BRIDGEFORT CAPITAL LIMITED
(formerly MedTech Holdings Limited)
and its subsidiaries

GROUP FINANCIAL STATEMENTS
31 December 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

BRIDGEFORT CAPITAL LIMITED
and its subsidiaries

Adverse opinion

We have audited the consolidated financial statements of BridgeFort Capital Limited [formerly Medtech Holdings Limited] and its subsidiaries ("the Group"), set out on pages 5 to 50, and comprising the following:

- Consolidated and company statements of profit or loss and other comprehensive income, statements of changes in equity, and statements of cash flows, for the year ended 31 December 2021;
- Group and company's statements of financial position as at 31 December 2021;
- A summary of the significant accounting policies applied by the Group and company during the year ended 31 December 2021; and
- Related financial statements notes.

Because of the significance of the matters described in the basis for the adverse opinion paragraph below, the Group and Company financial statements are not true and fair.

Basis for adverse opinion

International Accounting Standard (IAS) 21- *The Effects of Changes in Foreign Exchange Rates* in prior period and inappropriate application of IAS 8- *Accounting Policies, Changes in Accounting Estimates and Errors Impact* of prior year modification on current period (Group and Company). In the prior year, and in the current year, the Group's subsidiary companies transacted a significant amount of business in foreign currencies (especially in the procurement of raw materials and goods for resale). The Group used exchange rates which did not meet IAS21 requirements for a spot rate. The misstatements could however not be quantified as an appropriate exchange rate had not been identified. As a result of the issues discussed above, and the significance thereof, we were unable to determine the adjustments that might have been necessary in respect of transactions entered into during the current financial year to satisfy ourselves concerning the fair presentation of these financial statements. Also, the audit report for the year ended 31 December 2020 was modified due to the impact of non-compliance with IAS 21.

With respect to prior year figures, management has not made retrospective adjustments in terms of IAS 8 to correct these matters. As a result, corresponding amounts on the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Cashflows, Accumulated Profit, Non-controlling interest and Deferred Tax liability on the consolidated Statement of Financial Position remain impacted.

Our opinion on the current period's consolidated financial statements is therefore modified because of the effects of the above matters on the current year figures on the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Cashflows and on the comparative figures.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current period. Key audit matters are selected from the matters communicated with the Directors, but are not intended to represent all matters that were discussed with them.

Our audit procedures relating to these matters were designed in the context of our audit of the consolidated financial statements as a whole and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Cost of sales</td></tr>
<tr><td>The costing of imported inventories requires the translation of foreign currency denominated cost components into United States Dollars, the Group’s functional currency, at varying exchange rates throughout the year. The Group’s inventories are predominantly acquired from South Africa.

As such, we considered the costing of goods sold as a key audit matter.</td><td>Our audit approach was focused on the valuation of inventories and the determination of amounts recognized as cost of sales during the year. We performed the following procedures, amongst others:

• We attended and observed the Group’s year end stock counts. We also conducted our own test counts and inspected the physical condition of the inventories during those stock count exercises;
• We considered the control environment over the procurement, custody and costing and valuation of inventories;
• We re-performed the costing of inventories on a test basis paying particular attention to the exchange rates used to cost imported inventories;
• We also re-computed the amounts recognised as cost of sales by the Group companies;
• We performed cut off tests for inventories’ receipts and dispatches;
• We assessed the procedures for identifying and writing off and/or providing for damaged and obsolete stocks and the adequacy of stock provisions and stock write offs done during the year; and
• We verified the inventories’ valuation reports prepared by management as at 31 December 2021 for the subsidiary companies being the effective date of the conversion.

Except for the effect of exchange rates as described in the basis of adverse opinion paragraph above, we were satisfied with the results of our audit procedures</td></tr>
<tr><td colspan="2">Changes from holding investments in subsidiaries at cost to holding investments at fair value</td></tr>
</table>

During the year under review, the Company changed its business model from being a parent company holding investments in its subsidiaries at cost and consolidating same in terms of IFRS 3, to being an investment entity which now hold its investments at fair value with changes being recognised in the statement of profit or loss in terms IFRS 9.	Our audit approach was focused checking the approval processes related to the changes in the Company's model and assessing the appropriateness of the attendant accounting policies and financial presentation and disclosure requirements. Our audit procedures included the following: • Reviewing the Detailed and Abridged Circular prepared and circulated to the stakeholders explaining the changes; • Reviewing the Board and Shareholders approvals of the changes; • Reviewing reports and opinions and reports prepared by various experts and in respect of the proposed changes; • Assessing the impact of the change of the Company and Group's financial reporting and disclosure obligations, especially IFRS 3, IFRS 9,IFRS 10 and IFRS 13; and • Reviewing appropriateness and reasonableness of fair values determined for reporting purposes. Based on the work performed, we were satisfied with the results of our audit procedures.

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and the presentation and disclosure requirements of the Companies and Other Business Entities Act (Chapter 24:31) as well as for such internal control the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group financial statements, the Directors are 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 the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's financial reporting process.

The financial statements were prepared under the supervision of Vernon Lapham, a member of the Institute of Chartered Accountant of Zimbabwe, membership number M2531.

Auditor's responsibilities for the audit of the group financial statements

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

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

- Identify and assess the risk of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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 controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We are required to communicate with the Directors 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 are required to provide the Directors 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.

Report on other legal and regulatory requirements

In our opinion, the financial statements have been properly drawn up so as to comply, in all material respects, with the financial disclosure and presentation requirements of the Companies and Other Businesses Act (Chapter 24:31) and related legislation.

The engagement partner responsible for the audit resulting in this independent auditor's report is Clyton Kazembe, Registered Public Auditor - PAAB Number 0372.

AMG Global
Harare

31 May 2022

BRIDGEFORT CAPITAL LIMITED
and its subsidiaries
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
year ended 31 December 2021

		GROUP			
		Inflation adjusted		Historical	
	Note	**2021 $'000**	**2020 $'000**	**2021 $'000**	**2020 $'000**
Turnover		953 382	567 161	777 195	255 866
Cost of sales	3	(696 435)	(382 607)	(476 280)	(106 500)
Gross profit		256 947	184 554	300 915	149 366
Other operating income	4	2 054	810	1 795	439
Selling and distribution expenses	5	(93 442)	(43 546)	(80 024)	(19 126)
Administrative expenses	6	(165 740)	(95 249)	(121 763)	(33 019)
Operating (loss)/profit		(181)	46 569	100 923	97 660
Net financing income/(costs)	7	131 852	(258 662)	104 093	(103 176)
Monetary gain		90 299	319 276	-	-
Profit/(loss) before taxation		221 970	107 183	205 016	(5 516)
Taxation	8	(120 374)	4 274	(53 120)	1 300
Profit/(loss) for the year after taxation		101 596	111 457	151 896	(4 216)
Other comprehensive income					
Revaluation gain		5 707	1 547	15 642	19 731
Fair value gain		185 912	-	324 372	-
Taxation		(32 188)	(382)	(27 178)	(4 878)
		159 431	1 165	312 837	14 853
Total comprehensive profit for the year	261 027	112 622	464 733	10 637	
Attributable to:					
Owners of the parent company		185 616	54 281	363 660	821
Non-controlling interests		75 411	58 341	101 073	9 816
Total		261 027	112 622	464 733	10 637
Basic earnings per share	9.1	**Cents**	**Cents**	**Cents**	**Cents**
Ordinary shareholders		-	-	-	-
Class A shareholders		1 340	452	2 823	7
Class B shareholders		1 851	-	1 851	-
Headline earnings per share	9.2				
Ordinary shareholders		-	-	-	-
Class A shareholders		193	452	522	7
Class B shareholders		-	-	-	-

BRIDGEFORT CAPITAL LIMITED
and its subsidiaries

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
year ended 31 December 2021

		COMPANY			
		Inflation adjusted		Historical	
		2021	2020	2021	2020
	Note	$'000	$'000	$'000	$'000
Turnover		-	-	-	-
Cost of sales		(8 606)	-	(146)	-
Gross profit		(8 606)	-	(146)	-
Other operating income	4	8 032	-	8 032	-
Selling and distribution expenses		-	-	-	-
Administrative expenses	6	(267)	153	(128)	(17)
Operating /(loss)/profit		(841)	153	7 758	(17)
Net financing costs	7	(2)	-	(2)	-
Monetary gain		102	3 153	-	-
(Loss)/profit before taxation		(741)	3 306	7 756	(17)
Taxation	8	88	14	68	4
Profit/(loss) for the year after taxation		(653)	3 320	7 824	(13)
Other comprehensive income					
Revaluation gain		-	152	-	1 319
Fair value gain		445 810	-	467 371	-
Taxation		(30 777)	(38)	(23 311)	(326)
		415 032	114	444 060	993
Total comprehensive profit for the year		414 379	3 434	451 884	980

BRIDGEFORT CAPITAL LIMITED
and its subsidiaries

STATEMENT OF FINANCIAL POSITION
31 December 2021

		GROUP			
		Inflation adjusted		Historical	
		2021	2020	2021	2020
	Note	$'000	$'000	$'000	$'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	2 109	140 745	1 312	40 054
Intangible assets	12	-	4 028	-	634
Investments held at fair value	14	466 905	-	467 702	-
Deferred taxation	15	-	78 642	-	10 578
		469 014	223 415	469 014	51 266
Current assets					
Inventories	16	-	175 140	-	65 945
Accounts receivable	17	-	119 712	-	74 477
Amount owed by related parties	18.1	8 982	12 639	8 982	7 863
Cash and bank balances	21	9	80 832	9	50 288
		8 991	388 323	8 991	198 573
Total assets		478 005	611 738	478 005	249 839
EQUITY AND LIABILITIES					
Equity					
Issued share capital and reserves per statement of changes in equity		263 229	77 612	356 425	(7 235)
Non-controlling interests		189 659	122 248	96 463	3 389
Total equity		452 888	199 860	452 888	(3 846)
Non-current liabilities					
Deferred taxation	14	23 450	13 147	23 450	5 620
Current liabilities					
Short-term loans payable	19	-	111 294	-	69 240
Accounts payable	20	-	278 624	-	173 341
Amounts owed to related parties	18.3	1 667	6 618	1 667	4 118
Taxation		-	2 178	-	1 355
Bank overdraft	21	-	17	-	11
		1 667	398 731	1 667	248 065
Total equity and liabilities		478 005	611 738	478 005	249 839

Audit Committee Chairman

31 May 2022

Chief Executive Officer

BRIDGEFORT CAPITAL LIMITED
and its subsidiaries

STATEMENT OF FINANCIAL POSITION
31 December 2021

		COMPANY			
		Inflation adjusted		Historical	
	Note	**2021**	**2020**	**2021**	**2020**
		$'000	**$'000**	**$'000**	**$'000**
ASSETS					
Non-current assets					
Property, plant and equipment	11	2 109	2 591	1 312	1 370
Investment in subsidiaries	13	-	21 095	-	332
Investments held at fair value	14	466 905	-	467 702	-
Deferred taxation	15	-	7 251	-	-
		469 014	30 937	469 014	1 702
Current assets					
Inventories	16	-	8 606	-	146
Accounts receivable	17	-	277	-	172
Loan receivable from subsidiary		-	196	-	122
Amount owed by related parties	18.2	8 982	1 413	8 982	879
Cash and bank balances	21	9	8	9	5
		8 991	10 500	8 991	1 324
Total assets		478 005	41 437	478 005	3 026
EQUITY AND LIABILITIES					
Equity					
Issued share capital and reserves per statement of changes in equity		452 888	38 508	452 888	1 003
Non-current liabilities					
Deferred taxation	15	23 450	13	23 450	208
Current liabilities					
Accounts payable	20	-	464	-	289
Amounts owed to related parties	18.4	1 667	2 435	1 667	1 515
Taxation		-	-	-	-
Bank overdraft	21	-	17	-	11
		1 667	2 916	1 667	1 815
Total equity and liabilities		478 005	41 437	478 005	3 026

Audit Committee Chairman

Chief Executive Officer

31 May 2022

BRIDGEFORT CAPITAL IMITED
and its subsidiaries

STATEMENTS OF CHANGES IN EQUITY
year ended 31 December 2021

	Share capital $'000	Share premium $'000	Non-distributable reserve $'000	Foreign currency translation reserve $'000	Revaluation reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total $'000
GROUP									
Inflation adjusted									
Balance as at 31 December 2019	1 934	111 518	64 354	20 276	-	(174 751)	23 331	63 908	87 239
Total comprehensive profit for the year	-	-	-	-	564	53 717	54 281	58 340	112 621
Balances as at 31 December 2020	1 934	111 518	64 354	20 276	564	(121 034)	77 612	122 248	199 860
Share allotment and removal of par value	111 519	(111 518)	-	-	-	-	1	-	1
Total comprehensive profit for the year	-	-	-	-	149 254	36 362	185 616	75 411	261 027
Dividends paid	-	-	-	-	-	-	-	(8 000)	(8 000)
Balances as at 31 December 2021	113 453	-	64 354	20 276	149 818	(84 672)	263 229	189 659	452 888

	Share capital $'000	Share premium $'000	Non-distributable reserve $'000	Foreign currency translation reserve $'000	Revaluation reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total $'000
Historical									
Balance as at 31 December 2019	30	1 752	1 011	(343)	-	(10 507)	(8 056)	(6 429)	(14 485)
Total comprehensive profit for the year	-	-	-	-	7 462	(6 641)	821	9 818	10 639
Balances as at 31 December 2020	30	1 752	1 011	(343)	7 462	(17 148)	(7 235)	3 389	(3 846)
Share allotment and removal of par value	1 753	(1 752)	-	-	-	-	1	-	1
Total comprehensive profit for the year	-	-	-	-	306 961	56 699	363 660	101 073	464 733
Dividends paid	-	-	-	-	-	-	-	(8 000)	(8 000)
Balance at 31 December 2021	1 783	-	1 011	(343)	314 423	39 551	356 425	96 463	452 888

BRIDGEFORT CAPITAL IMITED
and its subsidiaries

STATEMENTS OF CHANGES IN EQUITY
year ended 31 December 2021

	Share capital $'000	Share premium $'000	Non-distributable reserve $'000	Foreign currency translation $'000	Revaluation reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total $'000
COMPANY									
Inflation adjusted									
Balance as at 31 December 2019	1 934	111 518	35 750	1 461	-	(115 590)	35 073	-	35 073
Total comprehensive profit for the year	-	-	-	-	115	3 320	3 435	-	3 435
Balances as at 31 December 2020	1 934	111 518	35 750	1 461	115	(112 270)	38 508	-	38 508
Share allotment and removal of par value	111 519	(111 518)	-	-	-	-	1	-	1
Total comprehensive profit for the year	-	-	-	-	415 032	(653)	414 379	-	414 379
Balances as at 31 December 2021	113 453	-	35 750	1 461	415 147	(112 923)	452 888	-	452 888

	Share capital $'000	Share premium $'000	Non-distributable reserve $'000	Foreign currency translation reserve $'000	Revaluation reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total
Historical									
Balance as at 31 December 2019	30	1 752	562	37	-	(2 358)	23	-	23
Total comprehensive profit for the year	-	-	-	-	993	(13)	980	-	980
Balances as at 31 December 2020	30	1 752	562	37	993	(2 371)	1 003	-	1 003
Share allotment and removal of par value	1 753	(1 752)	-	-	-	-	1	-	1
Total comprehensive loss for the year	-	-	-	-	444 060	7 824	451 884	-	451 884
Balance at 31 December 2021	1 783	-	562	37	445 053	5 453	452 888	-	452 888

BRIDGEFORT CAPITAL LIMITED
and its subsidiaries

STATEMENTS OF CASH-FLOWS
year ended 31 December 2021

		GROUP			
		Inflation adjusted		Historical	
	Note	2021 $'000	2020 $'000	2021 $'000	2020 $'000
NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating cash flows					
Operating (loss)profit		(181)	46 569	100 923	97 660
Adjustments for items not affecting cash flows:					
Depreciation on property, plant and equipment	11	22 217	23 428	5 390	675
Monetary gain		90 299	319 276	-	-
Assets written off		370	-	28	-
Net operating cash flows before reinvestment in working capital		112 705	389 273	106 341	98 335
Increase in inventories		(116 311)	(36 247)	(163 168)	(57 953)
Increase in accounts receivable		(74 685)	(65 761)	(119 920)	(66 935)
(Decrease)/increase in accounts payable		(23 698)	21 941	81 584	137 461
Net movement in related parties' balances		147	10 962	(2 128)	(1 372)
Net cash flows from operations		(101 842)	320 168	(97 291)	109 536
Returns on investments and servicing of finance					
Net financing income/(costs)		131 852	(258 662)	104 093	(103 176)
Taxes paid					
Movement in taxes paid		(4 735)	(21 575)	(1 258)	(2 642)
Net cash flows from operating activities		25 275	39 931	5 544	3 718
NET CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of equipment	11	(35 820)	(39 692)	(27 956)	(17 981)
Acquisition of intangible asset		(1 224)	(960)	(874)	(540)
Net cash utilised in investing activities		(37 044)	(40 652)	(28 830)	(18 521)
Net cash flows before financing activities		(11 769)	(721)	(23 286)	(14 803)
NET CASH FLOWS FROM FINANCING ACTIVITIES					
Net movement in short-term loans payable		26 399	73 117	68 454	63 903
Net movement in finance leases		-	(291)	-	(41)
Dividend paid		(8 000)	-	(8 000)	-
Allotment of shares		1	-	1	-
Net cash flows from financing activities		18 400	72 826	60 455	63 86
INCREASE IN CASH AND CASH EQUIVALENTS		6 631	72 105	37 169	49 059
Reduction in bank balances due to non-consolidation		(87 437)	-	(87 437)	-
Cash and cash equivalents at the beginning of the year		80 815	8 710	50 277	1 218
Cash and cash equivalents at the end of the year	21	9	80 815	9	50 277

BRIDGEFORT CAPITAL LIMITED
and its subsidiaries

STATEMENTS OF CASH-FLOWS
year ended 31 December 2021

		COMPANY			
		Inflation adjusted		Historical	
		2021	2020	2021	2020
	Note	$'000	$'000	$'000	$'000
NET CASH FLOWS FROM OPERATING ACTIVITIE					
Operating cash flows					
Operating (loss)/profit		(841)	153	7 758	(17)
Adjustments for items not affecting cash flows:					
Depreciation on property, plant and equipment	11	113	121	50	3
Monetary gain		102	3 153	-	-
Assets written off		370	-	9	-
Net operating cash flows before reinvestment in working capital		(256)	3 427	7 816	(14)
Decrease in inventories		8 606	-	146	-
Decrease/(increase) in accounts receivable		277	514	172	(62)
Decrease in accounts payable		(466)	(2 405)	(290)	(112)
Net movement in related parties' balances		(8 338)	(2 269)	(7 951)	175
Net cash flows from operations		(177)	(733)	(106)	(13)
Returns on investments and servicing of finance					
Net financing costs		(2)	-	(2)	-
Taxes paid					
Income taxes paid		-	-	-	-
Net cash flows from operating activities		(179)	(733)	(108)	(13)
NET CASH FLOWS FROM FINANCING ACTIVITIES					
Allotment of shares		1	-	1	-
Net movement in related party loan		196	675	122	-
Net cash flows from operating activities		197	675	123	-
INCREASE IN CASH AND CASH EQUIVALENTS		18	(58)	15	(13)
Cash and cash equivalents at the beginning of the year		(9)	49	(6)	7
Cash and cash equivalents at the end of the year	21	9	(9)	9	(6)

ADOPTION OF NEW AND REVISED STANDARDS

Changes in accounting policies and disclosures

STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards listed below were issued but not yet effective as at the date of issuance of the Company financial statements but the Company reasonably expects them to be applicable at a future date and, as such, intends to adopt them when they become effective.

The Group expects that the adoption of these standards in most cases will not have a significant impact on the Group's financial position and performance in the period of initial application but additional disclosures will be required. The impact of these standards on the Company's financial statements on adoption in future is not known and cannot be reasonably estimated as of now.

IFRS 17 *Insurance Contracts*
In May 2019, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach); and
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group.

Amendments to IFRS 3 *Definition of a Business*
The amendments clarify the definition of a business in IFRS 3 *Business Combinations* to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to IAS 1 and IAS 8 *Definition of Material*
The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.

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

The amendments should be applied retrospectively and are effective from 1 January 2021, with early application permitted. Since the Group does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on its consolidated financial statements.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2021, with early application permitted. Since the Group's current practice is in line with these amendments, the Group does not expect any effect on its consolidated financial statements.

ACCOUNTING POLICIES

The principal accounting policies of the Group and Company, which are set out below, are consistently applied in the preparation of the Group and Company's financial statements in all material respects except as this relates to IFRS 10, Consolidated Financial Statements. An Extraordinary General Meeting of the Company was held on 15 November 2021 which resulted in the conversion of the Company into a private equity company which is treated as an investment holding company for accounting purposes with effect from 31 December 2021, being the most practicable date to make the changes. The Company has applied the investment entity exception as per IFRS 10 and therefore does not consolidate its subsidiaries from this date, with the exception where a subsidiary, which is not itself an investment entity, mainly provides services that relate to the Company's investment activities. As a result, there has been a change in classification and the formerly consolidated subsidiaries have been deconsolidated from 31 December 2021 and are now treated as investments held at fair value.

FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Zimbabwe Dollars ($) which is the Company's functional and presentation currency.

BASIS OF PREPARATION

The financial statements have been prepared in conformity with International Financial Reporting Standards (IFRS) promulgated by the International Accounting Standards Board (IASB), the International Financial Reporting Interpretations Committee (IFRIC) interpretations and the Companies and Other Business Entities Act (Chapter 24:31) and related Statutory Instruments.

The financial statements are presented in Zimbabwe dollars. They are based on the historical cost convention and adjusted to take account of the effects of inflation in accordance with International Accounting Standards (IAS) 29 (Financial Reporting in Hyperinflationary Economies). The adjusted amounts are presented side by side with the unadjusted figures from where they are derived. The inflation adjusted financial statements constitute the company's primary financial statements whilst the historical financials are supplementary.

The economy in Zimbabwe is considered to be hyperinflationary. IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date, and that corresponding figures be stated in terms of the same measuring unit.

Accordingly, these financial statements have been adjusted, to take account of the changes in the general purchasing power of the Zimbabwe dollar and, as a result, are stated in terms of the measuring unit current at the balance sheet date. The adjustments are based on conversion factors derived from the Zimbabwe Consumer Price Index (CPI) compiled by the Zimbabwe Central Statistical Office and published on the Reserve Bank of Zimbabwe's website. The indices and conversion factors applied, are disclosed by way of a note.

The inflation adjusted financial statements represent the primary financial statements of the Group. The historical financial statements have been have been provided by way of supplementary information.

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

- Monetary assets and liabilities as at the end of the current year being reported on are not adjusted because they are already stated in terms of the measuring unit current at balance sheet date;

- Non-monetary assets and liabilities, and components of shareholders' equity/funds, are adjusted by applying the change in the index from the date/month of the transaction or, if applicable, from the date of their most recent revaluation to the balance sheet date;
- Equipment and intangible assets are adjusted by applying the change in the index from the date of transaction, or if applicable, from the date of their most recent/last revaluation, to the balance sheet date. Depreciation and amortisation amounts are based on the adjusted amounts;

- Statement of comprehensive income items/transactions, except depreciation and amortisation charges as explained above, are adjusted by applying the monthly price indices for the respective months when the income and/or expenses were incurred.
- For comparative Statement of comprehensive income items/transactions, an average index during the period to the balance sheet date was applied;

- Gains and losses arising from the net monetary asset or liability positions are included in the profit and loss statement; and

- All items in the cash flow statement are expressed in terms of the measuring unit current at the balance sheet date.

TURNOVER

Revenue, which excludes VAT, cash discounts and sales between Group Companies, represents the invoiced value of goods supplied by the Group. Revenue is measured at the fair value of the consideration received or receivable and is recognised when control of the goods is transferred to the buyer.

PRINCIPLES OF CONSOLIDATION AND EQUITY ACCOUNTING

Since being converted into an investment holding company on 31 December 2021, the Company has applied the investment entity exception as per IFRS 10 Consolidated Financial Statements (IFRS 10). The Company therefore does not consolidate its subsidiaries, except where a subsidiary, which is not itself an investment entity, mainly provides services that relate to the Company's investment activities. The adoption of the investment entity exception as per IFRS 10 has not resulted in the restatement of any comparative information with the exception of the segment report as set out therein.

All subsidiaries classified as portfolio investments are accounted for at fair value through profit or loss (FVTPL) in terms of IFRS 9 Financial Instruments (previously IAS 39 Financial Instruments: Recognition and Measurement) and all associates classified as portfolio investments are accounted for at FVTPL in terms of the exemption from applying the equity method of accounting provided in IAS 28 Investments in Associates and Joint Ventures. The adoption of IFRS 9 has not resulted in the restatement of any comparative information.

Accounting for investments in subsidiaries
Subsidiaries are entities that the Group controls by being exposed to, or having rights to, variable returns from its involvement with that entity and, where the Group has the ability to affect those returns through its power over the entity.

The subsidiaries of the Group are entities that:
i. comprise portfolio investments; and
ii. provide investment-related services to third parties and related companies.

Due to the investment entity exception, subsidiaries classified as portfolio investments are not consolidated and are measured at fair value on the date of acquisition in terms of IFRS 9. Changes in fair value subsequent to acquisition, primarily driven by the revaluation of portfolio investments, are recognised in profit and loss in the period of change. Subsidiaries classified as (ii) are not portfolio investments and will be consolidated although there are no such subsidiaries at present.

Accounting for investments in associates
Where the Group does not have control, but has significant influence, these investments are classified as associates. Changes in fair value subsequent to acquisition are recognised in profit or loss in the period of change.

Accounting for consolidated subsidiaries
On acquisition date, the assets and liabilities and contingent liabilities of a Consolidated Subsidiary are measured at their fair values. Any excess of consideration paid over the fair value of the identifiable net assets acquired is recognised as goodwill.

The results of Consolidated Subsidiaries are included in the Group financial statements from the effective date of acquisition to the effective date of disposal.

FOREIGN CURRENCY TRANSLATION

Transactions in foreign currencies are translated to Zimbabwe dollars at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Zimbabwe dollars at the exchange rate ruling at the end of the financial year being reported.

Exchange differences arising on translation are recognised in profit or loss during the period in which they arise.

FINANCIAL INSTRUMENTS

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial instruments – initial recognition and subsequent measurement
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)
This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets.

Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired Or; and
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets
Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions;
- Debt instruments at fair value through OCI; and
- Trade receivables, including contract assets.

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. 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 expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established 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.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group's debt instruments at fair value through OCI comprise solely of quoted bonds that are graded in the top investment category (Very Good and Good) by the *Good Credit Rating Agency* and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the *Good Credit Rating Agency* both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Group considers a financial asset in default when contractual payments are 90 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.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

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

Derivative financial instruments and hedge accounting Initial recognition and subsequent measurement
The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; and
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge before 1 January 2021, the documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Summary of significant accounting policies
Beginning 1 January 2021, the documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument;
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges
The change in the fair value of a hedging instrument is recognised in the statement of profit or loss as other expense. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit or loss as other expense.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised as other expense and the ineffective portion relating to commodity contracts is recognised in other operating income or expenses.

Before 1 January 2021, the Group designated all of the forward contracts as hedging instrument. Any gains or losses arising from changes in the fair value of derivatives were taken directly to profit or loss, except for the effective portion of cash flow hedges, which were recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss.

Beginning 1 January 2021, the Group designates only the spot element of forward contracts as a hedging instrument. The forward element is recognised in OCI and accumulated in a separate component of equity under cost of hedging reserve.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Hedges of a net investment
Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss.

The Group uses a loan as a hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries.

Impairment of non-financial assets
Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Disclosures for significant assumptions;
- Property, plant and equipment;
- Intangible assets; and
- Goodwill and intangible assets with indefinite lives.

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 October and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 October at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

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 of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Under IAS 39, all gains and losses arising from the Group's cash flow hedging relationships were eligible to be subsequently reclassified to profit or loss. However, under IFRS 9, gains and losses arising on cash flow hedges of forecast purchases of non-financial assets need to be incorporated into the initial carrying amounts of the non-financial assets. This change only applies prospectively from the date of initial application of IFRS 9 and has no impact on the statement of financial position as at 1 January 2021.

Other adjustments
In addition to the adjustments described above, other items such as deferred taxes, investment in an associate and a joint venture (arising from the financial instruments held by these entities), and non-controlling interests were adjusted to retained earnings as necessary upon adoption of IFRS 9 as at 1 January 2021.

Significant accounting judgements, estimates and assumptions
The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the acGrouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

TAXATION

Income tax on profit or loss for the period comprises current and deferred tax. Income tax is recognised in the Statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised as equity.

Current income tax is tax payable on the taxable income for the period, calculated using the rates enacted or substantially enacted as at the statement of financial position date, and any adjustments to tax payable in respect of previous periods.

Deferred income tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax is provided based on the expected manner of recovery or settlement of the carrying amounts of assets and liabilities, using tax rates enacted or substantially enacted as at statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related benefits will be realised.

PROPERTY, PLANT AND EQUIPMENT ("PPE")

Recognition
Items of PPE are recognised as an asset when:

- It is probable that future economic benefits associated with the item will flow to the entity; and
- The cost of the item can be measured reliably.

Measurement
PPE is initially stated at cost. Subsequent to initial recognition PPE is measured at cost less accumulated depreciation and impairment losses.

Depreciation
Items of PPE are depreciated on the straight line basis at annual rates calculated to write off their depreciable amount over their estimated useful lives using the following annual rates:

Buildings	2%
Motor vehicles	20%
Plant and equipment	10 – 20%
Furniture and fittings	20%
Computer equipment	20%
Office equipment	20%

The depreciation expense is charged to profit and loss for the year.

Impairment
The carrying amounts of the Group's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are charged to profit or loss in the year in which they occur.

Calculation of recoverable amount
The recoverable amount of items of assets is the greater of the net selling price 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.

Reversals of impairment
Any impairment losses previously recognised are reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

De-recognition of PPE
PPE is de-recognised when the asset is disposed of or retired from use and/or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal is included in profit or loss at the time the PPE item is de-recognised.

INVENTORIES

Measurement
Inventories are stated at the lower of cost and net realisable value. Cost comprises all costs necessary to bring the inventories to their present location and condition. Net realisable value is determined as the selling price in the ordinary course of business less estimated costs of completion and the related selling expenses.

Cost is determined on the weighted average basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Write-downs to net realisable value and inventory losses are expensed in the period in which they occur. The amount of any reversal or write-down of inventories, arising from an increase in net realisable value, is accounted for as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

EMPLOYEE BENEFITS

Employee benefits are all forms of benefits given in exchange for services rendered by employees. These are classified as:

(i) Short-term employee benefits – benefits due to be settled within 12 months after the end of the period in which the employees rendered related services;
(ii) Post-employment benefits are benefits payable after the completion of employment. Post-employment benefit plans are benefit plans which formal or informal arrangements are providing post-employment benefits for one or more employees. Such plans (or funds) may be either defined contribution funds or defined benefit funds; and
(iii) Termination benefits are employee benefits payable as a result of either the Group's decision to terminate an employee's employment before normal retirement date, or an employee's decision to accept voluntary redundancy in exchange for those benefits.

Recognition

Short-term benefits
The cost of all short-term employee benefits, such as salaries, employee entitlements to leave pay, bonuses, medical aid and other benefit contributions are recognised during the period in which the employee renders the related service.

The Group recognises the expected cost of bonuses when the Group has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

The Group's short-term employee benefits comprise remuneration in the form of salaries, wages, commissions and bonuses.

Post-employment retirement benefit funds
Retirement benefits are provided for Group employees through an independently administered defined contribution fund and by the National Social Security Authority (NSSA). Payments to the defined contribution fund and to the NSSA scheme are recognised as an expense when they fall due, which is when the employee renders the service.

During the year the Group contributed to the Group defined contribution fund and to the NSSA scheme.

Other long-term benefits
Other long-term benefits are recognised as an expense when an obligation arises.

The Group had no other long-term benefit commitments during the year.

Termination benefits
The Group recognises termination benefits as a liability and an expense when, and only when, it is demonstrably committed to either:

(i) Terminate the employment of an employee or group of employees before the normal retirement date; or
(ii) Provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Termination benefits are recognised as an expense immediately.

Measurement

Short-term employee benefits
All short-term employee benefits are measured at cost.

Post-employment retirement benefit funds
The Group has no liability for post-employment retirement benefit funds once the current contributions have been paid at the time the employees render service.

Termination benefits
Termination benefits are measured according to the terms of termination contract.

BORROWING COSTS

Borrowing costs comprise interest payable on borrowings and other borrowing costs.

Borrowing costs are recognised in profit or loss in the period in which they accrue.

OPERATING SEGMENTS

The Group identifies segments as components of the Group that engage in business activities from which revenues are earned and expenses incurred, (including revenues and expenses relating to transactions with other components within the Group), whose operating results are regularly viewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The chief operating decision-maker has been identified as Group Chief Executive Officer.

Measurement of segment information
The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment information has been reconciled to the consolidated annual financial statements to take account of intersegment transactions and transactions and balances that are not allocated to reporting segments.

PROVISIONS

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and disclosure of contingent assets and liabilities in the financial statements. The estimates, including those related to provision for doubtful debts, inventory obsolescence, investments, PPE and contingent liabilities are reviewed on an ongoing basis and are based on the Directors best knowledge of current events and actions of the group as well as historical experience and other factors that are considered to be relevant. Actual results may ultimately differ from those estimates and assumptions.

Going concern
The Directors assess the ability of the Group to continue operating as a going concern at the end of each financial year. As at 31 December 2021, the Directors have assessed the ability of the Group to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. Some of the initiatives implemented to ensure the Group continues as a going concern are discussed under note 26.

Property, plant and equipment
PPE represents a significant proportion of the asset base of the Group, and as such, the estimates and assumptions made to determine their carrying amounts and related depreciation expense are critical to the Group's financial position and performance.

Residual values of PPE
Residual values are reassessed each year and adjustments are made where appropriate. The valuation methods adopted in this process involve significant judgement and estimation.

Useful lives of PPE
The determination of the remaining estimated useful lives of PPE is deemed to be a significant area of judgement.

Provision for doubtful debts
The Group considers changes in the credit quality of the respective accounts receivables from the date on which credit was granted up to the end of the reporting period before determining whether to provide for a debtor as doubtful.

Inventories' provisions
All obsolete, damaged and expired inventories are written off in full. Slow moving inventories and stocks with fast approaching expiry dates are provided for in full where the prospect of realising a sale before their expiry and/or obsolescence is unlikely.

1 INCORPORATION AND ACTIVITIES

The company is incorporated and domiciled in Zimbabwe and its shares are publicly traded on the Zimbabwe Stock Exchange. The Group engages in the manufacturing, marketing and distribution of health, personal care, beauty and pharmaceutical products, as well as, fast moving consumer goods.

2 INFLATION ADJUSTMENT FACTORS

The Consumer Price Indices (CPI's) presented below, as compiled by the Zimbabwe Central Statistics Office (CSO) and the conversion factors derived therefrom, have been applied in adjusting the historical financial statement figures as required per IAS 29.

Dates	Indices	Conversion factors
31 December 2021	3 977.50	1.00
31 December 2020	2 474.50	1.61
31 December 2019	551.74	7.21
2021 Average CPI	3 135.2	1.27

	Inflation adjusted		Historical	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
3 COST OF SALES - GROUP				
Included in cost of sales is:				
Net movement in stock write off provision	-	6 771	-	-
4 OTHER OPERATING INCOME				
4.1 Group				
Drum sales	-	140	-	45
Bad debts recovered	316	-	230	-
Sundry	1 738	670	1 565	394
	2 054	810	1 795	439
4.2 Company				
Dividends received	8 032	-	-	-

		Inflation adjusted		Historical	
		2021	**2020**	**2021**	**2020**
		$'000	**$'000**	**$'000**	**$'000**
5	**SELLING AND DISTRIBUTION EXPENSES - GROUP**				
	Commissions payable	5 182	3 111	4 074	1 447
	Warehouse and delivery expenses	41 833	23 221	34 228	10 514
	Merchandising costs	15 616	8 846	12 746	4 015
	Other costs and recoveries	30 811	8 368	28 976	3 150
		93 442	43 546	80 024	19 126

6 ADMINISTRATIVE EXPENSES

		Inflation adjusted 2021 $'000	Inflation adjusted 2020 $'000	Historical 2021 $'000	Historical 2020 $'000
6.1	**Group**				
	Staff costs (note 6.2)	48 307	19 584	38 796	8 252
	Rentals	6 745	4 569	5 383	1 986
	Depreciation on property, plant and equipment	22 217	23 428	5 390	675
	Consulting fees	8 639	4 006	7 036	1 613
	Net movement in provision for doubtful debts	(426)	(3 393)	55	-
	Travel	1 956	20	1 680	4
	Telephone	5 205	4 393	4 109	1 882
	Audit fees	5 748	6 272	4 557	2 608
	Bank charges	14 096	9 566	11 266	4 150
	Directors remuneration (note 6.2)	2 982	1 239	2 785	547
	Motor vehicle expenses	7 637	2 813	6 103	1 090
	Legal fees	1 630	1 738	1 630	1 057
	Loss on disposal of equipment	370	-	28	-
	Cleaning expenses	1 495	613	1 196	257
	Computer expenses	12 568	7 895	10 469	2 913
	Other administrative expenses	12 608	3 290	10 100	1 549
	Electricity and water	2 010	1 093	1 572	540
	Insurance	912	664	731	328
	Printing and stationery	383	407	294	171
	Repairs and maintenance	7 117	4 727	5 806	2 350
	Security	3 541	2 325	2 832	1 047
		165 740	95 249	121 763	33 019

		Inflation adjusted		Historical	
		2021 $'000	2020 $'000	2021 $'000	2020 $'000
6.2	**Remuneration paid to directors and key management - Group**				
	Payments to non-executive directors	2 982	1 239	2 785	547
	Salaries to executive directors and key management	2 659	517	2 136	218
	Other benefits to executive directors and key management	5 035	5 736	4 044	2 417
		10 676	7 492	8 965	3 182

Salaries and other benefits paid to executive directors and management are included in staff costs.

7 NET FINANCING COSTS

7.1 Group

Interest received	2	2	2	1
Interest payable	(57 138)	(16 269)	(45 966)	(6 758)
Net exchange rate losses	188 988	(242 395)	150 057	(96 419)
	131 852	(258 662)	104 093	(103 176)

7.2 Company

Interest payable	2	-	2	-

8 TAXATION

8.1 Group

8.1.1 Charge/(credit) for the year

Income tax - current	11 786	4 116	9 134	1 252
- deferred	108 588	(8 390)	43 986	(2 552)
	120 374	(4 274)	53 120	(1 300)

8.1.2 Reconciliation of tax charge/(credit)

Notional tax charge/(credit) based on profit for the year at present tax rates	54 871	26 496	50 680	(1 363)
Additional (taxation)/savings resulting from:				
Permanent differences	65 503	(30 770)	2 440	63
Prior year overprovision	-	-	-	-
Change in tax rate	-	-	-	-
	120 374	(4 274)	53 120	(1 300)

8.2 Company

8.2.1 Credit for the year

Income tax - current	-	-	-	-
- deferred	88	14	68	4
Change in tax rate	-	-	-	-
Prior year overprovision	-	-	-	-
	88	14	68	4

		Inflation adjusted		Historical	
		2021	**2020**	**2021**	**2020**
		$'000	**$'000**	**$'000**	**$'000**
8.2.2	**Reconciliation of tax credit**				
	Notional tax (credit)/charge based on loss/profit for the year at present tax rates	(183)	817	1 917	(4)
	Additional (taxation)/savings resulting from:				
	Permanent differences	271	(803)	(1 849)	8
	Change in tax rate		-		-
	Prior year overprovision		-		-
		88	14	68	4
8.3	**Assessed tax losses**				
8.3.1	**Group**				
	Assessed tax loss	10 128	2 425	10 128	1 509
	Income tax relief	2 504	600	2 504	373
8.3.2	**Company**				
	Assessed tax loss	718	790	718	492
	Income tax relief	178	195	178	122

8.3.3 The tax losses will provide income tax relief provided that the respective group companies earns sufficient taxable income to utilise the tax losses within six years of the losses arising.

8.3.4 The deferred tax assets written off relate to assessed losses in loss making subsidiaries that are not likely to provide any tax relief to the Group in the foreseeable future.

		Inflation adjusted		Historical	
		2021	**2020**	**2021**	**2020**
		$'000	**$'000**	**$'000**	**$'000**
9	**BASIC PROFIT PER SHARE - GROUP**				
9.1	**Basic profit per share**				
	Total comprehensive profit attributable to;				
	Ordinary shareholders	-	-	-	-
	Class A shareholders	160 769	54 281	338 813	821
	Class B shareholders	24 847	-	24 847	-
		185 616	54 281	363 660	821
9.1.1	Basic profit per share is calculated based on the following number of shares in issue – adjusted retrospectively for comparability.				
	Ordinary shares	100 000	100 000	100 000	100 000
	Class A shares	12 000 000	12 000 000	12 000 000	12 000 000
	Class B shares	1 342 000	1 342 000	1 342 000	1 342 000

		Inflation adjusted		Historical	
		2021	**2020**	**2021**	**2020**
		$’000	**$’000**	**$’000**	**$’000**
9.2	**Headline earnings per share – adjustment**				
	The total comprehensive profit attributable to shareholders relating to the fair value gain on the change in classification of subsidiaries to portfolio investments held at fair value are as set out below. These amounts have been deducted from total comprehensive income to determine headline earnings per share since these gains arise on initial change in classification;				
	Ordinary shareholders	-	-	-	-
	Class A shareholders	137 627	-	276 214	-
	Class B shareholders	24 847	-	24 847	-
		162 474	-	301 061	-
	Headline earnings per share				
	The headline earnings per share is based on earnings of;				
	Ordinary shareholders	-	-	-	-
	Class A shareholders	23 142	-	62 599	-
	Class B shareholders	-	-	-	-
		23 142	-	62 599	-

10 SHARE CAPITAL

10.1 Authorised share capital

The authorised share capital of the Company has no par value.

3 830 000 000	Ordinary Shares (2020 - 4 000 000 000)
20 000 000	Class A Preferred Shares
50 000 000	Class B Preferred Shares
50 000 000	Class C Preferred Shares
50 000 000	Class D Preferred Shares

10.2 Issued and fully paid share capital

	Inflation adjusted 2021 $’000	Inflation adjusted 2020 $’000	Historical 2021 $’000	Historical 2020 $’000
100 000 Ordinary Shares (2020 - 3 039 764 872)	1	1 934	1	30
12 000 000 Class A Preferred Shares (2020 – Nil)	102 041	-	1 603	-
1 342 000 Class B Preferred Shares (2020 – Nil)	11 411	-	179	-
330 000 Class C Preferred Shares (2020 – Nil)	-	-	-	-
330 000 Class D Preferred Shares (2020 – Nil)	-	-	-	-
	113 453	1 934	1 783	30

During the year the par value of the shares were converted to no par value shares. As a result, the share premium account was added to the share capital account. The ordinary shares were consolidated and split into classes A, B, C and D. The previous total of the share capital and share premium has been apportioned between classes A and B based on the number of shares.

11 PROPERTY, PLANT AND EQUIPMENT

11.1 GROUP - INFLATION ADJUSTED

	Land and buildings $'000	Leasehold improvements $'000	Plant and equipment $'000	Motor vehicles $'000	Furniture and fittings $'000	Computer equipment $'000	Work in progress $'000	Total $'000
11.1.1 Gross carrying amount								
At 31 December 2019	27 901	7 275	116 879	104 909	6 016	36 027	-	299 006
Additions	-	-	14 112	23 131	182	1 937	330	39 692
Disposals	-	-	(1 719)	(397)	(679)	(5 292)	-	(8 087)
Revaluation surplus	1 152	482	-	-	-	-	-	1 634
At 31 December 2020	29 053	7 757	129 271	127 643	5 519	32 672	330	332 245
Additions	-	-	13 237	5 566	357	2 691	13 970	35 820
Disposals	-	-	(1 036)	-	(336)	(24)	-	(1 396)
Revaluation surplus	5 707	-	-	-	-	-	-	5 707
Derecognition on deconsolidation	(32 000)	(7 757)	(141 472)	(133 209)	(5 539)	(35 340)	(14 300)	(369 616)
At 31 December 2021	2 759	-	-	-	-	-	-	2 759
11.1.2 Depreciation								
At 31 December 2019	502	2 722	68 435	73 941	4 804	25 668	-	176 072
Charge for the year	50	700	8 982	10 143	532	3 021	-	23 428
Disposals	-	-	(1 719)	(397)	(679)	(5 292)	-	(8 087)
Revaluation surplus	19	68	-	-	-	-	-	87
At 31 December 2020	571	3 490	75 698	83 687	4 656	23 396	-	191 500
Charge for the year	79	761	8 077	10 613	198	2 490	-	22 217
Disposals	-	-	(719)	-	(283)	(24)	-	(1 026)
Derecognition on deconsolidation	-	(4 251)	(83 056)	(94 300)	(4 571)	(25 862)	-	(212 040)
At 31 December 2021	650	-	-	-	-	-	-	650
11.1.3 Carrying amount								
At 31 December 2021	2 109	-	-	-	-	-	-	2 109
At 31 December 2020	28 481	4 266	53 573	43 956	863	9 276	330	140 745
At 31 December 2019	27 398	4 552	48 444	30 967	1 212	10 359	-	122 934

11 PROPERTY, PLANT AND EQUIPMENT

11.2 GROUP - HISTORICAL

		Land and buildings $'000	Leasehold improvements $'000	Plant and equipment $'000	Motor vehicles $'000	Furniture and fittings $'000	Computer equipment $'000	Work in progress $'000	Total
11.2.1	**Gross carrying amount**								
	At 31 December 2019	571	147	2 380	2 435	151	838	-	6 523
	Additions	-	-	2 155	14 383	107	1 139	197	17 981
	Disposals	-	-	(35)	(8)	(14)	(107)	-	(164)
	Revaluation surplus	17 503	4 678	-	-	-	-	-	22 181
	At 31 December 2020	18 074	4 825	4 500	16 810	244	1 870	197	46 522
	Additions	-	-	9 982	4 310	333	2 070	11 262	27 956
	Disposals	-	-	(21)	-	(7)	-	-	(28)
	Revaluation surplus	15 642	-	-	-	-	-	-	15 642
	Derecognition on deconsolidation	(32 000)	(4 825)	(14 461)	(21 120)	(570)	(3 940)	(11 459)	(88 375)
	At 31 December 2021	1 717	-	-	-	-	-	-	1 717
11.2.2	**Depreciation**								
	At 31 December 2019	9	52	1 339	1 485	96	526	-	3 506
	Charge for the year	1	15	214	300	21	123	-	675
	Disposals	-	-	(35)	(8)	(14)	(107)	-	(164)
	Revaluation surplus	345	2 105	-	-	-	-	-	2 450
	At 31 December 2020	355	2 172	1 518	1 777	103	542	-	6 468
	Charge for the year	49	473	863	3 459	37	509	-	5 390
	Derecognition on deconsolidation	-	(2 644)	(2 368)	(5 235)	(134)	(1 050)	-	(11 433)
	At 31 December 2021	1 312	-	-	-	-	-	-	1 312
11.2.3	**Carrying amount**								
	At 31 December 2021	1 312	-	-	-	-	-	-	1 312
	At 31 December 2020	17 719	2 654	2 982	15 033	141	1 328	197	40 054
	At 31 December 2019	562	96	1 041	951	55	312	-	3 017

11 PROPERTY, PLANT AND EQUIPMENT (Continued)

11.3 COMPANY –INFLATION ADJUSTED

		Land and buildings $'000	Plant and equipment $'000	Motor vehicles $'000	Furniture and fittings $'000	Computer equipment $'000	Total $'000
11.3.1	**Gross carrying amount**						
	At 31 December 2019	2 588	1 207	397	1 015	6 864	12 071
	Disposals	-	(1 207)	(397)	(679)	(5 804)	(8 087)
	Revaluation surplus	171	-	-	-	-	171
	At 31 December 2020	2 759	-	-	336	1 060	4 155
	Disposals	-	-	-	(336)	(1 060)	(1 396)
	At 31 December 2021	2 759	-	-	-	-	2 759
11.3.2	**Depreciation**						
	At 31 December 2019	502	1 207	397	893	6 512	9 512
	Charge for the year	50	-	-	53	18	121
	Disposals	-	(1 207)	(397)	(679)	(5 804)	(8 087)
	Revaluation surplus	19	-	-	-	-	19
	At 31 December 2020	571	-	-	267	726	1 564
	Charge for the year	79	-	-	16	18	113
	Disposals	-	-	-	(283)	(743)	(1 027)
	At 31 December 2021	650	-	-	-	-	650
11.3.3	**Carrying amount**						
	At 31 December 2021	2 109	-	-	-	-	2 109
	At 31 December 2020	2 188	-	-	69	334	2 591
	At 31 December 2019	2 085	-	-	122	352	2 560

11 PROPERTY, PLANT AND EQUIPMENT (Continued)

11.4 COMPANY -HISTORICAL

		Land and buildings $'000	Plant and equipment $'000	Motor vehicles $'000	Furniture and fittings $'000	Computer equipment $'000	Total $'000
11.4.1	**Gross carrying amount**						
	At 31 December 2019	52	24	8	21	139	245
	Disposals	-	(24)	(8)	(14)	(118)	(164)
	Revaluation surplus	1 664	-	-	-	-	1 664
	At 31 December 2020	1 716	-	-	7	21	1 745
	Disposals	-	-	-	(7)	(21)	(28)
	At 31 December 2021	1 716	-	-	-	-	1 716
11.4.2	**Depreciation**						
	At 31 December 2019	9	24	8	18	131	191
	Charge for the year	2	-	-	1	-	3
	Disposals	-	(24)	(8)	(14)	(118)	(164)
	Revaluation surplus	345	-	-	-	-	345
	At 31 December 2020	355	-	-	5	14	375
	Charge for the year	49	-	-	1	-	50
	Disposals	-	-	-	(6)	(14)	(20)
	At 31 December 2021	404	-	-	-	-	404
11.4.3	**Carrying amount**						
	At 31 December 2021	1 312	-	-	-	-	1 312
	At 31 December 2020	1 361	-	-	2	7	1 370
	At 31 December 2019	43	-	-	3	8	54

12 INTANGIBLE ASSETS – GROUP AND COMPANY

12.1 Licenses that give the licensee the right to use the software for an indefinite period of time provided that they pay annual renewal fees. As such, the intangible assets' useful life was assessed as indefinite. The licensor frequently upgrades the accounting system to ensure that it remains relevant to the licensees.

13 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATE COMPANIES

13.1 Investment in subsidiary companies – Company

		Principal activity	*Effective shareholding*	**Inflation adjusted 2021 $'000**	**Inflation adjusted 2020 $'000**
	Company				
(i)	Zvemvura Trading (Private) Limited	FMCG	50.1%	-	21 095
	a. Chicago Cosmetics (Private) Limited	Manufacturing	25.6%	-	-
	b. Choice Brands (Private) Limited	Dormant	25.6%	-	-
	c. S-Mart Agencies (Private) Limited	Dormant	50.1%	-	-
(ii)	Vinpel Trading (Private) Limited	Dormant	100%	-	-
(iii)	MedTech Medical and Scientific (Private) Limited	Dormant	100%	-	-
				-	21 095

13.2 Investment in subsidiary companies - Company

		Principal activity	*Effective shareholding*	**Historical 2021 $'000**	**Historical 2020 $'000**
	Company				
(i)	Zvemvura Trading (Private) Limited	FMCG	50.1%	-	332
	a. Chicago Cosmetics (Private) Limited	Manufacturing	25.6%	-	-
	b. Choice Brands (Private) Limited	Dormant	25.6%	-	-
	c. S-Mart Agencies (Private) Limited	Dormant	50.1%	-	-
(ii)	Vinpel Trading (Private) Limited	Dormant	100%	-	-
(iii)	MedTech Medical and Scientific (Private) Limited	Dormant	100%	-	-
				-	332

Investments in subsidiaries were stated at cost until the conversion of the Company into a private equity company. For accounting purposes, this conversion was treated as having taken place on 31 December 2021 being a practical date for such purposes. After this date, the Company applies the investment entity exception as per IFRS 10, Consolidated Financial Statements. This exception provides that the Company will not consolidate its subsidiaries, except where a subsidiary, which is not itself an investment entity, mainly provides services that relate to the company's investment activities. As a result, nil amounts are shown for the investments in subsidiaries as at 31 December 2021 as these investments are now shown as investments carried at fair value on the balance sheet as further disclosed in note 14.

13.3 Investment is associate company

The investment in associate has been written off although in recent years, this has been carried at nil value due to accumulated losses and had ceased operating.

	Inflation adjusted		Historical	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**

14 INVESTMENTS HELD AT FAIR VALUE GROUP AND COMPANY

All subsidiaries and associates have a principal place of business in Zimbabwe. Whilst these companies are not directly listed on the Zimbabwe Stock Exchange, the Company has classes of shares listed which link the economic benefits of the underlying portfolio investments directly to each class of shares. As a result, the valuation of the portfolios is determinable from a listed share price and such valuation is used as the basis for the fair values of the portfolios.

Class A Portfolio – Consumer Goods

The Class A Portfolio comprises all of the companies shown under note 13 and is the fair value is made up as follows;

	Inflation adjusted 2021 $'000	Inflation adjusted 2020 $'000	Historical 2021 $'000	Historical 2020 $'000
Property, plant and equipment	2 109	-	1 312	-
Fair value of investment	440 751	-	441 548	-
Amounts owed by related parties	950	-	950	-
Deferred tax	(22 143)	-	(22 143)	-
Amounts owed to related parties	(1 667)	-	(1 667)	-
Fair value of Class A portfolio	420 000	-	420 000	-

Class B Portfolio

	Inflation adjusted 2021 $'000	Inflation adjusted 2020 $'000	Historical 2021 $'000	Historical 2020 $'000
Fair value of investment	26 154	-	26 154	-
Amounts owed by related parties	8 032	-	8 032	-
Deferred tax	(1 307)	-	(1307)	-
Fair value of Class B portfolio	32 879	-	32 879	-

15 DEFERRED TAXATION

15.1 Analysis - Group

	Inflation adjusted 2021 $'000	Inflation adjusted 2020 $'000	Historical 2021 $'000	Historical 2020 $'000
Deferred tax assets	-	78 642	-	10 578
Deferred tax liabilities	(23 450)	(13 147)	(23 450)	(5 620)
	(23 450)	65 495	(23 450)	4 958

15.2 Reconciliation - Group

	Inflation adjusted 2021 $'000	Inflation adjusted 2020 $'000	Historical 2021 $'000	Historical 2020 $'000
Opening balance	65 495	57 487	4 958	7 283
Movement for the year	(108 588)	8 390	(43 985)	2 553
Arising on revaluation	(32 188)	(382)	(27 178)	(4 878)
Derecognised on deconsolidation	51 831	-	42 755	-
	(23 450)	65 495	(23 450)	4 958

	Inflation adjusted		Historical	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
15.3 Analysis - Company				
Deferred tax assets	-	7 251	-	-
Deferred tax liabilities	(23 450)	(13)	(23 450)	(208)
	(23 450)	7 239	(23 450)	(208)
15.4 Reconciliation - Company				
Opening balance	7 239	7 262	(208)	114
Movement for the year	88	14	68	4
Arising on revaluation and fair valuation	(30 777)	(38)	(23 311)	(326)
	(23 450)	7 239	(23 450)	(208)

16 INVENTORIES

16.1 Group

16.1.1 Analysis

Merchandise	-	139 104	-	51 638
Raw materials and consumables	-	37 253	-	14 790
Provision for stock obsolescence	-	(1 217)	-	(483)
	-	175 140	-	65 945

16.2 Company

The Company's inventories consist of merchandise.

17 ACCOUNTS RECEIVABLE

17.1 Analysis - Group

Trade	-	83 817	-	52 145
Provision for doubtful debts	-	(983)	-	(612)
Other	-	36 878	-	22 944
	-	119 712	-	74 477

	Inflation adjusted		Historical	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
17.2 Analysis - Company				
Trade	-	229	-	142
Provision for doubtful debts	-	(88)	-	(54)
Other	-	136	-	84
	-	277	-	172

17.3 The average credit period for the Group is sixty days and no interest is charged on overdue accounts. Before accepting any new credit customer, the Group performs a due diligence including conducting trade reference checks on the applicant and their directors. The trade receivables presented in note 17.4 are past due but have not been impaired as there are agreed payment plans in place.

17.4 Ageing of trade and other receivables that are past due but not impaired - Group:

	Inflation adjusted 2021 $'000	Inflation adjusted 2020 $'000	Historical 2021 $'000	Historical 2020 $'000
61-90 days	-	3 216	-	2 001
91-120 days	-	407	-	253
120+days	-	752	-	468
	-	4 375	-	2 722

17.5 Ageing of trade and other receivables that are past due but not impaired - Company:

	Inflation adjusted 2021 $'000	Inflation adjusted 2020 $'000	Historical 2021 $'000	Historical 2020 $'000
61-90 days	-	-	-	-
91-120 days	-	-	-	-
120+days	-	141	-	88
	-	141	-	88

17.6 The Group and company consider any changes in the credit quality of the respective receivables from the date on which credit was granted up to the end of the reporting period before determining the impairment losses disclosed above.

		Inflation adjusted		Historical	
		2021	**2020**	**2021**	**2020**
		$'000	**$'000**	**$'000**	**$'000**
18	**RELATED PARTIES' BALANCES**				
18.1	**Amounts owed by related parties - Group**				
	Zvemvura Trading (Private) Limited	8 032	-	8 032	-
	S-Mart Agencies (Private) Limited	11	-	11	-
	MedTech Food and Beverages (Private) Limited (note 18.5)	133	787	133	489
	MedTech Medical & Scientific (Private) Limited	806	-	806	-
	Tothmet Investments (Private) Limited (note 18.5)	-	112	-	70
	A Motiwala (note 18.5)	-	11 227	-	6 985
	Grillage Investments (Private) Limited	-	513	-	319
		8 982	12 639	8 982	7 863
18.2	**Amounts owed by related parties - Company**				
	Zvemvura Trading (Private) Limited	8 032	-	8 032	-
	S-Mart Agencies (Private) Limited	11	17	11	11
	MedTech Medical & Scientific (Private) Limited	806	1 295	806	805
	Chicago Cosmetics (Private) Limited	-	82	-	51
	MedTech Food and Beverages (Private) Limited (note 18.5)	133	19	133	12
		8 982	1 413	8 982	879
18.3	**Amounts owed to related parties - Group**				
	Tothmet	-	2	-	1
	Finance Manager	-	3 087	-	1 921
	Chief Executive Officer	-	11	-	7
	Chicago Cosmetics (Private) Limited	30	-	30	-
	Zvemvura Trading (Private) Limited	1 637	-	1 637	-
	Turfgreen Investments (Private) Limited (note 18.5)	-	3 518	-	2 189
		1 667	6 618	1 667	4 118
18.4	**Amounts owed to related parties - Company**				
	Chicago Cosmetics (Private) Limited	30	-	30	-
	The amount is owed to Zvemvura Trading (Private) Limited	1 637	2 435	1 637	1 515
		1 667	2 435	1 667	1 515

18.5 During the year the Group and company transacted with and/or had outstanding balances with the following related parties:

	Entity	Nature of relationship of transactions	Nature and value
(i)	A Motiwala	The Group's Chief Executive Officer ("CEO")	Loan advance.
(ii)	Grillage Investments (Private) Limited	A Company under the control of one of the holding company's major shareholders.	Rentals amounting to $2 318 481 for various premises and interest amounting to $26 260 on outstanding rentals.
(iii)	M Patel	The Group's Finance Manager.	Loan advance.
(iv)	Turfgreen Investments (Private) Limited	A company under the control of one of the holding company's major shareholders.	Security for the credit facility disclosed in note 20.4, rentals amounting to $273 242, and interest amounting to $224 388 on arrear rentals.
(v)	Medtech Food and Beverages (Private) Limited	An Associate company of BridgeFort Capital Limited.	There were no transactions during the year.
(vi)	Shareview Investments (Private) Limited	A company in which a close member of the Finance Manager has an interest.	There were no transactions during the year
(vii)	Tothmet Investments (Private) Limited	A company in which the Chief Executive Officer has an interest.	There were no transactions during the year.

Sales to related parties are made at the same prices as those made to third parties. However, the repayment terms are flexible and are negotiated on a case by case basis.

19 SHORT TERM LOANS PAYABLE - GROUP

19.1 Analysis

	Inflation adjusted 2021 $'000	Inflation adjusted 2020 $'000	Historical 2021 $'000	Historical 2020 $'000
Lakhani (note 19.2)	-	2 497	-	1 553
A. Kalla (note 19.3)	-	12 355	-	7 687
Composite credit facility (note 19.4)	-	96 442	-	60 000
	-	111 294	-	69 240

19.2 The loan from Lakhani attracts interest at a rate of 3% per month. The loan is not secured and has no fixed repayment terms.

19.3 The loan from A. Kalla is interest free, is not secured and has no fixed repayment terms.

19.4 The composite credit facility, which was secured in 2021, accrues interest at a rate of 55% per annum compounded monthly and secured by mortgage bonds over some immovable properties belonging to Turfgreen Investments (Private) Limited, unlimited guarantees issued by Turfgreen Investments (Private) Limited, unlimited guarantees issued by the holding Company, cross company guarantees issued by the holding Company's subsidiaries, and a Notarial General Covering Bond for $887 500 over inventories and accounts receivables. The facility expires on 30 November 2021.

		Inflation adjusted		Historical	
		2021	2020	2021	2020
		$'000	$'000	$'000	$'000
20	**ACCOUNTS PAYABLE**				
20.1	**Analysis - Group**				
	Trade	-	260 800	-	162 252
	Other	-	17 824	-	11 089
		-	278 624	-	173 341
20.2	**Analysis - Company**				
	Trade	-	381	-	237
	Other	-	83	-	52
		-	464	-	289
21	**CASH AND CASH EQUIVALENTS**				
21.1	**Analsyis - GROUP**				
	Cash and bank balances	9	80 832	9	50 288
	Bank overdraft	-	(17)	-	(11)
		9	80 815	9	50 277
21.2	**Analysis – Company**				
	Cash and bank balances	9	8	9	5
	Overdraft	-	(17)	-	(11)
		9	9	9	(6)

22 SEGMENT INFORMATION

22.1 Segment reporting

Segment information is presented in respect of the Group's classes of shares whilst for 2020 the previous business segments have been presented. The primary format, business segments, is based on the Group's management and internal reporting structure. Inter-segment pricing is determined on an arm's length basis.

Segments results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly interest-bearing loans, borrowings, corporate assets and expenses.

	Class A $'000	Class B $'000	Ordinary Shareholders $'000	Total $'000
22.2 Year ended 31 December 2021				
Inflation adjusted				
Segment assets				
Property, plant and equipment	2 109	-	-	2 109
Fair value of investment	440 751	26 154	-	466 905
Amounts owed by related parties	950	8 032	-	8 982
Bank balances and cash	-	-	9	9
Segment liabilities				
Deferred tax	(22 143)	(1 307)	-	(23 450)
Amounts owed to related parties	(1 667)	-	-	(1 667)
Net assets at fair value	420 000	32 879	9	452 888
22.3 Year ended 31 December 2021				
Historic cost				
Segment assets				
Property, plant and equipment	1 312	-	-	1 312
Fair value of investment	441 548	26 154	-	467 702
Amounts owed by related parties	950	8 032	-	8 982
Bank balances and cash	-	-	9	9
Segment liabilities				
Deferred tax	(22 143)	(1 307)	-	(23 450)
Amounts owed to related parties	(1 667)	-	-	(1 667)
Fair value of Class A portfolio	420 000	32 879	9	452 888

For the year ended 31 December 2021, profit after tax was all attributable to the Class A segment, and hence segment information has not been reproduced here.

		FMCG $'000	Medical $'000	Manufacturing $'000	Unallocated items and adjustments $'000	Total $'000
22.4	**Year ended 31 December 2020 Inflation adjusted**					
	Revenue - external	385 108	-	182 053	-	567 161
	- internal	600	-	48 974	(49 574)	-
	Total revenue	385 708	-	231 027	(49 574)	567 161
	Net financing (costs)/ income	(220 347)	-	(38 315)	-	(258 662)
	Depreciation expense	(10 624)	(249)	(12 541)	(14)	(23 428)
	Segment profit/(loss) before taxation	59 044	5 378	41 729	1 032	107 183
	MGL	-	-	-	-	-
	Taxation	24 260	-	(20 001)	15	4 274
	Segment profit/(loss) after taxation	83 304	5 378	21 729	1 046	111 457
	Segment assets	413 829	11 523	183 305	3 080	611 733
	Segment liabilities	347 610	2 469	67 102	(5 303)	411 878

		FMCG $'000	Medical $'000	Manufacturing $'000	Unallocated items and adjustments $'000	Total $'000
22.5	**Year ended 31 December 2020 Historical**					
	Revenue - external	176 614	-	79 252	-	255 866
	- internal	196	-	21 320	(21 516)	-
	Total revenue	176 810	-	100 572	(21 516)	255 866
	Net financing (costs)/ income	(90 691)	-	(12 485)	-	(103 176)
	Depreciation expense	(307)	(6)	(362)	(1)	(675)
	Segment profit/(loss) before taxation	(30 006)	(6)	24 512	(15)	(5 516)
	MGL					
	Taxation	7 381	-	(6 085)	4	1 300
	Segment profit/(loss) after taxation	(22 625)	(6)	18 427	(11)	(4 216)
	Segment assets	190 663	1 116	60 642	(2 582)	249 839
	Segment liabilities	216 255	1 631	38 993	(3 196)	253 685

23 EMPLOYEE BENEFITS

23.1 Defined contribution fund

All eligible employees of the company are members of a defined contribution pension fund, (BridgeFort Capital Pension Fund), to which both the employer and the employee contribute. No contributions were made during the year, since a decision was taken in prior year to have the pension fund on a paid up status.

23.2 National Social Security Authority (NSSA)

The Group and its employees contribute to the National Social Security Authority Scheme. The Group's contributions under the scheme are limited to specific contributions legislated from time to time.

24 TREASURY AND FINANCIAL RISK MANAGEMENT

24.1 The main risks arising from the Group's financial instruments are currency rate risk, market risk, credit risk and liquidity and cash flow risk.

24.2 Currency risk

This is the risk that the Group is exposed to unfavourable exchange rates movements on mismatched spot or forward positions in a foreign currency deal.

The Group's exposure to foreign currency risk is monitored and managed by senior management who sets the parameters within which the group transacts.

24.3 Interest rate risk

This is a risk arising from the adverse movement in the value of future interest receipts or commitments resulting from movements in interest rates.

The Group finances its operations through a mixture of own resources and borrowings at fixed interest rates.

The Group's exposure to interest risk is managed by senior management at head office. Any new borrowings are undertaken after careful consideration of economic conditions and expected movements in interest rates.

24.4 Market risk

The principal amounts of all monetary assets and liabilities are fixed and not subject to market related value adjustments.

24.5 Liquidity and cash flow risk

This is the risk of insufficient liquid funds being available to cover commitments.

The cash resources and facilities available to the Group were considered adequate to meet its short-term liquidity and cash flow requirements as at year end.

25 GOING CONCERN

The Company was converted to an investment holding company during 2021 and as at the reporting date had two separately listed share classes. To spread the costs of the Company, additional transactions are required to be concluded as the underlying portfolio companies contribute towards the operating costs of the Company. Various transactions are being pursued and the Directors anticipate that additional portfolio investment transactions will be concluded prior to the 2022 year end.

The Directors believe that the Company is a going concern and will continue in business for the foreseeable future and are pursuing various transactions to spread the risk associated with having just one significant underlying investment portfolio.

Based on the aforementioned, the Directors believe that the preparation of these financial statements on a going concern basis is appropriate.

26 IMPACT OF COVID 19

Towards the end of 2019, a pneumonia of unknown case, which was named Covid 19, was declared a public health emergency on January 2020, and later a pandemic on 11 March 2020, by the World Health Organisation due to the number of confirmed cases and deaths that were recorded in numerous countries the world over. The Covid 19 pandemic has led to widespread economic uncertainty and volatility in financial market as the measures taken across the globe to try and slow down the spread of the pandemic is impacting both the supply and demand of goods and services.

Directors continues to assess the full impact of Covid 19 on the Group’s operations. Directors, however, do not anticipate the Covid 19 to have a significant impact on its operations, and as a result, the going concern assumption adopted in the preparation of these financial statements has not been revised.