety, community relations, and environmental stewardship. We do this to, bring about sustainable change in the communities around us.

Supply chain management

Zimplow's strategy is to ensure that its supply chain and procurement is conducted in a professional and transparent manner, meeting prescribed standards, and quality. Our objective is to ensure that the Group procures raw materials in a sustainable way that minimises negative business risk. The Group places responsibility on management to ensure sustainable supply chain management across the Group.

The Group expects suppliers to cooperate with our value system, adhering to national laws, health and safety standards and ethics in the supply chain business relationships. We engage suppliers on our sustainability values through supplier briefings, supplier satisfaction surveys, workshops and meetings. In managing risk, our suppliers are introduced to global standards so as to sustain our brands and reputation.

MANAGING WHAT MATTERS AND REPORTING PRACTICES

What matters

The Group's strategy is to dedicate attention to material impacts and where they take place within the business value chain. The Group considers material issues to be those that reflect the company's economic, environmental and social impacts, and their influence on stakeholders' decisions about the business.

Materiality Process and Management

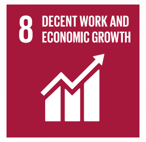
The Group's materiality process is managed through a structured process where Business units identify material topics within their operations. These matters are presented to the Management Committee for discussion and evaluation. The meetings determine and recommend appropriate actions. Where a matter requires strategic guidance, it is elevated to the Board of Directors for a decision. Senior Management have the ultimate responsibility of approving material topics to be included in the Annual Report.

Material topics

Material topics for the company are determined by evaluating their significant impact on the business and influence on stakeholders. Engaging with our stakeholders helped us to identify the following material topics and the related SDGs as material to our businesses:

ENVIRONMENTAL
- Energy consumption and preservation
- Water consumption and preservation.
- Environmental compliance.
- Climate change.

SOCIAL
- Employment policies and relations.
- Employee health and safety.
- Social responsibility.



ECONOMIC
- Profitability.
- Foreign currency availability and management.
- Supply chain relationships.
- Indirect economic impacts.

SUSTAINABILITY (CONT'D)

STAKEHOLDER ENGAGEMENT

The building of stakeholder trust and confidence underpins the profitability, sustainability, and corporate social responsibility initiatives of the business. Having adopted a transformational business philosophy, we seek opportunities create sustainable value for all our stakeholders while contributing to lasting impacts as a responsible corporate citizen.

While we focus on increasing value to our shareholders, we identify with other stakeholder Groups that are crucial to the success of our business. These include customers, suppliers, media, employees, the public sector, communities and the natural environment, as well as the media. Zimplow's Board and Management give due regard to the interests of these stakeholders when making decisions of the Group..

The management of our relationships with key stakeholders' is a proactive, open and mutually beneficial manner is at the core of our business model. Insights obtained in engagements with stakeholders assist the Group in identifying and managing emerging business opportunities risk which contribute to our value propositions, strategic decisions, actions, performance, and communications.

While responsibility for stakeholder engagement and management is decentralised to operations, appropriate stakeholder engagement policies, practices and reporting procedures are formulated at Executive Management Level. This helps establish clear lines of accountability and ensure compliance with the relevant laws, Group standards and codes of conduct governing relationships with our stakeholders. The Group Executive has ultimate responsibility for stakeholder management and report to the Board on any potential gaps that may exist.

Our stakeholder engagement showed the need to facilitate customer sharing across Zimplow's diverse operating divisions. This involves offering customers a single point of contact within the Group in order to identify customer needs which can be met by other subsidiaries. This could be either as related or emerging new business opportunities, or opportunities capable of being consolidated into existing customer solutions in an integrated manner, thus providing a One Stop Shop solution.

Stakeholder	Mode of Engagement	Material Issues Raised	Responses/Action Taken
Customer Communities	▪ Customer surveys. ▪ Product road shows. ▪ Customer network events.	▪ Delivery of value and competitive pricing ▪ Product range and promotions.	▪ Understanding customer needs. ▪ Loyalty. ▪ Continuous customer engagement.
Shareholders	▪ Annual General Meetings. ▪ Investor and shareholder briefings. ▪ Trading updates.	▪ Business growth. ▪ Value creation. ▪ Business risk. ▪ Long term targets.	▪ Growth and value creation. ▪ Strategy implementation. ▪ Monitoring and long-term investments.
Finance Institutions	▪ Formal meetings. ▪ Briefings.	▪ Lending terms and interest. ▪ Investment opportunities. ▪ Financial risk.	▪ Negotiations and engagements. ▪ Improved facilities and new options.
Governance and Regulations	▪ Policy briefings. ▪ Compliance inspections. ▪ Formal meetings.	▪ Legal and regulatory compliance. ▪ Business development compliance.	▪ Achieving compliance with applicable statutory and regulatory requirements. ▪ Business regulatory and legislative compliance.
Employees	▪ Works council. ▪ Trade unions. ▪ Employee surveys.	▪ Income and benefits. ▪ Working conditions. ▪ Careers and opportunities.	▪ Review and improvements ▪ Enhance shared values
Suppliers	▪ Supplier briefings. ▪ Supplier satisfaction surveys. ▪ Workshops and meetings.	▪ Procurement opportunities ▪ Sustainable sourcing and pricing. ▪ Supply chain efficiencies.	▪ Continued engagements on options. ▪ Review terms.

SUSTAINABILITY (CONT'D)

ENVIRONMENTAL IMPACTS

Zimplow is cognisant of the impact its operations have on the environment and communities and has taken a commitment to minimise the impacts. The Group is committed to protecting the environment and preservation of natural resources. The impact of environmental damage and climate change are critical to the viability of our business. Potential consequences on the environment and natural resources can be financial, physical and intangible. This necessitates the Group to take appropriate measures to minimise impact on the environment, climate and natural resources, which are considered as capital for the business.

Our approach

Management ensures resource preservation for today and future generations, as a priority by protecting the health of the community and the environment that the Group depends on. Our strategic intent is premised on:

- Clean environment;
- Conservation agriculture;
- Environmental stewardship by our principals; and
- Efficiency in water and energy consumptions.

SUSTAINABILITY (CONT'D)

Raw Materials

Our management
Our key products are manufactured and prepared for sale from steel and oil. These require high quality standards to be met. For the reporting year, our consumption of key materials was as follows:

Materials used	Unit	2023	2022
Steel	Tons	2,204	2,085
Oils*	Litres	70,925	127,136

Percentage of materials used that are recycled input materials
The Group's approach to recycling is to ensure that all materials that can be recycled as inputs into other products are screened for negative impacts and that they meet the quality and standards for re-use. This mainly applies to Mealie Brand where scrap material is accumulated and recycled for use. For the reporting year, the percentage of materials recycled were as follows:

Materials	Unit	2023	2022
Overall material recycled	%	3	8

Environmental stewardship
Environmental stewardship is one of the criteria for supplier selection and anchor on our environmental sustainability approach. We represent leading original equipment manufacturers (OEMs) most notably Massey Ferguson, Develon Monosem, Perkins, Sparex and we are the pioneers of the green plough, Mealie Brand and Master Farmer. These principals and brands are synonymous with international best practice in green supply chains, in the way they support their value chains right through to the disposal of their products.

**Oil usage decreased due to the cessation of trade at Barzem Entreprises which traded for 9 months in 2022 and a general decrease in Group wide workshop service hours.*

Our strategy
In upholding our responsibility on the environment as a natural capital, the Group ensures that operations are in compliance with environmental laws, voluntary, and international standards. We identify waste and effluent from our factories and workshops, evaluate potential risks and take measures to control or ensure appropriate disposals are undertaken with minimum negative impacts. We observe environmental standards procedures within the Group to minimise impacts on the ecosystem, biodiversity, and climate.

Waste and Effluent

Our management
The Group ensures that disposal of waste and effluent meet environmental laws, statutory obligations and international standards. Our Safety, Health, Environmental and Quality (SHEQ) Officers evaluate the disposal methods and ensure are in line with our environmental stewardship values, statutory, and international standards. The table below analyses our waste type, disposal method and volume during the reporting year.

Waste type	Disposal method	Unit	2023	2022
Used oil	Sold for recycling	Litres	16,815	9,540
Scrap metal	Sold for recycling	Tons	62	431

The Group continues to ensure that waste is disposed appropriately and in a responsible manner. We will continue to implement measures to ensure that all waste is separated and quantified appropriately.

Energy, Water and Climate Change

Although our operations as a Group do not consume much energy, Zimplow recognises the importance of reducing consumptions of energy particularly non-renewable energy sources. Considering global warming, achieving energy efficiency is an important objective of our business.

Our strategy
The Group remains committed to principles of energy and water efficiency in the business value chain. We recognise climate change as a strong emerging business challenge which has financial implications. Our strategy is to monitor our own carbon footprint and water usage with the goal of ensuring that we play our part in minimising negative impacts from our business operations.

Energy

Our management
The Group ensures that manufacturing operations and workshops are energy efficient to achieve low energy usage. We continue to explore alternative clean energy sources including the provision of solar energy to our businesses. All our employees are encouraged to conserve energy in all areas. The table below presents energy consumption (within and outside the Group) during the reporting period:

Energy consumption – within the organisation:

Energy type	Unit	2023	2022
Electricity	MWH	323	324
Heating (Gas)	Tons	-	8
Heating (Coal)	Tons	325	609
Fuel for generators	Litres	15,601	6,586

Energy consumption – outside the organisation:

Energy type	Unit	2023	2022
Diesel	Litres	285,006	309,266
Petrol	Litres	35,252	44,561
Total		**320,258**	**353,827**

Water*

Our management
Our approach is that we minimise water leakages and wastage within our business premises. Below are the sources and quantities of water withdrawn:

Source	Unit	2023	2022
Ground water (borehole)	m^3	28,208	24,935
Municipal water supply	m^3	30,643	28,567
Total		**58,851**	**53,502**

**Increase in water consumption is due to the opening of new branches namely TPS and Valmec which were situated at 65 Birmigham road, Southerton.*

Climate Change

Our management
As a Group, we support climate protection by recognising that we have a part to play. Climate change impacts some of our businesses that support the agricultural sector.

Zimplow joined the Global Conservation Agricultural Community in introducing Conservation Agriculture (CA) in the remote parts of Zimbabwe. There is a range of equipment that Zimplow is distributing to different areas as well as the region which are complementary to the above theme.

Conservation Agriculture aims to achieve sustainable and profitable agriculture and subsequently aims at improved livelihoods of farmers through the application of the three conservation

agricultural principles namely minimal soil disturbance, permanent soil cover and crop rotations. Our Mealie Brand division has managed to introduce a no till planter, various other equipment associated with conservation agriculture and a specialised hoe used for the Pfumvudza program which supports the conservation agriculture objectives.

SOCIAL IMPACT

Zimplow recognises the value of investing in our workforce and continuously engaging with the community. We acknowledge our workforce, the strength behind our brand as Zimplow, therefore it is the Group's intention to continuously build teams within the divisions that are motivated, inspired, self-driven and action oriented in delivering value to our stakeholders.

Strategic Intent

- Employer of choice,
- Talent management,
- Leadership development,
- Health and safety,
- Social and community engagement,
- Legal, regulatory, compliance and ethics.

Employer of choice

Zimplow considers employees as a critical capital for the business. The Group offers equal opportunities to all and avoid discrimination based on race and gender, through adhering to standards set out in the code of practice and establishing a culture of fairness, transparency and reward for effort.

The Group employees may choose to join a trade union of their choice in our sector, participate in collective bargaining through their structures and belong to the National Employment Council (NEC) Engineering Iron & Steel and National Employment Council (NEC) Motor Industry.

Initiatives to establish a position of employer of choice include increased emphasis on staff training and development schemes. This is in addition to providing competitive remuneration to staff members.

Talent management

The Group recognises that the expertise of its employees is central to the achievement of its regional growth strategy. Zimplow is committed to ensuring that all employees are given the opportunity to develop to their full potential to meet their own aspirations as well as enhancing their value to the Group. To this effect, we implemented a talent management system that ensures that we attract and retain the best talent and skills available. We ensure mission-critical positions and roles are staffed with skilled persons while ensuring that there is a pipeline of talent and skills for the future.

Our approach

We strive to ensure that our businesses maintain the highest standard and skill by providing opportunities to our employees to attend relevant training courses and programmes which advance their knowledge and skills that benefit our business value chain. Our learning and development opportunities are available through internal and external training activities in an equitable manner.

Leadership development

Together with our human capital capability bundle includes leadership. Therefore, our human resources sustainability policy focus on developing and equipping our leaders at all levels with tools and skills to ensure that they cascade the Group's vision and strategy with insight and inspiration in a way that continuously transforms the Group. Every leader in our business is held accountable for ensuring that his or her team has clear direction and understanding of their role to create sustainable value for all our stakeholders.

Our Approach

Management tries by all means to ensure the work environment is conducive for all employees whether full time, contract or short term causal. Management engages with employees through the Workers Committee and Works Council structures in place. These platforms allow our employees to bring matters of concern to management. Managements approach is to ensure relations are good at all times. Where there are grievances, procedures in the policy are expected to be followed.

Statistics on our employees and human capital impact are presented below:

Employee base:

	Unit	2023	2022
Male	Count	350	331
Female	Count	47	68
Total Employees		397	399

	Unit	2023	2022
Permanent	Count	254	252
Contract	Count	143	147
Total Employees		397	399

Employee skills base

Our employees and Senior Management are members of the following professional bodies:

- Institute of Chartered Accountants Zimbabwe (ICAZ),
- Association of Chartered Certified Accountants (ACCA),
- Institute of People Management in Zimbabwe (IPMZ),
- Institute of Internal Auditors (IIA),
- Zimbabwe Institute of Engineers (ZIE),
- Zimbabwe Institute of Occupational Safety and Health (ZIOSH),
- Institute of Marketing Management (IMM),
- Chartered Institute of Management Accountants (CIMA),
- Law Society of Zimbabwe (LSZ)
- Institute of Directors of Zimbabwe (IoDZ).

Health and safety

We are committed to creating a caring, equitable workplace and the safety and well-being of all Zimplow's employees is paramount. The focus for the year under review was on continued wellness support and learning for our employees and wellness personnel. Our Wellness Programmes continue to provide employees and their dependants with many opportunities to foster a lifestyle sensitive and responsive to all the dimensions of the total well-being.

Work related accidents/injuries

The Group considers health and safety in our work place as critical to all our business'. Any incidences are treated seriously and receive the necessary attention. Regular audits are conducted to ensure safety measures are in place at all times and appropriate training conducted to ensure that all employees are aware of health and safety issues. The Group's policy is in pursuit of zero tolerance.

	Unit	2023	2022
Number of Injuries	Count	2	1
Number of work related fatalities	Incidents	-	1
Safety Training (days)	Days	74	73

Social and community engagement

The Group is committed to empowering communities through provision of employment opportunities. Community engagement has been initiated through donations to various charitable Groups, social clubs and organisations.

Farmec and Mealie Brand periodically holds equipment field days around the country which educate the emerging farmer on current and upcoming farming technologies. CT Bolts and Mealie Brand through their various distribution channels in Zimbabwe have sought out small indigenous businesses and provided them with distributorship and support of their products.

Legal, regulatory compliance and ethics

The Group objectively complies with the various legislative and regulatory frameworks in which it operates and is committed to abide with all applicable laws and regulations in carrying out its mandate.

We value honesty, integrity and fair dealings and this is embedded in all our business practices and we continue to place great emphasis on this. The Group endeavours to uphold core business values and integrity. We actively work to prevent the prevalence of unethical behaviour such as bribery and corruption. The company has guidelines within its Human Resources Policy, Procurement policy and other operational polices that seek to highlight and enforce such matters.

We have an Internal Audit Department which continuously assesses financial, business and compliance risks that the business is facing and conducts their operations independent of Management. The department reports directly to the Audit, Risk and Compliance Committee.

ECONOMIC IMPACTS

Zimplow is committed to contributing to economic growth by adapting to the rapid change in innovation and technology in a responsible manner. Through its selection of original equipment manufacturers (OEMs) and its own production capacity in Bulawayo, the company is actively working to supply its markets with cutting-edge technology and solutions that increase productivity and competitiveness. Zimplow aims to provide innovative solutions to enhance engineering performance in various economic sectors from mining, agriculture, energy, logistics, and infrastructure.

Our innovations are also aimed at improving farm mechanisation and increasing agricultural output for the smallholder community. Our primary objective is to empower African subsistence farmers by providing them with affordable farm mechanised tools to ensure that value is transmitted to the grassroots level, thereby enhancing food security.

Due to the ever-increasing population more efficient methods for cultivating and conserving land are required, and this is the focus of the Group. Our implements are carefully crafted to support sustainable farming practices and protect the health of the soil and water resources. We prioritise resource efficiency in our designs. Our smallholder product range is designed to make the small holder more productive, by providing them with tried and tested smallholder mechanisation solutions.

- We have been prioritising the education of farmers on the use of equipment such as Chisel ploughs and rippers, which help preserve the soil and improve its water retention capacity during droughts.
- **Soil health -** We have been able to preserve the health of the soil through an enumerated list of Conservation Agriculture Technologies such as No till planters that allow direct planting into the soil thereby avoiding land preparation. This improves soil biomass by improving nutrient uptake and protects erosive effect of rain and wind by fixing the soil structure with the roots.
- **Resource efficiency-** Our product designs offer better and improved designs for example our implements can plant, apply fertilisers and chemicals with precision, and hence save on the cost of inputs.
- Our machines offer the right capabilities to match user and field requirements in comparison to unregulated, uncalibrated manual systems. This ultimately leads to reduced power consumption per hectare through motorised power.
- Our mechanisation value chain vertical integration strategy ensures sustainable access to mechanisation products through local manufacturing which is key to economic growth and resuscitation.

Rural economies development

The Group has proactively sought to improve agricultural productivity through the development of sustainable farm mechanisation programmes specifically targeting and empowering the smallholder farmer's access to agricultural equipment and implements. Through our Mealie Brand business unit, the Group is focused on sustainably intensifying production by small - scale farmers. Mealie Brand recently successfully introduced improved farm mechanisation solutions for the 2-wheel tractors with implements, as well as other smaller tractor-drawn implements. These farming technologies increase productivity in farming in a sustainable manner for the small-scale farmer.

OUR VALUE CREATION BUSINESS MODEL

Inputs

Capital — **Component of Capital**

Financial

FINANCE
- Appropriate debt/equity funding.
- Optimal divisional capital structures.
- Access to capital.

Manufactured

INFRASTRUCTURE AND FACILITIES
- Geographic footprint.
- Workshop and storage facilities.
- Training facilities.

Intellectual

OEM AND INTELLECT
- Captive brands.
- State of art operating systems.
- Premium customer solutions.

Human

PEOPLE
- Talent.
- Skilled workforce.

Social and relationship

BUILDING LONG TERM RELATIONSHIPS
- Stakeholder engagement.

Natural

NATURAL RESOURCES
- Land.
- Water.
- Clean energy.

Business Activity

Activities that add value

SOURCE
Plant and equipment from OEMs and own products.

PLACE
Our products and sales (of plant and equipment), services, maintenance and repair, storage, and solutions (supply chain optimization) at the disposal of our customer.

SOURCE
Plant and equipment from OEMs and own products.

GROW
Our customer base and demand for our products.

Outcomes

Impact on stakeholders

SHARED VALUE
Long-term value creation for all our stakeholders including the communities in which we operate.

IMPACT ON CAPITAL
- Optimized intellectual capital.
- Improved social and relationship capital.
- Developed human capital.
- Consumed natural capital.

Outputs

Key products, solutions and impact

Flexible, value adding, innovative customer solutions in:
- Earthmoving mining and infrastructure.
- Power systems and electric power.
- Material handling and lift trucks.
- Agricultural equipment.
- Solar.

Training and development
- Skills development.
- Required talent pool.
- Increase performance and productivity.

FINANCIAL REPORTS

DIRECTORS' RESPONSIBILITY STATEMENT

Accounting Records and Financial Statements

The Directors are responsible for the maintenance of adequate accounting records as well as the preparation and integrity of the Group and company financial statements and related information contained in the annual report in a manner that fairly presents the results of the Group's operations.

External Auditors' Role

The external auditors are responsible for carrying out an independent examination of the Group and company financial statements in accordance with International Standards on Auditing and reporting their findings thereon.

Systems of Internal Control

The Directors are also responsible for the Group's systems of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements and to safeguard, verify and maintain accountability of assets and to prevent and detect misstatement and loss.

Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

Going Concern

After reviewing the Group's budgets and related financial projections, the Directors have no reason, in all material respects, to believe that the Group will not continue to operate in the foreseeable future. Accordingly, these Group and company financial statements have been prepared on a going concern basis. Further information is provided under note 28, in relation to events after the reporting period.

Accounting Policies

In preparing the Group and company financial statements set out on pages 56 to 97 appropriate accounting policies have been applied, as have the relevant International Financial Reporting Standards, unless otherwise stated, and are supported, where necessary, by reasonable and prudent judgments and estimates. The Directors are of the view that the requirement to comply with the Statutory Instrument 29 of 2019 has created inconsistencies with International Accounting Standard (IAS) 21 (The effects of changes foreign exchange rates) as well as with the principles embedded in the IFRS Conceptual Framework, resulted in the accounting treatment adopted in the 2022 and 2021 Group and company financial statements being different from that which the Directors would have adopted if the Group had been able to fully comply with IFRS. Consequently, the Group and company financial statements did not comply with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors for non-correction of the prior year non-compliance with IAS 21. These exceptions have also made full compliance with the Companies and Other Business Entities Act (Chapter 24.31) not possible since it requires the entities to prepare the financial statements in accordance with the General Accepted Accounting practice applicable to that entity which is IFRS.

Approval of Group and company financial statements

The Group and company financial statements for the year ended 31 December 2023 have been approved by the Board of Directors and are signed on its behalf by the Board Chair and a member Director.

These Group and company financial statements were prepared by the finance department of Zimplow Holdings Limited under the direction and supervision of the Group Chief Finance Officer, Charles Chaibva (PAAB No: 198683).

G .T. Manhambara
Chairman

W. Swan
Acting Group Chief Executive Officer

REPORT OF THE DIRECTORS

Your directors present their report together with the audited financial statements of Zimplow Holdings Limited (Zimplow) and its subsidiaries (together being "the Group") for the year ended 31 December 2023.

Principal activities

The Group is a diversified mining, construction, infrastructure and agricultural equipment manufacturer and distributor listed on the Victoria Falls Stock Exchange.

Share Capital

Authorised share capital

The authorised share capital of the company remains unchanged at 400 000 000 (Four hundred million) shares at a nominal value of USD0.0004 each.

Issued share capital

The issued share capital of the company was 344,580,486.

Unissued share capital

Unissued ordinary shares of 55,419,514 remain placed under the control of directors in terms of resolutions passed in Extra-Ordinary General Meetings by members.

Financial affairs

The Group and company financial statements set out on pages 56 to 97 have been audited by Grant Thornton and depict the resilience of the business even with the constrained economic environment under which the company operates.

The directors have determined and are implementing strategies that should see the company maintain value and ride out the tough economic wave in which it is operating.

While the economic outlook remains difficult and uncertain, the directors believe that the company will continue to operate as a going concern in the foreseeable future.

Dividend

The Board has exercised prudence in its decision to not declare a dividend in respect to the year ended 31 December 2023.

Directorate

The names of directors and secretary are those in office at the time of printing this notice.

Auditors

Messrs Grant Thornton remain in office until conclusion of the Annual General Meeting on 27 June 2024, at which members will be asked to fix their remuneration and appoint auditors for the ensuing year. Grant Thornton have indicated their willingness to continue in office.

For and on behalf of the Board of Directors

G .T. Manhambara
Chairman

B. Kumalo
Audit Committee Chairman

Grant Thornton
Camelsa Business Park
135 Enterprise Road, Highlands
PO Box CY 2619
Causeway, Harare
Zimbabwe

T: +263 (242) 442511-3
F: +263 (242) 442517 / 496985
E: info@zw.gt.com
www.grantthornton.co.zw

INDEPENDENT AUDITOR'S REPORT

To the members of Zimplow Holdings Limited and its subsidiaries

Report on the Audit of the Consolidated Financial Statements

Adverse Opinion

We have audited the consolidated financial statements of Zimplow Holdings Limited and its subsidiaries set out on pages **56 to 97**, which comprise the consolidated statement of financial position as at 31 December 2023, and the 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 notes to the consolidated financial statements, including a summary of the Group's significant accounting policies.

In our opinion, because of the significance of the matters described in the Basis for Adverse Opinion section of our report, the consolidated financial statements do not present fairly, in all material respects, the financial position of Zimplow Holdings 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 Adverse Opinion

Non-compliance with International Accounting Standard {IAS] 21 - The Effect of Changes in Foreign Exchange Rates

Exchange rates applied to translate foreign currency transactions and balances.

During the period 1 January 2023 to 30 June 2023, the Group's foreign currency transactions and balances were translated into functional and presentation currency using different internally generated exchange rates, which were not considered appropriate spot exchange rates for translations as required by (IAS) 21 -The Effect of Changes in Foreign Exchange Rates. The impact of this non-compliance on the related exchange gains or losses, assets, liabilities, revenue, expenses, and equity could not be determined.

Change in functional and presentation currency.

The Group changed its functional and presentation currency from ZWL to the USD effective 1 July 2023. The change in functional currency entails all amounts, including comparatives for the year ended 31 December 2022, being translated from Zimbabwe Dollars (ZWL) to United States Dollars (USD) in accordance with (IAS) 21. IAS 21 requires that the ZWL inflation adjusted amounts for the period prior to the change in functional currency (1 January 2023 to 30 June 2023), and the previously stated comparative consolidated inflation adjusted financial statements be translated to USD at the closing rate at the date of change in functional currency.

In preparing the USD consolidated financial statements, management translated ZWL transactions and balances, including comparatives to USD by separating USD and ZWL components of the transactions and balances. The USD components of the transactions and balances, including comparatives were then maintained as if the USD had always been the functional currency of the Group. The ZWL components of the transactions and balances were translated to USD using translation methods disclosed in **note 2** to these financial statements.

The accounting treatment adopted in the translation of ZWL amounts, including comparatives constitutes a departure from the requirements of IAS 21.

The effect of the above matters have been determined as material and pervasive to the financial statements, taken as a whole.

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 Consolidated Annual Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our 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.

Chartered Accountants
Member of Grant Thornton international Ltd
A list of partners may be inspected at the above address

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 consolidated 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 financial statements:

Key Audit Matter	How our audit addressed the Key Audit Matter
IFRS 15 - Revenue from Contracts with Customers • There is a presumed fraud risk with regards revenue recognition as guided 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. This is a significant risk and accordingly a key audit matter.	Our audit procedures incorporated a combination of tests of the Group's controls relating to revenue recognition and the appropriateness of revenue recognition policies as well as substantive procedures in respect of testing the occurrence assertion. Our substantive procedures included but were not limited to the following: • Reviewed that revenue recognition criteria are appropriate and in line with the requirements of IFRS 15. • Tested design, existence and operating effectiveness of internal controls implemented as well as test of details to ensure accurate processing of revenue transactions. • We identified key controls and tested these controls to obtain satisfaction that they were operating effectively for the year under review. • Furthermore, we performed analytical procedures and assessed the reasonableness of explanations provided by management. • Performed cut-off tests on year end balances to ensure revenue is recognised in the correct period. • Inspected reversals and credit memos performed in the period subsequent to year end and established if they were for valid revenue transactions. Based on the audit work performed, we satisfied ourselves that the Group revenue recognition is appropriate and in compliance with the requirements of IFRS 15 -Revenue from Contracts with Customers.
Key Audit Matter	**How our audit addressed the Key Audit Matter**
Goodwill Impairment - IAS 36 Impairment of assets. • Goodwill arose from the acquisition of Farmec through Tractive Power Holdings limited and from the acquisition of Scanlink, Tredcor and Birmingham investments in 2021. • Farmec is a division which falls under farming segment, Scanlink and Tredcor are subsidiaries falling under the logistics and automotive segment and Birmingham a subsidiary falling under properties segment in applying IAS 36. • The goodwill on acquisition for each of the above has been tested for impairment and no impairment has been recognized in the current year. • Due to the significant use of judgement involved in the impairment assessment and determination of the impairment loss, we consider this to be a key audit matter.	We performed the following procedures in response to the key audit matter identified: • We assessed management's process for the determination of key inputs into the impairment assessment. • Reviewed the accounting policy to ascertain whether it complied with IFRS. • We reviewed the reasonableness of management's key assumptions in the impairment assessment of the goodwill. • Verified the calculation of impairment to check the arithmetic accuracy. • Reviewed the disclosure made in the financial statements relating to the judgements involved in the impairment assessment. Based on the audit work performed, we satisfied ourselves that the Group goodwill recognition is appropriate and in compliance with the requirements of IAS 36 Impairment of assets.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

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 financial statements and our auditor's report thereon. Our opinion on the consolidated 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 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 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 Annual Financial Statements

Management is responsible for the preparation and fair presentation of the Consolidated annual 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 annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual 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 ore responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole ore 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group 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.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

Report on other legal and regulatory requirements

In our opinion, except for the possible effects of the matters described in the Basis for Adverse Opinion paragraph, the consolidated annual financial statements have been properly prepared in compliance 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

Farai Chibisa
Partner

Registered Public Auditor (PAAB No: 0547) 30 April 2024

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors
HARARE

Group and Company Statement of Profit or Loss and other Comprehensive Income

for the year ended 31 December 2023

	Notes	Group		Company	
		31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD
Sales of goods		29,784,336	42,102,103	18,967,734	24,239,789
Rendering of services		2,190,217	2,073,449	1,055,169	1,189,434
Investment property rental income		98,160	69,446	98,144	85,448
Revenue	4	**32,072,713**	**44,244,998**	**20,121,047**	**25,514,671**
Cost of sales		(23,142,729)	(32,258,676)	(14,407,891)	(18,249,527)
Gross profit		**8,929,984**	**11,986,322**	**5,713,156**	**7,265,144**
Other operating income	9	1,040,000	2,616,640	723,962	478,821
Selling and distribution expenses		(456,961)	(475,755)	(378,745)	(356,629)
Administrative expenses	5.1	(8,146,906)	(9,973,446)	(4,842,698)	(3,507,295)
Other operating expenses		(762,335)	(794,254)	(500,185)	(477,551)
Allowance for expected credit losses	16	276,865	(601,090)	42,295	(140,892)
Operating profit		**880,647**	**2,758,417**	**757,785**	**3,261,598**
Finance costs	19.4	(204,220)	(138,487)	(163,487)	(87,302)
Finance income	19.3	3,719	894	3,719	538
Profit before tax		**680,146**	**2,620,824**	**598,017**	**3,174,834**
Income tax expense	8	(120,275)	(1,701,987)	(220,529)	(1,366,649)
Profit for the year		**559,871**	**918,837**	**377,488**	**1,808,185**
Other comprehensive income					
Other comprehensive income that will not be reclassified to profit or loss					
Revaluation of plant, land and buildings net of tax		304,126	321,154	(23,074)	-
Total other comprehensive income for the year, net of tax		**304,126**	**321,154**	**(23,074)**	**-**
Total comprehensive income for the year		**863,997**	**1,239,991**	**354,414**	**1,808,185**
Profit/(Loss) for the year attributed to:					
Owners of the parent		594,344	869,329	377,488	1,808,185
Non controlling interests		(34,473)	49,508	-	-
		559,871	**918,837**	**377,488**	**1,808,185**
Total comprehensive profit for the year attributable to:					
Owners of the parent		819,170	1,040,873	354,414	1,808,185
Non controlling interests		44,827	199,118	-	-
		863,997	**1,239,991**	**354,414**	**1,808,185**
Earnings per share	27				
Basic earnings per share		0.002	1.93	1.09	1.09
Diluted earnings per share		0.002	1.93	1.09	1.09
Headline earnings per share		0.002	1.94	1.11	1.11
Diluted headline earnings per share		0.002	1.94	-	-

Group and Company Statement of Financial Position

as at 31 December 2023

	Notes	Group		Company	
		31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD
ASSETS					
Non-current assets					
Property, plant and equipment	10	17,617,000	16,941,571	5,670,607	5,975,734
Intangible assets	10.3	48,641	61,612	48,641	61,612
Investment property	11	248,000	907,000	2,140,000	2,000,000
Investment in subsidiaries	13	-	-	20,507,891	20,507,891
Right of use assets	25.1	-	-	307,110	2,603
Long term receivables	22	787,204	768,896	787,204	768,896
Goodwill	14	5,995,285	5,995,285	-	-
Total non-current assets		**24,696,130**	**24,674,364**	**29,461,453**	**29,316,736**
Current assets					
Inventories	15	11,571,978	12,270,012	9,346,441	8,988,158
Inter company receivables	24.2	-	-	759,927	4,197
Trade and other receivables	16	3,090,513	4,899,506	1,383,725	3,423,178
Prepayments	17.2	5,597,527	3,708,685	3,663,663	1,437,281
Investment in financial assets	17.1	14	2,417	14	2,417
Cash and bank balances	20	1,263,835	2,220,003	460,140	1,242,322
Total current assets		**21,523,867**	**23,100,623**	**15,613,910**	**15,097,553**
Total assets		**46,219,997**	**47,774,987**	**45,075,363**	**44,414,289**
EQUITY AND LIABILITIES					
Equity					
Share capital	7	137,832	137,832	137,832	137,832
Share premium		19,741,179	19,741,179	19,741,179	19,741,179
Revaluation reserve	21.1	4,338,935	4,114,109	3,702,924	3,725,998
Capital reserve		(194,451)	(194,451)	(194,451)	(194,451)
Change in ownership reserve	21.3	(904,212)	(904,212)	-	-
Foreign currency translation reserve	21.2	(3,128,494)	(893,953)	6,820,191	6,997,204
Retained earnings		6,649,535	6,055,191	7,607,464	7,229,976
Attributable to holders of the parent		**26,640,324**	**28,055,695**	**37,815,139**	**37,637,738**
Non-controlling interests	23	6,123,869	5,976,379	-	-
Total equity		**32,764,193**	**34,032,074**	**37,815,139**	**37,637,738**
Non-current liabilities					
Inter company payables	24.2	-	-	347,904	443,588
Deferred tax liabilities	8.3	2,015,315	1,725,319	1,143,557	1,351,044
Total non-current liabilities		**2,015,315**	**1,725,319**	**1,491,461**	**1,794,632**
Current liabilities					
Trade and other payables	18.1	6,208,717	8,173,042	2,515,894	2,612,417
Provisions	18.2	862,121	1,062,569	137,946	167,676
Short term borrowings	19.1	1,221,711	1,061,741	1,221,711	636,869
Customer deposits	17.3	2,460,040	149,792	1,267,122	82,729
Lease liabilities	25.2	-	-	316,087	3,344
Current tax liabilities		687,900	1,570,450	310,003	1,478,884
Total current liabilities		**11,440,489**	**12,017,594**	**5,768,763**	**4,981,919**
Total equity and liabilities		**46,219,997**	**47,774,987**	**45,075,363**	**44,414,289**

G. Manhambara
Chairman
29 April 2024

B. Kumalo
Non-Executive Director
29 April 2024

Group and Company Statement of Cash Flows

for the year ended 31 December 2023

	Notes	Group 31-Dec-23 USD	Group 31-Dec-22 USD	Company 31-Dec-23 USD	Company 31-Dec-22 USD
Cash flows from operating activities					
Operating profit before tax		680,146	2,620,824	598,017	3,174,834
Adjusted to reconcile profit before tax to net cash flows:					
Depreciation of property plant and equipment and amortisation of intangible assets	11.1	864,845	796,209	674,557	583,404
Fair value adjustments on investment properties	11	(41,000)	48,700	(140,000)	-
Net unrealised foreign exchange differences	5.2	(77,994)	-	(19,428)	-
Finance income	19.3	(3,719)	(894)	(3,719)	(538)
Finance costs	19.4	204,220	138,487	163,487	87,302
Movement in provisions	18.2	(200,448)	693,610	(29,730)	197,878
Loss/(Profit) on disposal of property, plant & equipment		8,909	(28,979)	8,909	(8,978)
		1,434,959	4,267,957	1,252,093	4,033,901
Working capital changes					
Decrease/(Increase) in Inventories	15	698,034	(1,017,112)	(358,283)	(1,856,824)
Decrease/(Increase) in trade and other receivables	16	1,790,685	909,607	2,021,146	(854,673)
(Increase) in prepayments	17.2	(1,888,841)	(1,890,578)	(2,226,382)	(692,234)
Increase/(Decrease) in customer deposits	17.3	2,310,248	1,087,470	1,184,393	(944,686)
(Increase) in interGroup receivables	24.2	-	-	(851,413)	(21,875)
(Decrease)/Increase in trade and other payables	18.1	(1,964,325)	(3,555,181)	(96,523)	939,646
		2,380,760	(197,837)	925,031	603,256
Finance income	19.3	3,719	894	3,719	538
Finance costs	19.4	(204,220)	(138,487)	(163,487)	(87,302)
Income tax paid		(11,394)	(41,743)	(10,457)	(28,874)
Dividend paid		-	(290,716)	-	(290,716)
Net cash flow generated from/(utilised) in operating activities		2,168,865	(667,889)	754,805	196,902
Cash flows from investing activities					
Proceeds from release of long term receivable	22	-	42,695	-	-
Proceeds from sale of property, plant and equipment		9,328	237,346	9,328	37,346
Purchase of property, plant and equipment	10	(556,381)	(316,525)	(363,858)	(364,317)
Net cash flows used in investing activities		(547,053)	(36,484)	(354,530)	(326,971)
Cash flows from financing activities					
Lease liability principal repaid		-	-	(93,521)	(129)
Repayments of borrowings	19.2	(1,335,158)	(111,560)	(1,335,158)	(111,560)
Proceeds from borrowings	19.2	1,920,000	688,553	1,920,000	688,553
Net cash flows from financing activities		584,842	576,993	491,321	576,864
Net increase/(decrease) in cash and cash equivalents		2,206,654	(127,380)	891,596	446,795
Effects of exchange rate changes on cash and cash equivalents		(3,162,822)	(3,511,835)	(1,673,778)	(479,668)
Cash and cash equivalents at 1 January		2,220,003	5,859,218	1,242,322	1,275,196
Cash and cash equivalents at 31 December	20	1,263,835	2,220,003	460,140	1,242,322
Comprising of:					
Cash and cash balances		1,263,835	2,220,003	460,140	1,242,322

Group Statement of Changes in Equity

for the year ended 31 December 2023

	Share capital USD	Capital reserve USD	Share premium USD	Revaluation reserve USD	Change in ownership reserve USD	Foreign currency translation reserve USD	Retained earnings USD	Attributable to owners of the parent USD	Non-controlling interest USD	Total USD
Group										
Balance on 1 January 2022	137,832	(194,451)	19,741,179	3,942,565	(904,212)	-	5,476,578	28,199,491	5,729,910	33,929,401
Effects of currency translations	-	-	-	-	-	(893,953)	-	(893,953)	47,351	(846,602)
Dividend paid	-	-	-	-	-	-	(290,716)	(290,716)	-	(290,716)
Profit for the year	-	-	-	-	-	-	869,329	869,329	49,508	918,837
Other comprehensive loss net of tax	-	-	-	171,544	-	-	-	171,544	149,610	321,154
Balance at 31 December 2022	137,832	(194,451)	19,741,179	4,114,109	(904,212)	(893,953)	6,055,191	28,055,695	5,976,379	34,032,074
Effects of currency translations	-	-	-	-	-	(2,234,541)	-	(2,234,541)	102,663	(2,131,878)
Profit for the year	-	-	-	-	-	-	594,344	594,344	(34,473)	559,871
Other comprehensive loss net of tax	-	-	-	224,826	-	-	-	224,826	79,300	304,126
Balance at 31 December 2023	137,832	(194,451)	19,741,179	4,338,935	(904,212)	3,128,494	6,649,535	26,640,324	6,123,869	32,764,193

Company Statement of Changes in Equity

for the year ended 31 December 2023

	Share capital USD	Capital reserve USD	Share premium USD	Revaluation reserve USD	Foreign currency translation reserve USD	Retained earnings USD	Attributable to owners of the parent USD
Company							
Balance on 1 January 2022	137,832	(194,451)	19,741,179	3,725,998	-	5,712,507	29,123,065
Dividend paid	-	-	-	-	-	(290,716)	(290,716)
Effects of currency translations	-	-	-	-	6,997,204	-	6,997,204
Profit for the year	-	-	-	-	-	1,808,185	1,808,185
Balance at 31 December 2022	137,832	(194,451)	19,741,179	3,725,998	6,997,204	7,229,976	37,637,738
Effects of currency translations	-	-	-	-	(177,013)	-	(177,013)
Profit for the year	-	-	-	-	-	377,488	377,488
Other comprehensive profit/ (loss) net of tax	-	-	-	(23,074)	-	-	(23,074)
Balance at 31 December 2023	137,832	(194,451)	19,741,179	3,702,924	6,820,191	7,607,464	37,815,139

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023

1. CORPORATE INFORMATION

The consolidated financial statements of Zimplow Holdings Limited and its subsidiaries (collectively, the Group) for the year ended 31 December 2023 were authorized for issue by the Board of Directors on 30 April 2023. Zimplow Holdings Limited, the Company, is a limited company incorporated and domiciled in Zimbabwe and whose shares trade on Zimbabwe Stock Exchange. The registered office is located at 39 Steelworks Road, Heavy Industrial Sites in Bulawayo, Zimbabwe and the head office is located at 10 Harrow Road, Msasa in Harare, Zimbabwe.

The principal activities of the Group are manufacture and distribution of animal drawn implements, manufacture and distribution of metal fasteners for mining, construction and agricultural industries, distribution of tractors, generators and mechanized implements as well as the distribution of earthmoving and mining equipment.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Group's financial results have been prepared under policies consistent with the requirements of the Companies and Other Business Entities Act (Chapter 24.31).

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) and interpretations developed and issued by the International Financial Reporting Interpretations Committee (IFRIC) with the exception to IAS 21 Effects of Changes in Exchange Rates on accounting for change in functional currency in prior year and IAS 29 -" Financial Reporting in Hyperinflationary Economies" and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors for non-correction of the prior year non-compliance with IAS 21. This is because it has been impracticable to fully comply with IFRS in the current and prior year, due to the need to present financial statements with reasonable fair view. The Directors are of the view that the requirement to comply with IAS 29-Financial reporting in Hyperinflationary Economies and IAS 21-The effects of Changes in Foreign Exchange Rates as well as with the principles embedded in the IFRS Conceptual Framework, will not produce financial statements with a true and fair view. This has resulted in the accounting treatment adopted in translating prior year and current period financial Statements being different from that which the Directors would have adopted if the Group had been able to fully comply with IFRS. These exceptions have also made full compliance with the Companies and Other Business Entities Act (Chapter 24.31) not possible.

The accounting policies are applied consistently throughout the Group. The consolidated financial statements are presented in United Sates dollars (USD) and all values are rounded to the nearest dollar except where otherwise stated. The consolidated financial statements are prepared under the historical cost convention, except for land and buildings (classified as property, plant and equipment) and factory plant and machinery which is carried using the revaluation model.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

Change in functional currency

The Reserve Bank of Zimbabwe "RBZ", on the 27th of June 2022 increased minimum lending rates from 80% to 200% effective 1 July 2022 for all local currency borrowings. Subsequently gold coins were mustered into circulation by the central bank on the 25th of July 2022 and the uptake in the market was substantial. More than 90% of gold coins were sold in ZWL serving to effectively mop up excess liquidity in the market. In addition, the Ministry of Finance has been restricting contractor payments in an effort to control ZWL money supply to curb the depreciation of the ZWL against the US dollar. All these aforementioned measures served to create a liquidity crunch in ZWL terms thereby creating persistent push factors for the majority of the Zimbabwean economy's transactions to be executed in US dollars. The effect of this shift in the economic dynamic is apparent in the Group's revenue and expenditure during the period under review.

In line with these events the Group reassessed its functional currency determination in compliance with the requirements of IAS 21- The Effects of Changes in Foreign Exchange Rates and the conclusion being, effective 1 January 2023 the Group's functional currency changed from ZWL to the US dollar.

Change in reporting currency

The Group de-listed from the Zimbabwe Stock Exchange (ZSE) as at 30 June 2023, and subsequently listed on the Victoria Falls Exchange (VFEX) with the Group's shares commencing to trade on 1 July 2023. As per the listing requirements for the VFEX, the Group effective 1 July 2023 adopted the US dollar as its presentation currency.

In accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, the Group restated the prior year consolidated financial statements to cater for the presentation currency change.

Notes to the Consolidated Financial Statements (Cont'd)

for the year ended 31 December 2023

Translation approach - Statement of profit and loss and other comprehensive income

Exchange Rate

In translating the Statement of Profit and Loss and Other Comprehensive Income (SPLOCI) Zimplow applied an estimate exchange rate which was prevalent in the months from January to June. This is the internal trading rate which is used to derive ZWL pricing for Zimplow's products and services. Determining the use of the mentioned rate is necessitated by the need to present financial statements that show a true and fair view of the company's performance. The official RBZ rate has been determined by management to be inappropriate as various market indicators show that goods and services in ZWL are being charged at a forward hedging exchange rate which is excess to the prescribed RBZ rate. This is because of the exchange rate volatility that is prevalent in the market making it necessary for a forward hedged exchange rate to preserve value. Below is the schedule of the month-on-month exchange rates used by Zimplow for trading purposes.

2023	Jan	Feb	Mar	April	May	June
Average	979	1,033	1,233	1,767	3,283	7,938

Employment cost in ZWL were translated using a blended rate, which is an internally calculated exchange rate used to run all payrolls with ZWL component. This is necessitated by the company wanting to preserve the value of employee compensation as salaries have a USD base but a proportion of which is paid out in ZWL.

Revenue and cost of sales

- Pertaining to revenue, monthly revenue is split into USD and ZWL. The ZWL portion will then be translated using the trading exchange rate on the day the revenue was realized or the items are translated using the USD price listing in force during the time the trade took place.
- For cost of sales, the USD cost of the individual item is used to give the resultant USD cost of sales.

Other operating income including exchange gain/loss

- Other income that was realized was segregated into the respective month in which the income accrued and split into USD and ZWL. The ZWL was translated by using the applicable exchange rate used in translating the main revenue line.

Expenses

- Operating expenses lines were translated by splitting individual expense ledger accounts into USD and ZWL transactions on a line-by-line basis.
- The USD transactions are directly translated into their USD equivalent with the underlying invoice in USD being used as a basis for this translation.
- The ZWL transactions are then translated using the average internal trading rate for the respective month to derive the USD value of the transaction.
- ZWL employment costs are translated by applying the blended rate used to run the payroll on a monthly basis to derive the USD equivalent.

Depreciation

- The depreciation expense is recalculated based on the USD cost of the respective fixed assets
- For Land and Buildings held at fair value and therefore subject to revaluation, the revalued gross amount pertaining to buildings is recomputed and the depreciation rate is applied to the gross amount.
- Disposal cost is derived by ascertaining the USD cost of the asset and applying the depreciation rate to determine the accumulated depreciation on the disposed asset.

Fair value adjustments to investment property

- During the period no external valuation exercise was carried out on Investment Property therefore no Fair value adjustments were generated

Income tax expense

- Income tax expense pertaining to interim financials is not recognised as an expense therefore does not need translation.

Other comprehensive income

- No revaluations of land and buildings, and factory plant and machinery were carried out during the interim period so no translation is required.

Restatement approach- Statement of financial position

Property, plant, and equipment

- There was no translation of the PPE classes held at fair value at year-end i.e., land and buildings, plant, and machinery. The depreciated replacement cost as per 31 December 2022 USD valuation reports was used and the appropriate depreciation rate was applied to derive the USD carrying amount as of 30 June 2023.
- For other classes of PPE, the USD cost of the assets was used and the appropriate depreciation rate was used to derive the current carrying amount as of 30 June 2023 by recomputing the accumulated depreciation and the current year depreciation.
- Zimplow Holdings did not carry out a restatement exercise in 2019 in response to SI 142 of 2019 therefore all assets purchased pre-May 2019 were already carried according to their USD values on a 1:1 basis.
- For all assets whose USD value could not be determined with reasonable certainty, the inflation-adjusted cost was used and then translated using the Official closing exchange rate as of 31 December 2023.

Notes to the Consolidated Financial Statements (Cont'd)

for the year ended 31 December 2023

Investment property

- The investment property was fair valued on 31 December 2022 and the USD valuation reports as of that date were used to assign the USD value of the Investment Property.

Inventory

- To value the current inventory holding the latest landing costs for the respective inventory items was used to attach a cost to the items.
- For significantly aged inventory items where the latest landing cost cannot be determined with reasonable certainty, the current selling price was used and the standard costing approach was used by eliminating the margin/markup to determine the cost of the inventory item.
- Where the methodology above did not produce a reasonable cost, IAS 29 was applied to the inventory line and then translated using the 30 June 2023 closing official exchange rate.
- The methods above were applied using judgment on a case-by-case basis in the hierarchy above.

Trade receivables

- The balances are split into USD and ZWL, with the ZWL being translated at the closing trading exchange rate as of 30 June 2023.

Prepayments

- The prepayment amount where possible is split into USD and ZWL amounts. The ZWL amounts are then translated using the closing rate as of 30 June 2023.

Cash and bank

- The ZWL bank balances are translated using the 30 June 2023 closing exchange rate.

Trade payables

- The balances are split into USD and ZWL, with the ZWL being translated at the closing official exchange as of 30 June 2023.

Contract liabilities (revenue received in advance)

- The amount where possible is split into USD and ZWL amounts. The ZWL amounts are then translated using the closing rate as of 30 June 2023 or assigned the agreed USD value as per the underlying contract of the transaction.

Provisions

- Provisions are split into USD and ZWL elements. The ZWL portion is then translated at the closing rate as of 30 June 2023.

Bank loans and borrowings

- All borrowings for the Group are USD-denominated so the balance is translated according to the loan amortization schedule.

Translation approach - Statement of changes in equity

Revaluation reserve

- The prior year's inflation-adjusted revaluation reserve is translated using the 31 December 2022 closing rate and rolled forward as the opening balance.

Other non-distributable reserves

- Any non-distributable reserve pre-dating SI 142 of 2019 is carried on a 1:1 basis with the USD as no revaluations were done in response to SI 142 in the Group's financial statements.

Equity

- The nominal share value pre-dates SI 142 therefore is equivalent to the USD on a 1:1 basis.

Retained Earnings

- 31 December 2022 inflation-adjusted retained earnings were translated using the December 2022 closing rate and rolled forward as the opening retained earnings balance.

2.2 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Notes to the Consolidated Financial Statements (Cont'd)
for the year ended 31 December 2023

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intraGroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

These consolidated financial statements have been prepared with the aim of complying with International Financial Reporting Standards and presented in USD (United States Dollars, rounded to the nearest dollar), which is the Group's functional and presentation currency. Full compliance with IFRS has not been possible in both 2022 and 2023, as only partial compliance has been achieved because it has not been possible to comply with International Accounting Standard 21 "The Effects of Changes in Foreign Exchange Rates" (IAS) 21, IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors for non-correction of the prior year non-compliance with IAS 21 and IAS 29 Financial Reporting in Hyperinflationary Economies. These exceptions have also made full compliance with the Companies and Other Business Entities Act (Chapter 24.31) impracticable.

3.2 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are always recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share - based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date and;
- assets (or disposal Groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree' s identifiable net assets. The choice of measurement basis is made on a transaction by-transaction basis.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not

Notes to the Consolidated Financial Statements (Cont'd)
for the year ended 31 December 2023

qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interests were disposed of.

3.3 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses (if any). For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units (or Groups of cash generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss.

An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.4 Revenue recognition

The Group is in the business of distributing mining and agricultural equipment and the related service for the same equipment. The equipment and services are sold both on their own in separate identified contracts with customers. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The Group recognises revenue at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Sale of agriculture and mining equipment and spares
Revenue from sale of agriculture and mining equipment and spares is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment at the customer's location. The normal credit term is 30 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of agriculture and mining equipment and spares, the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the customer (if any).

Variable consideration
If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts with customers provide a right of return. The Group allows returns of spare parts for cash within a period of 10 days. The portion of sales at year end has been assessed as insignificant. Therefore, there is no impact on the Group's reported revenue for the period.

Rights of return
The Group uses the expected value method to estimate the goods that will be returned because this method better predicts the amount of variable consideration to which the Group will be entitled. The Group then applies the requirements on constraining estimates of variable consideration to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. The Group policy allows returns of products within 10 days. At year end, any such goods that would have been returned had their terms expired, Therefore, there is no impact on financial statements.

Warranty obligations
The Group generally provides for warranties for general repairs and does not provide extended warranties in its contracts with customers. These assurance-type warranties are accounted for as warranty provisions, which are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Notes to the Consolidated Financial Statements (Cont'd)
for the year ended 31 December 2023

Rendering of services
The Group's mining and mechanical agricultural equipment segments provides after sales service for equipment sold. These services are sold on their own in contracts with the customers. The Group accounts for the equipment and service as separate deliverables of bundled sales and allocates consideration between these deliverables based on relative stand-alone selling prices. Service revenue qualifies for overtime recognition, but given the short period of a service, no significant judgement is required in determining the pattern of revenue recognition.

Advances received from customers
Generally, the Group receives only short-term advances from its customers. They are presented as part of current liabilities and described as customer deposits. The Group does not receive long-term advances from customers. The Group determines whether there is a significant financing component in its contracts. The Group uses the practical expediency and will not adjust the promised amount of the consideration for the effects of a significant financing components in the contracts, where the Group expects, at contract inception, that the period between the Group transfer of a promised good or service to a customer and when the customer pays for that good or service will be one year or less. Therefore, for short term advances, the Group does not account for a financing component even if it is significant.

Based on the nature of the goods and services offered and the purpose of payment terms, the Group determined that for the vast majority of the contracts that require customers to pay in advance, the payment terms were structured primarily for reason other than the provision of finance to the Group, i.e advances are generally required from new customers, as well as customers with a history of late payments, they do not provide customers with an alternative to pay in arrears. In addition, the length of time between when the customer pays for the goods and the Group transfers goods to the customer is relatively short. Therefore, the Group has concluded that there is not a significant financing component in these contracts.

Presentation in financial statements
Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. A contract liability is presented in the statement of financial position where a customer has paid an amount of consideration prior to the entity performing by transferring the related good or service to the customer.

Dividend and interest income
Dividend income from investments is recognized when the shareholder's right to receive payment has been established. This generally happens when a provision has been made. Interest income from a financial asset is recognised when it is probable that the economic benefits will follow 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
The Group's policy for recognition of revenue from operating leases is described in note 3.5 below.

3.5 Leasing

IFRS 16
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.

The Group as lessee
The Group applies a single recognition and measurement approach for all leases, except for short term leases and leases of low value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use underlying assets.

I) Right of use assets
The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of the right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land and Buildings 5 – 10 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment as covered under section 3.13.

II) Lease Liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term. The lease payments including in substance fixed lease payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual values guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of the lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in lease payments or a change in the option to purchase the underlying asset.

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

3.6 Foreign currencies

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:
- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated to United States Dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Notes to the Consolidated Financial Statements (Cont'd)
for the year ended 31 December 2023

3.7 Employee benefits

Retirement benefit costs and termination benefits
Payments to defined contribution retirement plans are recognised in profit or loss in the year of contribution. A liability for termination benefits recognised at the earlier of when the entity can no longer withdraw the offer of termination benefit and when the entity recognizes any related restructuring costs.

Short-term and other long-term employee benefits
A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

3.8 Share-based payment arrangements

Share-based payment transactions of the Company
Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share - based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counter-party renders the service.

3.9 Taxation

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

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Notes to the Consolidated Financial Statements (Cont'd)
for the year ended 31 December 2023

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The directors of the Company reviewed the Group's investment property portfolios and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to IAS 12 is not rebutted.

Current and deferred tax for the year
Current and deferred tax are recognised in profit or loss, except when they relate to items that a re-recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.10 Property, plant and equipment

Items of Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses, if any. Land and buildings and plant and equipment are however measured at fair value, less accumulated depreciation and impairment losses, if any, recognised after the date of revaluation. Valuations, performed by the Group's Directors or independent external valuators, are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

When items of property, plant and equipment are revalued, any accumulated depreciation at the date of a revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount after revaluation equals its market value.

Any revaluation surplus (increase in the carrying amount of an asset as a result of a revaluation) is recognised in other comprehensive income and accumulated in equity (revaluation reserve) in the statement of changes in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. The decrease, however, is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity as a revaluation reserve.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will follow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss in the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation is calculated on a straight line basis over the estimated useful lives of the asset as follows:
- Buildings: 50 years;
- Plant and machinery: 5 to 50 years;
- Motor vehicles: 5 years;
- Office furniture and computer equipment: 4 to 10 years.
- Freehold land is not depreciated.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

The depreciation methods, useful lives and residual values of assets are reviewed and adjusted, if appropriate, at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, depreciation will cease to be charged on the asset until its residual value subsequently decreases to an amount below its carrying amount.

Notes to the Consolidated Financial Statements (Cont'd)

for the year ended 31 December 2023

3.11 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Transfers to and from investment property under the fair value model are accounted for as follows:

- Transfers from inventory: any difference between the fair value of the property at date of change in use and its previous carrying amount must be recognised in profit or loss. This treatment is consistent with the treatment of sales of inventories.
- Transfers to inventory or owner–occupation: the cost for subsequent accounting for inventories under IAS 2, or for owner–occupied property under IAS 16 or IFRS 16, must be the property's fair value at the date of change in use. [IAS 40.60].
- Transfers from owner–occupation: IAS 16 will be applied for owned property and IFRS 16 for property held by a lessee as a right–of–use asset up to the date of change in use. At that date, any difference between the carrying amount under IAS 16 or IFRS 16 and the fair value must be treated in the same way as a revaluation under IAS 16. [IAS 40.61]. "

3.12 Intangible assets

Intangible assets acquired separately
Intangible assets with finite useful lives that are acquired separately are initially recognized at cost and subsequently carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The impairment assessment of these intangible assets with indefinite useful lives is done annually.

For intangible assets acquired in a business combination, the cost on initial recognition will be its fair value at the acquisition date. It will subsequently carried at that cost less amortization and accumulated impairment loss if it has a finite useful life and at cost less accumulated impairment losses if it has an infinite useful life.

De-recognition of intangible assets
An intangible asset is derecognized on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognized.

3.13 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit)

Notes to the Consolidated Financial Statements (Cont'd)

for the year ended 31 December 2023

is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.14 Inventories

Inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition, are accounted for as follows:

- Raw materials - Purchase costs on weighted average cost.
- Consumable stores - Purchase costs on weighted average cost.

Whole goods, parts and work in progress - Direct material and labour cost, appropriate share of production expenses and where applicable, customs duty paid. Net realisable value is the estimated selling price in the ordinary course of the business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.15 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 (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Warranties
Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's obligation. The warrant is of short term in nature since it covers the sold products for a maximum period of twelve months.

3.16 Financial assets

Classification
Financial assets are classified into the following specified categories: amortized cost and fair value through profit or loss (FVPL. The classification is based on the measurement criteria. Under amortized cost, the asset is measured at the amount recognized at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and any loss allowance. Interest income is calculated using the effective interest method and is recognized in profit and loss. Changes in fair value are recognized in profit and loss when the asset is derecognized or reclassified the financial assets and is determined at the time of initial recognition.

Trade and other financial assets are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified as financial assets at amortized cost

Measurement
Trade receivables, treasury bills and other receivables are measured at amortised cost. The assets mainly represent solely future contractual cash payments of principal and interest. These financial assets are short term in nature.

Impairment

Trade receivables
The Group uses the simplified approach in calculating the ECL for trade receivables. The Group establishes a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The debt is written off when all reasonable steps to recover the debt have failed.

Other financial assets
The Group recognises an allowance for expected credit losses (ECLs) for all other financial assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The debt is written off when all reasonable steps to recover the debt have failed.

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Notes to the Consolidated Financial Statements (Cont'd)
for the year ended 31 December 2023

A debt is considered to be uncollectible when it meets one of the following criteria:
- All reasonable collection efforts have been exhausted.
- The cost of further collection action will exceed the amount recovered.
- The debt is legally without merit or cannot be substantiated by evidence.
- The debtor cannot be located.
- The available assets or income (current or anticipated) are insufficient.
- The debt was discharged in bankruptcy.
- The applicable statute of limitations for collection of the debt has expired.
- It is not in the public interest to pursue collection of the debt.

Determining that the debt is uncollectible does not cancel the legal obligation of the debtor to pay the debt hence the Credit Controller must continue with the efforts to recover without spending too much time and costs on the initiative.

Derecognition of financial assets
The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes 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 recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g., when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.17 Financial liabilities and equity instruments

Classification as debt or equity
Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities
Financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.18 Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short term deposits with a maturity of three months or less which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

3.19 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, 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

Notes to the Consolidated Financial Statements (Cont'd)
for the year ended 31 December 2023

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.

Critical judgements in applying accounting policies.
The following are the critical judgements that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Inventory Valuation
Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. An assessment is done by management regularly to assess the appropriateness of the assigned values of inventory.

Determining the lease term of contracts with renewal options – Group as lessee and the incremental borrowing rate.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of Land and buildings with shorter non-cancellable period (i.e., 3-5 years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of Land and buildings with longer non-cancellable periods (i.e., 5 to 10 years) are not included as part of the lease term as these are not reasonably certain to be exercised.

The Group also applies judgement in determining the incremental borrowing rate used to discount the lease payments in determining the lease liability and right of use asset at commencement of the lease.

Key sources of estimation and uncertainty
The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of trade and other receivables
IFRS 9 requires the Group to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Group applies the simplified approach and record lifetime expected losses on all trade receivables and other financial assets. Zimplow incorporates forward looking information in the determination of expected credit losses. Management also regards GDP as a measure of wealth that best reflect the quality of the company's customers, who are mainly into capital goods investment, which we sell. Management has also considered the impact of Inflation (CPI) and Purchasing Power Parity (International dollars) as other measures, that reflects the quality of the Group customers.

Management uses a period of 5 years to forecast the impact of forward-looking information on the expected credit loss allowance. The 5-year period is aligned to the company's business plan forecasting process for strategic planning purposes.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 26.

Impairment of goodwill
Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise (refer to note 14 for additional information).

Useful lives of property, plant and equipment
The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. The following factors are considered in estimating the useful life of an asset.
- Expected usage of the asset
- Expected physical wear and tear which depends on how the asset is going to be used.
- Management also uses experience with the usage of the asset.

Notes to the Consolidated Financial Statements (Cont'd)
for the year ended 31 December 2023

Fair value measurements and valuation processes
Some of the Group's assets are measured at fair value for financial reporting purposes. The directors determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuators to perform the valuation. The directors work closely with the qualified external valuators to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed under the following notes;
- Investment Property (note 11)
- Property, Plant and equipment (note 10).

3.20 Investment in subsidiaries
The company carries its investment in subsidiaries at cost less impairment. An assessment is done by management regularly to assess the appropriateness of the assigned values. Dividends from subsidiaries are recognised when the Company's right to receive is established, normally when the subsidiary declares the dividend. The dividends are recognised in the profit and loss section of the financial statements.

4. REVENUE

Analysis of Group revenue and results for the year
Set out below is the disaggregation of the Group's revenue from contracts with customers.

	Group		Company	
	31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD
Sale of goods: Domestic	30,068,837	41,603,994	18,117,187	22,857,665
Sale of goods: Export	1,905,716	2,571,558	1,905,716	2,571,558
Total revenue from contracts with customers	**31,974,553**	**44,175,552**	**20,022,903**	**25,429,223**
Investment property rental income	98,160	69,446	98,144	85,448
Total revenue	**32,072,713**	**44,244,998**	**20,121,047**	**25,514,671**

All revenue is recognised at a point in time, and all was generated in Zimbabwe.

5. PROFIT FOR THE YEAR

Profit/ (Loss) for the year has been arrived after charging:

5.1 Administrative expenses

	Group		Company	
	31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD
Salaries and employment costs	5,191,326	5,232,808	3,319,512	2,239,402
Motor, travel & accommodation	643,285	798,982	413,647	362,785
Rental and occupancy	576,541	534,701	93,379	59,994
Other administrative	1,735,754	3,406,955	1,016,160	845,114
	8,146,906	**9,973,446**	**4,842,698**	**3,507,295**

5.2 Foreign exchange gains/losses				
Realized Exchange gains/losses	109,380	255,175	106,452	(2,964)
Unrealized Exchange gain/losses	77,994	208,660	19,428	79,480
	187,374	**463,835**	**125,880**	**76,516**

Notes to the Consolidated Financial Statements (Cont'd)
for the year ended 31 December 2023

6. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the sector of the economy serviced and the type of goods or services delivered or provided. The directors of the Company have chosen to organize the Group around the differences in sectors of the economy and products or services. Specifically, the Group's reportable segments under IFRS 8: Operating segments are therefore as follows;

Mining and Infrastructure
- Mining equipment, parts and related services.

Agriculture
- Animal drawn equipment, parts and related services.
- Tractors, tractor drawn equipment, parts and related services.

Property
- Property rental and property management.

Logistics and Automotive
- Trucks, buses, Tyres

The disclosed results are an analysis of the Group's revenue and results from operations by reportable segment. Segment revenue reported below represents revenue generated from external customers. The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2. Segment profit/ (loss) represents the profit/ (loss) earned by each segment without allocation of central administration costs and directors' salaries. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance. Transfer prices between operating segments are set on an arm's length basis in a manner similar to transactions with third parties. Internal transactions are appropriately eliminated on consolidation and data aggregation.

The "Farming" segment comprises the following business units: Mealie Brand and Farmec. The "Mining and Infrastructure" segment comprises of the following business units: Barzem, Powermec, CT Bolts and Tractive Power Solutions. The properties segment comprises Manica Road investments and Birmingham properties investments. Other segments include the head office and shared services division. The Logistics and automotive segment consist of Scanlink and Trentyre. The following is an analysis of the Group's revenue and results from continuing operations by reportable segment.

Notes to the Consolidated Financial Statements (Cont'd)

for the year ended 31 December 2023

6.1 Segment information

	Agriculture	Mining and Infrastructure	Logistics and Automotive	Property	Non reportable Segments	Total Segments	Adjustments	Consolidated
31 December 2023								
Revenue	15,787,004	5,078,651	11,699,447	98,160	98,144	32,761,406	(688,693)	32,072,713
Segment operating profit	423,803	(83,325)	437,972	42,796	(15,770)	805,476	75,171	880,647
Other items								
Finance income	2,460	15,859	-	-	1,257	19,576	(15,857)	3,719
Finance costs	(122,536)	(38,365)	(58,654)	(396)	-	(219,951)	15,731	(204,220)
Income taxes	(107,878)	142,950	(197,881)	(71,969)	(73,503)	(308,281)	188,006	(120,275)
Group profit after tax	**195,849**	**37,119**	**181,437**	**(29,569)**	**(88,016)**	**296,820**	**263,051**	**559,871**
Segment assets	17,568,521	8,043,147	5,946,791	7,905,000	28,977,419	68,440,878	(22,220,881)	46,219,997
Segment liabilities	(4,108,035)	(3,122,889)	(4,978,226)	(355,663)	(952,639)	(13,517,452)	61,648	(13,455,804)
Other segment information								
Depreciation and amortisation	384,975	226,651	69,474	113,240	67,883	862,223	2,622	864,845
Additions to non-current assets	167,666	121,197	177,678	-	89,840	556,381	-	556,381
Inventory provision	345	267,644	9,564	-	-	277,553	-	277,553
Impairment loss recognized on receivables	50,841	189,003	21,100	-	-	260,944	-	260,944
Impairment of goodwill								
31 December 2022								
Revenue	19,964,096	12,379,186	11,823,077	69,446	85,448	44,321,253	(76,255)	44,244,998
Segment operating profit	1,519,648	1,083,805	750,693	(6,820)	886,982	4,234,308	(1,475,891)	2,758,417
Other items								
Finance income	202	356	-	-	336	894	-	894
Finance costs	(85,016)	-	(52,973)	(498)	-	(138,487)	-	(138,487)
Income taxes	(722,393)	(252,922)	(335,972)	(390,700)	(390,700)	(2,092,687)	390,700	(1,701,987)
Group profit after tax	**712,441**	**831,239**	**361,748**	**(398,018)**	**496,618**	**2,004,028**	**(1,085,191)**	**918,837**
Segment assets	17,129,527	8,701,440	7,333,448	7,780,000	29,100,464	70,044,879	(22,269,892)	47,774,987
Segment liabilities	(4,333,889)	(2,995,437)	(4,964,637)	(60,792)	(1,150,686)	(13,505,441)	(237,472)	(13,742,913)
Other segment information								
Depreciation	315,786	216,473	69,640	-	56,662	658,561	206,284	864,845
Additions to non-current assets	297,451	18,630	161,967	-	89,840	567,888	-	567,888
Inventory provision	837,869	1,294,036	5,835	-	-	2,137,740	-	2,137,740
Impairment loss recognized on receivables	126,416	373,079	38,314	-	-	-	-	537,809
Impairment of goodwill	-	-	-	874,800	-	-	-	874,800

The inter company assets and liabilities are eliminated on consolidation.

Notes to the Consolidated Financial Statements (Cont'd)

for the year ended 31 December 2023

6.1.2 Segment reconciliation

	31-Dec-23 USD	31-Dec-22 USD
Segment Profit	880,647	2,758,417
Depreciation of owner occupied at consolidation	(113,240)	-
Taxation	(120,275)	(1,701,987)
Profit after tax	**559,871**	**918,837**
Segment assets	**42,829,210**	**44,213,912**
Investment in subsidiaries	(20,507,891)	(20,507,891)
Accumulated depreciation owner occupied at consolidation	(1,220,137)	-
Goodwill	(5,995,285)	(5,995,285)
Intercompany eliminations	-	-
Reclassification adjustments	31,092,232	30,063,556
Total assets	**46,198,129**	**47,774,292**
Segment liabilities	**13,517,452**	**13,505,441**
Reclassifications	(2,234,925)	(1,488,542)
Deferred taxation	2,015,315	1,725,319
Intercompany eliminations	136,094	-
Total liabilities	**13,433,936**	**13,742,218**

6.1.3 Geographic information

Group revenue was all generated from Zimbabwe.

6.2 Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

	31-Dec-23 USD	31-Dec-22 USD
Mining and construction equipment	-	8,221,806
Animal drawn equipment	6,097,858	6,763,929
Tractors and tractor drawn equipment	9,118,924	12,577,060
Service of equipment	2,190,217	2,073,449
Fasteners	1,263,628	1,356,884
Property rentals	196,304	154,894
Power systems	2,003,002	2,992,572
Logistics and automotive	11,891,473	11,631,140
Adjustments for intercompany transactions	(688,693)	(1,526,736)
Total revenue	**32,072,713**	**44,244,998**

Notes to the Consolidated Financial Statements (Cont'd)

for the year ended 31 December 2023

7. SHARE CAPITAL

Subject to Section 183 of the Companies and Other Business Entities Act (Chapter 24.31), and to the limitations of the Zimbabwe Stock Exchange, the unissued shares are under the control of the Directors.

7.1 Reconciliation of authorised and issued share capital

	Group		Company	
	31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD
Authorized share capital				
Number of ordinary shares at the beginning of the year	400,000,000	400,000,000	400,000,000	400,000,000
Number of ordinary shares at the end of the year	400,000,000	400,000,000	400,000,000	400,000,000
Nominal value per share (USD)	0.0004	0.0004	0.0004	0.0004
Total nominal value of shares (USD)	**160,000**	**160,000**	**160,000**	**160,000**
Unissued shares under the control of the directors	55,419,514	55,419,514	55,419,514	55,419,514
Reconciliation of the number of shares in issue				
Issued number of shares at the beginning of the year	344,580,486	344,580,486	344,580,486	344,580,486
Number of shares in issue at the end of the year	344,580,486	344,580,486	344,580,486	344,580,486
Issued and fully paid number of shares				
Number of ordinary shares	344,580,486	344,580,486	344,580,486	344,580,486
Nominal value per share (USD)	0.0004	0.0004	0.0004	0.0004
Total nominal value of shares (USD)	**137,832**	**137,832**	**137,832**	**137,832**

7.2 At 31 December 2023, the directors of the Group held directly and indirectly, the following shares:

Name	Year Ended 31-Dec-23	Year Ended 31-Dec-22
T Johnson	375	375
G Manhambara	375	375
L Kennedy	24,936,122	24,936,122
K Patel	13,089,629	13,089,629
Total	**38,026,501**	**38,026,501**

8. TAXATION

	Group		Company	
	31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD
8.1 Income tax expense				
Zimbabwe Income tax	264,083	1,349,744	48,724	1,383,692
Deferred Tax relating to the origination and reversal of temporary differences	(143,808)	352,243	171,805	(17,043)
Taxation	**120,275**	**1,701,987**	**220,529**	**1,366,649**
8.2 Reconciliation of tax charge				
Tax on profit before tax for the year at 24.72% (incl. Aids Levy)	359,448	647,868	147,830	784,819
Tax effects on expenses that are not deductible in determining taxable profit	66,602	606,341	50,936	1,052,019
Non taxable income**	(161,967)	95,535	(150,042)	(487,974)
Change in deferred tax rate	(143,808)	352,243	171,805	17,785
	120,275	**1,701,987**	**220,529**	**1,366,649**

Notes to the Consolidated Financial Statements (Cont'd)

for the year ended 31 December 2023

	Group		Company	
	31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD
8.3 Deferred tax				
Key Components of deferred tax				
Property, Plant and Equipment	3,114,404	3,235,707	1,208,767	1,355,401
Investment Property	12,400	52,387	428,000	432,537
Provisions	(97,739)	(301,079)	(106,999)	(191,185)
Net exchange gains / (losses)	(1,013,750)	-	(386,211)	-
Effects of translation	-	(1,261,696)	-	(245,709)
Net deferred tax liability/ (asset)	**2,015,315**	**1,725,319**	**1,143,557**	**1,351,044**

	Group		Company	
Reflected in the statement of financial position as follows:	31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD
Deferred tax liability	2,015,315	1,725,319	1,143,557	1,351,044
Net deferred tax liability/ (asset)	**2,015,315**	**1,725,319**	**1,143,557**	**1,351,044**
8.4 Reconciliation of deferred tax (net)				
Opening balance	1,725,319	1,393,206	1,351,044	1,368,087
Effects of translation of balances	381,110	-	(354,522)	-
Expense/ (credit) for the year	(143,808)	352,243	171,805	(17,043)
Other comprehensive income	52,694	(20,130)	(24,770)	-
Closing balance	**2,015,315**	**1,725,319**	**1,143,557**	**1,351,044**

9. OTHER OPERATING INCOME

	Group		Company	
	31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD
Commissions	557,497	216,687	161,598	193,954
Bad debts recovered	141	-	141	-
Scrap sales	147,955	162,829	135,238	162,829
Profit/loss on sale of PPE items	-	28,979	-	8,979
Exchange difference unrealised	65,307	423,821	62,477	36,487
Fair value gain on investment property	41,000		140,000	-
Other recoveries	228,100	1,784,324	224,508	76,573
Total	**1,040,000**	**2,616,640**	**723,962**	**478,821**

Notes to the Consolidated Financial Statements (Cont'd)
for the year ended 31 December 2023

10. PROPERTY, PLANT AND EQUIPMENT

10.1 Group

	Land and Buildings USD	Plant and Machinery USD	Motor Vehicles USD	Office Furniture and Computer Equipment USD	Total USD
At cost/valuation					
At 01 January 2022	**11,550,309**	**4,104,050**	**2,809,995**	**1,126,051**	**19,590,404**
Additions	-	257,744	244,736	94,815	597,295
Disposals	-	(43,904)	(81,601)	(20,694)	(146,199)
Revaluation	280,000	21,024	-	-	301,024
At 31 December 2022	**11,830,309**	**4,338,914**	**2,973,130**	**1,200,172**	**20,342,524**
Additions	-	233,851	240,509	109,050	583,410
Disposals	-	-	(186,913)	(20,405)	(207,318)
Transfers	678,346	-	(37,715)	-	640,631
Revaluation	355,240	(325,329)	-	-	29,911
At 31 December 2023	**12,863,895**	**4,247,436**	**2,989,011**	**1,288,817**	**21,389,158**
Accumulated Depreciation					
At 01 January 2022	**-**	**(398,262)**	**(1,721,971)**	**(597,194)**	**(2,717,427)**
Charge for the year	(26,800)	(206,700)	(375,249)	(174,489)	(783,238)
Disposals	-	1,513	81,601	16,598	99,712
At 31 December 2022	**(26,800)**	**(603,449)**	**(2,015,619)**	**(755,085)**	**(3,400,953)**
Charge for the year	(140,149)	(183,688)	(380,257)	(147,780)	(851,874)
Disposals	-	-	136,618	6,326	142,944
Revaluation	53,600	273,439	-	-	327,039
Transfers	-	-	10,686	-	10,686
At 31 December 2023	**(113,349)**	**(513,698)**	**(2,248,572)**	**(896,539)**	**(3,772,158)**
Carrying amount					
At 31 December 2023	**12,750,546**	**3,733,738**	**740,439**	**392,278**	**17,617,000**
At 31 December 2022	**11,803,509**	**3,735,465**	**957,511**	**445,087**	**16,941,571**

10.2 Company

	Land and Buildings USD	Plant and Machinery USD	Motor Vehicles USD	Office Furniture and Computer Equipment USD	Total USD
At cost/valuation					
At 01 January 2022	**1,680,200**	**3,791,747**	**2,204,730**	**893,044**	**8,569,721**
Additions	-	197,587	212,310	50,052	459,949
Disposals	-	(43,904)	(81,601)	(20,694)	(146,199)
At 31 December 2022	**1,680,200**	**3,945,430**	**2,335,439**	**922,402**	**8,883,471**
Additions	-	90,116	213,480	60,262	363,858
Disposals	-	-	(186,451)	(17,914)	(204,365)
Revaluation	(10,200)	(364,684)	-	-	(374,884)
Transfers	-	-	(37,715)	-	(37,715)
At 31 December 2023	**1,670,000**	**3,670,862**	**2,324,753**	**964,750**	**8,630,365**
Accumulated Depreciation					
At 01 January 2022	**-**	**(370,215)**	**(1,538,627)**	**(553,286)**	**(2,462,127)**
Charge for the year	(26,800)	(181,783)	(238,795)	(97,944)	(545,322)
Disposals	-	1,513	81,601	16,598	99,712
At 31 December 2022	**(26,800)**	**(550,485)**	**(1,695,821)**	**(634,632)**	**(2,907,737)**
Charge for the year	(26,800)	(164,635)	(253,452)	(87,804)	(532,691)
Disposals	-	-	136,618	6,326	142,944
Revaluation	53,600	273,439	-	-	327,039
Transfers	-	-	10,686	-	10,686
At 31 December 2023	**-**	**(441,681)**	**(1,801,969)**	**(716,110)**	**(2,959,759)**
Carrying Amount					
At 31 December 2023	**1,670,000**	**3,229,181**	**522,784**	**248,640**	**5,670,606**
At 31 December 2022	**1,653,400**	**3,394,945**	**639,618**	**287,770**	**5,975,734**

Notes to the Consolidated Financial Statements (Cont'd)
for the year ended 31 December 2023

10.3 Intangible assets

	Group	Company
	Software License USD	Software License USD
Cost		
At 01 January 2022	129,709	129,709
At 31 December 2022	129,709	129,709
At 31 December 2023	129,709	129,709
Amortisation and Impairment		
At 01 January 2022	(55,126)	(55,126)
Amortisation	(12,971)	(12,971)
At 31 December 2022	(68,097)	(68,097)
Amortisation	(12,971)	(12,971)
At 31 December 2023	(81,068)	(81,068)
Carrying Amount at 31 December 2023	48,641	48,641
Carrying Amount at 31 December 2022	61,612	61,612

The Group's amortisation period for intangible assets is 5 -10 years.

11. INVESTMENT PROPERTY

	Group		Company	
	31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD
Balance at 1 January	**907,000**	**954,800**	**2,000,000**	**2,000,000**
Fair value adjustments	41,000	-47,800	140,000	-
Transfers to Property, Plant and Equipment	(700,000)	-	-	-
Balance at 31 December	**248,000**	**907,000**	**2,140,000**	**2,000,000**

The Company holds an investment property located at 3001 Dagenham Road which is occupied by two of the Group's subsidiaries namely Tredcor and Scanlink and is therefore reclassified as Land and Buildings at Group level. The Group in the prior year classified property held under Birmingham Investments as investment property but during FY2023 the property was occupied by Valmec and TPS, therefore the property has been reclassified as Land and Buildings in accordance with IAS 16.

11.1 Fair value measurement of the Group's investment properties

The Group's 2023 investment properties consist of vacant residential stands in Harare. As at 31 December 2023 and 31 December 2022, the fair values of the properties are based on valuations performed by independent valuators using historical USD denominated inputs. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied. The company's investment property consists of land and buildings situated in Harare at number 3001 Dagenham Road. The land and buildings have been subsequently measured at fair value based on valuations performed by independent valuators using historical USD denominated inputs. A valuation model in accordance with that recommended by the International Valuation Standards Committee has also been applied.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2023.

Notes to the Consolidated Financial Statements (Cont'd)

for the year ended 31 December 2023

11. INVESTMENT PROPERTY (CONT'D)

11.1 Fair value measurement of the Group's investment properties (cont'd)

Fair value hierarchy	Level 1 USD	Level 2 USD	Level 3 USD	Fair Value at 31-Dec-23 USD
Vacant residential stands	-	-	248,000	248,000

Fair value hierarchy	Level 1 USD	Level 2 USD	Level 3 USD	Fair Value at 31-Dec-22 USD
Vacant residential stands	-	-	207,000	207,000
Birmingham property	-	-	700,000	700,000

Details of the Company's investment properties and information about the fair value hierarchy as at 31 December 2023.

Fair value hierarchy	Level 1 USD	Level 2 USD	Level 3 USD	Fair Value at 31-Dec-23 USD
Dagenham property	-	-	2,140,000	2,140,000

Fair value hierarchy	Level 1 USD	Level 2 USD	Level 3 USD	Fair Value at 31-Dec-22 USD
Dagenham property	-	-	2,000,000	2,000,000

Group Valuation techniques used to determine Level 3 values 2023

Class of Property	Valuation Technique	Key Inputs	Range USD	Property size
Vacant residential stands	Market comparable approach	Price per square meters	12 – 20	1,000 square meters each.

Group valuation techniques used to determine Level 3 values 2022

Class of Property	Valuation Technique	Key Inputs	Range USD	Property size
Vacant residential stands	Market comparable approach	Price per square meters	12-17	1,000 square meters each.
Birmingham property	Market comparable approach	Price per square meters	94.41-104.35	7,044 square meters each.

Company valuation techniques used to determine Level 3 values 2023

Class of Property	Valuation Technique	Key Inputs	Range USD	Property size
Dagenham property	Market comparable approach	Price per square meters	288.61-318.99	7,044 square meters each.

Company valuation techniques used to determine Level 3 values 2022

Class of Property	Valuation Technique	Key Inputs	Range USD	Property size
Dagenham property	Market comparable approach	Price per square meters	269.73-298.13	7,044 square meters each.

Notes to the Consolidated Financial Statements (Cont'd)

for the year ended 31 December 2023

11. INVESTMENT PROPERTY (CONT'D)

11.1 Fair value measurement of the Group's investment properties (cont'd)

Sensitivity analysis

The value of investment properties is subject to material changes to key valuation inputs such as the property value per square meter. An increase or decrease in the value per square meter in the Group and Company's investment property would result in a positive or negative movement in the value of the Group and Company's investment property.

Group: description of valuation techniques used and key inputs to valuation of investment properties:

	Valuation technique	Significant unobservable inputs	Range (weighted average) 31-Dec-23 USD	Range (weighted average) 31-Dec-22 USD
Vacant residential stands	Market comparison approach	Comparable market value per square metre	12-20	12-17
Birmingham property	Market comparison approach	Comparable market value per square metre	-	94.41-104.35

Company: description of valuation techniques used and key inputs to valuation of investment properties:

	Valuation technique	Significant unobservable inputs	Range (weighted average) 31-Dec-23 USD	Range (weighted average) 31-Dec-22 USD
Dagenham property	Market comparison approach	Comparable market value per square metre	288.61-318.99	269.73-298.13

In the case of the Crowhill stands, a decrease in estimated market price per square metre of USD1 in isolation would result in the fair value adjustment of the investment properties being lower on a linear basis by USD20,000. This results in a decrease in the profit for the year by USD14,850 and a decrease in deferred tax liabilities by ZWL5,150.

12. CAPITAL COMMITMENTS

	Group 31-Dec-23 USD	Group 31-Dec-22 USD	Company 31-Dec-23 USD	Company 31-Dec-22 USD
Authorized but not yet contracted	784,666	2,069,013	621,388	1,533,513
Total	**784,666**	**2,069,013**	**621,388**	**1,533,513**

13. INVESTMENTS HELD IN SUBSIDIARIES

	%	%	USD	USD
Investment in Barzem Enterprises (Private) Limited	51%	51%	6,420,320	6,420,320
Investment in Manica Road Investments	100%	100%	5,041,838	5,041,838
Investment in Scanlink	100%	100%	3,040,801	3,040,801
Investment in Tredcor	100%	100%	4,178,109	4,178,109
Investment in Birmingham Investments	100%	100%	1,826,823	1,826,823
Total			**20,507,891**	**20,507,891**

Notes to the Consolidated Financial Statements (Cont'd)

for the year ended 31 December 2023

14. GOODWILL

	Group	
	31-Dec-23 USD	31-Dec-22 USD
Balance at the beginning of the year	**5,995,285**	**6,870,085**
Impairment of Birmingham investments	-	(874,800)
Balance at year end	**5,995,285**	**5,995,285**

Goodwill arose from the acquisition of Farmec through Tractive Power Holding Limited and from the acquisition of Scanlink, Tredcor and Birmingham investments in 2021. Farmec is a division which falls under farming segment, Scanlink and Tredcor are subsidiaries falling under the logistics and automotive segment and Birmingham a subsidiary falling under properties segment in applying IAS 36. The goodwill on acquisition for each of the above has been tested for impairment and no impairment has been recognized in the current year.

Budgeted operating cash flows for the related business unit were projected and discounted at the Group's average pre-tax cost of capital. The calculations performed on each acquisition indicated that goodwill was not impaired.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions:

i. The forecast horizon of 5 years was used. The forecast horizon comprises of the approved budget for 2024 drafted in the last quarter of 2023.
ii. The values assigned to the 5-year forecast; that is revenue, cost and growth assumptions reflect current trends, anticipated market developments and management's experience.
iii. The key assumptions for the recoverable amount calculation are the long-term growth rate and the discounting rate. The long-term growth rate of 4-8% per annum was used purely for impairment testing of goodwill under IAS 36 and does not reflect the long-term planning assumptions used by the Group for investment proposals or for any other assessments.
iv. A discount rate of 12% per annum, being the Group's pre-tax weighted average cost of debt, was used.

The calculation of value in use is most sensitive to the gross margins, discount rates and growth rates.

Gross margins
The gross margins used in the calculation is based on the forecasts of the CGU for the next 5 years (2022: 5 years). The gross margins lie between 20%-38% (2021: 20%-38%).

Discount rates
The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of debt of 12% per annum. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service.

Growth rate estimates
The growth rate is based on the financial forecast of between 6-8% (2022: 14-18%) per annum.

A reasonable possible change in the above key assumptions would not result in impairment of the goodwill.

Goodwill attributable to:

	Group	
	31-Dec-23 USD	31-Dec-22 USD
Manica Road Investments	924,904	924,904
Scanlink	1,150,991	1,150,991
Tredcor	3,919,390	3,919,390
Balance at year end	**5,995,285**	**5,995,285**

Notes to the Consolidated Financial Statements (Cont'd)

for the year ended 31 December 2023

15. INVENTORIES

	Group		Company	
	31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD
Raw Materials	778,965	815,838	603,049	549,192
Finished Goods	7,943,445	9,620,313	6,447,015	7,096,180
Spare and components	3,082,014	3,931,705	2,463,831	2,338,357
Other	45,107	39,896	7,329	16,556
Provision for obsolescence	(277,553)	(2,137,740)	(174,783)	(1,012,127)
Total Inventories at lower cost and net realizable value	**11,571,978**	**12,270,012**	**9,346,441**	**8,988,158**

The inventory obsolescence expensed during the current period is disclosed in note 5.1.

At the year-end there was no inventory used as collateral on borrowings.

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD
Local trade receivables	2,134,140	2,972,722	1,189,523	1,631,025
Foreign trade receivables	150,350	79,019	72,977	74,497
Other receivables	1,066,967	2,385,574	220,228	1,858,954
Allowance for credit losses (trade and other receivables)	(260,944)	(537,809)	(99,003)	(141,298)
Total	**3,090,513**	**4,899,506**	**1,383,725**	**3,423,178**
Ageing of receivables that are past due but not impaired				
30-60 Days	625,524	912,541	557,228	853,063
61-90 Days	68,195	176,744	68,195	176,744
91-120 Days	22,386	29,498	22,334	29,498
Over 120 Days	408,670	170,325	408,670	170,325
Total	**1,124,775**	**1,289,108**	**1,056,427**	**1,229,630**

The effects of IFRS 9 were considered by a re-computation of expected credit losses using an IFRS 9 compliant statistical regression analysis model. The resultant Expected credit losses have been analysed on the table below.

See Note 26 on credit risk of trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired. Other receivables include staff debtors and outstanding balances receivable from disposal of investments in subsidiaries in 2013 and 2018.

17. MOVEMENT IN THE ALLOWANCE FOR CREDIT LOSSES

	Group		Company	
	31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD
Balance at the beginning of the year	**537,809**	**67,577**	**141,298**	**47,015**
Adjustment for effects of translation	-	(130,858)	-	(46,609)
Impairment losses recognized on receivables	(276,865)	601,090	(42,295)	140,892
Balance at end of the year	**260,944**	**537,809**	**99,003**	**141,298**

The credit period on sale of goods and services is 30 days. Interest is charged on outstanding trade receivables. Before accepting any new customer, members of the Group's executive team and sales administrators deliberate the prospective customer's credit worthiness. Members of the Group's executive team, its sales administrators and marketing managers often meet prospective customers in order to conduct background and screening checks and attach a credit quality rating before accepting credit trading customers. Credit limits are defined for each customer and set by the executive team. Credit limits and customer quality are constantly reviewed.

Notes to the Consolidated Financial Statements (Cont'd)

for the year ended 31 December 2023

17. MOVEMENT IN THE ALLOWANCE FOR CREDIT LOSSES (CONT'D)

17.1 Investment in financial assets

	Group		Company	
	31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD
Investment in PUPs	14	2,417	14	2,417
Balance at end of the year	**14**	**2,417**	**14**	**2,417**

The investment in financial assets is a fixed term deposit denominated in ZWL that is held with ZB that has not yet vested as at 31 December 2023.

	Group		Company	
	31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD
17.2 Prepayments				
Prepayment to suppliers	5,597,527	3,708,685	3,663,663	1,437,281

Prepayments relate advance payments to suppliers for inventory items yet to be delivered.

	Group		Company	
	31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD
17.3 Contract liabilities (customer deposits)				
Short term advances for goods	2,460,040	149,792	1,267,122	82,729

The Group received customer deposits which were paid to the respective suppliers for the goods in transit at year end. The balances of deposits are short term in nature as at the end of the year and are shown in the table above.

17.4 Revenue from contracts with customers

	Group		Company	
	31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD
Amounts included in contract liabilities at the beginning of the year	(149,792)	(545,573)	(82,729)	(480,057)
Performance obligations satisfied in current year	149,792	545,573	82,729	480,057
Performance obligations added during the year	(2,460,040)	(149,792)	(1,267,122)	(82,729)
Performance obligations outstanding at year end	**(2,460,040)**	**(149,792)**	**(1,267,122)**	**(82,729)**

18. TRADE, OTHER PAYABLES AND PROVISIONS

	Group		Company	
	31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD
18.1 Trade and other payables				
Local Trade Payables	2,902,615	2,960,916	444,183	268,468
Foreign Trade Payables	1,156,140	1,148,933	1,094,709	1,094,709
Other payables and accrued expenses	2,149,962	4,063,193	977,002	1,249,240
Balance at end of the year	**6,208,717**	**8,173,042**	**2,515,894**	**2,612,417**

Local trade payables
The average credit period on local purchases of key manufacturing inputs ranges between 7-60 days (from date of invoice).

Foreign trade payables
The average credit period on foreign purchases of key manufacturing inputs is 30 days (from date of invoice). No interest is charged on trade payables. The Group has financial risk management policies in place to ensure that trade payables are paid within the pre-agreed credit terms. However it is noticeable that the proportion of Foreign Trade Payables has decreased at Group Level due the some OEMs insisting on prepayments or substantial up-front deposits in order to hedge against the prevailing risks of international. At Company level the increase in trade payables is due to a new trade facility with existing suppliers allowing a 60 day credit term which is interest free.

Notes to the Consolidated Financial Statements (Cont'd)

for the year ended 31 December 2023

18. TRADE, OTHER PAYABLES AND PROVISIONS (CONT'D)

18.2 Provisions

	Group			Company		
	Emp Benefits USD	Audit fees USD	Total USD	Emp Benefits USD	Audit fees USD	Total USD
Closing balance 2022	1,062,569	-	1,062,569	167,676	-	167,676
Charge to profit and loss	392,730	30,178	422,908	268,110	30,178	298,288
Payments	(605,963)	(17,393)	(623,356)	(310,625)	(17,393)	(310,625)
Closing balance 2023	**849,336**	**12,785**	**862,121**	**125,161**	**12,785**	**137,946**

Employee benefit provisions relate to provisions for bonus, leave pay and gratuity. Warranty provision is for new equipment sales such as tractors, generators, handling and earth-moving equipment. These provisions fall due for settlement within the next 12 months.

19. FINANCIAL LIABILITIES: INTEREST BEARING LOANS AND BORROWINGS

19.1 Borrowings

	Group		Company	
	31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD
Short term borrowings				
Bank loan	1,221,711	1,061,741	1,221,711	636,869
Total	**1,221,711**	**1,061,741**	**1,221,711**	**636,869**
Maturity profile of borrowings				
Due within one year				
0-3 months	610,856	530,871	610,855	318,435
3-6 months	610,856	530,871	610,855	318,435
6-12 months	-	-	-	-
Total due within one year	**1,221,711**	**1,061,741**	**1,221,710**	**636,870**

The Group acquired a short-term loan of USD1,920,000 from a facility of USD2,700,000 secured against building valued at USD5m. The average cost of the borrowings was at 12%.

19.2 Movement in borrowings

	Group	Company
	31-Dec-23 USD	31-Dec-22 USD
Opening balance: 1 Jan 2022	**484,748**	**59,877**
Paid during the year	(111,560)	(111,560)
Acquired during the year	688,553	688,553
Closing balance: 31 Dec 2022	**1,061,741**	**636,869**
Paid during the year	(1,335,158)	(1,335,158)
Acquired during the year	1,920,000	1,920,000
Effects of exchange rate movements	(424,872)	-
Closing balance: 31 Dec 2023	**1,221,711**	**1,221,711**

Notes to the Consolidated Financial Statements (Cont'd)
for the year ended 31 December 2023

19. FINANCIAL LIABILITIES: INTEREST BEARING LOANS AND BORROWINGS (CONT'D)

		Group		Company	
		31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD
19.3	**Finance income**				
	Bank deposits and Investments	3,719	894	3,719	538
	Total	**3,719**	**894**	**3,719**	**538**
19.4	**Finance costs**				
	Finance costs arising from				
	Short term facilities with financial institutions	204,220	138,487	140,185	85,017
	Lease liabilities	-	-	23,302	2,285
	Total	**204,220**	**138,487**	**163,487**	**87,302**

20. CASH AND BANK BALANCES

	Group 31-Dec-23 USD	Group 31-Dec-22 USD	Company 31-Dec-23 USD	Company 31-Dec-22 USD
Cash at bank and on hand(bond)	203,228	1,054,465	194,301	811,027
Foreign cash at bank (other than USD)	160	63,977	160	63,977
Cash at bank and on hand (Nostro)	1,060,447	1,101,561	265,679	367,318
Net cash and cash equivalents	**1,263,835**	**2,220,003**	**460,140**	**1,242,322**

As a result of foreign currency shortages there have been delays in remitting the foreign payments. The Group has therefore participated on the foreign currency auction market, utilised exports remittances and LCs to lessen the burden of the shortages.

21. RESERVES

21.1 Revaluation reserve

The Revaluation reserve arises on the revaluation of land and buildings and items of plant and machinery. When revalued assets are sold, the portion of the revaluation reserve that relates to that asset is transferred directly to retained earnings. Items of other comprehensive income included in revaluation reserve will not be reclassified subsequently to profit or loss.

Distributions from the revaluation reserve can be made where they are in accordance with the requirements of the Company's memorandum and articles of association, the Companies and Other Business Entities Act (Chapter 24.31) of Zimbabwe and relevant case law. Amounts may also be effectively distributed out of the revaluation reserve as part of a share buy-back or financing of bonus shares.

However, the payment of cash distributions out of the reserve is restricted by the terms of the Company's memorandum and articles of association. These restrictions do not apply to any amounts transferred to retained earnings. The directors do not currently intend to make any distribution from the revaluation reserve.

21.2 Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies into the Group's presentation currency (USD) are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency reserve are reclassified to profit or loss on disposal of the foreign operation.

Following the de-listing of Zimplow Holdings from the Zimbabwe Stock Exchange and the subsequent re-listing on the Victoria Falls Stock Exchange, the Group changed it's functional and reporting currency from ZWL to USD effective 01 July 2023. The net effect of the translation of the Group's balances and transactions was recognized directly in the foreign currency translation reserve.

21.3 Change in ownership reserve

The Change in ownership reserve arose from changes in the company's interest in subsidiaries without change in degree of control. It represents the difference between the amount by which the carrying amount of the non-controlling interest was adjusted and the fair value of the consideration paid. According to IFRS 10.B 96 such changes on ownership interest must be recognized directly in equity.

Notes to the Consolidated Financial Statements (Cont'd)
for the year ended 31 December 2023

22. LONG TERM RECEIVABLES

	Group 31-Dec-23 USD	Group 31-Dec-22 USD	Company 31-Dec-23 USD	Company 31-Dec-22 USD
Opening Balance	768,896	726,201	768,896	768,896
Exchange rate movements on non-functional currency balances	18,308	-	18,308	-
Release of Barloworld (UK) Receivable	-	(42,695)	-	-
Total long term receivables	**787,204**	**768,896**	**787,204**	**768,896**

The long-term receivables relate to deposits tied up with distributorship agreements with key principal suppliers in AGCO and Total Zimbabwe. The AGCO receivable is Euro denominated and therefore generates exchange rate movements to the United State dollar.

23. GROUP INFORMATION

Information about subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation and business	Proportion of ownership interests and voting rights held by the Group 31-Dec-23	31-Dec-22
Barzem Enterprises (Private) Limited	Sale, distribution and maintenance of mining and earthmoving equipment	Zimbabwe	51%	51%
Manica Road Investments (Private) Limited	Property rental and management	Zimbabwe	100%	100%
Scanlink (private) Limited	Sales, distribution and maintenance of trucks, buses and engines	Zimbabwe	100%	100%
Tredcor Zimbabwe (Private) Limited	Sales, distribution and maintenance of tyres	Zimbabwe	100%	100%
Birmingham Investments (Private) Limited	Property rental and management	Zimbabwe	100%	100%
Tractive Power Holdings	Sales, distribution of mining equipment	Zimbabwe	100%	100%

An analysis of Group subsidiaries with material non-controlling interests is as follows:

Name of subsidiary	Place of incorporation and business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(Loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Barzem Enterprises (Private) Limited*	Zimbabwe	49%	49%	(34,473)	49,508	6,123,869	5,976,379
Total				**(34,473)**	**49,508**	**6,123,869**	**5,976,379**

*There has been no change in the Group's ownership in Barzem since 2016.

Details of non-wholly owned subsidiaries with material non-controlling interests

The summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intraGroup eliminations is as follows:

Notes to the Consolidated Financial Statements (Cont'd)

for the year ended 31 December 2023

23. GROUP INFORMATION (CONT'D)

Barzem Enterprises (Private) Limited	Group 31-Dec-23 USD	Company 31-Dec-22 USD
Summarized statement of financial position		
Current Assets	1,374,661	1,363,815
Non-current Assets	3,613,847	3,570,591
Current liabilities	(857,274)	(1,105,868)
Non-current liabilities	(671,399)	(617,924)
Total equity	**3,459,835**	**3,210,614**
Non-controlling interests	6,123,869	5,976,379
Summarized statement of profit or loss		
Revenue	-	6,715,984
Expenses and taxation	70,354	6,614,948
Profit for the year	(70,354)	101,036
Other comprehensive	161,837	305,327
Summarized statement of cash flows		
Net cash inflow from operating activities	(452,343)	2,805,510
Net cash outflow from investing activities	-	2,309
Net cash inflow/(outflow)	**(452,343)**	**2,807,819**

Subsequent to year end a call option on the NCI's shareholding of 49% has been exercised and Zimplow has therefore acquired the Non-Controlling Interest's stake make Barzem Enterprises a wholly owned subsidiary.

24. RELATED PARTY DISCLOSURES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below:

24.1 Balances and transactions with companies controlled by Non-Executive Directors

24.1.1 Balances with companies controlled by Non-Executive Directors

	Group		Company	
	31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD
Company Name				
Amount owed to Steelmakers	-	(35,826)	-	(35,826)
Amount receivable from Kencor Management Services	11,113	22,208	11,113	22,208
Total	**11,113**	**(13,618)**	**11,113**	**(13,618)**

Balances payable or receivable from entities controlled by non-executive directors above are disclosed under trade and other receivables and payables in the statement of financial position.

24.1.2 Transactions with companies controlled by Directors

	Group		Company	
	31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD
Company and transactions				
Steel Makers: purchase of raw materials	1,327,141	1,788,816	1,327,141	1,788,816
Kencor Management Services: Sale of goods	213,378	151,287	213,378	151,287
Steel Makers: Sale of goods	93,809	247,949	93,809	247,949
Total	**1,634,328**	**2,188,052**	**1,634,328**	**2,188,052**

Notes to the Consolidated Financial Statements (Cont'd)
for the year ended 31 December 2023

24. RELATED PARTY DISCLOSURES (CONT'D)

24.2 Transactions with companies controlled by Zimplow Holdings Limited

	Barzem		Manica		Total	
Company Name	31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD
Transaction: shared service fees	-	-	-	-	-	-
Balance receivables/(payable)	**661,020**	**(313,919)**	**7,647**	**4,197**	**668,667**	**(309,722)**

	Scanlink		Tredcor		Total	
Transaction: shared service fees	229,205	223,456	139,641	139,641	368,846	363,097
Balance receivables/(payable)	91,260	(97,431)	(347,904)	(32,238)	(256,644)	(129,669)
Total balance (payable)/receivable	**-**	**-**	**-**	**-**	**412,023**	**(439,391)**

Sales of goods to related parties were made at the Group's usual list prices with purchases being made at market prices. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

24.3 Compensation to key management personnel

	Group		Company	
	31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD
Short term employee benefits	1,019,461	629,892	1,019,461	629,892
Total	**1,019,461**	**629,892**	**1,019,461**	**629,892**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly. The Group's Remuneration Committee having regard to the performance of individuals and market trends determines the remuneration of Directors and key executives.

24.4 Directors Fees and Emoluments

	Group		Company	
	31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD
Directors fees	222,530	181,350	222,530	181,350
Total	**222,530**	**181,350**	**222,530**	**181,350**

The remuneration of the sole Executive Director is included in the note 24.3, compensation to key management.

Notes to the Consolidated Financial Statements (Cont'd)

for the year ended 31 December 2023

25. LEASE ASSETS AND LIABILITIES

The Company leases property from Manica Road Investments (Private) Limited. The property is mainly used as office space, showrooms and to house workshops where repairs are undertaken. The Company has elected to present right-of-use assets and lease liabilities separately in the statement of financial position.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

		Group	Company
		31-Dec-23 USD	31-Dec-22 USD
25.1	**Right of use assets**		
	Opening net carrying amount at 1 January	**2,603**	**24,408**
	Remeasurement	407,745	3,306
	Depreciation	(103,238)	(25,111)
	Closing net carrying amount at 31 December	**307,110**	**2,603**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

		Group 31-Dec-23 USD	Company 31-Dec-22 USD
25.2	**Lease liabilities**		
	As at 1 January	**3,344**	**7,623**
	Accretion of interest	23,302	2,655
	Payments	(93,521)	(4,831)
	Remeasurement	382,962	(2,103)
	IAS 29 Restatement effects	-	-
	As at 31 December	**316,087**	**3,344**
	Current	**316,087**	**3,344**
	Maturity analysis - contractual undiscounted cash flows		
	Less than one year	231,308	3,778
	One to five years	115,654	2,404
25.3	**The following are the amounts recognised in profit or loss:**		
	Depreciation expense of right-of-use assets	(103,238)	(25,111)
	Interest expense on lease liabilities	(23,302)	(2,655)
	Total amount recognised in profit or loss	**(126,540)**	**(27,766)**

The Right of Use Asset pertains to buildings leased by Zimplow company divisions from Manica Road Investments which is a 100% owned subsidiary Zimplow Holdings.

26. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing return to stakeholders through the optimization of the debt and equity balance. The Group's strategy remains unchanged from 2016. The capital structure of the Group consists of net debt (borrowings as detailed in note 19) offset by cash and bank balances and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests). The Group is not subject to any externally imposed capital requirements. The Group's risk management committee reviews the capital structure of the Group bi-annually. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Group aims to maintain a gearing ratio ceiling of 15% - 35% determined as the proportion of net debt to equity.

Group	31-Dec-23 USD	31-Dec-22 USD
Debt(1)	(1,221,711)	(1,061,741)
Cash and Bank balances net of bank overdraft	1,263,835	2,220,003
Net cash/(debt)	42,124	1,158,262
Equity(2)	32,764,193	34,032,074
Net cash/debt to equity ratio (gearing)	**0.1%**	**3%**

(1) Debt is defined as long- and short-term borrowings.
(2) Equity includes all capital and reserves of the Group that are managed as capital.

Notes to the Consolidated Financial Statements (Cont'd)

for the year ended 31 December 2023

26. CAPITAL MANAGEMENT (CONT'D)

26.1 Financial Risk Management Objectives

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Corporate Treasury function reports quarterly to the Group's risk executive committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

Market risk

Foreign exchange risk

From the beginning of 2016, banks became reluctant to commit in foreign currency transactions. The Group made a decision to engage foreign suppliers and customers on a prepayment basis to reduce or avoid foreign exchange risk. The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The below table show the ZWL exposure in the various monetary asset classes:

Group	31-Dec-23 ZWL	31-Dec-22 ZWL
Assets		
Trade and other receivables	917,886,750	53,057,308
Cash and cash equivalents	1,240,706,940	708,020,524
Total assets	**2,158,593,690**	**761,077,832**
Liabilities		
Trade and other payables	(7,058,234,700)	(771,451,063)
Total net position	**(4,899,641,010)**	**(10,373,231)**
Company		
Assets		
Trade and other receivables	445,524,585	50,021,011
Cash and cash equivalents	1,186,207,605	1,095,625
Total assets	**1,631,732,190**	**51,116,636**
Liabilities		
Trade and other payables	(2,711,737,215)	(180,262,839)
Total net position	**(1,080,005,025)**	**(129,146,203)**

The tables below demonstrate the sensitivity to a reasonably possible change in the USD and ZWL exchange rates with all other components held constant.

Group	31-Dec-23 USD +/-5%	31-Dec-22 USD +/-5%
Profit before taxation	(83,406)	(90,908)
Effect on equity	(62,788)	(68,436)
Company		
Profit before taxation	(30,783)	(16,481)
Effect on equity	(23,173)	(12,407)

Positive changes relates to increase in profit or increase in equity and negative changes to decrease in profit or equity.

Notes to the Consolidated Financial Statements (Cont'd)

for the year ended 31 December 2023

26. CAPITAL MANAGEMENT (CONT'D)

26.1 Financial Risk Management Objectives (cont'd)

Exchange rates applied at 31 December:	2023		2022	
	Statement of profit or loss	Statement of financial position	Statement of profit or loss	Statement of financial position
Average rate to the USD				
ZWL	0.00027	0.00016	0.00253	0.00149

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings are settled as promptly as possible if interest rates are unfavourable and the Group always strives to negotiate the most favourable rates and tenures to avoid interest rate risk. The Group endeavours to maximize interest rates on investments and minimize interest rates on borrowings. The Group policy is to adopt anon – speculative policy on managing interest rate risk. In the current and presented prior period, Group borrowings were at fixed terms and interest rates.

Interest rate sensitivity
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Change in interest rate		Effect on profit before tax
2023	1%	12,217
	(1%)	(12,217)
2022	1%	10,617
	(1%)	(10,617)

Credit risk
Credit risk relates to the risk that trade counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss being incurred. Potential concentrations of credit risk consist principally of short-term cash and cash equivalents, investments and trade receivables. Credit risk related to cash deposits was attributed to Group deposits and short-term cash surpluses held with major banks and financial institutions of high credit standing and within investment limits assigned to each counter party.

Investment limits with banks and financial institutions are assigned by the Group's Executive Committee to minimize the concentration of risk and therefore mitigate financial loss through potential counter party failure. The Group's Board of Directors reviews the limits and investment placements on a periodic basis and approves the Committee's proposals accordingly, or alternatively rejects related proposals and effects changes to Group policy.

Trade receivables and other receivables
Trade receivables comprise a relatively large and widespread customer base. Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on internal credit rating assessments after extensive prospective customer background and credit reference checks are performed.

Outstanding customer receivables are regularly monitored, and a full-time credit control department exists to independently perform this function. The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The Group's maximum exposure to credit risk at 31 December 2023 and further specific credit risk mitigating activities adopted by the entity are as shown in Notes 17, 20 and 22.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for Groupings of various customer segments with similar loss patterns (i.e., customer type and rating). This ensures that any increase in the gross balance of trade and other receivables is covered by an increase in the provisioning amounts.

The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 16. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its credit customers are thoroughly screened.

Notes to the Consolidated Financial Statements (Cont'd)
for the year ended 31 December 2023

26. CAPITAL MANAGEMENT (CONT'D)

26.1 Financial Risk Management Objectives (cont'd)

The Group considers both qualitative and quantitative information that is reasonable and supportable when making this assessment on expected credit losses, including historical experience and forward-looking information that is available without undue costs or effort. Based on historical experience, and expert credit assessment including forward looking information. Management has opted to apply regression analysis as a statistical method. The forward-looking information considered includes inflation (CPI), purchasing power parity and gross domestic product (GDP).

In the current year the Group has also considered the potential impact of Covid-19 on its customers and instituted measures that helps it better manage its receivables. All this information was taken into consideration in arriving at the expected credit loss figures.

Set out below is the information about the credit risk exposure on the Group and Company's trade receivables using a provision matrix:

Other Receivables
Other receivables comprise of fully provided for balances which emanated from Group restructuring which was done in prior years. Therefore, there is no risk expected to arise from these balances.

Liquidity risk
Liquidity risk is the risk that an entity will have difficulties in paying its financial liabilities. Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. The Group maintains flexibility in funding by maintaining funding availability under committed credit lines. The Group's objective is to maintain a beneficial balance between continuity of funding and flexibility using bank overdrafts and bank loans, whilst always considering the need for potential funding source diversification through the introduction of Finance lease or hire purchase arrangements, or the issuance of preference shares. As at the reporting period end date, the Group's external funding sources were limited to customer deposits, and borrowings. The Group has access to financing facilities, which were fully utilized in the current period. The Group expects to meet its core trading-based obligations from operating cash flows and proceeds from the realization of its financial assets. The table below summarizes the maturity profile of the Group's financial liabilities (excluding borrowings, whose maturity profile is disclosed under note 19) at 31 December 2023 based on contractual undiscounted payments:

	Group		Company	
	31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD
Maturity profile of trade and other payables				
Due within 1 year	-	-	-	-
On demand	-	-	-	-
Less than 3 months	6,208,717	8,173,042	2,515,894	2,612,417
Total	**6,208,717**	**8,173,042**	**2,515,894**	**2,612,417**

Refer to Note 19 for disclosure of the maturity profile of interest-bearing borrowings.
Set out below is the information about the credit risk exposure on the Group and Company 's trade receivables using a provision matrix:

		Trade Receivables- Days past due						
Group	Current	30 -60 days	61-90 days	91-120 days	121-150 days	151-180 days	>180 days	Total
2023								
Expected credit loss rate	-	2%	5%	23%	19%	28%	30%	-
Estimated Total gross carrying amount at default	1,299,408	515,582	513,266	588,020	394,605	23,242	17,335	3,351,457
Expected credit loss	1,418	11,591	25,258	135,889	75,169	6,417	5,202	260,944
2022								
Expected credit loss rate	-	3%	6%	29%	24%	35%	38%	-
Estimated Total gross carrying amount at default	2,108,125	836,466	832,709	953,988	640,196	37,708	28,124	5,437,315
Expected credit loss	2,923	23,888	52,057	280,070	154,924	13,226	10,721	537,809
Company								
2023								
Expected credit loss rate	-	1%	2%	33%	53%	58%	63%	-
Estimated Total gross carrying amount at default	624,400	484,145	193,633	31,626	121,363	15,787	11,774	1,482,728
Expected credit loss	585	3,428	3,093	10,362	64,869	9,205	7,461	99,003
2022								
Expected credit loss rate	-	-	1%	19%	32%	35%	38%	-
Estimated Total gross carrying amount at default	1,501,058	1,163,884	465,494	76,029	291,756	37,951	28,305	3,564,476
Expected credit loss	834	4,893	4,415	14,789	92,581	13,138	10,649	141,298

Notes to the Consolidated Financial Statements (Cont'd)

for the year ended 31 December 2023

27. EARNINGS PER SHARE

	Group		Company	
	31-Dec-23 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-22 USD
Basic earnings per share (ZWL)				
Basic earnings per share	0.002	0.003	0.001	0.01
Diluted earnings per share (ZWL)				
Diluted earnings per share	0.002	0.003	0.001	0.01
Headline earnings per share				
Headline Earnings per Share	0.002	0.002	0.001	0.01
Diluted headline earnings per share				
Diluted Headline Earnings per Share	0.002	0.002	-	-
The information below was used to calculate earnings per share				
Weighted average number of ordinary shares in issues				
For the purpose of basic loss per share	344,580,486	344,580,486	344,580,486	344,580,486
For the purposes of diluted earnings per share	344,580,486	344,580,486	344,580,486	344,580,486
Profit for the year used in the calculation of basic and diluted earnings per share	594,344	869,329	377,488	1,808,185
Profit for the year used in the calculation of basic and diluted Headline earnings per share	594,344	678,470	377,488	1,774,095

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The company had no potential shares as at last year end and hence no dilutive effect on the year-end EPS of the company.

28. EVENTS AFTER THE REPORTING PERIOD

On 29 September 2023, Zimplow Holdings Limited (Zimplow) entered into a Share Purchase Agreement (SPA) with Barloworld Equipment UK Limited (BWE UK) for the purchase of 49% shareholding in Barzem Enterprises (Private) Limited (Barzem) held by BWE UK. Zimplow was exercising a call option per the provisions of the Shareholders Agreement. Effectively, Barzem is a wholly owned subsidiary of Zimplow effective March 2024 as full settlement of the purchase consideration, being $1,219,381.60, was paid. Furthermore, conditions precedent relating to the SPA were fulfilled in the same said period. This is a non-adjusting event.

29. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

29.1 Standards issued and effective in the current year

Concerning standards that were issued, none are effective in the current year.

29.2 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

Notes to the Consolidated Financial Statements (Cont'd)
for the year ended 31 December 2023

29. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS (CONT'D)

The amendments are not expected to have a material impact on the Group's financial statements.

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

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements

CORPORATE AND SHAREHOLDER'S INFORMATION

Shareholder Analysis

ZIMPLOW LIMITED: ANALYSIS BY VOLUME AS AT : 31 December 2023

Range	Shares	Shares %	Shareholders	Shareholders %
1-5000	1,136,867	0.33	1,341	79.96
5001-10000	652,889	0.19	91	5.43
10001-25000	1,573,379	0.46	97	5.78
25001-50000	1,199,674	0.35	34	2.03
50001-100000	3,026,094	0.88	41	2.44
100001-200000	3,902,330	1.13	27	1.61
200001-500000	4,683,120	1.36	14	0.83
500001-1000000	5,234,290	1.52	07	0.42
1000001 and Above	323,171,843	93.79	25	1.49
Totals	**344,580,486**	**100.00**	**1,677**	**100.00**

ZIMPLOW LIMITED: ANALYSIS BY INDUSTRY AS AT: 31 December 2023

Industry	Shares	Shares %	Shareholders	Shareholders %
LOCAL COMPANIES	269,794,942	78.30	183	10.91
LOCAL NOMINEE	50,540,598	14.67	97	5.78
PENSION FUNDS	9,237,102	2.68	28	1.67
LOCAL INDIVIDUAL RESIDENT	7,466,427	2.17	1,187	70.78
OTHER INVESTMENTS & TRUST	4,590,642	1.33	51	3.04
NEW NON RESIDENT	1,621,342	0.47	55	3.28
TRUSTS	431,412	0.13	17	1.01
FUND MANAGERS	329,651	0.10	12	0.72
INSURANCE COMPANIES	263,819	0.08	10	0.60
FOREIGN NOMINEE	106,294	0.03	02	0.12
FOREIGN INDIVIDUAL RESIDENT	102,303	0.03	04	0.24
DECEASED ESTATES	67,829	0.02	21	1.25
CHARITABLE	18,293	0.01	08	0.48
GOVERNMENT / QUASI	9,829	0.00	01	0.06
UNKNOWN	03	0.00	01	0.06
Totals	**344,580,486**	**100.00**	**1,677**	**100.00**

ZIMPLOW LIMITED TOP 20 : SCHEDULE AS AT : 31 December 2023

Rank	Names	Tax	Industry	Shares	%
1	SINO PROPERTIES (PVT) LTD	MAU	LC	84,215,334	24.44
2	STANBIC NOMINEES (PVT) LTD	ZIM	LN	49,581,121	14.39
3	ESSENTIAL PROPOSITION PROPERTIES (PVT) LTD	ZIM	LC	28,090,650	8.15
4	PIONEER DEVELOPMENT COMPANY (PVT) LTD	ZIM	LC	26,257,033	7.62
5	KENCOR HOLDINGS PVT LTD	ZIM	LC	24,936,122	7.24
6	CHARTER MINING (PVT) LTD	ZIM	LC	19,745,346	5.73
7	CLAN SERVICES (PVT) LTD	ZIM	LC	18,399,564	5.34
8	UNIFREIGHT AFRICA LTD	ZIM	LC	15,774,446	4.58
9	MAGISTER INVESTMENTS LTD	MAU	LC	14,791,807	4.29
10	YUMIKO INVESTMENTS PVT LTD	WNP	LC	13,089,629	3.80
11	BARLOWORLD EQUIPMENT UK LTD BARLOWORLD EQUIPMENT UK LTD	UK	LC	7,340,933	2.13
12	TETRAD INVESTMENT BANK TETRAD INVESTMENT BANK	ZIM	INV	4,427,738	1.28
13	FLAME LILY VENTURE CAPITAL GRP FLAME LILY VENTURE CAPITAL GRP	ZIM	LC	4,054,625	1.18
14	TRACTIVE POWER HOLDINGS WORKERS TRUST (PRIVATE) LIMITED	ZIM	LC	3,683,201	1.07
15	HOLDSWORTH HOLDINGS (PVT) LTD	ZIM	LC	2,886,206	0.84
16	PUBLIC SERVICE PFUND-SMARTVEST	ZIM	PF	2,684,581	0.78
17	MEGA MARKET (PVT) LTD	ZIM	LC	2,458,376	0.71
18	BERNARD NORMAN CHITEPO	ZIM	LR	1,587,620	0.46
19	MINING INDUSTRY PENSION FUND	ZIM	PF	1,524,932	0.44
20	PUBLIC SERVICE COMMISS PF-ABC	ZIM	PF	1,505,300	0.44
	Selected Shares			**327,034,564**	**94.91**
	Non - Selected Shares			**17,545,922**	**5.09**
	Issued Shares			**344,580,486**	**100.00**

Notice to Annual General Meeting (AGM)

NOTICE IS HEREBY GIVEN THAT the Seventy- Fourth Annual General Meeting of Shareholders is to be held at the Zimplow Holdings Limited Head Office No.10 Harrow Road, Msasa, Harare at 1000hrs on 27 June 2024 as well as virtually via the link https://escrowagm.com/eagmZim/Login.aspx for the purposes of transacting the following business below:

As Ordinary Resolutions

1. To approve the minutes of the Annual General Meeting held on 29 June 2023.
2. To receive and adopt the audited financial statements for the year ended 31 December 2023, together with the report of the Directors and Auditors.
3. To re-elect a Director in place of Mr. Godfrey Tsikayi Manhambara, who retires from the Board by rotation and being eligible, offers himself for re-election.
4. To re-elect a Director in place of Mr. Benjamin Nkosentya Kumalo, who retires from the Board by rotation and being eligible, offers himself for re-election.
5. To elect Benjamin Burr who was appointed after the last Annual General Meeting. Mr Burr is a property professional with more than fourteen (14) years of experience in the property sector locally and within the region. In the course of his career, he has held the position of Managing Director of CBRE Excellerate Zimbabwe for five years and currently consults for a number of listed and private limited companies as it pertains to the management and development of immovable properties, disposals and acquisitions. He also provides development management consultancy services for several significant projects under construction and in the pipeline. Mr Burr currently sits on the boards of Unifreight Limited and Umfurudzi Park. He is a holder of a Bachelor of Commerce Degree from Rhodes University majoring in Business Management and Economics.
6. To approve the remuneration of Directors for the year ended 31 December 2023.
7. To fix the Auditors' remuneration for the year ended 31 December 2023.
8. To re-appoint Messrs, Grant Thornton (Zimbabwe) as Auditors of the Company until the conclusion of the next Annual General Meeting. Grant Thornton (Zimbabwe) has served the Company for the past year having been appointed at the last Annual General Meeting.

By order of the Board

S. Manangazira — **27 May 2024**
COMPANY SECRETARY

Zimplow Holdings Limited
Head Office
No.10 Harrow Road,
Msasa
Harare

NOTES:

1. VOTING ELIGIBILITY

a) On a show of hands, every Shareholder who (being an individual) is present in person or by proxy at the AGM or which (being a company or body corporate) is represented thereat by a representative appointed as proxy, shall have one vote (irrespective of the number of shares held), and on a poll, every Shareholder who (being an individual) is present in person or by proxy at the general meeting or which (being a company or body corporate) is represented by proxy at the general meeting, shall have one vote for every Zimplow Holdings Limited share of which it is the holder.

2. APPOINTMENT OF PROXIES

b) In terms of Section 129 (3) of the Corporate Act (Chapter 24:03), members entitled to attend the above meeting may appoint one or more proxies, to act in the alternative, to attend, speak and vote on their behalf, including voting on a poll. A proxy need not to be a member of the company.

c) Shareholders in the form of a corporate body must provide documentary evidence establishing the authority of a person signing the form of Proxy in a representative capacity, unless previously recorded by the Company's transfer secretaries or waived by the chairperson of the AGM. This authority must take the form of a resolution of the corporate body.

d) Completion of a form of proxy does not preclude a person from subsequently attending the AGM and voting in person.

Proxy Form

I/ We ....Of...

Being member/members of the above Company , hereby appoint:

Mr. / Mrs. / Ms. / Dr ....Or failing

him... Of..

....as my/our proxy to vote for me/us on my/our behalf at the Annual General

Meeting of the Company and any adjournment thereof.

Signature...Signed this...Of..2024

Note

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend, and speak in his stead. The person appointed need not be a member.
2. Proxy forms should be lodged at the registered office of the Company by no later than 48 hours before the time of holding the meeting.
3. Any alterations or corrections made to this form of proxy (including the deletion of alternatives) must be initialled by the signatory/signatories.
4. Shareholders are requested to submit key questions in writing at least five days before the date of the meeting to enable comprehensive answers to be prepared. This will not preclude them from raising questions from the floor.

Physical and Postal Delivery

Zimplow Holdings Limited
Head Office
No.10 Harrow Road,
Msasa
Harare

Email: headoffice@zimplow.co.zw

Notes

Design and Layout by: W2 STUDIOS

ZIMPLOW

ENGINEERING PERFORMANCE

10 Harrow Road, Msasa, Harare, Zimbabwe
P. O. Box HG 298, Highlands
Tel. : +263 (0242) 754 613/6/7/8/9
Tel: 08677007182 | 08677007183