Masimba
HOLDINGS LIMITED

ANNUAL REPORT 2021

Contents

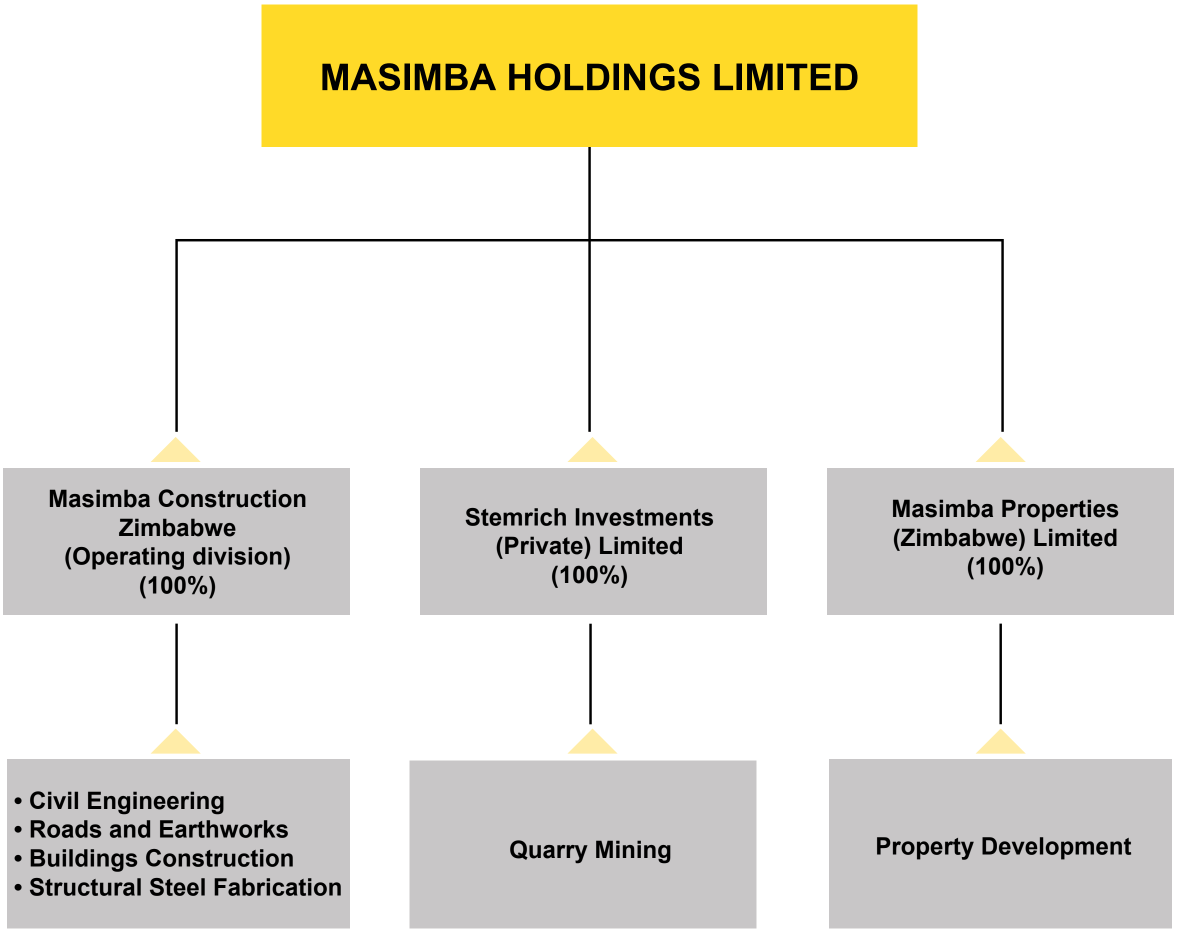
Masimba Holdings Limited supports COVID-19 health protocols. The preparations of this annual report adhered to all COVID-19 protocols as set out by the ZImbabwean Government.

Group Profile and Nature of Business

Masimba Holdings Limited is a well-established Zimbabwean contracting and industrial group, providing innovative engineering and infrastructure client solutions to the agriculture, commercial, communications, housing, mining, water and transport sectors.

More information is available at www.masimbagroup.com.

Group Structure



Consolidated Financial Highlights

	INFLATION ADJUSTED		HISTORICAL	
	2021	2020	2021	2020
	Audited	Audited	Audited	Audited
	ZWL	ZWL	ZWL	ZWL
Consolidated summary				
Revenue	7,355,274,110	8,390,738,256	6,019,717,135	4,204,426,740
Profit before interest and tax	1,741,106,475	1,611,023,367	1,802,039,357	758,028,960
Profit attributable to ordinary shares	985,123,578	526,238,344	1,295,256,113	587,328,861
Total Assets	**11,402,715,469**	**7,454,498,383**	**11,402,715,469**	**4,579,728,295**
Cash generated by operating activities	**2,537,181,394**	**615,874,313**	**2,377,093,485**	**330,517,007**
Ordinary Share performance (ZWL cents)				
Basic earnings per ordinary share	407.66	217.77	536.00	243.05
Diluted earnings per share	407.66	217.77	536.00	243.05
Headline earnings per ordinary share	342.78	578.61	214.71	117.60
Cash equivalent earnings per share (ZWL cents)	728.09	158.25	728.09	98.45
Market price per share	5,500.00	1,200	5,500.00	1,200.00
Financial statistics				
Profit before interest and tax on revenue	23.67%	19.20%	29.94%	18.03%
Return on average capital employed	31.89%	10.73%	40.52%	29.76%

Chairman's Statement

"EBITDFVA to turnover remained firm at 21% (2020: 21%). The proportion of revenue earned in United States Dollars was at 35% (2020: 20%) and this was recorded in the financial records at the prevailing foreign exchange auction rate."

G. Sebborn
Chairman

INTRODUCTION
I am pleased to present my report for the financial year ended 31 December 2021. My commentary will be based on the consolidated inflation adjusted financial statements, being the primary set of financial statements as defined by the International Accounting Standard 29: Reporting in Hyperinflationary Economies.

OPERATING ENVIRONMENT
The operating environment was generally stable with decelerating inflation which declined from 348.59% as at December 2020 to 60.74% at December 2021. Though the exchange rate remained stable, the continued delays in the foreign exchange auction system resulted in unintended price distortions in the market. During the financial period, various levels of lockdowns were in effect. The lockdowns, however, marginally affected the operations of the Group as it was classified as an essential service business. Accordingly, the Group continued to run under strict World Health Organisation and Government of Zimbabwe lockdown guidelines during the period.

REVIEW OF OPERATIONS
The contracting business was firm, driven by roads and earthworks, water, housing and mining infrastructure. The works were evenly spread between the public and private sectors. Government's renewed interest in infrastructure development was the key driver of growth for the road and earthworks order book. In addition, the contract periods improved from short term to medium-long term on the back of an improved operating environment.

The Properties segment's strategic focus in the period was the refurbishment of its industrial assets to enhance their earning capacity. As at reporting date, refurbishments for one of the properties in Harare were substantially complete. Plans are underway to refurbish, in the new financial period, other properties in Harare, Bulawayo and Gweru. In addition, a total land bank valued at ZWL398 million (USD3,6 million) was acquired during the year.

The Group established a quarry mining subsidiary, Stemrich Investments (Private) Limited, whose plant was commissioned in the fourth quarter. Its main purpose is the manufacture of stone aggregates which are key in road construction. It is expected that the cost savings associated with this investment will be evident in the next financial period.

FINANCIAL PERFORMANCE
The Group recorded revenues of ZWL7,355 billion (2020: ZWL8,391 billion) resulting in a decline of 12%. The decline was mainly due to the slow start of some key projects in the fourth quarter of the reporting period. Resultantly, Earnings before Interest Taxes Depreciation and Fair Value Adjustment (EBITDFVA) decreased to ZWL1,572 billion (2020: ZWL1,729 billion). Notwithstanding the marginal fall in revenues, EBITDFVA to turnover remained firm at 21% (2020: 21%). The proportion of revenue earned in United States Dollars was at 35% (2020: 20%) and this was recorded in the financial records at the prevailing foreign exchange auction rate.

The financial position of the Group strengthened to ZWL11,403 billion (2020: ZWL7,454 billion) on the back of a deliberate effort by the Board to preserve value through acquisition of property, plant and equipment, key to the Group growth plans. The Group acquired plant and equipment of ZWL766 million (2020: ZWL344 million) and investment property of ZWL398 million (2020: ZWL134 million) during the financial year. Current ratio declined to 1.07:1 (2020:1.17:1) mainly due to a strategy of minimal cash holding to preserve value in a hyperinflationary environment.

Borrowings, to support working capital requirements, increased to ZWL397 million (2020: ZWL121 million). The Group maintained all its three International Organisation of Standardisation certifications, namely International Organisation for Standardisation (ISO) 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, and International Organisation for Standardisation (ISO) 45001:2018 Occupational Health and Safety Management System, in the period under review. However, Lost Time Injury Frequency Rate (LTIFR) declined to 0.5 (2020: Nil) due to minor incidents that occurred in the year. Notwithstanding the setback, the Group continues to pursue its Zero Harm strategy.

CORPORATE SOCIAL RESPONSIBILITY
The Group endeavours to improve the wellbeing of the communities in which it operates, and to that end, as a minimum guideline, general workers are hired from the local communities where the projects are being undertaken. As at reporting date, the proportion of local employees was 64%.

The Group also participated in ensuring food security by supporting the 2021/2022 agriculture season, in particular small scale irrigation schemes in the Manicaland region. Masimba contributed ZWL equivalent of USD100,000 to the National Development Fund towards the procurement of COVID-19 vaccines. In total, the Group expended ZWL22,5 million in support of its various corporate social responsibility initiatives.

Chairman's Statement (continued)

The Group further contributes to strengthening communities through education and has partnered the University of Zimbabwe's Faculty of Engineering, the Apprenticeship Board and the Institute of Chartered Accountants of Zimbabwe in honouring and employing the top Civil Engineering students, training Apprentices and Chartered Accountants, respectively. As at 31 December 2021, the Group had 28 (2020: 14) students under these training and development programs.

IMPACT OF COVID-19

The Group continues to follow the Government of Zimbabwe and the World Health Organisation COVID-19 guidelines to protect the welfare of its employees, clients, suppliers and other key stakeholders. In addition, there is a robust COVID-19 Management Committee that includes a medical practitioner. Financing, capital investment and working capital models are also examined on a regular basis as part of the Group's business continuity strategy.

For the period under review, the Group lost 24,552 (2020: 3,087) manhours and incurred direct costs of ZWL18,7 million (2020: ZWL4,8 million) towards compliance with COVID-19 guidelines. We commiserate with those who have lost their loved ones to COVID-19.

The Group COVID-19 Management policy mandates that employees be fully vaccinated to mitigate the effects of the virus on the business. To that end, 99.95% employees had been vaccinated as at reporting date. While COVID-19 did not materially impact on the Group's liquidity and solvency positions in the current period, it is difficult to assess its impact in the future. The extent of the impact of COVID-19 on the Group's operational and financial performance will depend on certain developments that include the duration and spread of the outbreak, impact on its clients, employees and vendors, all of which are uncertain and cannot be reasonably estimated at this time.

OUTLOOK

We applaud the Government for the continued infrastructure investment drive and its determination to improve the ease of doing business in the country. We, however, take note of the potential impact on our contracting projects of the conflict between Russia and Ukraine on global commodity prices and supply logistics, among others. The Group has a firm order book, valued at USD214 million (2020: USD72 million) as at the reporting date, with tenures of between six to eighteen months. The book is evenly balanced between private and public sectors spread over housing, buildings, roads, mining and water infrastructure.

The infrastructure development prospects remain bright as evidenced by a long project pipeline and increased tendering activities. However, the execution thereof may be detracted by the continued foreign currency shortages and pricing distortions. We therefore urge the relevant authorities to pursue macroeconomic stabilisation policies, for the contracting sector, in particular, to contribute to the attainment of the objectives of the National Development Strategy. Meanwhile, the Group has identified certain opportunities in the region and strategies have been put in place to pursue them, with anticipated close out in the short to medium term.

DIVIDEND DECLARATION

The Board, having considered the Group's profitability, its future cashflows, and the potential economic impact of COVID-19 on its operations, has proposed a final dividend for the year ending 31 December 2021 of ZWL41,70 cents per share. This will bring the total dividend to ZWL227,13 (2020: ZWL41,80) cents per share including ZWL185,43 cents per share special dividend-in-specie that was paid during the period.

DIRECTORATE

I am pleased to announce the appointments of Mr. Herbert Stanley Mashanyare and Ms. Cathrine Charmaine Chitiyo who joined the Board as Independent Non-Executive Directors on 12 August 2021 and 18 November 2021, respectively. Meanwhile, we bid farewell to Mr. Paddy Tongai Zhanda who resigned from the Board effective 4 November 2021. We thank him for the invaluable contribution during his tenure as a Non-Executive Director and wish him the best in his future endeavours.

APPRECIATION

On behalf of the Board, I would like to extend our appreciation to our clients and stakeholders for their continued unwavering support. I extend a special thank you to staff, management and to my fellow Directors for their dedication in these particularly challenging times.

For and behalf of the Board

G. Sebborn
29 March 2022

masimba

Strategic Foundations

Our Vision
Building An African Legacy

Why Do We Exist?
To Create Value All The Time

Our Aspirations
Top of Clients' Minds. Place of Great Ideas.
Pioneering.

What Makes Us Different and Guides Our Long Term Strategy?
Rich Heritage. Trusted Brand. High Performance.
Game Changing Capability.

Scope of the Game
Civil Engineering. Roads & Earthworks. Buildings Construction.
Quarry Mining. Structural Steel Fabrication.
Property Development.

Our Brand Expression
Excellence Delivered.

Our Strategic Pillars
Value. Growth. Governance.

Our Behaviours
Learning. Caring. Performance Driven.
Professionalism. Excellence. Team Masimba.

Our Values
Zero Harm. Integrity. Delivery. Communication. Innovation.

Directorate

Gregory Sebborn
Chairman, Non-Executive Director

Gregory is an independent Chairman of the Board. He is a former Managing Director of Zimbabwe & Southern African operations of the Rennies Group of Companies, a founding Director and former Group Managing Director of Zimplats Holdings Limited and Managing Director of Zimbabwe Platinum Mines. Gregory is a consultant for special mining projects and developments in Africa and serves as a Non-Executive Director of several companies including Stanbic Bank Zimbabwe Limited.

Canada Malunga
Chief Executive Officer

Canada has held this position since March 2013, prior to which he served the company as a Non-Executive Director. From 2004 to 2010, he was at the helm of the Masimba Holdings Limited group of companies and is a past President of the Institute of Chartered Accountants of Zimbabwe. Canada is a Non-Executive Director at FBC Holdings Limited.

Agnes Makamure
Finance Director

Agnes joined Masimba Construction Zimbabwe in 2008 as a Finance Manager. She was appointed to the position of Finance Director for Masimba Holdings Limited in August 2015. Agnes is a Chartered Accountant (Zimbabwe).

Mark M. Di Nicola
Non-Executive Director

Mark has over 25 years experience with companies listed on the Johannesburg Stock Exchange and is a former Chief Executive Officer of Beige Holdings Limited. He is a Director of several companies in Mauritius and the SADC region including Kosto Holdings Limited and the Reinforcing Steel Contractors Group.

Malcolm W. McCulloch
Non-Executive Director

Malcolm is a Chartered Accountant (SA) and a past Group Chief Executive Officer of Murray & Roberts Limited in South Africa. He is a Director of several companies in Mauritius and the SADC region including Kosto Holdings Limited, Wilderness Holdings and the Reinforcing Steel Contractors Group.

Herbert S. Mashanyare
Independent Non-Executive Director

Herbert is a holder of a Master of Science in Process Engineering Design and Master of Philosophy in Process Research. He is a member of the Institute of Materials, Minerals and Mining (IOM3), London. Herbert, a former Executive Director at Mimosa Mining Company, is an Executive Director at Nhaka Metal & Alloy Processing Company. He is also an Independent Non-Executive Director at Proplastics Limited and Standard Chartered Bank Zimbabwe, amongst several other companies.

Cathrine C. Chitiyo
Non-Executive Director

Cathrine is a partner with law firm Atherstone & Cook in Harare. After graduating with an LLB from University of Zimbabwe, Cathrine started her career as a Public Prosecutor before proceeding into private practice. In 2009, her law firm Wickwar & Chitiyo merged with Atherstone & Cook. She has been involved in several commercial transactions, advisory mandates, and legal due diligences. She is a past Trustee of the Law Society Compensation Fund, and current member of the Law Society of Zimbabwe Conveyancing Committee. Cathrine is also a past board member of National Aids Council, and some commercial entities including a bank.

Corporate Governance

The Board of Directors
The Board of Masimba Holdings Limited is committed to adhering to principles of good corporate governance in order to attain the goal of responsible corporate behaviour and full accountability to its shareholders and stakeholders. The Board has adopted the King IV report as its Governance framework. Compliance to the framework is discussed below:

Composition and Appointment
The Board comprises of seven Directors made up of five Non-Executives and two Executives. It is chaired by an independent Non-Executive Director, thus ensuring a separation of powers and authority.

The election of Non-Executive Directors is subject to confirmation by the Shareholders. In terms of the Company's Articles of Association and the Companies and Other Business Entities Act (Chapter 24:31), at least one third of the Directors must retire at every Annual General Meeting and if eligible, can stand for re-election. Also, a Director appointed during the year must retire at the Annual General Meeting and, if eligible, stand for re-election.

Accountability and Delegated Functions
The Board meets formally at least once every quarter to review the entity's performance. There is an agenda of matters presented for its consideration and review, and where appropriate for decision making, so that it maintains full and effective control over strategic, financial, operational and compliance issues. The record of attendance by each Director at the Board meetings, held during the period under review, is reflected in the table on page 11 of this report. There are procedures which allow Directors to avail themselves for independent professional advice in the furtherance of their duties and to select Non-Executive Directors.

Performance Management Reporting
The entity operates regionally in regulated environments. Business is conducted within a well-developed control framework, underpinned by procedures and control manuals. The Board has established a management structure with clearly defined roles, responsibilities and reporting lines.

The business performance of the Group is reported regularly to Management, the Executive Committee and the Board. Performance trends against budgets and prior periods are closely monitored. Financial information is prepared using appropriate accounting policies which are consistently applied, in all material respects, from year to year. Where a change in accounting policy occurs, the change is specifically noted in the financial statements.

The system of internal controls is monitored regularly by Management, the Executive Committee and the Board.

The scope of the Internal Audit department includes an assessment of the risks and controls in each operating area and its findings are reported to Management. All adverse findings are reported to the Chief Executive Officer for immediate management action. Internal Audit also reports regularly to the Audit and Compliance Committee of the Board.

The External Auditor reviews the system of internal controls to the extent necessary for them to form the opinion they express on the financial statements. They also report to the Audit and Compliance Committee on matters arising from this review.

Changes to the Board
Mr Paddy Tongai Zhanda resigned from the directorship of the company with effect from 4 November 2021. The Board places on record its appreciation of the invaluable contributions made by Mr Zhanda during his tenure as a non-executive Director of the Company and wishes him well in his future endeavours.

Mr Herbert Stanley Mashanyare and Ms Cathrine Charmaine Chitiyo were appointed to the Board on 12 August 2021 and 18 November 2021, respectively.

Directors
The following are the Directors who have served during the year under review:
- Mr Gregory Sebborn
- Mr Canada Malunga
- Mrs Agnes Makamure
- Mr Mark Mario Di Nicola
- Mr Malcolm William McCulloch
- Mr Paddy Tongai Zhanda - resigned 4 November 2021
- Mr Herbert Stanley Mashanyare - appointed 12 August 2021
- Ms Cathrine Charmaine Chitiyo - appointed 18 November 2021

Board Committees
The Board has established and mandated several Committees to perform work on its behalf in various key areas affecting the business entity. The Committees are chaired by Non-Executive Directors and submit reports to the main Board on the respective deliberations and findings.

The Remuneration and Nomination Committee
The Committee is chaired by a Non-Executive Director, Mr Malcolm William McCulloch. Its mandate is to set the remuneration of Directors and to consider the appointment of new Directors and senior Executives before the final approval by the Board. The remuneration and nomination policies of the Committee are as follows:
- To ensure that individual rewards and incentives relate directly to the performance of the individuals, the operations and functions for which they are responsible and the Group as a whole.
- To maintain competitive rewards that enable the entity to attract and retain Executives of the highest quality.

In order to determine the competitiveness of the Executive remuneration, the Committee receives independent professional advice on remuneration packages and practices of comparable organisations within the region.

Audit and Compliance Committee
Mr Paddy Tongai Zhanda, a Non-Executive Director, chaired this Committee which deals with compliance, internal controls and risk management.

The Committee:
- considers changes to the Group accounting policies and reviews its interim and annual financial statements, and
- reviews the effectiveness of the system of internal controls during the period and reports thereon to the Board.

Corporate Governance (continued)

The Board is responsible for establishing system of internal controls which provide reasonable assurance that the entity's assets are safeguarded, proper accounting records are maintained, and that the financial information used in the business and for publication is reliable. They attach great importance to maintaining a strong and controlled environment. However, any system of internal controls can provide only reasonable, not absolute, assurance against material misstatement of loss.

Code of Conduct

The Board has approved a Code of Conduct which sets out the entity's core values relating to lawful and ethical conduct of the business. All employees observe high standards of integrity and fair dealing in relation to customers, staff and regulators in the communities in which the business operates.

Going Concern

The Board confirms that the Group has adequate resources to continue in business for the foreseeable future. Accordingly, the financial statements have been prepared on the basis that the Group is a going concern.

Auditor

A resolution will be proposed at the Annual General Meeting to appoint Grant Thornton as Auditor of the Group for the ensuing year.

The Group complied with all relevant laws and regulations and considers adherence to non-binding rules, codes, and standards as an integral part of the Group's risk management process.

G. Sebborn
Chairman

29 March 2022

C. Malunga
Chief Executive Officer

29 March 2022

P. Mutiti
Company Secretary

29 March 2022

Record of Attendance

Directors' Meetings for the 2021 Financial Year

Board Member	Position ↓	Board	AGM*	Audit	REMCO**
	No. of Meetings	4	1	4	3
Mr Gregory Sebborn	Non-Executive Director and Chairman	4	1	4	3
Mr Canada Malunga	Chief Executive Officer	4	1	4	3
Mrs Agnes Makamure	Finance Director	4	1	4	-
Mr Mark Mario Di Nicola	Non-Executive Director	3	-	1	-
Mr Malcolm William McCulloch	Non-Executive Director	3	-	-	3
Mr Paddy Tongai Zhanda	Non-Executive Director	4	1	4	-

AGM* refers to the Annual General Meeting
REMCO** refers to the Remuneration and Nomination Committee

Four Year Review

	INFLATION ADJUSTED			
	2021 ZWL	2020 ZWL	2019 ZWL	2018 ZWL
Summarised Statements of Profit and Loss				
Revenue	**7,355,274,110**	**8,390,738,256**	**2,408,935,159**	**1,792,177,716**
EBITDFVA	1,571,853,179	1,729,386,061	767,260,933	145,768,837
Fair value Adjustments	384,513,515	43,635,647	264,895,956	-
Depreciation	(215,260,219)	(161,998,341)	(119,912,693)	(62,152,119)
Operating profit	1,741,106,475	1,611,023,367	912,244,196	83,616,718
Net Interest paid	(98,553,678)	(12,987,289)	(6,856,110)	(7,716,839)
Net monetary loss	(289,945,028)	(1,017,558,893)	(364,194,230)	-
Profit before tax	1,352,607,769	580,477,185	541,193,857	75,899,879
Income tax	(367,484,191)	(54,238,841)	(293,926,268)	(9,798,048)
Profit attributable to ordinary shareholders	**985,123,578**	**526,238,344**	**247,267,589**	**66,101,831**
Summarised Statements of Financial Position				
Non-current assets	3,736,473,423	2,488,085,506	1,775,560,568	721,228,865
Bank balances and cash	1,759,455,832	382,425,791	85,271,317	37,829,450
Other current assets	5,906,786,214	4,583,987,086	1,450,257,491	992,598,101
Total Assets	**11,402,715,469**	**7,454,498,383**	**3,311,089,376**	**1,751,656,415**
Ordinary Shareholders funds	3,359,924,035	2,674,849,654	1,868,966,772	741,211,986
Liabilities	8,042,791,434	4,779,648,729	1,442,122,604	1,142,312,461
Total equity and liabilities	**11,402,715,469**	**7,454,498,383**	**3,311,089,376**	**1,751,656,415**

*EBITDFVA: Earnings Before Interest Taxation Depreciation Impairment and Amortisation and Fair Value Adjustments.

Ratios and Statistics

	INFLATION ADJUSTED			
	2021 ZWL	2020 ZWL	2019 ZWL	2018 ZWL
Earnings (ZWL cents)				
Basic earnings per ordinary share	407.66	217.77	102.32	28.34
Headline earnings per ordinary share	342.78	578.61	107.90	27.83
Diluted earnings per ordinary share	407.66	217.77	102.32	28.05
Cash equivalent earnings per ordinary share	7.28	60.65	97.49	11.68
Dividends per ordinary share	2.27	-	16.13	6.71
Dividend Cover (times)	1.68	-	86.89	23.22
Profitability				
PBIT on revenue (%)	23.7%	19.2%	37.9%	21.1%
PBIT on average capital employed excluding cash (%)*	41.1%	50.0%	39.9%	43.1%
PBIT on average ordinary Shareholders funds (%)*	51.8%	60.2%	48.8%	50.7%
Productivity				
Overhead to revenue ratio (%)	13	14	12	49
Payroll cost to turnover (cents)	0.07	0.07	0.06	0.27
Total average assets (excluding bank balances and cash)	1.00	1.00	1.00	1.00
Finance				
Total liabilities as a percentage of permanent capital	239.37%	178.69%	77.16%	154.11%
Current assets to current liabilities	1.07	1.17	1.50	1.15
Share performance				
Ordinary shares in issue (ZWL million)	2.417	2.417	2.417	2.332
Share price at year end (ZWL cents)	5,500.00	1,200.00	18.05	7.56
Market capitalization (ZWL million)	13,293.50	2,900.40	43.63	17.63
Other				
Number of employees at year end	1,346	1,052	879	896

Definitions:

Average	Arithmetic average between consecutive year ends.
Capital employed	Permanent capital, long term loans and deferred tax.
Cash equivalent earnings	Profit after tax (PAT) adjusted for the effects of non-cash items.
Earnings per ordinary share	Earnings after tax net of non-operating items, divided by the weighted average ordinary shares in issue.
PAT	Profit after tax attributable to ordinary shareholders.
PBIT	Profit before interest and tax.
PBT	Profit before taxation.
Permanent capital	Ordinary shareholders funds.
Total liabilities	Borrowings, finance lease and non-interest bearing debt.

***Non-operating items are excluded when computing these statistics.**

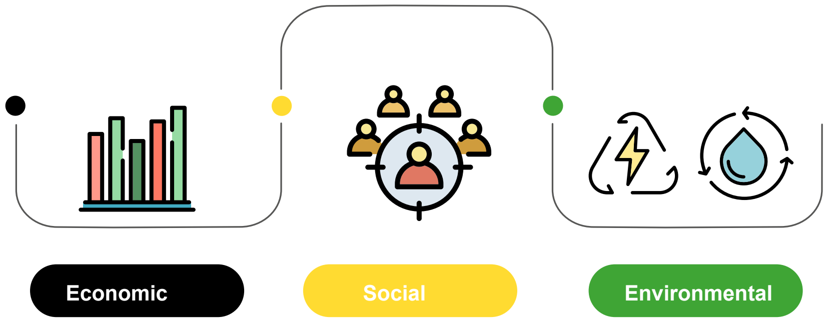
Sustainability Reporting

Strategy
Our sustainability strategy minimizes negative impact on the Group, stakeholders and the environment, thus safeguarding a good balance between protection of the environment and economic success.

The Group implements the Global Reporting Initiatives (GRIs) standards in identifying, measuring and managing material impacts within its operations and our control. Stakeholder engagement is fundamental in our identification of potential issues and how best to respond to them, which information becomes the bedrock of the reporting of our performance indicators.

Sustainability Governance
Governance processes enable us to achieve set goals and continuously improve on performance. Our Board, supported by the Audit and Compliance Committee, has overall responsibility for sustainability.

Managing Material Topics and Reporting Practice
Topics that reflect our significant economic, environmental and social impact or which substantively influence the assessment of decision makers and key stakeholders are material to the Group. Issues below were identified as material to the Group and key stakeholders:



Economic
- Economic contributions
- Procurement practice

Social
- Employment
- Community relations
- Occupational health and safety

Environmental
- Water
- Energy

Engaging our Stakeholders
To achieve our goal of sustainability we engage our key stakeholders to understand their needs, expectations and interests. Resultantly, we are better able meet their expectations and strategically report on relevant matters. The Board is the main custodian for managing the Group's brand, reputation and stakeholder relationships.

Our Stakeholder Engagement Approach

Stakeholder	Material Issues Raised or Stakeholder Concerns	Mitigation Measures	Communication Channel
Employees	• Cost of living. • Professional and continuing education and development.	• Implemented cost of living adjustments above industry average. • Human resources procedures in place to allow for continuous training and development.	• Works Council meetings. • Internal communications.
Suppliers	• Timely payment. • Quality of products/services supplied. • Conflicts of interest.	• Supplier audits. • Supplier screening. • Product returns.	• Negotiation of payment terms. • Supplier engagement programs. • Continuous supplier evaluation. • Supplier company profiles. • Declaration of conflicts of interests. • Use of approved supplier list.
Government and Regulators	• Changes in legislations. • Foreign currency funding.	• Compliance with regulation. • Lobbying government.	• Statutory returns. • Compliance audit. • Banking relationships. • Participation on the foreign currency auction market.
Industry	• Labour collective bargaining issues.	• Participation at CIFOZ and NEC levels.	• Works Council meetings.
Customers	• Competitive pricing. • Quality of service.	• Negotiations with clients. • Monitoring market developments. • Quality control at all construction sites.	• Regular meetings. • Customer relationship. • Management programs. • ISO 9001: Quality Management Framework.
Local Communities	• Economic opportunities. • Visible corporate social responsibility activities.	• Local community affirmative recruitment policy. • Sponsorships and donations to localised programs.	• Employment contracts of locals. • Meetings with local Chiefs. • Contributed ZWL equivalent of USD100,000 to the National Development Fund towards procurement of COVID-19 vaccines. • Supported small scale irrigation farmers in the Manicaland region for 2021/2022 agriculture season.

Sustainability Reporting (continued)

Our Priorities

We are committed to the continuous improvement of the overall Safety, Health, Environment and Quality (SHEQ) performance through:

- Identifying and evaluating occupational hazards and environmental aspects resulting from all operations.
- Setting objectives and targets to mitigate or eliminate risks and impacts of significant hazards and aspects.
- Complying with applicable SHEQ legislation and international industry standards.
- Managing processes and operations to protect biodiversity, conserve energy and to prevent pollution, injury, illness and damage to equipment.
- Developing a world class safety culture and achieving **ZERO HARM** through **SHEQ** awareness, training and behaviour modification.
- Maintaining regular, open and honest communication with all stakeholders.
- Defining responsibility and accountability to monitor performance against set objectives and targets for continual improvement purposes.
- Ensuring customer satisfaction.

Sustainability in our Procurement Practice

Our procurement strategy hinges on professionalism and transparency within prescribed standards and quality. This strategy ensures that our suppliers are key partners in the delivery of quality products to clients.

Compliance to quality standards and proven track records are key selection benchmarks that we employ. We have a procurement policy that serves as a reference point in all decisions and practices. To ensure sustainability in our supply chain we vary the way we procure goods depending on value, complexity and risk involved.

The Group places responsibility on management to ensure sustainable supply chain management in the business operations. We also seek to ensure that our supply chain objectives are delivered in a sustainable manner.

Environmental Management

By nature of our business, contracting and civil building, the Group inadvertently has potential to damage the environment in the execution of its various contractual activities. It is in this vein that we adopted and are certified to ISO 14001:2015 Environmental Management System to track and effectively mitigate on the effects of harm to the environment.

Through implementation of environmental policies and procedures, the Group managed to retain its ISO 14001:2015 Environmental Management System certification in 2021 where it met all the requisite requirements towards maintaining a clean, safe and sustainable environment across all its operations.

Sustainability Reporting (continued)

Our key environmental risks include:

- Increased regulatory requirements related to energy and climate change, which could lead to increased costs as well as opportunities in a low-carbon economy.
- Project disruptions due to extreme and unpredictable weather conditions, including floods and storm surges.
- Undertaking activities without the correct environment assessments or failure to abide by conditions set out in operating licences such as water and sand abstraction permits on a project.

To ensure environmental sustainability, the organisation has across all its operations set objectives linked to sustainable environmental management. Furthermore, the 3R strategy which is premised on an approach to reduce the amount of solid waste through **Recycling, Reducing and Reusing** is adopted and supported by relative activities that include:

01 On-site waste segregation.

02 Ensuring controlled disposal of waste through licensed service providers.

03 Migrating towards a paperless working environment through automation of essential processes.

04 Monitoring of resource utilisation such as electricity, water and fuel to promote efficient consumption patterns that reduce our overall carbon footprint.

05 Adoption of solar energy at our projects and sites.

06 Harnessing salvage value from waste streams such as cement bags, paper and used oils, to mention a few.

07 Recycling of used vehicle tyres.

08 Monitoring and measuring of vehicular and machinery exhaust emissions through planned monthly maintenance schedules.

09 Land rehabilitation after completion of all projects.

10 Compliance and adherence to permits and licences.

Sustainability Reporting (continued)

Detailed below is our environmental footprint:

Resource	Measurement Unit	2021	2020	2019	2018	2017
Diesel	Litres	1,391,262	1,279,899	669,908	858,572	729,541
Petrol	Litres	17,557	11,026	20,787	23,637	28,247
Oils	Litres	14,764	8,991	8,452	13,976	9,737
Electricity	KW/h	107,641	99,018	74,561	108,063	73,592
Grease	Kilograms	3,314	1,383	1,214	2,719	1,200
Water	M3	24,400	108,708	63,186	30,291	6,475

Quality Management

- Our customers are key, and they keep the Group standing firm through their continued support and trust in the way we conduct our business.
- It is through their trust and confidence we instil to our customers that we managed to maintain our certification to ISO 9001:2015 Quality Management System which guides us in delivering quality infrastructure across all operations.
- Our main aim is delivering projects within agreed timelines, budget and quality, in a safe and environmentally sustainable manner.

ISO 9001 2015 CERTIFIED

Quality is ensured through:

- A culture of excellence and doing things right the first time.
- Automation of processes for advanced management of projects and operations.
- Robust adherence to quarterly planned maintenance schedules for all equipment and machinery.

Our People

Our people are responsible for the delivery of the Group's tagline, **"EXCELLENCE DELIVERED."**

We believe the success of all systems depends on people as the organisation's greatest asset. To that end, we strive to:

√ Provide a safe working environment.
√ Provide appropriate training and development.

For the business to retain a well engaged and skilled team, regular performance evaluations are conducted to provide feedback and implement corrective actions.

The Group provides employment opportunities through various forms that include project-based contracts, casual positions, fixed term contracts and full-time permanent contracts. The opportunities are managed through adherence to best labour practices. Our project-based contract employees are members of the Zimbabwe Construction and Allied Trade Workers Union. Detailed below is our employees database:

Employees by Nature of Contract

Financial Year	Number of Active Projects	Permanent Contracts	Project Based Contracts	Students on Attachment	Graduate Trainees	Apprentices and TOPP	Total
2021	23	174	1,138	8	17	11	1,346
2020	29	176	843	11	10	4	1,052
2019	15	167	698	9	5	-	879
2018	15	160	730	6	-	-	896

Employees by Gender

	Males		Females		Total
Financial Year	Number	Percentage %	Number	Percentage %	Number
2021	1,152	85	194	14	1,346
2020	930	87	122	13	1,052
2019	799	90	80	10	879
2018	841	93	55	7	896

Sustainability Reporting (continued)

14%
current ratio of females versus males

Masimba believes in gender equality and makes a deliberate effort to include females in its hiring process. The current ratio of females versus males is 14%, with a target of 25% by December 2022.

Local Engagements

As part of our corporate social responsibility the engagement of general workers is done from the local communities. Below are the statistics of locals engaged vis-a-vis imported personnel:

Financial Year	Number of Locals Engaged	Total	Proportion of local engagements to total employees
2021	862	1,346	64%
2020	568	1,052	54%
2019	723	879	83%

Employees' Skills Base

The Group recruits diverse skills which allow sustainable value creation. Some of the employees are members of the following professional bodies:

- Zimbabwe Institute of Engineers
- Institute of Chartered Accountants Zimbabwe
- Association of Certified Chartered Accountants
- Chartered Institute of Purchasing and Supply
- Institute of People Management in Zimbabwe

Training

Training is a strategic objective that the Group implements to ensure that:

- Employees remain abreast to current trends
- Adequate succession planning

Detailed below are the key Group's training strategies:

Training Programmes

Programs	Description	Number of Trainees 2021	2020	2019	2018
Development Programs	We adopted Development Programs designed to improve managerial behaviour and performance of supervisors by cultivating their mental abilities and inherent qualities through the acquisition and application of advanced knowledge insights and skills.	23	`1	0	3
TOPP	We offer internal candidates an opportunity to become Chartered Accountants through Training Outside Public Practise (TOPP).	2	2	0	0
Graduate Development	We introduced a two-year structured Graduate Development Programme to develop the future skill base by ensuring predicted skill gaps are addressed. On completion of the programme trainees may either progress to an external employer or be placed in an appropriate vacancy, should one exist.	16	7	5	0
Apprenticeship	We annually offer training opportunities to deserving applicants to undergo a four-year apprenticeship training. The training programme covers artisan fields in line with Masimba needs.	10	5	0	0
Students on Attachment	We offer industrial attachment to students from various tertiary institutions such as the University of Zimbabwe, Midlands State University, National University of Science and Technology, Harare, Bulawayo and Mutare Technical Colleges as well as National Vocational Training Centres.	8	11	9	6
Bursary Scheme	We run a Bursary Scheme which provides financial assistance to children of employees. The assistance covers the costs of tuition and accommodation (excluding books) at any local university.	1	0	1	0

Sustainability Reporting (continued)

Safety and Health

The Group is certified to ISO 45001: 2018 Occupational Health and Safety Management System for advanced and effective management of Occupation Health and Safety issues. We are committed to managing processes and operations to prevent injury and harm to our employees, stakeholders and damage to property and equipment. Zero Harm to all employees and stakeholders is our inspirational goal and is key to the success of the Group.

Safety and Health Core Affirmation

- Zero Lost Time Injury Frequency Rate (LTIFR) and accidents.
- We believe that all incidents caused by human factors, no matter how small are avoidable.
- Life is precious and irreplaceable. Accordingly, we make safety a priority and way of life throughout all our operations. "**ONE ACCIDENT IS ONE TOO MANY!**"

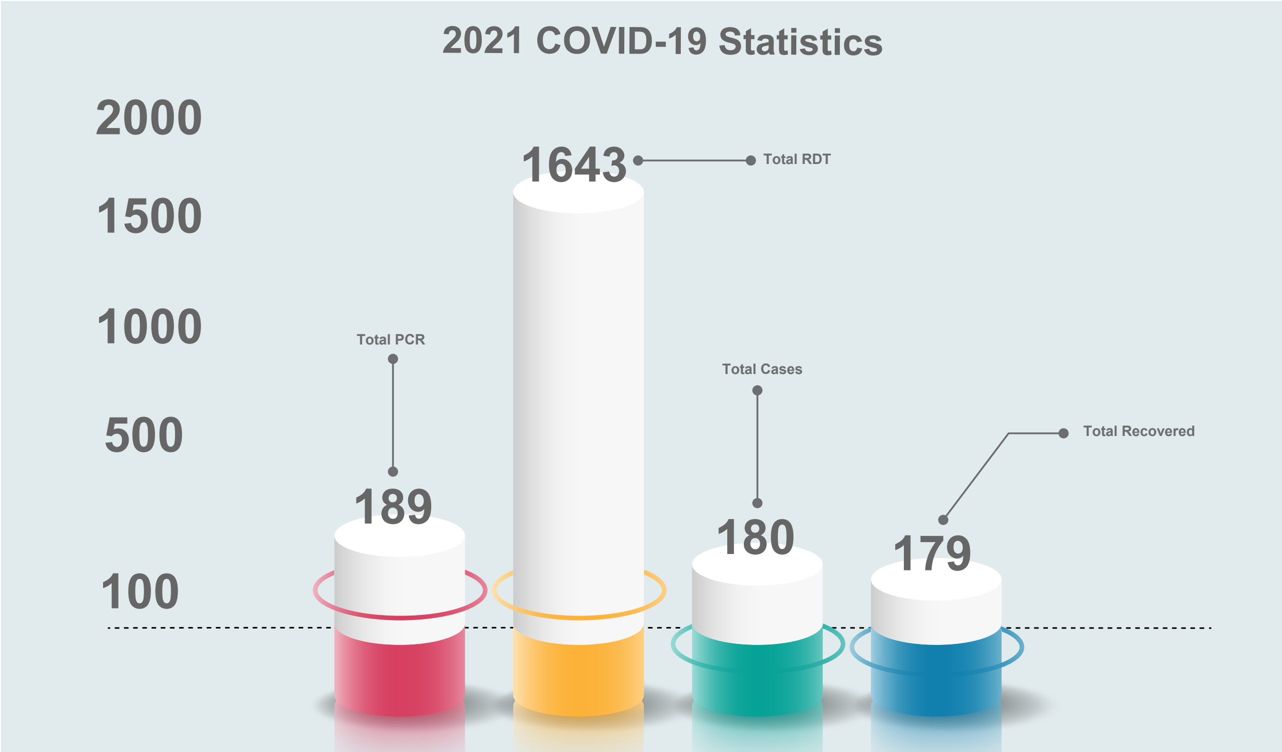
LTIFR Trend

Financial Year	2021	2020	2019	2018	2017
LTIFR	0.5	0	0.82	1.73	0.14

Sustainability Reporting (continued)

COVID-19 Management

The Group recognises its staff as the greatest asset that is critical to the achievement of excellence. Accordingly, it boldly invests in the total health and welfare of its staff as a top priority. We have also established and invested in a robust COVID-19 Management policy that caters for all affected staff members at no cost, inclusive of other strategies outlined below:



COVID-19 Management Strategies

- Daily symptomatic and exposure screening.
- Antigen and PCR screening for symptomatic employees.
- Medical care provision for symptomatic and asymptomatic cases.
- Professional psycho-social counselling by medical doctor.
- Procurement of emergency medical support equipment, including oxygen concentrator.
- Isolation care facility.
- Workplace decongestion, introduction of shift work.

Sustainability Reporting (continued)

Corporate Social Investment

Sustainability is critical to the Group as a business and that of its communities. In total, the Group expended ZWL22,5 million in support of its various corporate social responsibility initiatives which include:

- **Gender Equality**

  The Group continues to embrace diversity. It believes that in females joining the construction industry there are social and community benefits. In the process, the historical homogenous and non-inclusive culture is eliminated by a modern and friendly industry where diverse and inclusive teams can make a living.

Resultantly, the Group remained committed to attracting, recruiting, and promoting more women to broaden its talent pool. 36% females held senior positions on the management team while, as at the end of the year, female representation on the board grew to 28% from 14% in 2020. Generally, though slow, female to male ratio of employees increased by 1% to 14% in 2021. Concurrently, the Group endeavoured to provide an environment free of discrimination and harassment of any kind. Due to this deliberate strategy of inclusiveness, the Group was more creative and innovative in achieving its objectives.

28%

female representation on the board grew to 28% from 14% in 2020

Ngezi Platinum Stars football team

- **Sports - Ngezi Platinum Stars Football Club Sponsorship**

  The Turf in Mhondoro, Ngezi, is not only home to the Ngezi Platinum Stars Football Club (NPS FC), aka Madamburo, but the Masimba Group as well. The Masimba Group proudly renewed its sponsorship for the period 2021 to 2022. This was in support of its relationship with the Ngezi community which spans over a decade of years. The Group is of the view that this sponsorship shall enable Madamburo to achieve its dream of developing grassroots football, positively impacting many communities and being a force to reckon within Zimbabwe and beyond the borders.

Sustainability Reporting (continued)

- **COVID-19 Outreach Program**
  Masimba contributed ZWL equivalent of USD100,000 to the National Development Fund towards the procurement of COVID-19 vaccines.

- **Food Security**
  The Group also participated in ensuring food security by supporting the 2021/2022 agriculture season, in particular small scale irrigation schemes in the Manicaland region.

- **Education**
  Masimba further contributes to strengthening communities through education and has partnered the University of Zimbabwe's Faculty of Engineering, the Apprenticeship Board and the Institute of Chartered Accountants of Zimbabwe in honouring and employing the top Civil Engineering students, training Apprentices and Chartered Accountants, respectively. As at 31 December 2021, the Group had 28 (2020:14) students under these training and development programs.

In 2021, the Group embarked on the construction of a school block at Kwirire Primary School in Chimanimani at a cost of USD78,000. Completion is targeted for the second quarter of 2022.

Sustainability Reporting (continued)

Economic Contributions

We are operating in an environment that is characterised by economic and inflationary pressures which constrain our value generation capability. The Group has remained resilient amid the economic pressures and continues to demonstrate exceptional performance in a difficult environment. Improved business performance enables the distribution of wealth across our stakeholders and on the other hand poor performance results in negative consequences on our respective stakeholders. To that end, the Group is committed in seeking ways of improving business performance so that it adds value to its shareholders, society and Government.

Value preservation is at the core of the Group's strategic objectives. To that end, we have continued to retool the business and thus improving efficiencies and enabling opportunities to expand the customer base.

Economic Value Generated and Distributed

The wealth that the Group creates is subsequently distributed across its stakeholders. The difference between the value generated and distributed is the economic value retained by the Group for further developing the business.

	INFLATION ADJUSTED		HISTORICAL	
	2021 ZWL	**2020 ZWL**	**2021 ZWL**	**2020 ZWL**
Value generated as represented by Gross Profit	2,242,171,170	2,598,032,681	1,802,294,086	1,069,113,334
Other income and interest received	471,973,693	168,201,105	797,194,691	313,724,272
Equity accounted earnings	286,501,740	279,644,536	1,006,644,816	779,609,454
	3,000,646,603	**3,045,878,322**	**3,606,133,593**	**2,162,447,060**
Economic Value Distribution				
Other operating costs	474,416,818	591,510,687	401,781,978	319,543,585
Staff costs and benefits	498,621,571	563,699,736	395,667,442	305,265,061
Depreciation and amortization	215,260,219	161,998,341	170,294,346	67,544,814
Providers of capital	98,553,678	12,987,289	83,497,905	6,183,114
Value Added	**1,713,794,317**	**1,715,682,269**	**2,554,891,922**	**1,463,910,486**

Payments to Government

The Group generates revenue for the Government through taxes paid to regulators. Payments made to the Government are detailed as follows:

Description	**2021 ZWL**	**2020 ZWL**
PAYE	178,984,904	74,980,974
Aids Levy	76,707,817	2,249,429
Intermediated Transfer Tax	89,602,788	26,533,510
Value Added Tax (VAT)	199,873,705	216,546,243
Import Duty and VAT	185,111,375	24,953,314
Income Taxes	1,107,494.00	-

Sustainability Reporting (continued)

Secondary Millings Earthworks and Civils

Sustainability Reporting (continued)

Dome Tunnel Civils

Sustainability Reporting (continued)

Skyline Chimanimani Road Works

Directors' Report

The Directors have pleasure in presenting their Audited Financial Statements of the Group for the year ended 31 December 2021. The commentary in this report shall be based on the inflation adjusted financials being the primary reporting financial statements for the Group.

In the report "Group" refers to Masimba Holdings Limited and its subsidiary companies.

Period's Results

	ZWL - Historical
Profit attributable to Shareholders	1,295,256,113
Dividend	541,220,216
Net transfer against reserves	**754,035,897**

Capital Expenditure
Capital expenditure for the period to 31 December 2021 amounted to ZWL667,437,862 (2020: ZWL147,903,112).

Share Capital
The authorised share capital of the Group is ZWL8,750,000 and comprising of 875,000,000 ordinary shares of a nominal value of ZWL0,01 each.

Issued share capital of the Group is ZWL2,416,537 as at December 2021 (2020: ZWL2,416,537) and comprised of 241,653,707 ordinary shares of the nominal amount of ZWL0,01 each.

Auditors
The Auditors of the Group are Grant Thornton Chartered Accountants. Shareholders will be asked at the forthcoming Annual General Meeting to approve their remuneration in respect of the past audit and to appoint Auditors for the coming year.

Reserves
The movement in the Reserves of the Group is disclosed on the Consolidated Statement of Changes in Equity.

Directorate
The following are the Directors of the Group that held office in the period under review:

Mr. Gregory Sebborn	Independent Non-Executive Director and Chairman
Mr. Canada Malunga	Chief Executive Officer
Mr. Malcolm William McCulloch	Non-Executive Director
Mrs. Agnes Makamure	Finance Director
Mr. Mark Mario Di Nicola	Non-Executive Director
Mr. Paddy Tongai Zhanda	Non-Executive Director (resigned 4 November 2021)
Mr. Herbert Stanley Mashanyare	Independent Non-Executive Director (appointed 12 August 2021)
Ms. Cathrine Charmaine Chitiyo	Independent Non-Executive Director (appointed 18 November 2021)

Mr. Herbert Stanley Mashanyare and Ms. Cathrine Charmaine Chitiyo will be retiring in terms of the Articles of Association and, Messrs Malcolm William McCulloch and Mark Mario Di Nicola will retire by rotation on conclusion of the forthcoming Annual General Meeting. All being eligible, have offered themselves for re-election and Shareholders will be asked to appoint Directors for the forthcoming year.

Directors' Fees
Shareholders will be asked to approve the remuneration of the Directors for their services as Directors during the past year. The Board recommends that an amount of ZWL5,927,735 (2020: ZWL2,218,786) be paid, to be divided amongst themselves at their discretion.

The Masimba Holdings Limited Senior Executive Share Option Scheme 2003
The Scheme was approved by Shareholders in October 2003, the purpose of which was to promote the retention of senior Executives responsible for the management of the Group. At reporting date there were no outstanding options held.

Compliance with International Financial Reporting Standards
The financial statements are prepared with the aim of complying fully with International Financial Reporting Standards (IFRSs). Complying with IFRSs allows comparability with similar businesses and consistency in the interpretation of the financial statements.

While full compliance with IFRSs has been possible in previous reporting periods, only partial compliance has been achieved in 2020. The IFRS Conceptual Framework provides that, in applying fair presentation to the financial statements, entities should go beyond consideration of the legal form of transactions and other factors impacting on the financial statements to also consider the underlying economic substance therein. International Financial Reporting Standards 21: The Effects of Changes in Foreign Exchange Rates (IAS 21) requires an entity to apply certain parameters in determining the functional currency of an entity for use in preparing financial statements.

Directors' Report (continued)

IAS 21 also requires an entity to make certain judgements around appropriate exchange rates to be applied between currencies where exchangeability through a legal exchange mechanism (such as a formal currency market) is not achievable. In Statutory Instrument 33 of 2019 which, based on our legal interpretation, for accounting and other purposes, prescribes parity between the United States Dollar and local currency as at and up to the effective date of 22 February 2019, while also prescribing the manner in which certain balances in the financial statements should be treated as a consequence of the recognition of the RTGS Dollar as currency in Zimbabwe.

In our opinion, the requirement to comply with Statutory Instrument 33 of 2019 has created inconsistencies with IAS 21, as well as with the principles embedded in the IFRS Conceptual Framework as also enunciated in the guidance issued by the Public Accountants and Auditors Board on 21 March 2019. This has resulted in accounting treatment being adopted in the 2021 financial statements that is different from what would have been adopted if the Group had been able to fully comply with IFRS. As such, the Board and management have been unable to produce financial statements which in their view would be true and fair and urge users of the financial statements to exercise due caution.

The functional currency of the Group is the Zimbabwe Dollar (ZWL).

Statement of Compliance
The Directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements.

The Group's independent external auditors, Grant Thornton, have audited the financial statements and their report is attached to the financial statements.

The Directors are also responsible for the system of internal controls. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of assets. These systems of internal control also prevent and detect material misstatement and loss. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review. The financial statements are prepared on a going concern basis. Nothing has come to the attention of the Directors to indicate that the Group will not remain a going concern for the foreseeable future.

The Group's financial statements as attached were, in accordance with their responsibilities, approved by the Board of Directors on 29 March 2022 and signed on its behalf by:

G. Sebborn
Chairman

29 March 2022

C. Malunga
Chief Executive Officer

29 March 2022

P. Mutiti
Company Secretary

29 March 2022

These consolidated financial statements were prepared under the supervision of:

Agnes Makamure CA (Z)
Registered Public Accountant (PAAB No: 03528)
Finance Director

Company Secretary's Certification
I certify, to the best of my knowledge and belief, that the Group has lodged with the Registrar of Companies all such returns as required to be lodged by a public entity in terms of the Companies and Other Entities Act (Chapter 24:31) and that all such returns are true, correct and up to date.

P. Mutiti
Company Secetary

29 March 2022

Grant Thornton

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

T +263 4 442511-13
F +263 4 442517/ 496985
E info@zw.gt.com
www.grantthornton.co.zw

INDEPENDENT AUDITOR'S REPORT

To the members of Masimba Holdings Limited

Report on the Audit of the Consolidated Financial Statements

Adverse Opinion

We have audited the financial statements of Masimba Holdings Limited set out on pages 32 to 74, which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant group accounting policies.

In our opinion, because of the significance of the matters described in the Basis for Adverse Opinion section of our report, the consolidated financial statements do not present fairly, in all material respects, the financial position of Masimba Holdings Limited as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Adverse Opinion

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

During the prior and current financial years, the foreign currency denominated transactions and balances of the Group were translated into ZWL using the interbank exchange rates/foreign currency auction rates which were not considered appropriate spot rates for translations as required by IAS 21. The opinion on the prior year financial statements was modified in respect of this matter and the misstatements have not been corrected in the financial statements for the year ended 31 December 2021.

Had the financial statements been prepared in accordance with the requirements of IAS 21, many elements would have been materially different. The effects of the non-compliance with the requirements of IAS 21 have been considered to be material and pervasive to the financial statements as a whole.

Non-compliance with International Accounting Standard (IAS) 29 – Financial Reporting in Hyperinflationary Economies

Although IAS 29 has been applied correctly, its application was based on prior and current year's financial information which was not in compliance with IAS 21 as described above. Had the correct base numbers been used, most elements of the financial statements (including monetary gain/loss) would have been materially different. The impact of the departure from the requirements of these standards is considered material and pervasive to the consolidated financial statements for the year ended 31 December 2021.

Valuation of investment properties; and property, plant and equipment

The determination of fair values for assets presented in the consolidated financial statements is affected by the prevailing economic environment. These consolidated financial statements include investment properties; and property, plant and equipment that are carried at fair value in-accordance with IFRS 13 "Fair value measurement".

The valuation of investment properties amounting to ZWL1 237 181 508 was performed by Directors as at 31 December 2021. The property valuations by the Directors were derived by applying certain assumptions on values determined by independent professional valuers as at 31 December 2021, and may not reflect the assumptions that market participants would apply in valuing similar items.

There was no valuation of property, plant and equipment during the year ended 31 December 2021. Property, plant and equipment amounting to ZWL1 706 185 489 was based on a valuation that was performed by Directors as at 31 December 2020. This valuation was denominated in USD and then translated to ZWL using the foreign currency auction rate as at 31 December 2020. Although the determined USD values reflected the fair value of the property, plant and equipment in USD, the converted ZWL values were not in compliance with IFRS 13 as they may not reflect the assumptions that market participants would apply in valuing similar items of property, plant and equipment in ZWL.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matter noted below relate to the financial statements.

Key Audit Matter	How our audit addressed the Key Audit Matter

Revenue recognition and valuation of construction projects.
• The Group is involved in complex construction projects where revenue is recognised overtime using the percentage of completion method.
• The amount of revenue and profit recognized in a year on construction projects is dependent, among other things:
  • On the actual costs incurred;
  • The assessment of the percentage of completion for contracts; and
  • The forecast contract revenue and costs to complete for each project.
• The amount of revenue and profit is influenced by the valuation of variation orders and claims.
• Due to the estimates and judgements involved in the recognition of revenue from construction projects, we have considered this matter as a key audit matter.
	Our audit procedures included the following:
	• Understanding of the revenue process including the performance of an end to end walk through of the revenue recognition process and identifying relevant controls.
	• Tested the design and operating effectiveness controls that the Group has put in place over the process to record contract revenues, contract costs, and the calculation of the stage of completion.
	• Reviewed whether the revenue recognition criteria is appropriate and in line with the requirements of IFRS 15.
	• Evaluated the significant judgements made by management, amongst others based on an examination of the associated project documentation.
	• Discussed with finance and technical staff of the Group on the status of projects under construction. In addition, we visited some projects under construction.
	
	Based on our audit work performed and the assumptions used, we satisfied ourselves that the Group's revenue recognition and valuation of construction projects is in accordance with IFRS 15, Revenue from Contracts with Customers.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report (continued)

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

Report on other legal and regulatory requirements
In our opinion, except for the possible effects of the matters described in the Basis for Adverse Opinion paragraph, the consolidated financial statements have been properly prepared in compliance with the requirements of the Companies and Other Businesses Entities Act (Chapter 24:31).

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

Grant Thornton
…………………………….
Farai Chibisa
Partner

Registered Public Auditor (PAAB No: 0547)

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors

HARARE

30 March 2022

Consolidated Statement of Financial Position
as at 31 December 2021

	Notes	INFLATION ADJUSTED 2021 ZWL	INFLATION ADJUSTED 2020 ZWL	HISTORICAL COST 2021 ZWL	HISTORICAL COST 2020 ZWL
ASSETS					
Non-current assets					
Property, plant and equipment	4	2,155,790,373	1,578,414,353	2 155 790 373	981,970,161
Investment property	5	1,431,318,421	648,896,890	1,431,318,421	403,694,621
Investments	6	149,364,629	260,774,263	149,364,629	162,234,045
		3,736,473,423	**2,488,085,506**	**3,736,473,423**	**1,547,898,827**
Current assets					
Cash and cash equivalents	7	1,759,455,832	382,425,791	1,759,455,832	237,916,435
Contracts in progress and contracts receivables	8	3,828,226,173	3,096,580,396	3,828,226,173	1,926,458,376
Trade and other receivables	9	1,892,952,366	1,298,079,357	1,892,952,366	807,566,906
Inventories	10	185,607,675	189,327,333	185,607,675	59,887,751
		7,666,242,046	**4,966,412,877**	**7,666,242,046**	**3,031,829,468**
Total assets		**11,402,715,469**	**7,454,498,383**	**11,402,715,469**	**4,579,728,295**
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	11	105,067,494	105,067,494	2,416,537	2,416,537
Share premium		39,548,262	39,548,262	1,006,892	1,006,892
Reserves		1,428,578,359	1,583,471,993	1,478,605,798	913,356,357
Retained earnings		1,786,729,920	946,761,905	1,877,894,808	689,412,171
		3,359,924,035	**2,674,849,654**	**3,359,924,035**	**1,606,191,957**
Non-current liabilities					
Interest bearing borrowings	12	-	40,379,961	-	25,121,361
Deferred tax	15	881,177,254	504,115,516	881,177,254	313,622,588
		881,177,254	**544,495,477**	**881,177,254**	**338,743,949**
Current liabilities					
Interest bearing borrowings	12	331,299,310	167,359,291	331,299,310	104,118,307
Finance lease liabilities	13	-	66,983	-	41,672
Trade and other payables	16	5,909,228,453	2,791,454,321	5,909,228,453	1,736,631,984
Current tax liabilities		1,538,540	2,005,137	1,538,540	1,247,446
Subcontractors	17	919,547,877	1,274,267,520	919,547,877	792,752,980
		7,161,614,180	**4,235,153,252**	**7,161,614,180**	**2,634,792,389**
Total equity and liabilities		**11,402,715,469**	**7,454,498,383**	**11,402,715,469**	**4,579,728,295**

G. Sebborn
Chairman

29 March 2022

C. Malunga
Chief Executive Officer

29 March 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the Year Ended 31 December 2021

		INFLATION ADJUSTED		HISTORICAL COST	
	Notes	**2021 ZWL**	**2020 ZWL**	**2021 ZWL**	**2020 ZWL**
Revenue	18	7,355,274,110	8,390,738,256	6,019,717,135	4,204,426,740
Cost of sales		(5,113,102,940)	(5,792,705,575)	(4,217,423,049)	(3,135,313,406)
Gross profit		2,242,171,170	2,598,032,681	1,802,294,086	1,069,113,334
Fair value adjustment	5	384,513,515	43,635,647	721,850,336	262,656,835
Other operating income	19	87,460,179	124,565,458	75,344,355	51,067,437
Administrative expenses	20	(973,038,389)	(1,155,210,419)	(797,449,420)	(624,808,646)
Profit before interest and tax		**1,741,106,475**	**1,611,023,367**	**1,802,039,357**	**758,028,960**
Finance costs	27	(98,553,678)	(12,987,289)	(83,497,905)	(6,183,114)
Net monetary loss		(289,945,028)	(1,017,558,893)	-	-
Profit before tax	**21**	**1,352,607,769**	**580,477,185**	**1,718,541,452**	**751,845,846**
Taxation	22	(367,484,191)	(54,238,841)	(423,285,339)	(164,516,985)
Profit for the year		**985,123,578**	**526,238,344**	**1,295,256,113**	**587,328,861**
Other comprehensive income, net of income tax:					
Gain on revaluation of property, plant and equipment		45,414,820	179,948,984	693,034,016	737,392,440
Movement in available for sale investments	6	252,193,503	153,671,625	459,409,162	137,277,436
Deferred tax relating to other comprehensive income	15	(11,106,582)	(53,976,073)	(145,798,362)	(95,060,422)
Other comprehensive income, net of tax		286,501,741	279,644,536	1,006,644,816	779,609,454
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,271,625,319**	**805,882,880**	**2,301,900,929**	**1,366,938,315**
Number of shares		241,653,707	241,653,707	241,653,707	241,653,707
Basic earnings per share (cents)	23	407.66	217.77	536.00	243.05
Diluted earnings per ordinary share (cents)	23	407.66	217.77	536.00	243.05
Headline earnings per ordinary share (cents)	23	342.78	578.61	214.71	117.60

Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2021

INFLATION ADJUSTED	Share capital ZWL	Share premium ZWL	Non-distributable reserve ZWL	Distributable reserve ZWL	Revaluation reserve ZWL	Foreign Currency translation reserve ZWL	Investment fair value reserve ZWL	Retained earnings ZWL	Total ZWL
Balance at 31 December 2019	105,067,494	39,548,262	155,432,366	128,210,544	-	830,609,839	189,574,708	420,523,561	1,868,966,774
Profit for the year	-	-	-	-	-	-	-	526,238,344	526,238,344
Available for sale reserve	-	-	-	-	-	-	146,595,687	-	146,595,687
Revaluation	-	-	-	-	133,048,849	-	-	-	133,048,849
Balance at 31 December 2020	**105,067,494**	**39,548,262**	**155,432,366**	**128,210,544**	**133,048,849**	**830,609,839**	**336,170,395**	**946,761,905**	**2,674,849,654**
Profit for the year	-	-	-	-	-	-	-	985,123,578	985,123,578
Transfer of reserves	-	-	-	-	-	-	(441,395,375)	441,395,375	-
Available for sale reserve	-	-	-	-	-	-	241,086,921	-	241,086,921
Revaluation	-	-	-	-	45,414,820	-	-	-	45,414,820
Dividend paid	-	-	-	-	-	-	-	(586,550,938)	(586,550,938)
Balance at 31 December 2021	**105,067,494**	**39,548,262**	**155,432,366**	**128,210,544**	**178,463,669**	**830,609,839**	**135,861,941**	**1,786,729,920**	**3,359,924,035**
HISTORICAL COST									
Balance at 31 December 2019	2,416,537	1,006,892	24,102,372	2,862,591	94,962,382	(34,241)	11,853,799	102,083,310	239,253,642
Profit for the year	-	-	-	-	-	-	-	587,328,861	587,328,861
Available for sale reserve	-	-	-	-	-	-	135,774,649	-	135,774,649
Revaluation	-	-	-	-	643,834,805	-	-	-	643,834,805
Balance at 31 December 2020	**2,416,537**	**1,006,892**	**24,102,372**	**2,862,591**	**738,797,187**	**(34,241)**	**147,628,448**	**689,412,171**	**1,606,191,957**
Profit for the year	-	-	-	-	-	-	-	1,295,256,113	1,295,256,113
Transfer of reserves	-	-	-	-	-	-	(441,395,375)	441,395,375	-
Available for sale reserve	-	-	-	-	-	-	429,628,868	-	429,628,868
Revaluation	-	-	-	-	577,015,948	-	-	-	577,015,948
Dividend paid	-	-	-	-	-	-	-	(548,168,851)	(548,168,851)
Balance at 31 December 2021	**2,416,537**	**1,006,892**	**24,102,372**	**2,862,591**	**1,315,813,135**	**(34,241)**	**135,861,941**	**1,877,894,808**	**3,359,924,035**

Consolidated Statement of Cashflows
for the Year Ended 31 December 2021

	Notes	INFLATION ADJUSTED 2021 ZWL	INFLATION ADJUSTED 2020 ZWL	HISTORICAL COST 2021 ZWL	HISTORICAL COST 2020 ZWL
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before interest and tax		1,741,106,475	1,611,023,367	1,802,039,357	758,028,960
Adjustment for non-cash items:					
Depreciation of non-current assets	4	215,260,219	161,998,341	170,294,346	67,544,814
Fair value adjustment of investment property	5	(384,513,515)	(43,635,647)	(721,850,336)	(262,656,835)
Allowances for credit losses	9	69,612,224	-	71,289,444	-
Discount allowed		-	328,233,804	-	204,475,466
Unrealised exchange gain	19	(57,566,212)	(97,741,016)	(51,148,090)	(37,368,814)
Loss/(profit) on disposal of property, plant and equipment	19	467,273	(3,896,849)	417,744	(2,424,325)
Dividends received	19	(4,324,738)	(1,710)	(3,247,396)	(981)
Other non-cash items		(382,620,380)	(1,250,667,349)	78,675,074	36,915,689
Operating cash flow before changes in working capital		**1,197,421,346**	**705,312,940**	**1,346,470,144**	**764,513,974**
Changes in working capital:					
Increase in contracts in progress and contract receivables		(731,645,777)	(2,387,856,950)	(1,973,057,242)	(2,032,643,967)
Increase in trade and other receivables		(594,873,010)	(763,407,522)	(1,085,385,460)	(733,415,518)
Decrease/(Increase) in inventory		3,719,658	17,534,877	(125,719,924)	(51,144,400)
Increase in trade and other payables and sub-contractors		2,762,587,893	3,057,278,257	4,299,391,366	2,389,390,032
Cash generated from operating activities		**2,637,210,110**	**628,861,602**	**2,461,698,884**	**336,700,121**
Net interest paid		(98,553,678)	(12,987,289)	(83,497,905)	(6,183,114)
Tax paid		(1,475,039)	-	(1,107,494)	-
Net cash flows generated from operating activities		**2,537,181,393**	**615,874,313**	**2,377,093,485**	**330,517,007**
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for property, plant and equipment:					
- To maintain operations		(765,518,120)	(343,585,059)	(667,437,862)	(147,903,112)
Proceeds from the disposal of property, plant and equipment		18,296,701	5,571,141	16,357,320	3,465,943
Investment property additions		(397,908,016)	(133,622,570)	(305,773,464)	(71,556,007)
Purchase of shares		(4,393,414)	(20,898,193)	(3,901,220)	(13,001,277)
Dividends received		4,324,738	1,710	3,247,396	981
Net cash flows utilised in investing activities		**(1,145,198,111)**	**(492,532,971)**	**(957,507,830)**	**(228,993,472)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase in borrowings		123,493,074	173,813,135	202,017,970	124,566,980
Dividends paid		(138,446,316)	-	(100,064,229)	-
Net cash flows (utilised)/generated from financing activities		**(14,953,242)**	**173,813,135**	**101,953,741**	**124,566,980**
Net increase in cash and cash equivalents		1,377,030,041	297,154,475	1,521,539,396	226,090,515
Cash and cash equivalents at beginning of the year		382,425,791	85,271,316	237,916,435	11,825,920
Cash and cash equivalents at end of year	7	**1,759,455,832**	**382,425,791**	**1,759,455,832**	**237,916,435**

Company Statement of Financial Position
as at 31 December 2021

		INFLATION ADJUSTED		HISTORICAL COST	
	Notes	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
Assets					
Non-current assets					
Property, plant and equipment	4	1,716,161,941	1,154,568,114	1,716,161,941	718,285,050
Investments	6	974,150,885	1,089,461,739	974,150,885	677,780,786
		2,690,312,826	**2,244,029,853**	**2,690,312,826**	**1,396,065,836**
Current assets					
Cash and cash equivalents	7	1,757,406,364	378,590,616	1,757,406,364	235,530,479
Contracts in progress and contracts receivables	8	3,828,252,854	3,096,580,397	3,828,252,854	1,926,485,055
Trade and other receivables	9	1,888,795,980	1,294,849,027	1,888,795,980	805,557,239
Related party balances	30	-	110,574,369	-	68,791,018
Inventories	10	185,607,675	189,327,333	185,607,675	59,887,751
		7,660,062,873	**5,069,921,742**	**7,660,062,873**	**3,096,251,542**
Total assets		**10,350,375,699**	**7,313,951,595**	**10,350,375,699**	**4,492,317,378**
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	11	105,067,509	105,067,509	2,416,537	2,416,537
Share premium		39,548,262	39,548,262	1,006,892	1,006,892
Reserves		1,001,798,876	1,141,263,203	1,059,710,299	702,201,963
Retained earnings		1,889,047,131	1,383,659,801	1,972,328,050	897,289,215
		3,035,461,778	**2,669,538,775**	**3,035,461,778**	**1,602,914,607**
Non-current liabilities					
Interest bearing borrowings	12	-	40,379,961	-	25,121,361
Lease liability	14	1,053,518	451,357	1,053,518	280,800
Deferred tax	15	496,370,829	371,316,871	496,370,829	231,005,304
		497,424,347	**412,148,189**	**497,424,347**	**256,407,465**
Current liabilities					
Interest bearing borrowings	12	331,299,310	167,359,291	331,299,310	104,118,307
Finance lease liabilities	13	-	66,983	-	41,672
Lease liability	14	526,759	216,998	526,759	135,000
Trade and other payables	16	5,057,648,518	2,790,353,839	5,057,648,518	1,735,947,348
Subcontractors	17	919,547,877	1,274,267,520	919,547,877	792,752,980
Related party balances	30	508,467,110	-	508,467,110	-
		6,817,489,574	**4,232,264,631**	**6,817,489,574**	**2,632,995,307**
Total equity and liabilities		**10,350,375,699**	**7,313,951,595**	**10,350,375,699**	**4,492,317,378**

G. Sebborn
Chairman

29 March 2022

C. Malunga
Chief Executive Officer

29 March 2022

Company Statement of Profit or Loss and Other Comprehensive Income
for the Year Ended 31 December 2021

		INFLATION ADJUSTED		HISTORICAL COST	
	Notes	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
Revenue	18	7,355,274,110	8,390,738,256	6,019,717,135	4,204,426,740
Cost of sales		(5,100,144,735)	(5,792,705,575)	(4,204,464,844)	(3,135,313,406)
Gross profit		2,255,129,375	2,598,032,681	1,815,252,291	1,069,113,334
Fair value adjustments	6.2	-	478,183,697	313,140,735	466,936,846
Other operating income	19	70,506,322	102,432,420	61,936,649	40,841,127
Administrative expenses	20	(952,239,897)	(1,140,973,843)	(781,074,359)	(619,095,840)
Profit before interest and tax		**1,373,395,800**	**2,037,674,955**	**1,409,255,316**	**957,795,467**
Net monetary loss		(318,734,647)	(1,011,364,183)	-	-
Finance costs	27	(98,553,678)	(12,987,289)	(83,497,905)	(6,183,113)
Profit before tax	**21**	**956,107,475**	**1,013,323,483**	**1,325,757,411**	**951,612,354**
Taxation	22	(3,633,534)	(45,199,079)	(143,945,100)	(140,613,607)
Profit for the year		**952,473,941**	**968,124,404**	**1,181,812,311**	**810,998,747**
Other comprehensive income, net of income tax:					
Gain on revaluation of property, plant and equipment		-	139,041,308	491,971,977	524,380,836
Movement in available for sale investments	6	329,811,940	153,671,625	428,352,158	137,277,436
Deferred tax relating to other comprehensive income	15	(121,420,425)	(46,898,964)	(121,420,425)	(51,668,011)
Other comprehensive income, net of tax		208,391,515	245,813,969	798,903,710	609,990,261
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,160,865,456**	**1,213,938,373**	**1,980,716,021**	**1,420,989,008**
Profit per share					
Number of shares		241,653,707	241,653,707	241,653,707	241,653,707
Basic earnings per share (cents)	23	394.15	400.62	489.05	335.60
Diluted earnings per ordinary share (cents)	23	394.15	400.62	489.05	335.60
Headline earnings per ordinary share (cents)	23	518.07	621.47	353.49	136.40

Company Statement of Changes in Equity
for the Year Ended 31 December 2021

INFLATION ADJUSTED	Share capital ZWL	Share premium ZWL	Non-distributable reserve ZWL	Foreign currency translation reserve ZWL	Revaluation Reserve ZWL	Share based payment reserve ZWL	Investment fair value reserve ZWL	Retained earnings ZWL	Total ZWL
Balance at 1 January 2019	105,067,509	39,548,262	615,380,908	156,088,741	-	(98,453)	124,078,036	415,535,397	1,455,600,400
Profit for the year	-	-	-	-	-	-	-	968,124,404	968,124,404
Revaluation surplus	-	-	-		94,459,466	98,453	151,256,052	-	245,813,971
Balance at 31 December 2020	**105,067,509**	**39,548,262**	**615,380,908**	**156,088,741**	**94,459,466**	**-**	**275,334,088**	**1,383,659,801**	**2,669,538,775**
Profit for the year	-	-	-	-	-	-	-	952,473,941	952,473,941
Available for sale reserve	-	-	-	-	-	-	(139,464,327)	139,464,327	-
Dividend paid	-	-	-	-	-	-	-	(586,550,938)	(586,550,938)
Balance at 31 December 2021	**105,067,509**	**39,548,262**	**615,380,908**	**156,088,741**	**94,459,466**	**-**	**135,869,761**	**1,889,047,131**	**3,035,461,778**
HISTORICAL COST									
Balance at 1 January 2019	2,416,537	1,006,892	2,544,461	16,091,364	61,722,075	-	11,853,802	86,290,468	181,925,599
Profit for the year	-	-	-	-	-	-	-	810,998,747	810,998,747
Available for sale reserve	-	-	-	-	-	-	135,774,649	-	135,774,649
Revaluation surplus	-	-	-	-	474,215,612	-	-	-	474,215,612
Balance at 31 December 2020	**2,416,537**	**1,006,892**	**2,544,461**	**16,091,364**	**535,937,687**	**-**	**147,628,451**	**897,289,215**	**1,602,914,607**
Profit for the year	-	-	-	-	-	-	-	1,181,812,311	1,181,812,311
Transfer of reserves	-	-	-	-	-	-	(441,395,375)	441,395,375	-
Shares	-	-	-	-	-	-	429,636,685	-	429,636,685
Revaluation surplus	-	-	-	-	369,267,026	-	-	-	369,267,026
Dividend paid	-	-	-	-	-	-	-	(548,168,851)	(548,168,851)
Balance at 31 December 2021	**2,416,537**	**1,006,892**	**2,544,461**	**16,091,364**	**905,204,712**	**-**	**135,869,761**	**1,972,328,050**	**3,035,461,78**

Non-distributable reserve arose as a result of the change in functional currency.

Company Statement of Cashflows
for the Year Ended 31 December 2021

		INFLATION ADJUSTED		HISTORICAL COST	
		2021	2020	2021	2020
	Notes	ZWL	ZWL	ZWL	ZWL
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before interest and tax		1,373,395,800	2,037,674,955	1,409,255,316	957,795,467
Adjustment for non-cash items:					
Depreciation of non-current assets	4	203,924,290	153,563,850	161,532,949	64,431,619
Fair value adjustments	5	-	(478,183,696)	(313,140,735)	(466,936,846)
Allowances for credit loss	9	69,628,428	-	71,289,444	-
Discount allowed		-	328,233,804	-	204,475,466
Unrealised exchange gain	19	(56,559,655)	(97,741,016)	(51,076,193)	(37,368,814)
(Profit)/loss on disposal of property, plant and equipment	19	-	(3,896,849)	-	(2,424,325)
Dividends received	19	(4,324,738)	(1,710)	(3,247,396)	(981)
Other non-cash items		(431,690,469)	(1,376,584,663)	115,551,434	(301,560,798)
Operating cash flow before changes in working capital		**1,154,373,656**	**563,214,170**	**1,390,164,819**	**418,410,788**
Changes in working capital:					
Increase in contracts in progress and contract receivables		(731,672,459)	(2,387,664,574)	(1,901,767,799)	(1,828,168,501)
(Increase)/decrease in trade and other receivables		(593,946,953)	(765,857,682)	(1,083,238,741)	(732,193,654)
Increase in inventory		3,719,658	17,534,877	(125,719,924)	(51,144,400)
(Increase)/decrease in related party balances		508,467,110	(16,121,247)	439,676,092	66,555,230
Increase in trade and other payables and sub-contractors		1,912,575,037	3,060,585,551	3,448,496,068	2,389,454,825
Cash generated from operating activities		**2,253,516,049**	**471,691,095**	**2,167,610,515**	**262,914,288**
Net interest paid		(98,553,678)	(12,987,289)	(83,497,905)	(6,183,113)
Net cash flows generated from operating activities		**2,154,962,371**	**458,703,806**	**2,084,112,610**	**256,731,175**
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for property, plant and equipment:					
To maintain operations		(765,518,120)	(343,585,059)	(667,437,863)	(147,903,112)
Proceeds from the disposal of property, plant and equipment		-	5,571,141	-	3,465,943
Proceeds from disposal of available for sale investments		-	-	-	-
Purchase of shares		-	(20,898,193)	-	(13,001,277)
Dividends received		4,324,738	1,710	3,247,396	981
Net cash flows utilised in investing activities		**(761,193,382)**	**(358,910,401)**	**(664,190,467)**	**(157,437,465)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Movement in interest bearing borrowings		123,493,075	173,813,135	202,017,970	124,566,980
Dividends paid		(138,446,316)	-	(100,064,229)	-
Net cash flows utilised/received in financing activities		**(14,953,241)**	**173,813,135**	**101,953,741**	**124,566,980**
Net increase in cash and cash equivalents		1,378,815,748	273,606,540	1,521,875,885	223,860,690
Cash and cash equivalents at beginning of the year		378,590,616	104,984,076	235,530,479	11,669,789
Cash and cash equivalents at end of year		**1,757,406,364**	**378,590,616**	**1,757,406,364**	**235,530,479**

Statement of Accounting Policies
for the Year Ended 31 December 2021

1 GENERAL INFORMATION

Masimba Holdings Limited (the Group) is a limited company incorporated in the Republic of Zimbabwe. The address of its registered office is 44 Tilbury Road, Willowvale, Harare, Zimbabwe.

1.1 Nature of Business

The principal activities of the Group are civil engineering, building contracting, quarry mining, steel fabrication and property development.

1.2 Functional and Presentation Currency

The annual financial statements are presented in Zimbabwe Dollars (ZWL), being the functional and reporting currency of the primary economic environment in which the Group operates.

1.3 Inflation Adjustment

These results have been prepared under the current cost basis in line with the provisions of International Reporting Standards (IAS) 29- Financial Reporting in Hyperinflationary Economies. The Public Accountants and Auditors Board (PAAB) pronounced that the economy is trading under conditions of hyperinflation in line with IAS 29 (Pronouncement 1/2019). The directors have applied the guidelines provided by the PAAB and the accounting bodies and made various assumptions to produce the inflation adjusted financials.

The group adopted the Zimbabwe Consumer Price Index (CPI) as a general price index to restate transactions and balances as appropriate. Non- monetary assets and liabilities have been restated to reflect the change in the general price index. Monetary assets and liabilities and non monetary assets and liabilities carried at revalued amounts have not been restated as they are presented at the measuring unit current at the end of the reporting period. Items recognised in the statement of comprehensive income have been restated by applying the change in the general price index from the dates when the transactions were initially earned or incurred.

The conversion factors used to restate the Group's financial results are as follows:

Date	Indices	Conversion factor
31-December-2021	3,977.50	1.00
31-December-2020	2,474.51	1.61
31-December-2019	240.30	16.55

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 New and revised IFRS affecting amounts reported and/or disclosures in the financial statements

In the current year, the Group applied a number of new and revised IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2021. The amended standards, described below, did not have a material impact on the financial position or performance of the Group:

Interest Rate Benchmark Reform Amendments to IFRS 9 and IFRS 7
In September 2019, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IRFS 7). These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of ongoing interest rate benchmark reforms.

The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9.

Statement of Accounting Policies (continued)
for the Year Ended 31 December 2021

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and revised IFRS affecting amounts reported and/or disclosures in the financial statements

COVID-19 Related Rent Concessions Amendment to IFRS 16
The amendment provided practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021.

The practical expedient permits a lessee to elect not to assess whether a COVID-19 related rent concession is a lease modification. A lessee that makes this election shall account for any changes in lease payments resulting from the COVID-19 related rent concession by applying IFRS 16 as if the change were not a lease modification.

The practical applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:
- Any reduction in lease payments affects only payments originally due on or before 30 June 2022 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2022 and increased lease payments that extend beyond 30 June 2022).
- There is no substantive change to other terms and conditions of the lease.

New and revised IFRS in issue but not mandatorily effective and not adopted at the reporting date
At the date of authorisation of the financial statements , the Group has not applied the following new and revised IFRSs that have been issued but not yet effective:

IFRS 17: Insurance Contracts
IFRS 17 establishes the principles for the recognition , measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features , described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cashflows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer that date of initial application of IFRS 17 incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption for Applying IFRS 9 (Amendments to IFRS 4) that extends to the fixed expiry date of the exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of the initial application.

Amendments to IFRS 10 and IAS 28- Sale of Contribution of Assets between an Investor and its Associate or Joint Venture
The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains or losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit and loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendment has yet to be set by the Board, however, earlier application of the amendments is permitted.

Statement of Accounting Policies (continued)
for the Year Ended 31 December 2021

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and revised IFRS in issue but not mandatorily effective and not adopted at reporting date (continued)

Amendment to IAS 1- Classification of Liabilities as Current or Non-Current
The amendment to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence ate the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer of the counterparty or cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early adoption permitted.

Amendments to IFRS 3 - References to the Conceptual Framework
The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exist as a result of past events. For a levy that would be within the scope or IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

Amendments to IAS 16: Property, Plant and Equipment - Proceeds before intended use
The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2: Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financials statements shall disclose the amounts of proceeds and costs included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only items of property,plant and equipment that are brought to the location and condition necessary for them to be capable of operating in a manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Amendments to IAS 37: Onerous Contracts - Cost of Fulfilling a Contract
The amendments specify that the 'costs of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge of an item of property, plant and equipment used in fulfilling the contact).

The amendments apply to contracts for which the entity has not fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balances of retained earnings or other component of equity, as appropriate, at the date of initial application.

Statement of Accounting Policies (continued)
for the Year Ended 31 December 2021

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and revised IFRS in issue but not mandatorily effective and not adopted at reporting date (continued)

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Annual Improvements to IFRS Standards 2018-2020
The annual improvements include amendments to four standards as detailed below:

IFRS 1: First Time Adoption of International Financial Reporting Standards
The amendment provides additional relief to a subsidiary that becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1: D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1: D16 (a). The amendments is effective for annual periods beginning on or after 1 January 2022, with early adoption permitted.
IFRS 19: Financial Instruments
The amendment is applied prospectively to modifications and exchanges that occur on or after the date
The amendment is effective for annual periods beginning on or after 1 January 2022, with early adoption permitted.
IFRS 16: Leases
The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.
IAS 41: Agriculture
The amendment removes the requirement in IAS 41 for entities to exclude cashflows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cashflows and discount rate for the most appropriate fair value measurement.

The amendment is applied retrospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The amendment is affective for annual periods beginning on or after 1 January 2022, with early adoption permitted.
- The Directors of the Company do not anticipate that the application of the amendments in the future will have a material impact on the Group's consolidated financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

These consolidated financial statements have been prepared in conformity with International Financial Reporting Standards, promulgated by the International Accounting Standards Board (IASB), which includes standards and interpretations approved by IASB, with the exception of IAS 21 and IAS 29.

The financial statements did not comply with IAS 21 and IAS 29

3.2 Basis of preparation

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), the International Financial Reporting Interpretations Committee (IFRIC) Interpretations and the Zimbabwe Companies and other Business Entities Act (Chapter 24:31) and related statutory instruments. With the exceptions noted as in policy 2.2 above, "Application of new and revised IFRSs", the accounting policies set out below have been consistently applied from the previous year and throughout the current year. These financial statements are presented in Zimbabwe dollars (ZWL) being the functional and reporting currency of the primary economic environment in which the Company operates. The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Although these estimates are based on managements' best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of International Financial Reporting Standards (IFRSs) that have a significant effect on the financial statements, and significant estimates made in the preparation of these consolidated financial statements are discussed in Note 33.

Statement of Accounting Policies (continued)

for the Year Ended 31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Basis of preparation (continued)

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:
- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power including:
- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has or does not have the current ability to direct the relevant activities at the time that the decisions need to be made, including voting patterns at previous Shareholders' meetings.

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

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

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

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

3.3.1 Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3.4 Business combinations

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

Statement of Accounting Policies (continued)
for the Year Ended 31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Business combinations (continued)

At acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at the fair value except that: deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;

- liabilities or equity instruments related to the replacement by the Group of an acquirer's share- based payments awards are measured in accordance with IFRS 2 Share-based Payment; and
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non- current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

3.5 Interests in joint ventures

When a Group entity undertakes its activities directly under joint arrangements, the Group's share of jointly controlled assets and any liabilities incurred jointly with other ventures are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transaction will flow to/from the Group and their amount can be measured reliably.

Joint venture arrangements that involve the establishment of a separate entity, in which each venture has an interest, are referred to as jointly controlled entities.

The Group reports its interests in jointly controlled entities using proportionate consolidation, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The Group's share of the assets, liabilities, income and expenses of jointly controlled entities is combined with the equivalent items in the consolidated financial statements on a line-by-line basis.

Any goodwill arising on the acquisition of the Group's interest in a jointly controlled entity is accounted for in accordance with the Group's accounting policy for goodwill arising in a business combination (see note 3.4 above).

When a Group entity transacts with its jointly controlled entity, profits and losses resulting from the transactions with the jointly controlled entity are recognised in the Group's consolidated financial statements only to the extent of interest in the jointly controlled entity that are not related to the Group.

3.6 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer. The Group recognises revenue when it transfers control to the customer.

3.6.1 Long-term and construction contracts

Where the outcome of a long-term and construction contract can be measured reliably, revenue and costs are recognised by reference to the stage of completion of the contract at the statement of financial position date, as measured by the proportion that contract costs incurred for work to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that collection is probable and the amounts can be measured reliably. Anticipated losses to completion are recognised immediately as an expense in contract costs. This method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15. The Group becomes entitled to invoice customers on long term construction contracts based on achieving a series of performance related milestones. When a particular milestone is achieved the customer is sent the relevant statement of work signed by a third party assessor and an invoice for the related milestone payment.

Where the outcome of the long-term and construction contracts cannot be reliably determined, contract revenues are recognised to the extent that the recoverability of incurred costs is probable. Contract costs are recognised as expenses in the period in which they are incurred.

When contract costs incurred to date plus recognised profit less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profit less recognized losses, the surplus is shown as the amount due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statement of financial position under contracts in progress and contracts receivables.

Statement of Accounting Policies (continued)
for the Year Ended 31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Revenue recognition (continued)

3.6.2 Dividend and interest revenue

Dividend revenue from investments is recognised when the Shareholder's right to receive payment has been established.

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

3.6.3 Rental income

Rental income from investment properties is recognised on a straight line basis over the term of the relevant lease.

3.7 Property, plant and equipment

Property, plant and equipment are tangible assets that the Group holds for its own use or for rental to others and which the Group expects to use for more than one period. The consumption of property, plant and equipment is reflected through a depreciation charge designed to reduce the asset to its residual value over its useful life.

3.7.1 Measurement

Property, plant and equipment are shown at cost less the related depreciation. It is the policy of the Group to revalue its property, plant and equipment frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any revaluation increase arising is recognised in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on revaluation is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve of that asset.

3.7.2 Subsequent costs

Subsequent costs are included in an asset's carrying value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

3.7.3 Components

The amount initially recognised in respect of an item of property, plant and equipment is allocated to its significant components and where they have different useful lives, are recorded and depreciated separately. The remainder of the cost, being the parts of the item that are individually not significant or have similar useful lives, are grouped together and depreciated as one component.

3.7.4 Depreciation

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The following average useful lives are used in the calculation of depreciation:
Land is not depreciated

Buildings	40 years	On a straight - line basis
Plant and equipment	4-10 years	On a straight - line basis
Motor vehicles	5 years	On a straight - line basis
Other Assets	3-10 years	On a straight - line basis

Group Statement of accounting policies

The property, plant and equipment's residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end. The estimated useful life is based on expected usage of the asset and expected physical wear and tear, which depends on operational factors such as number of shifts for which the asset is to be used and the repair and maintenance program and technological obsolescence arising from changes and residual value.

Statement of Accounting Policies (continued)

for the Year Ended 31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment of assets

At each statement of financial position date the Group assesses whether there is any indication that an asset maybe impaired. If any such indication exists, the asset is tested for impairment by estimating the recoverable amount of the related asset. Irrespective of whether there is any indication of impairment, an intangible asset with an indefinite useful life, intangible assets not yet available for use and goodwill acquired in a business combination, are tested for impairment on an annual basis.

When performing impairment tests, the recoverable amount is determined for the individual asset for which an objective indication of impairment exists. If the asset does not generate cash flows from continuing use that are largely independent from other assets or group of assets, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

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

3.9 Taxation and deferred taxation

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

3.9.1 Current taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using rates that have been enacted by the statement of financial position date.

3.9.2 Deferred taxation

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interest in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the assets realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in the accounting for the business combination.

3.9.3 Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax except where the goods supplied are exempted or zero rated. The net amount of VAT recoverable from or payable to the taxation authority is included as part of receivables or payables in the statement of financial position.

Statement of Accounting Policies (continued)
for the Year Ended 31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Contracts in progress and contract receivables

The valuation of contracts in progress takes account of all direct expenditure on contracts, less payment on account and provision for possible losses to completion. Profits or losses on contracts are recognised with reference to the stage of completion, which is determined by taking into account the proportion of work executed and the nature of each contract. Anticipated losses to completion are deducted.

3.10.1 Advance payments received

Advance payments received are assessed on initial recognition to determine whether it is probable that they will be repaid in cash or another financial asset. If it is probable that the advance payments will be repaid with goods or services, the liability is carried at historic cost.

3.11. Inventories

Inventories comprise finished goods and manufactured components. They are valued at the lower of cost or net realisable value generally determined on a moving average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.12. Foreign currency translation

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in ZWL, which is the functional currency of the Group and the presentation currency for the consolidated financial statements. In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At n each statement of financial position date, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the statement of financial position date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not re-translated. Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences which relate to assets under construction for future productive use,
- exchange differences which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings,
- exchange differences on transactions entered into in order to hedge certain foreign currency risks, and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in ZWL using exchange rates prevailing at the statement of financial position date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's foreign currency translation reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

On the disposal of a foreign operation (i.e. disposal of a Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit and loss. n addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interest and are not recognised in profit and loss. All partial disposals i.e. partial disposal of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in equity.

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instrument.

Statement of Accounting Policies (continued)

for the Year Ended 31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13. Financial instruments (continued)

3.13.1 Financial assets

Financial assets are recognized when the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on the settlement date. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Separate assets or liabilities are recognized if any rights and obligations are created or retained in the transfer. The Group has three classes for its financial assets, that is amortized cost, fair value through profit/loss and fair value through other comprehensive income. The classification depends on the cashflow characteristics of the financial asset and the business model in which it is held.

Classification

The Group's financial assets are classified as either amortized cost or fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL).

Amortised Cost

Financial assets are classified at amortized cost if the contractual terms give rise to payments that are solely payments of principal and interest ("SPPI") on the principal amount outstanding and the financial asset is held in a business model whose objective is to hold financial assets in order to collect contractual cash flows. These assets are subsequently measured at amortized cost using the effective interest method, minus impairment allowances. Interest income and gains and losses from financial assets at amortized cost are recognized in statement of profit or loss as financial income. The Group's financial assets measured at amortised cost include trade and other receivables, cash and cash equivalents and loans receivable. Trade and other receivables mainly comprise sale of goods receivables. Certain trade and other receivables are considered to be long term in nature and are recorded as non-current in the statement of financial position.

Financial assets at FVTPL

Financial instruments are classified at fair value through profit or loss if it fails the SPPI test or if it is designated at FVTPL. Financial instruments at 'fair value through profit or loss are measured at fair value, and changes therein are recognised in the statement of profit or loss. The Group classifies the following financial assets at fair value through profit or loss (FVTPL): - debt investments that do not qualify for measurement at either amortised cost or FVOCI - equity investments that are held for trading, and - equity investments for which the entity has not elected to recognise fair value gains and losses through OCI. - unit trust held at fair value through profit or loss.

Financial assets at FVOCI

A financial asset is measured at fair value through other comprehensive income (FVOCI) if the asset is held within a business model whose objective is achieved by both holding the financial asset in order to collect contractual cash flows and selling the financial asset, 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. Recognition and derecognition are regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. There were no financial instruments that were offset during the year.

Measurement

At initial recognition, the Group measures a financial asset classified at amortised cost at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

If the transaction price differs from fair value at initial recognition the difference is accounted for as follows;

If fair value is evidenced by a quoted price in an active market for an identical asset or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);

In all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability). After initial recognition, the deferred gain or loss be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would consider when pricing the asset or liability.

Statement of Accounting Policies (continued)
for the Year Ended 31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13. Financial instruments (continued)
3.13.1 Financial assets (continued)

Trade Receivables
Trade receivables are amounts due from customers for goods sold in the ordinary course of business. If collection was expected in one year or less, they were presented as current assets. If not, they were presented as non-current assets. Trade receivables were measured at initial recognition at fair value, and were subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts were recognised in profit or loss when there was objective evidence that the asset was impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments were considered indicators that the trade receivable was impaired. The allowance recognised was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Impairment of financial assets
The Group recognizes an allowance for expected credit losses ('ECL") on financial assets that are measured at amortized cost. At each reporting date, the Group measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk of financial asset has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to twelve month expected credit losses.

The Group assesses all information available, including on a forward-looking basis, the expected credit loss associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized. The Group monitors all financial assets, contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised.

In making this assessment, Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information. Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

Financial assets are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event.

3.13.2 Financial liabilities and equity instruments

Financial Liabilities
Financial liabilities are recognized when the Group becomes bound to the contractual obligations of an instrument. Financial liabilities are derecognised when they are extinguished, i.e., when the obligation specified in the contract is discharged, cancelled or expires. Financial liabilities at amortised cost Financial liabilities at amortised cost mainly comprise of borrowings, trade and other payables and amounts due to related parties.

Statement of Accounting Policies (continued)

for the Year Ended 31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13. Financial instruments (continued)

3.13.2 Financial liabilities and equity instruments (continued)

Interest bearing Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. Borrowings are derecognised from the statement of financial position when the obligation specified in the contract is discharged, cancelled or has expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables were presented as current liabilities if payment was due within one year or less, If not, they were presented as non-current liabilities. Trade payables were initially measured at fair value, and were subsequently measured at amortised cost, using the effective interest rate method.

3.14. Leases

The Group assesses whether a contract is or contains a base, at inception of the contract. The Group recognises a right of use asset and a corresponding lease liability with respect to all these lease arrangements in which it is a leasee, except for short term leases (defined as leases with a lease term of 12 months or less) and lease of low value assets. For these leases, the Group recognises the lease payments as an operating expense or sundry income on a straight line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group as Lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the leasee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance lease are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding respect of the leases

When a contract includes leases and non- lease components, the Group applies IFRS 15: Revenue from Contracts with customers, to allocate the consideration under the contract to each component.

The Group as Lessee

The lease liability is initially measured at the present value of the lease payments that are not paid at the present value of the lease payments that are not paid at the commencement date,discounted using the rate implicit in the lease. If this rate cannot be reliably determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprises of: fixed lease payments (including in substance fixed payments), less any lease incentives; variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date; the amount expected to be payable by the lease under residual value guarantees; the exercise price of purchase options, if the lease is reasonably certain to exercise the options; and payments of penalties for terminating the lease, if the base term reflects the exercise of an option to terminate the lease.

Statement of Accounting Policies (continued)

for the Year Ended 31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14. Leases (continued)

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability's subsequently measured by increasing the carrying amount to reflect the lease payments made. The Group remeasured the lease liability (and makes a corresponding adjustment to the related right of use asset) whenever lease term has changed change or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease using a revised rate The lease payments change due to changes in an index or rate or a change in expected payments under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in afloating rate, in which case a revised discount rate is used)A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group did not make such adjustments during the periods presented.
The right of use assets comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and amortisation losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37; Provisions" Contingent Liabilities and Contingent Assets. The costs are included in the related right of use asset, unless those costs are incurred to produce inventories.

Right of use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lessee transfers ownership of the underlying asset or the cost of the right of use assets reflects that the Group expects to exercise a purchase option, the related right of use asset is depreciated over the useful life ofthe underlying asset. The depreciation starts at the commencement date of the lease.

The right of use assets are presented as a separate line in the consolidated statement of financial position.
The Group applies IAS36: Impairment of Assets to determine whether right of use asset is impaired and accounts for any identified impairment loss as described in the Property, Plant and Equipment policy (3.7).

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and right of use asset. The related payments are recognised as an expense in the period in which the event or condition triggers those payments occurs and are included in the line administrative expenses in the statement of profit or loss.

As a practical expedient, IFRS 16: Leases permits a lease not to separate non lease components, and instead account for any lease and associated non lease components as a single arrangement. The Group has not used this practical expedient.

3.15 Share based payments

Senior Executives of the Group receive remuneration in the form of share based payments, whereby they receive equity instruments as consideration for rendering services. The cost of equity settled transactions with employees is measured by reference to the fair value at the date on which they are granted. In valuing equity settled transactions, no account is taken of any performance conditions other than those linked to the price of the shares of the Group. The cost of equity settled transactions is recognised, together with corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date').

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Details regarding the determination of the fair value of equity settled share based transactions are set out in note 11.

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

Group Statement of accounting policies Investment properties

Investment property is property held to earn rentals and/or for capital appreciation rather than for use in the production or supply of goods or services, for administrative purposes, or sale in the ordinary course of business. This classification is performed on a property-by-property basis. Initially, investment property is measured at its cost, including transaction costs. Subsequent to initial measurement, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

Statement of Accounting Policies (continued)
for the Year Ended 31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

3.17 Capitalisation of borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.18 Provisions and contingencies

3.18.1 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

Restructuring

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

3.18.2 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

3.18.3 Contingent assets

A contingent asset is a possible asset that arises from past events and existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the control of the Group. In the ordinary course of business, the Group may pursue a claim against a subcontractor or client. Such contingent assets are only recognised in the financial statements where the realisation of income is virtually certain. If the flow of economic benefits is only probable, the contingent asset is disclosed as a claim in favour of the Group but not recognised on the statement of financial position.

3.19 Employee benefits

The Group operates pension schemes in terms of the Pension and Provident Funds Act and current contributions to defined contribution schemes are charged against income as incurred. The Group also participates in the National Social Security Authority scheme. Under defined contribution plans, the Group's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund. Consequently, the actuarial risk that benefits will be less than expected and the investment risk that assets invested will be insufficient to meet expected benefits is borne by the employee.

Statement of Accounting Policies (continued)
for the Year Ended 31 December 2021

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.19 Employee benefits (continued)

3.19.1 Defined contribution plans

3.19.2 Short term employee benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are recognised as employee benefit expenses and accrued when the associated services are rendered by the employees of the Group.

3.19.3 Termination benefits

Termination benefits are payable when employment is terminated by the Group before retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Benefits falling due more than twelve (12) months after the statement of financial position date are discounted to present value.

3.19.4 Retirement benefit costs

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

Related parties
Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the other party in making financial and operating decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all Executive and non-Executive Directors.

Related party transactions are those where a transfer of resources or obligations between related parties occur, regardless of whether or not a price is charged.

Notes to the Consolidated Financial Statements

for the Year Ended 31 December 2021

4. Property, Plant and Equipment

INFLATION ADJUSTED	Freehold land and buildings ZWL	Plant and machinery ZWL	Motor vehicles ZWL	Work in Progress ZWL	Furniture and office equipment ZWL	Total ZWL
Group						
Cost/Valuation						
Balance at 01 January 2020	**160,565,998**	**1,132,023,651**	**129,423,500**	**-**	**38,808,568**	**1,460,821,717**
Additions	-	291,428,232	50,590,084	-	1,566,742	343,585,059
Disposals	-	(32,495,612)	(4,834,208)	-	-	(37,329,820)
Revaluation	284,814,172	138,278,126	1,753,513	-	(2,477,362)	422,368,409
Balance 31 December 2020	**445,380,170**	**1,529,234,397**	**176,932,889**	**-**	**37,897,948**	**2,189,445,405**
Additions	-	681,774,106	69,424,309	7,220,971	7,098,734	765,518,120
Disposals	(18,296,701)	-	-	-	-	(18,296,701)
Revaluation	45,414,820	-	-	-	-	45,414,820
Balance 31 December 2021	**472,498,289**	**2,211,008,503**	**246,357,198**	**7,220,971**	**44,996,682**	**2,982,081,644**
Depreciation and Impairment						
Balance at 01 January 2020	9,213,893	400,360,343	53,153,981	-	22,795,514	485,523,731
Depreciation charge for the year	8,910,203	118,563,548	27,291,199	-	7,233,391	161,998,341
Depreciation on disposals	-	(31,657,072)	(4,833,948)	-	-	(36,491,020)
Balance 31 December 2020	**18,124,096**	**487,266,819**	**75,611,232**	**-**	**30,028,905**	**611,031,052**
Depreciation charge for the year	11,990,279	170,154,475	28,326,539	-	4,788,925	215,260,219
Balance 31 December 2021	**30,114,375**	**657,421,295**	**103,937,771**	**-**	**34,817,829**	**826,291,271**
Carrying amount						
Balance at 31 December 2019	**151,352,105**	**731,663,308**	**76,269,519**	**-**	**16,013,054**	**975,297,986**
Balance at 31 December 2020	**427,256,074**	**1,041,967,579**	**101,321,656**	**-**	**7,869,043**	**1,578,414,353**
Balance at 31 December 2021	**442,383,914**	**1,553,587,209**	**142,419,426**	**7,220,971**	**10,178,851**	**2,155,790,373**
HISTORICAL COST						
Cost/Valuation						
Balance at 01 January 2020	**54,610,523**	**101,471,307**	**10,577,498**	**-**	**2,220,783**	**168,880,111**
Revaluation - net replacement value	211,195,927	425,754,119	31,519,035	-	1,919,197	670,388,278
Additions	-	125,579,905	21,567,662	-	755,545	147,903,112
Disposals	-	(4,571,826)	(629,514)	-	-	(5,201,340)
Balance 31 December 2020	**265,806,450**	**648,233,505**	**63,034,681**	**-**	**4,895,525**	**981,970,161**
Revaluation - net replacement value	192,934,783	315,477,108	15,326,982	-	(999,204)	522,739,670
Additions	-	589,876,596	64,057,764	7,220,971	6,282,531	667,437,862
Disposals	(16,357,320)	-	-	-	-	(16,357,320)
Balance 31 December 2021	**442,383,913**	**1,553,587,209**	**142,419,427**	**7,220,971**	**10,178,852**	**2,155,790,373**
Depreciation and impairment						
Balance 31 December 2019	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation charge for the year	3,312,792	49,746,352	11,450,717	-	3,034,953	67,544,814
Elimination on revaluation	(3,312,792)	(49,279,607)	(11,376,810)	-	(3,034,953)	(67,004,162)
Elimination on disposals	-	(466,745)	(73,907)	-	-	(540,652)
Balance 31 December 2020	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation charge for the year	9,291,732	135,662,934	22,133,924		3,205,755	170,294,346
Elimination on revaluation	(8,856,182)	(135,662,934)	(22,133,924)	-	(3,205,755)	(169,858,796)
Elimination on disposals	(435,550)	-	-	-	-	(435,550)
Balance 31 December 2021	**-**	**-**	**-**		**-**	**-**
Carrying amount						
Balance at 31 December 2019	**54,610,523**	**101,471,307**	**10,577,498**	**-**	**2,220,783**	**168,880,111**
Balance at 31 December 2020	**265,806,450**	**648,233,505**	**63,034,681**	**-**	**4,895,525**	**981,970,161**
Balance at 31 December 2021	**442,383,913**	**1,553,587,209**	**142,419,427**	**7,220,971**	**10,178,852**	**2,155,790,373**

Revaluation Note

At reporting date, the Directors appointed Old Mutual Property Zimbabwe (Private) Limited to revalue some of the freehold land and buildings. The other remaining freehold land was valued by the directors using similar factors applied by external valuers (Old Mutual Property Private Limited).

The effective date of the revaluation was 31 December 2021. Revaluation surplus for the year amounted to inflation adjusted ZWL$45,414,820 (2020: ZWL$ 179,948,984) and historic ZWL$693,034,018 (2020:ZWL$737,392,440).

Notes to the Consolidated Financial Statements (continued)

for the Year Ended 31 December 2021

4. Property, Plant and Equipment	Freehold land and use assets ZWL	Plant and machinery ZWL	Motor vehicles ZWL	Work in Progress ZWL	Furniture and office equipment ZWL	Total ZWL
INFLATION ADJUSTED Company						
Cost/Valuation						
Balance at 01 January 2020	**2,998,145**	**1,132,023,651**	**129,423,500**	**-**	**38,808,569**	**1,303,253,865**
Additions	-	291,428,232	50,590,084	-	1,566,742	343,585,059
Disposals	-	(32,495,612)	(4,834,208)	-	-	(37,329,820)
Revaluation	1,487,029	138,278,126	1,753,513	-	(2,477,360)	139,041,308
Balance 31 December 2020	**4,485,174**	**1,529,234,397**	**176,932,889**	**-**	**37,897,952**	**1,748,550,412**
Additions	-	681,774,106	69,424,309	7,220,971	7,098,734	765,518,120
Balance 31 December 2021	**4,485,174**	**2,211,008,503**	**246,357,198**	**7,220,971**	**44,996,686**	**2,514,068,532**
Depreciation and impairment						
Balance at 01 January 2020	**599,629**	**400,360,343**	**53,153,981**	**-**	**22,795,515**	**476,909,468**
Depreciation charge for the year	475,712	118,563,548	27,291,199	-	7,233,392	153,563,851
Depreciation eliminated at disposal	-	(31,657,073)	(4,833,948)	-	-	(36,491,021)
Balance 31 December 2020	**1,075,341**	**487,266,818**	**75,611,232**	**-**	**40,028,907**	**593,982,298**
Depreciation charge for the year	654,354	170,154,475	28,326,539	-	4,788,925	203,924,293
Balance 31 December 2021	**1,729,695**	**657,421,295**	**103,937,772**	**-**	**34,817,831**	**797,906,591**
Carrying amount						
Balance at 31 December 2019	**2,398,516**	**731,663,308**	**76,269,519**	**-**	**16,013,054**	**826,344,397**
Balance at 31 December 2020	**3,409,833**	**1,041,967,579**	**101,321,657**	**-**	**7,869,045**	**1,154,568,114**
Balance at 31 December 2021	**2,755,479**	**1,553,587,210**	**142,419,427**	**7,220,971**	**10,178,854**	**1,716,161,941**
HISTORICAL COST						
Cost/Valuation						
Balance at 01 January 2020	**415,800**	**101,471,307**	**10,577,498**	**-**	**2,220,783**	**114,685,388**
Revaluation - net replacement value	1,705,540	425,262,936	31,519,035	-	1,919,198	460,406,709
Additions	-	125,579,905	21,567,662	-	755,545	147,903,112
Disposals	-	(4,080,643)	(629,515)	-	-	(4,710,158)
Balance 31 December 2020	**2,121,340**	**648,233,505**	**63,034,680**	**-**	**4,895,526**	**718,285,051**
Revaluation - net replacement value	634,139	315,477,109	15,326,983	-	(999,203)	330,439,028
Additions	-	589,876,596	64,057,764	7,220,971	6,282,531	667,437,862
Disposals	-	-	-	-	-	-
Balance 31 December 2021	**2,755,479**	**1,553,587,210**	**142,419,427**	**7,220,971**	**10,178,854**	**1,716,161,941**
Depreciation and impairment						
Balance at 01 January 2020	**83,160**	**-**	**-**	**-**	**-**	**83,160**
Depreciation charge for the year	199,597	49,746,352	11,450,717	-	3,034,953	64,431,619
Elimination on revaluation	(282,757)	(49,279,607)	(11,376,810)	-	(3,034,953)	(63,974,127)
Elimination on disposals	-	(466,745)	(73,907)	-	-	(540,652)
Balance 31 December 2020	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation charge for the year	**530,335**	**135,662,934**	**22,133,925**	**-**	**3,205,755**	**161,532,949**
Elimination on revaluation	(530,335)	(135,662,934)	(22,133,925)	-	(3,205,755)	(161,532,949)
Balance 31 December 2021	**-**	**-**	**-**	**-**	**-**	**-**
Carrying amount						
Balance at 31 December 2019	**332,640**	**101,471,307**	**10,577,498**	**-**	**2,220,783**	**114,602,228**
Balance at 31 December 2020	**2,121,340**	**648,233,505**	**63,034,680**	**-**	**4,895,526**	**718,285,051**
Balance at 31 December 2021	**2,755,479**	**1,553,587,210**	**142,419,427**	**7,220,971**	**10,178,854**	**1,716,161,941**

Revaluation Note

At reporting date, the Directors appointed Old Mutual Property Zimbabwe (Private) Limited to revalue some of the freehold land and buildings. The other remaining freehold land was valued by the directors using similar factors applied by external valuers (Old Mutual Property Private Limited).

The effective date of the revaluation was 31 December 2021. Revaluation surplus for the year amounted to inflation adjusted ZWL nil (2020: ZWL139,041,308) and historical cost ZWL491,971,979 (2020: ZWL524,380,836)

Notes to the Consolidated Financial Statements (continued)

for the Year Ended 31 December 2021

5 INVESTMENT PROPERTY

	Group		Company	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
INFLATION ADJUSTED				
At fair value				
Balance at the beginning of the year	648,896,890	471,638,673	-	-
Fair value adjustment	384,513,515	43,635,647	-	-
Additions-land	397,908,016	133,622,570	-	-
Balance at the end of the year	**1,431,318,421**	**648,896,890**	**-**	**-**
HISTORICAL COST				
At fair value				
Balance at the beginning of the year	403,694,621	65,409,584	-	-
Fair value adjustment	721,850,336	262,656,835	-	-
Additions-land	305,773,464	75,628,202	-	-
Balance at the end of the year	**1,431,318,421**	**403,694,621**	**-**	**-**

The fair value of investment property has been arrived at on the basis of a valuation carried out at 31 December 2021 by independent professional valuers, Old Mutual Property (Private) Limited. In arriving at the market value, the implicit investment approach based on the capitalisation of income was applied. This method is based on the principle that rentals, capital and income generated by owner occupied assets are interrelated. The effective date of revaluation was 31 December 2021.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- **Level 1:** Quoted market price (unadjusted) in an active market for an identical instrument/asset.
- **Level 2:** Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- **Level 3:** Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The value produced by a model or other valuation technique may be adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors market participants take into account when entering into a transaction. Management believes that these valuation adjustments are necessary and appropriate to fairly state financial instruments carried at fair value on the statement of financial position.

The following table presents assets and liabilities recognised at fair value in the statement of financial position of the Group:

	Level 1 ZWL	Level 2 ZWL	Level 3 ZWL	Total ZWL
Freehold land and buildings	-	442,383,913	-	442,383,913
Investment property	-	1,431,318,421	-	1,431,318,421

There were no transfers between level 1 and level 2 during the current year.

The property rental income earned by the entity from its investments property, all of which is leased out under operating leases, amounted to inflation adjusted ZWL11 084 729 (2020: ZWL21 151 590). Direct operating expenses arising on the investment property amounted to inflation adjusted ZWL3,927,948 (2020: ZWL2 909 284).

Notes to the Consolidated Financial Statements (continued)

for the Year Ended 31 December 2021

6 INVESTMENTS

	Group		Company	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
INFLATION ADJUSTED				
Financial assets carried at fair value	149,364,629	260,774,263	145,463,409	260,774,263
Investments in Subsidiaries	-	-	828,687,476	828,687,476
	149,364,629	**260,774,263**	**974,150,885**	**1,089,461,739**
HISTORICAL COST				
Financial assets carried at fair value	149,364,629	162,234,045	145,463,409	162,234,045
Investments in Subsidiaries	-	-	828,687,476	515,546,741
	149,364,629	**162,234,045**	**974,150,885**	**677,780,786**

Financial assets that are disclosed under long term investments are stated at fair value with the changes in fair value being recognised in other comprehensive income.

6.1 Financial assets carried at fair value

	Group 2021 ZWL	Group 2020 ZWL	Company 2021 ZWL	Company 2020 ZWL
INFLATION ADJUSTED				
Balance at the beginning of the year	260,774,263	86,204,445	260,774,263	86,204,445
Additions during the period	4,393,414	20,898,193	-	20,898,193
Disposal	(476,179,798)	-	(445,122,794)	-
Inflation adjustment	108,183,247	-	-	-
Fair value adjustments	252,193,503	153,671,625	329,811,940	153,671,625
	149,364,629	**260,774,263**	**145,463,409**	**260,774,263**
HISTORICAL COST				
Balance at the beginning of the year	162,234,045	11,955,332	162,234,045	11,955,332
Additions during the period	3,901,220	13,001,277	-	13,001,277
Disposal	(476,179,798)	-	(445,122,794)	-
Fair value adjustments	459,409,162	137,277,436	428,352,158	137,277,436
	149,364,629	**162,234,045**	**145,463,409**	**162,234,045**

6.2 Investments in subsidiaries

	Group 2021 ZWL	Group 2020 ZWL	Company 2021 ZWL	Company 2020 ZWL
INFLATION ADJUSTED				
Balance at the beginning of the year	-	-	828,687,476	350,503,779
Fair value adjustments	-	-		478,183,697
Balance at the end of the year	**-**	**-**	**828,687,476**	**828,687,476**
HISTORICAL COST				
Balance at the beginning of the year	-	-	515,546,741	48,609,895
Fair value adjustments	-	-	313,140,735	466,936,846
Balance at the end of the year	**-**	**-**	**828,687,476**	**515,546,741**

The investments in subsidiaries relate to the company's 100% shareholding in Masimba Properties (Zimbabwe) Limited, Masimba Estates (Private) Limited, Axwort (Private) Limited and Caridorn Abrasives (Private) Limited. Subsidiaries are accounted for at fair value through profit and loss.

Company	Status	2021 Percentage Held %	2020
Axwort Investments (Private) Limited	Dormant	100	100
Caridorn Abrasives (Private) Limited	Dormant	100	100
Chimene Investments (Private) Limited	Dormant	100	100
Huldwash Investments (Private) Limited	Dormant	100	100
Maisha Asset Managers (Private) Limited	Dormant	100	100
Masimba Corporate Services (Private) Limited	Dormant	100	100
Masimba Estates Zimbabwe (Private) Limited	Dormant	100	100
Masimba Industries (Private) Limited	Dormant	100	100
Masimba Properties Zimbabwe (Private) Limited	Trading	100	100
Mobile Steel Construction (Private) Limited	Dormant	100	100
Prespeen Investments (Private) Limited	Dormant	100	100
Regional Contracting Services Limited	Dormant	100	100
Rintl Investments (Private) Limited	Dormant	100	100
Stemrich Investments (Private) Limited	Trading	100	100
Wareput Investments (Private) Limited	Dormant	100	100
Westminister Proprietary (Private) Limited	Dormant	100	100

Notes to the Consolidated Financial Statements (continued)
for the Year Ended 31 December 2021

7 CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
INFLATION ADJUSTED				
Local Accounts	1,376,011,425	372,641,180	1,374,306,286	368,806,005
Exporters Nostro FCA Accounts	383,444,407	9,784,611	383,100,078	9,784,611
Bank and cash balances	**1,759,455,832**	**382,425,791**	**1,757,406,364**	**378,590,616**
HISTORICAL COST				
Local Accounts	1,376,011,425	231,829,189	1,374,306,286	229,443,233
Exporters Nostro FCA Accounts	383,444,407	6,087,246	383,100,078	6,087,246
Bank and cash balances	**1,759,455,832**	**237,916,435**	**1,757,406,364**	**235,530,479**

Cash and cash equivalents are recognised at fair value. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash and bank balances held with our bankers.

8 CONTRACTS IN PROGRESS AND CONTRACT RECEIVABLES

	Group		Company	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
INFLATION ADJUSTMENT				
Contracts receivables in respect of certified work	1,830,798,059	638,341,440	1,830,798,060	583,841,098
Contracts receivables in retentions	112,729,688	3,821,538	112,729,688	58,278,997
Contracts work in progress	1,958,749,204	2,458,855,972	1,958,749,204	2,458,855,972
Less: allowance for credit losses	(74,050,778)	(4,438,554)	(74,024,098)	(4,395,670)
	3,828,226,173	**3,096,580,396**	**3,828,252,854**	**3,096,580,397**
HISTORICAL COST				
Contracts receivables in respect of certified work	1,830,798,059	397,127,818	1,830,798,060	363,248,501
Contracts receivables in retentions	112,729,688	2,377,472	112,729,688	36,256,789
Contracts work in progress	1,958,749,204	1,529,714,419	1,958,749,204	1,529,714,419
	3,902,276,951	**1,929,219,709**	**3,902,276,952**	**1,929,219,709**
Less: allowance for credit losses	(74,050,778)	(2,761,333)	(74,024,098)	(2,734,654)
	3,828,226,173	**1,926,458,376**	**3,828,252,854**	**1,926,485,055**

9 TRADE AND OTHER RECEIVABLES

	Group 2021 ZWL	Group 2020 ZWL	Company 2021 ZWL	Company 2020 ZWL
INFLATION ADJUSTED				
Trade	18,048,737	7,170,662	14,257,694	4,543,657
Other	1,874,903,629	1,290,908,695	1,874,538,286	1,290,305,370
	1,892,952,366	**1,298,079,357**	**1,888,795,980**	**1,294,849,027**
Trade receivables				
Gross trade receivables	18,048,737	7,170,662	14,257,694	4,543,657
Other receivables				
Prepayments	1,850,650,797	1,284,248,978	1,850,650,798	1,284,232,904
Other receivables	24,252,832	6,659,717	23,887,488	6,072,466
	1,874,903,629	1,290,908,695	1,874,538,286	1,290,305,370
	1,892,952,366	**1,298,079,357**	**1,888,795,980**	**1,294,849,027**
HISTORICAL COST				
Trade	18,048,737	4,461,044	14,257,694	2,826,720
Other	1,874,903,629	803,105,862	1,874,538,286	802,730,519
	1,892,952,366	**807,566,906**	**1,888,795,980**	**805,557,239**
Trade receivables				
Gross trade receivables	18,048,737	4,461,044	14,257,694	2,826,720
Other receivables				
Prepayments	1,850,650,797	798,962,689	1,850,650,798	798,952,689
Other receivables	24,252,832	4,143,173	23,887,488	3,777,830
	1,874,903,629	**803,105,862**	**1,874,538,286**	**802,730,519**
	1,892,952,366	**807,566,906**	**1,888,795,980**	**805,557,239**

The average credit period for trade receivables is fourteen (14) days. No interest is charged on the overdue trade receivables. The entity has recognised an allowance for credit losses against all receivables on a case by case basis.

Notes to the Consolidated Financial Statements (continued)

for the Year Ended 31 December 2021

Trade receivables disclosed include amounts (see below for aged analysis) that are past due at the end of the reporting period but against which the Group has not recognised an allowance for credit losses because there has not been a significant change in the credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by it to the counterparty.

Ageing of past due but not impaired trade receivables

	Group		Company	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
INFLATION ADJUSTED				
61-90 days	12,831,925	18,058,942	12,831,925	4,235,985
91 days+	1,425,769	1,952,657	1,425,769	307,672
	14,257,694	**20,011,599**	**14,257,694**	**4,543,657**
	2021 days	2020 days	2021 days	2020 days
Debtor days	94	56	94	56

	Group		Company	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
HISTORICAL COST				
61-90 days	12,831,925	4,025,752	12,831,925	2,635,310
91 days+	1,425,769	435,292	1,425,769	191,410
	14,257,694	**4,461,044**	**14,257,694**	**2,826,720**
	2021 days	2020 days	2021 days	2020 days
Debtor days	94	56	115	70

	Group		Company	
INFLATION ADJUSTED	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
Movement in the allowance for credit losses				
Balance at the beginning of the year	4,438,553	4,438,553	4,395,670	4,395,670
Net movement in provision for the year	69,612,224	-	69,628,428	-
Balance at the end of the year	**74,050,777**	**4,438,553**	**74,024,098**	**4,395,670**
HISTORICAL COST				
Movement in the allowance for credit losses				
Balance at the beginning of the year	2,761,333	2,761,333	2,734,654	2,734,654
Net movement in provision for the year	71,289,444	-	71,289,444	-
Balance at the end of the year	**74,050,777**	**2,761,333**	**74,024,098**	**2,734,654**

Book debtors are encumbered as shown in note 12.

In determining trade recoverability of trade receivables, the Group considers any changes in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risks is limited due to the customer base being large and unrelated.

The Directors consider that the carrying amount of trade receivables approximates their fair values.

Ageing of impaired trade receivables

	Group		Company	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
INFLATION ADJUSTED				
180+ days	74,050,777	328,798,903	74,024,098	328,756,018
HISTORICAL COST				
180+ days	74,050,777	204,553,836	74,024,098	204,527,157

Notes to the Consolidated Financial Statements (continued)
for the Year Ended 31 December 2021

		Group		Company	
		2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
10	**INVENTORIES**				
	INFLATION ADJUSTED				
	Finished goods and manufactured components	185,607,675	189,327,333	185,607,675	189,327,333
		185,607,675	**189,327,333**	**185,607,675**	**189,327,333**
	HISTORICAL COST				
	Finished goods and manufactured components	185,607,675	59,887,751	185,607,675	59,887,751
		185,607,675	**59,887,751**	**185,607,675**	**59,887,751**
11	**SHARE CAPITAL AND RESERVES**				
	INFLATION ADJUSTED				
	Authorised and issued share capital				
	Authorised 875 000 000 ordinary shares of ZWL0.01 each	168,354,579	168,354,579	168,354,579	168,354,579
	Issued 241 653 707 (2020: 241 653 707) ordinary shares of ZWL0.01 each.	105,067,494	105,067,494	105,067,494	105,067,494
	Unissued share capital	**530,431**	**530,431**	**530,431**	**530,431**

The value of the authorsied share capital has been inflation adjusted however nominal value per share has been maintained at historical cost.

	Group		Company	
HISTORICAL COST	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
Authorised and issued share capital				
Authorised 875 000 000 ordinary shares of ZWL0.01 each	8,750,000	8,750,000	8,750,000	8,750,000
Issued 241 653 707 (2019: 241 653 707) ordinary shares of ZWL0.01 each.	2,416,537	2,416,537	2,416,537	2,416,537
Unissued share capital	**6,333,463**	**6,333,463**	**6,333,463**	**6,333,463**

This is share capital which Directors may allot, grant options over or deal with at their discretion (in terms of the Articles of Association) subject to the limitations of the Companies and Other Businesses Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange, without further restrictions.

12 BORROWINGS

	Group		Company	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
INFLATION ADJUSTED				
Secured borrowings at amortised costs				
Non-current	-	40,379,961	-	40,379,961
Current	331,299,310	167,359,291	331,299,310	167,359,291
	331,299,310	**207,739,252**	**331,299,310**	**207,739,252**
HISTORICAL COST				
Secured borrowings at amortised costs				
Non-current	-	25,121,361	-	25,121,361
Current	331,299,310	104,118,307	331,299,310	104,118,307
	331,299,310	**129,239,668**	**331,299,310**	**129,239,668**

The short term loans have a tenure of three (3) months. The loans accrue interest at an effective rate of 48% (2020: 45%) per annum. These bank loans are fully secured against immovable property and a notarial general covering bond over movable assets, including a cession of book debts.

Notes to the Consolidated Financial Statements (continued)

for the Year Ended 31 December 2021

13 FINANCE LEASES

	Group			Company		
	Up to 1 year ZWL	2 to 5 years ZWL	Total ZWL	Up to 1 year ZWL	2 to 5 years ZWL	Total ZWL
INFLATION ADJUSTED						
2020						
Minimum lease payments						
Principal	66,983	-	66,983	66,983	-	66,983
	66,983	**-**	**66,983**	**66,983**	**-**	**66,983**
HISTORICAL COST						
2020						
Minimum lease payments						
Principal	41,672	-	41,672	41,672	-	41,672
	41,672	**-**	**41,672**	**41,672**	**-**	**41,672**

The finance lease liabilities were comprising of 4 finance leases to finance acquisition of property plant and equipment and had been fully repaid by reporting date.

14 LEASE LIABILITY

	Group			Company		
	Up to 1 year ZWL	2 to 5 years ZWL	Total ZWL	Up to 1 year ZWL	2 to 5 years ZWL	Total ZWL
INFLATION ADJUSTED						
2021						
Minimum lease payments						
Principal	-	-	-	526,759	1,053,518	1,580,277
Interest	-	-	-	-	-	-
	-	**-**	**-**	**526,759**	**1,053,518**	**1,580,277**
2020						
Minimum lease payments						
Principal	-	-	-	216,998	451,357	668,355
	-	**-**	**-**	**216,998**	**451,357**	**668,355**
HISTORICAL COST						
2021						
Minimum lease payments						
Principal	-	-	-	526,759	1,053,518	1,580,277
	-	**-**	**-**	**526,759**	**1,053,518**	**1,580,277**
2020						
Minimum lease payments						
Principal	-	-	-	135,000	280,800	415,800
	-	**-**	**-**	**135,000**	**280,800**	**415,800**

The finance lease liabilities comprise of right of use asset.

Notes to the Consolidated Financial Statements (continued)
for the Year Ended 31 December 2021

15 DEFERRED TAX

	Group		Company	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
INFLATION ADJUSTED				
Balance at the beginning of year	504,115,516	397,680,783	371,316,871	279,218,828
Charge/ to income statement	365,955,156	52,458,660	3,633,534	45,199,079
Charge/ to other comprehensive income	11,106,582	53,976,073	121,420,425	46,898,964
Balance at the end of year	**881,177,254**	**504,115,516**	**496,370,830**	**371,316,871**
Comprising of:				
Accelerated wear and tear	194,953,282	209,391,750	194,953,282	209,391,750
Uncertified work and claims	2,197,434,144	607,829,194	2,197,434,144	607,829,194
Retention	109,249,357	14,211,335	109,249,357	14,211,335
Revenue received in advance	(464,880)	(55,509,683)	(464,880)	(55,509,683)
Allowances for credit losses	-	(1,086,609)	-	(1,086,609)
Revaluation of property, plant and equipment	-	33,522,085	-	33,522,085
Maintenance provision	(166,156,784)	(66,022,091)	(166,156,784)	(66,022,091)
Assessed loss and other	(1,453,837,865)	(238,220,467)	(1,838,644,289)	(371,019,110)
	881,177,254	**504,115,516**	**496,370,830**	**371,316,871**
HISTORICAL COST				
Deferred tax				
Balance at the beginning of year	313,622,588	55,152,675	231,005,304	38,723,686
Charge/ to income statement	421,756,304	163,409,491	143,945,100	140,613,607
Charge/ to other comprehensive income	145,798,362	95,060,422	121,420,425	51,668,011
Balance at the end of year	**881,177,254**	**313,622,588**	**496,370,829**	**231,005,304**
Comprising of:				
Accelerated wear and tear	194,953,282	100,957,412	194,953,282	100,957,412
Uncertified work and claims	2,197,434,144	378,145,403	2,197,434,144	378,145,403
Retention	109,249,357	8,841,219	109,249,357	8,841,219
Revenue received in advance	(464,880)	(34,533,931)	(464,880)	(34,533,931)
Fair value adjustments	-	84,184,159	-	1,502,787
Allowances for credit losses	-	(676,006)	-	(676,006)
Revaluation of property, plant and equipment	491,663,428	50,165,224	491,663,428	50,165,224
Maintenance provision	(166,156,784)	(41,073,957)	(166,156,784)	(41,073,957)
Assessed loss and other	(1,945,501,293)	(232,386,935)	(2,330,307,718)	(232,322,847)
	881,177,254	**313,622,588**	**496,370,829**	**231,005,304**

16 TRADE AND OTHER PAYABLES

	Group 2021 ZWL	Group 2020 ZWL	Company 2021 ZWL	Company 2020 ZWL
INFLATION ADJUSTED				
Trade	57,347,252	71,440,261	57,347,252	71,446,047
Accruals	11,720,419	8,078,379	6,465,551	4,382,983
Provisions	1,967,737,171	2,316,371,912	1,967,353,759	2,316,153,021
Unearned revenue (Advance receipts from customers)	1,580,003,924	115,702,095	1,580,003,924	115,702,095
Other	2,292,419,687	279,861,674	1,446,478,032	282,669,692
	5,909,228,453	**2,791,454,321**	**5,057,648,518**	**2,790,353,838**
HISTORICAL COST				
Trade	57,347,252	44,444,733	57,347,252	44,448,333
Accruals	11,720,419	5,025,757	6,465,551	2,726,761
Provisions	1,967,737,171	1,441,071,602	1,967,353,759	1,440,935,425
Unearned revenue (Advance receipts from customers)	1,580,003,924	71,981,102	1,580,003,924	71,981,102
Other	2,292,419,687	174,108,790	1,446,478,032	175,855,727
	5,909,228,453	**1,736,631,984**	**5,057,648,518**	**1,735,947,348**

The average credit period on purchases of goods and services from suppliers is fourteen (14) days. No interest is charged on trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within pre-agreed credit terms.

The Directors consider that the carrying amount of trade payables approximates their fair values.

Notes to the Consolidated Financial Statements (continued)

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17 SUB-CONTRACTORS

	Group		Company	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
INFLATION ADJUSTED				
Balance as at year end	919,547,877	1,274,267,520	919,547,877	1,274,267,520
HISTORICAL COST				
Balance as at year end	919,547,877	792,752,980	919,547,877	792,752,980

Contracts in progress and contract receivables include claims against clients in respect of sub-contractor liabilities. These liabilities are only settled when payment has been received from clients.

18 REVENUE

	Group		Company	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
INFLATION ADJUSTED				
Construction contract revenue	7,355,274,110	8,390,738,256	7,355,274,110	8,390,738,256
HISTORICAL COST				
Construction contract revenue	6,019,717,135	4,204,426,740	6,019,717,135	4,204,426,740

19 OTHER INCOME

INFLATION ADJUSTED				
Rental income	11,084,729	21,151,590	-	-
Exchange gain/(loss)	57,566,212	97,741,016	56,559,655	97,741,016
Sundry income	14,951,773	1,774,293	9,621,929	792,845
Dividend received	4,324,738	1,710	4,324,738	1,710
(Loss)/profit on disposal of property, plant and equipment	(467,273)	3,896,849	-	3,896,849
	87,460,179	**124,565,458**	**70,506,322**	**102,432,420**
HISTORICAL COST				
Rental income	9,116,167	10,030,995	-	-
Exchange gain	51,148,090	37,368,814	51,076,192	37,368,814
Sundry income	12,250,446	1,242,322	7,613,061	1,047,007
Dividend received	3,247,396	981	3,247,396	981
(Loss)/profit on disposal of property, plant and equipment	(417,744)	2,424,325	-	2,424,325
	75,344,355	**51,067,437**	**61,936,649**	**40,841,127**

Notes to the Consolidated Financial Statements (continued)
for the Year Ended 31 December 2021

20 ADMINISTRATION EXPENSES

	Group		Company	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
INFLATION ADJUSTED				
Advertising and promotions	18,266,001	14,930,064	18,266,001	14,930,064
Audit fees	7,338,937	11,351,462	7,025,415	11,046,155
Allowance for credit losses	71,289,444	-	71,289,444	-
Discount allowed	-	328,233,804	-	328,383,299
Bank charges	165,977,072	95,648,625	165,597,403	95,572,593
Communication	5,281,322	2,714,563	5,281,322	2,714,563
Computer printing and stationery	13,971,989	7,572,835	13,876,538	7,572,835
Depreciation	24,277,813	20,802,537	12,287,534	11,892,334
Directors' fees	7,194,017	5,648,900	7,194,017	5,648,900
Insurance	6,860,632	12,555,620	5,738,447	11,736,213
Licenses and levies	17,541,575	18,215,486	17,541,575	18,215,486
Property expenses	3,927,948	2,909,284	10,143,442	4,039,878
Professional fees	42,884,952	27,052,767	42,194,024	27,052,767
Training and recruitment	9,355,051	1,281,210	9,355,051	1,281,210
Travel and accommodation	9,035,798	6,372,029	9,009,896	6,372,029
Utilities	10,890,265	3,447,299	3,763,884	1,120,498
Staff	498,621,571	563,699,736	498,621,571	563,695,235
Other costs	60,324,002	32,774,198	55,054,333	29,699,784
	973,038,389	**1,155,210,419**	**952,239,897**	**1,140,973,843**
HISTORICAL COST				
Advertising and promotions	14,321,979	6,780,679	14,321,979	6,780,679
Audit fees	5,510,244	5,236,338	5,263,135	5,109,525
Allowance for credit losses	71,289,444	-	71,289,444	-
Discount allowed	-	204,475,466	-	204,475,466
Bank charges	141,721,577	48,355,679	141,408,028	48,322,903
Communication	4,220,165	1,182,661	4,220,164	1,182,661
Computer printing and stationery	12,196,932	3,055,646	12,134,132	3,055,646
Depreciation	18,076,695	8,996,471	9,315,298	5,058,555
Directors' fees	5,927,735	2,218,786	5,927,735	2,218,786
Insurance	5,517,424	5,721,961	4,395,239	5,415,881
Licenses and levies	14,809,768	4,886,432	14,809,768	4,886,432
Property expenses	3,273,864	972,035	8,033,661	1,717,947
Professional fees	31,526,280	7,716,803	31,056,392	7,716,803
Training and recruitment	7,747,375	472,387	7,747,375	472,387
Travel and accommodation	7,573,018	3,262,774	7,548,526	3,262,774
Utilities	8,984,179	1,003,242	3,012,829	449,947
Staff	395,667,442	305,265,061	395,667,442	305,262,375
Others	49,085,299	15,206,225	44,923,212	13,707,073
	797,449,420	**624,808,646**	**781,074,359**	**619,095,840**

21 PROFIT BEFORE TAX

	Group		Company	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
INFLATION ADJUSTED				
Profit before tax for the year has been arrived at after charging the following:				
Depreciation	215,260,219	161,998,341	203,924,290	153,563,850
Staff costs	498,621,571	563,699,736	498,621,571	563,695,235
HISTORICAL COST				
Profit before tax for the year has been arrived at after charging the following:				
Depreciation	170,294,346	67,544,814	161,532,949	64,431,619

Notes to the Consolidated Financial Statements (continued)

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Staff costs	395,667,442	305,265,061	395,667,442	305,262,375

22 INCOME TAX

	Group		Company	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
INFLATION ADJUSTED				
22.1 Current tax:				
Current income tax	(1,529,035)	(1,780,181)	-	-
Deferred tax movement	(365,955,156)	(52,458,660)	(3,633,534)	(45,199,079)
Income tax	**(367,484,191)**	**(54,238,841)**	**(3,633,534)**	**(45,199,079)**
Tax reconciliation:				
Profit before tax	**1,352,607,769**	**580,477,185**	**956,107,475**	**1,013,323,483**
Tax at standard rate (24.72%)	(334,364,640)	(143,493,960)	(236,349,768)	(254,062,727)
Adjusted for:				
Effects of expenses not deductible for tax	(7,969,769)	(53,638,231)	(27,969,769)	(53,638,231)
Effects of other permanent differences	(25,149,782)	142,893,350	260,686,003	262,501,879
Effective tax	**(367,484,191)**	**(54,238,841)**	**(3,633,534)**	**(45,199,079)**
HISTORICAL COST				
Current income tax	(1,529,035)	(1,107,494)	-	-
Deferred tax movement	(421,756,304)	(163,409,491)	(143,945,100)	(140,613,607)
Income tax	**(423,285,339)**	**(164,516,985)**	**(143,945,100)**	**(140,613,607)**
22.2 Tax reconciliation:				
Profit before tax	**1,718,541,452**	**751,845,846**	**1,325,757,411**	**951,612,354**
Tax at standard rate-24.72%	(424,823,447)	(185,856,293)	(327,727,231)	(235,238,575)
Adjusted for:				
Effects of expenses not deductible for tax	(14,789,065)	(40,188,951)	(14,789,065)	(40,188,950)
Effects of other permanent differences	16,327,173	61,528,259	198,571,196	134,813,918
Effective tax	**(423,285,339)**	**(164,516,985)**	**(143,945,100)**	**(140,613,607)**

23 EARNINGS PER SHARE

Basic earning basis
The calculation is based on the profit attributable to ordinary Shareholders and the number of shares in issue at the end of the year which participated in the results of the Group.

Diluted earnings basis
The calculation is based on the profit attributable to ordinary Shareholders and the number of shares in issue after adjusting to assume conversion of share options not yet exercised.

Headline earnings basis
The calculation of basic and diluted earnings per share from continuing operations attributable to ordinary shareholders of the Company is based on the following data:

	Group		Company	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
INFLATION ADJUSTED				
Earnings				
Profit before attributable to the equity holders of the Company	985,123,578	526,238,344	952,473,941	968,124,404
Net earnings from operational and capital investment activities	828,334,376	1,398,226,606	1,251,931,376	1,501,811,784
Number of shares				
Weighted average number of shares in issue used in the determination of:				
Basic	241,653,707	241,653,707	241,653,707	241,653,707
Diluted	241,653,707	241,653,707	241,653,707	241,653,707
Headline	241,653,707	241,653,707	241,653,707	241,653,707
Profit per share (ZWL cents):				
Basic	407.66	217.77	394.15	400.62

Notes to the Consolidated Financial Statements (continued)
for the Year Ended 31 December 2021

Diluted	407.66	217.77	394.15	400.62
Headline	342.78	578.61	518.07	621.47

	Group		Company	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
HISTORICAL COST				
Earnings				
Profit attributable to the equity holders of the Company	1,295,256,113	587,328,861	1,181,812,311	810,998,747
Net earnings from operational and capital investment activities	518,859,035	284,190,066	854,227,452	329,617,775
Number of shares				
Weighted average number of shares in issue used in the determination of:				
Basic	241,653,707	241,653,707	241,653,707	241,653,707
Diluted	241,653,707	241,653,707	241,653,707	241,653,707
Headline	241,653,707	241,653,707	241,653,707	241,653,707
Profit/(Loss) per share (ZWL cents):				
Basic	536.00	243.05	489.05	335.60
Diluted	536.00	243.05	489.05	335.60
Headline	214.71	117.60	353.49	136.40

24 RETIREMENT BENEFIT COSTS

Pension funds

The Group's operations and all permanent employees contribute to one of the funds detailed below:

24.1 Masimba Holdings Limited Retirement Fund

All entity employees with the exception of those participating in the funds detailed in 24.2 below are members of this Fund administered by Old Mutual. The Fund is a defined contribution scheme. All members joining the Fund automatically participate on the defined contribution pension benefit basis.

As at 31 December 2021, there were 106 (2020: 78) members in the scheme.

24.2 Construction Industry Pension Fund

This Fund is a defined contribution scheme and encompasses employees generally subject to an industrial agreement.

24.3 National Social Security Authority (NSSA)

The entity and its employees contribute to NSSA. This is a social security scheme promulgated under the National Social Security Act 1989. The Group's obligations under the scheme are limited to specific contributions legislated from time to time.

24.4 Pension costs recognised as an expense for the year

	Group		Company	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
INFLATION ADJUSTED				
Masimba Holdings Limited Retirement Fund	7,636,129	6,418,444	7,636,129	6,418,444
National Social Security Authority	1,186,260	2,350,472	1,186,260	2,350,472
Other Funds	4,112,819	1,670,061	4,112,819	1,670,061
	12,935,208	**10,438,977**	**12,935,208**	**10,438,977**
HISTORICAL COST				
Masimba Holdings Limited Retirement Fund	5,917,532	1,830,755	5,917,532	1,830,755
National Social Security Authority	919,279	788,174	919,279	788,174
Other Funds	3,187,183	341,916	3,187,183	341,916
	10,023,994	**2,960,845**	**10,023,994**	**2,960,845**

25 CAPITAL COMMITMENTS

Capital expenditure authorised, but not contracted for, is ZWL 667 437 862 (2020: ZWL56,592,565). The expenditure is to be financed from internal resources and existing banking facilities.

Notes to the Consolidated Financial Statements (continued)

for the Year Ended 31 December 2021

26 DIRECTORS' INTERESTS

The Directors directly/indirectly hold the following number of shares in the Company:

		Group		Company	
Director's Name		**31 Dec 2021 shares**	**31 Dec 2020 shares**	**31 Dec 2021 shares**	**31 Dec 2020 shares**
Canada Malunga	Giona Capital (Private) Limited	18,744,160	19,341,960	18,744,160	19,341,960
Paddy Tongai Zhanda	Amalgamated Ventures (Private) Limited	10,942,919	25,318,821	10,942,919	25,318,821
Malcolm William McCulloch & Mark Mario Di Nicola	Zumbani Capital (Private) Limited	68,309,081	68,309,081	68,309,081	68,309,081

27 BORROWING POWERS

Finance costs for borrowings at amortised cost

	Group		Company	
INFLATION ADJUSTED	**2021 ZWL**	**2020 ZWL**	**2021 ZWL**	**2020 ZWL**
Borrowings at amortised cost	331,299,310	207,806,236	331,299,310	129,281,340
Net interest expense	**98,553,678**	**12,987,289**	**98,553,678**	**12,987,289**
HISTORICAL COST				
Borrowings at amortised cost	331,299,310	207,806,236	331,299,310	129,281,340
Net interest expense	**83,497,905**	**12,987,289**	**83,497,905**	**6,183,114**

Authority is granted in the Articles of Association for Directors to borrow a sum not exceeding 300% of the ordinary Shareholders' funds without the prior sanction of an ordinary resolution of the Company.

28 INSURANCE COVER

In the opinion of the Directors, the Group's assets are adequately insured at full replacement cost of current condition and age of the asset.

29 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

29.1 The Group is from time to time involved in various disputes, claims and legal proceedings arising in the ordinary course of the business. The Board does not believe that adverse decisions in any pending proceedings or claims against the Group will have a material effect on the future financial position of the Group.

	Group		Company	
	2021 ZWL	**2020 ZWL**	**2021 ZWL**	**2020 ZWL**
29.2 Bank guarantees in issue as at year end:				
INFLATION ADJUSTED				
Performance bonds	350,570,766	855,829,600	350,570,766	855,829,600
Advance payment bonds	245,275,995	74,751,579	245,275,995	74,751,579
Retention bonds	1,162,620	449,514,323	1,162,620	449,514,323
	597,009,381	**1,380,095,502**	**597,009,381**	**1,380,095,502**
HISTORICAL COST				
Performance bonds	350,570,766	532,432,519	350,570,766	532,432,519
Advance payment bonds	245,275,995	46,504,785	245,275,995	46,504,785
Retention bonds	1,162,620	279,653,851	1,162,620	279,653,851
	597,009,381	**858,591,15**	**597,009,381**	**858,591,155**

Notes to the Consolidated Financial Statements (continued)

for the Year Ended 31 December 2021

30 RELATED PARTY DISCLOSURES

The Group's related parties include joint ventures, common directorship and key management as described below:

30.1 Related party transactions

			Group		Company	
INFLATION ADJUSTED			**2021 ZWL**	**2020 ZWL**	**2021 ZWL**	**2020 ZWL**
Related party	**Relationship**	**Nature of transactions**				
Reinforcing Steel Contractors Zimbabwe	Common directorship/ Shareholding	Purchase of goods	53,456,676	25,440,386	53,456,676	25,440,386
Proplastics Limited	Common directorship/ Shareholding	Purchase of goods	8,034,230	21,527,608	8,034,230	21,527,608
Total transactions reported under cost of sales			**61,490,906**	**46,967,994**	**61,490,906**	**46,967,994**
HISTORICAL						
Reinforcing Steel Contractors Zimbabwe	Common directorship/ Shareholding	Sale of goods	43,320,718	7,740,343	43,320,718	7,740,343
Proplastics Limited	Common directorship/ Shareholding	Sale of goods	6,267,379	6,549,864	6,267,379	6,549,864
Total transactions reported under cost of sales			**49,588,097**	**14,290,207**	**49,588,097**	**14,290,207**

30.2 Year end balances arising from transactions with related parties

Included in the contracts receivables, work in progress, other receivables and trade payables balances are related party balances that resulted from transactions that occurred between Masimba Holdings Limited and its related parties.

	Group		Company	
	2021 ZWL	**2020 ZWL**	**2021 ZWL**	**2020 ZWL**
INFLATION ADJUSTED				
Related party receivables				
Masimba Properties (Zimbabwe) Limited	-	-	-	110,574,369
	-	-	-	110,574,369
Related party payables				
Masimba Properties (Zimbabwe) Limited	-	-	508,467,110	-
	-	-	508,467,110	-
HISTORICAL				
Related party receivables				
Masimba Properties (Zimbabwe) Limited	-	-	-	68,791,018
	-	-	-	68,791,018
Related party payables				
Masimba Properties (Zimbabwe) Limited	-	-	508,467,110	-
	-	-	508,467,110	-

Balances and transactions between entities within the Group have been eliminated on consolidation and are not disclosed in this note.

30.3 Transactions with key management personnel

Key management of the Group are the executive members of Masimba Holdings Limited's board of directors and senior management personnel. Key management personnel's remuneration include the following expenses:

The remuneration of directors and other members of key management during the year were as follows:

	Group		Company	
	2021 ZWL	**2020 ZWL**	**2021 ZWL**	**2020 ZWL**
Compensation to key management	92,353,461	24,637,200	92,353,461	24,637,200
The remuneration of Directors and key Executives is determined by the Remuneration Committee having regard to the performance of individuals and market trends.				
Loans and advances to Directors	-	1,152,325	-	1,152,325

Notes to the Consolidated Financial Statements (continued)

for the Year Ended 31 December 2021

Terms and Conditions: The loan amount limit ranges from 100% to 130% of annual salary and is subject to cash flow and Remuneration Committee approval. The annual interest rate is the lower of 50% of minimum Bank lending rate and 150% of the income tax deemed interest rate. The repayment period is six (6) months to two (2) years.

31 FINANCIAL INSTRUMENTS

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial assets, financial liability and equity instruments, are disclosed per note 3.

(b) Categories of financial instruments

	Group		Company	
Financial Assets	**2021 ZWL**	**2020 ZWL**	**2021 ZWL**	**2020 ZWL**
HISTORICAL COST				
Cash and cash equivalents	1,759,455,832	237,916,435	1,757,406,364	235,530,479
Loans and receivables and contract receivables	5,721,178,540	2,734,025,282	5,717,048,834	2,732,042,294
Financial assets carried at fair value	149,364,629	162,234,045	145,463,409	162,234,045
Financial liabilities				
Borrowings and payables	8,042,791,434	2,973,536,338	7,314,913,922	2,889,402,772

(c) Fair value of financial instruments

The fair value of financial assets and financial liabilities approximate the carrying values in the statement of financial position as at 31 December 2021.

32 FINANCIAL RISK MANAGEMENT

The entity's financial liabilities comprise bank loans and overdrafts and trade and other payables. The main purpose of these financial instruments is to raise finance for the entity's operations. The entity has various financial assets such as trade receivables, cash and short term deposits which arise directly from its operations. The entity does not use derivative financial instruments in its management of foreign currency risk. Derivative financial instruments are not held or issued for trading purposes.

The main risks arising from the entity's financial instruments are cash flow risk, foreign currency risk, interest rate risk, credit risk and liquidity risk. Senior Executives of the Group meet on a regular basis to review and agree on policies to manage each of these risks. Treasury management strategies together with currency and interest rate exposures are re-evaluated against revised economic forecasts. Compliance with the Group policies and exposure limits are reviewed at Audit and Compliance Committee meetings.

32.1 Foreign exchange risk management

The Group undertakes certain transactions denominated in currencies other than the ZWL hence exposure to exchange rate fluctuations arises.

	2021		2020	
Currency	**Foreign Balance**	**USD Equivalent**	**Foreign Balance**	**ZWL Equivalent**
Bank Balances				
USD	383,444,407	3,528,651	6,087,246	56,018

Given the amounts and types of currency held, the Group has no significant exposure to foreign currency risk at year end.

Fair values of financial instruments

The estimated net fair values of all financial instruments approximate the carrying amounts shown in the financial statements. Assets and liabilities denominated in currencies other than the ZWL which were on hand at the statement of financial position date have been valued for the purpose of these financial statements at official rates of exchange as the Directors are of the opinion that the official rate fairly reflects the value of such assets and liabilities for accounting purposes.

32.2 Interest risk

The entity's treasury policy limits exposure to interest rate fluctuations by adopting a non-speculative approach to managing interest rate risk and only deals in approved financial instruments. Implementation of treasury policy ensures limited exposure to funding instruments while investment instruments are those which provide risk free returns at variable interest rates and mature within one year.

32.3 Credit risk

Financial assets which potentially subject the entity to concentration of credit risk consist principally of cash, short-term deposits and trade receivables. The entity's surplus cash equivalents and short-term deposits are placed with high quality creditworthy financial institutions. The trade receivables are presented net of the allowance for credit losses and comprise a large, widespread customer base and the Group monitors the performance and financial condition of its customers so that the exposure to bad debts is not significant.

Notes to the Consolidated Financial Statements (continued)

for the Year Ended 31 December 2021

32 FINANCIAL RISK MANAGEMENT (CONTINUED)

32.4 Liquidity risk

The entity monitors its risk of shortage of funds using a liquidity planning tool. The entity considers the maturity of both its financial investments and financial assets (e.g. receivables) and projected cash flows from operations. The entity's main object is to maintain short term bank loans at a manageable level.

32.5 Capital risk management

The entity manages its capital structure to ensure that it will be able to continue as a going concern, while maximising the return to stakeholders through the optimisation of debt and equity.

The capital structure of the entity consists of debt, which includes borrowings and finance leases as disclosed in Note 12 and 13 respectively, interest bearing borrowings and equity attributable to equity holders of the parent, comprising issued share capital, reserves and retained earnings.

The Group's Audit and Compliance Committee reviews the capital structure on a quarterly basis. As part of this review, the Committee considers the cost of capital and the risks associated with each class of capital. Based on the recommendations of the Committee, the entity will balance its overall structure through payments of dividends, new share issues and share buy backs as well as the issue of new debt or the redemption of existing debt.

33 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The entity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The most significant estimates and assumptions made in the preparation of these consolidated financial statements are discussed below:

Revenue recognition and contract accounting

The entity uses certain assumptions and key factors in the management of and reporting for its contracting arrangements. These assumptions are material and relate to:
- The estimation of costs to completion and the determination of the percentage of completion;
- The recoverability of under claims;
- The recognition of penalties and claims on contracts: and
- The recognition of contract incentives.

Management is satisfied that at year end the Company met its performance obligations under contracts and the recognition of revenue is appropriate.

Other estimates made

The entity also makes estimates for:
- The calculation of the provision for credit losses. In determining recoverability of trade receivables, the Group considers any changes in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The Group therefore recognises an allowance for credit losses against receivables on a case by case basis.
- The determination of useful lives and residual values of items of property, plant and equipment. (Refer to property, plant and equipment accounting policy note 3.7)

Use of Significant Judgements

In preparation of these consolidated financial statements management has made judgements, estimates and assumptions that affect the application of the group's accounting policies and the reported amounts of assets, liabilities, income and expenses.

a) Valuation of Properties

The valuation was undertaken using the appropriate methodology and professional judgement of the valuers.

For all the Properties that is, investment properties and owner occupied properties, the Group engaged an independent external valuer, Old Mutual Property Zimbabwe. The properties were valued based on ZWL rental inputs and observed transactions in accordance with International Valuation Standards. Income generating projects were valued using the Income Approach while land and residential on the Direct Comparison Approach.

b) Valuation of Other Property, Plant and Equipment

The Group has adopted the inflation adjusted values as per IAS 29 Reporting in Hyper Inflationary Economies as the fair value amount under historical cost reporting.

Notes to the Consolidated Financial Statements (continued)

for the Year Ended 31 December 2021

34 JOINT OPERATIONS

Details of material joint operations

	Principal Activity	Place of incorporation and principal place of business	Proportion of ownership interest voting rights held by Masimba	
			Dec 2021 %	Dec 2020 %
Masimba Construction Zimbabwe and Kuchi Construction (Private) Limited	Contracting	Zimbabwe	50	50
Masimba Construction Zimbabwe and Tencraft (Private) Limited	Contracting	Zimbabwe	50	50
Masimba Holdings Limited and Grindale Enginering Limited	Contracting	Zimbabwe	50	-
Masimba Holdings Limited and Fossil Construction Zimbabwe	Contracting	Zimbabwe	50	-
Masimba Holdings Limited and Fossil Construction Zimbabwe	Contracting	Zimbabwe	50	-
Masimba Holdings Limited and Oplenac (Private) Limited	Contracting	Zimbabwe	69	-

The above joint operations are accounted for using the proportional consolidation method in these consolidated financial statements.

The summarised financial information in respect of the Group's joint operations is set out below:

	Group		Company	
INFLATION ADJUSTED	**2021 ZWL**	**2020 ZWL**	**2021 ZWL**	**2020 ZWL**
Current assets	407,389,995	4,649,761	407,389,995	4,649,761
Current liabilities	(234,737,432)	(1,647,850)	(234,737,432)	(1,647,850)
The above amounts of assets and liabilities include the following:				
Cash and cash equivalent	11,328,636	-	11,328,636	-
Short term investments	-	-	-	-
Revenue	-	-	-	-
Profit for the period	24,245,563	-	24,245,563	-
HISTORICAL				
Current assets	407,389,995	315,371	407,389,995	315,371
Current liabilities	(234,737,432)	(111,766)	(234,737,432)	(111,766)
The above amounts of assets and liabilities include the following:				
Cash and cash equivalent	11,328,636	-	11,328,636	-
Revenue	287,234,039	-	287,234,039	-
Profit for the period	20,589,000	-	20,589,000	-

35 GOING CONCERN

The Directors have assessed the ability of the entity to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. However, the Directors believe that under the current economic environment a continuous assessment of the ability of the entity to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.

36 THE CORONAVIRUS PANDEMIC (COVID-19)

Management has considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern. The extent of the impact of COVID-19 on the Group's operational and financial performance will depend on certain developments including the duration and spread of the outbreak, impact on its customers, employees and vendors all of which are uncertain and cannot be reasonably estimated at this time.

37 SUBSEQUENT EVENTS AFTER REPORTING DATE

Russian invasion of Ukraine
Subsequent to year end, and at the time of finalizing the financial statements, the Russian invasion of Ukraine has had a significant impact on commodity prices, including increased oil, gas, other commodity (ammonia nitrate, copper, steel etc) and gold prices. The oil price is a driver for a number of input costs for the group including diesel and transport costs.

Management considered the impact of the high inflationary environment in the business planning process used to determine the 2022 operational plan and guidance. However, further significant increases in oil, gas and other commodity prices and could have an adverse effect on the Group's business operating results (including increased all-in costs) and financial condition.

38 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorised for issue on 29 March 2022.

Shareholders' Analysis

Shareholder Spread

Range	Number of Shareholder	% of Holders	Holdings	% of Issued Shares
1 - 500	320	27.54	54,086	0.02
501 - 1,000	135	11.62	96,522	0.04
1,001 - 5,000	330	28.40	883,308	0.37
5,001 - 10,000	120	10.33	863,874	0.36
10,001 - 50,000	136	11.70	2,875,890	1.19
50,001 and over	121	10.41	236,880,027	98.02
Total	**1,162**	**100.00**	**241,653,707**	**100.00**

Major Shareholders- Top 10

Rank	Shareholder	Number of Shares	% of Total
1	Zumbani Capital (Private) Limited	68,309,081	28.27
2	Akribos Wealth Managers Nominees	43,623,186	18.05
3	Old Mutual Life Assurance Company of Zimbabwe Limited	43,088,171	17.83
4	Giona Capital (Private) Limited	18,538,160	7.67
5	Puredream Investments (Private) Limited	12,872,215	5.33
6	Amalgamated African Ventures	10,942,919	4.53
7	Stanbic Nominees (Private) Limited	8,939,223	3.70
8	Standard Chartered Nominees (Private) Limited	4,595,457	1.90
9	National Social Security Authority	2,650,513	1.10
10	Masimba Holdings Limited	2,265,600	0.94
	Others	25,829,182	10.68
	Total Number of Shares	**241,653,707**	**100.00**

Analysis by Category

Industry	Holders	% of Holders	Holdings	% of Issued Shares
Banks, Insurance companies and Nominees	43	3.70	90,168,776	37.31
Pension Funds, Trust/Property Companies	105	9.04	21,621,877	8.95
Resident Individuals and Other Corporate Companies	896	77.11	126,067,816	52.17
Foreign Companies and Foreign Individuals	118	10.15	3,795,238	1.57
Total	**1,162**	**100.00**	**241,653,707**	**100.00**

Shareholders' Diary

31 May 2022	Forty Seventh Annual Report to be Published on the Company's Website
20 June 2022	Virtual Forty Seventh Annual General Meeting of Shareholders
26 August 2022	Interim Press Results
3 November 2022	Third Quarter Trading Update
31 December 2022	Financial Year End
March 2023	Preliminary Announcement to Shareholders
May 2023	First Quarter Trading Update
June 2023	Forty Eighth Annual Report to be Published on the Company's Website
June 2023	Virtual Forty Eighth Annual General Meeting

CORPORATE AND ADVISORY INFORMATION

Company Registration Number	278/74
Business Address and Registered Office **Postal Address** **Telephone** **Email** **Website**	44 Tilbury Road, Willowvale, Harare, Zimbabwe P.O. Box CY490, Causeway, Harare, Zimbabwe +263 242 611 641-5 or 611 741-9 263 772 220921-2 / 712 806600/2 enquiries@masimbagroup.com www.masimbagroup.com
Share Transfer Secretaries **Telephone**	First Transfer Secretaries 1 Armagh Road, Eastlea Harare, Zimbabwe +263 242 782 864-72
Auditor	Grant Thornton 135 Enterprise Road Highlands Harare, Zimbabwe
Bankers	Standard Chartered Bank Zimbabwe Limited Africa Unity Square Branch Nelson Mandela Avenue Harare, Zimbabwe FBC Banking Corporation Limited FBC Centre, 45 Nelson Mandela Avenue Harare, Zimbabwe
Lawyers	Atherstone & Cook Legal Practitioners Praetor House 119 Josiah Chinamano Avenue Harare, Zimbabwe

Notice To Shareholders

Notice is hereby given that the forty seventh Annual General Meeting of members of Masimba Holdings Limited for the year ended 31 December 2021 will be held virtually on Monday 20 June 2022 at 1430 hours for the purpose of transacting the following business:

1. ORDINARY BUSINESS

1.1 Approval of Financial Statements and Reports
To receive, consider and adopt the Annual Financial Statements for the year ended 31 December 2021, including the Directors' and Independent Auditor's reports thereon.

1.2 Approval of Directors' Fees
Approval of Directors' fees for the year ended 31 December 2021.

Note: In terms of Section 184 of the Zimbabwe Stock Exchange Listing Requirements, the Directors' Remuneration Report shall be available for inspection at the AGM and, thereafter, the Company's registered office.

1.3 Election of Directors

1.3.1 In accordance with Articles 114 of the Company's Articles of Association, Messrs. Malcolm William McCulloch and Mark Mario Di Nicola retire by rotation at the Company's Annual General Meeting and being eligible offer themselves for re-election. The Directors will be elected by separate resolutions.

1.3.2 Mr. Herbert Stanley Mashanyare and Ms. Cathrine Charmaine Chitiyo have been appointed as Directors of the Company and in terms of Article 115 of the Articles of Association they retire at the forthcoming Annual General Meeting. Being eligible, they offer themselves for re-election. The Directors will be elected by separate resolutions.

1.4 Dividend
To confirm the declaration of a final dividend of ZWL227.13 comprising of a dividend in specie of ZWL185.43 and cash dividend of ZWL41.70 cents per share for the year ended 31 December 2021.

1.5 Auditor

1.5.1 To approve the remuneration of the Auditor for the previous year.

1.5.2 To consider the appointment of Messrs. Grant Thornton as the Auditor for the ensuing year.

Note: In terms of Section 69(6) of the Zimbabwe Stock Exchange Listing Requirements, Companies must change audit partners every five years and their audit firm every ten years. Grant Thornton Chartered Accountants (Zimbabwe) have been the auditor for the Company for the past six years and, therefore, are still eligible. Mr. Farai Chibisa, Audit Partner, will retire at the conclusion of the AGM.

2. SPECIAL BUSINESS

2.1 Share Buyback
To consider and if deemed fit, to pass with or without modification, the following special resolution, "That the Company, as duly authorised by section 129 of the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange listing requirements, may purchase its own ordinary shares in such manner or on such terms as the Directors may from time to time determine and provided that:

i. the repurchases are not made at a price greater than five percent (5%) above nor five percent (5%) below the weighted average of the market price at which such ordinary shares are traded on the Zimbabwe Stock Exchange as determined over the five (5) business days immediately preceding the date of the repurchase.
ii. the maximum number of shares authorised to be acquired shall not exceed ten percent (10%) of the Company's issued ordinary share capital.
iii. This authority shall expire at the next Annual General Meeting and shall not extend beyond fifteen (15) months from the date of this resolution.''

Directors' Statement
The Directors in considering the effect of any such repurchase will duly consider the ability of the Company, for a period of twelve (12) months, to pay its debts in the ordinary course of business, the maintenance of an excess of assets over liabilities, and the adequacy of ordinary capital and reserves as well as adequacy of working capital.

Details of the Meeting
Shareholders are advised that the details of the meeting will be available on the Company's website, www.masimbagroup.com, on Tuesday 31 May 2022. Alternatively, Shareholders may contact First Transfer Secretaries at 1 Armagh Road, Eastlea, Harare, Zimbabwe.

Audited Financial Statements
The electronic copies of the Company's 2021 Integrated Annual Report, the financial statements and Directors' and Independent Auditor's reports for the financial year ended 31 December 2021 will be available on or before Tuesday 31 May 2021. These documents, which will also be available on the Company's website, www.masimbagroup.com, will be emailed to the Shareholder whose email addresses are on record.

By Order of the Board

P. Mutiti
Company Secretary

31 May 2022

Note: A member entitled to attend and vote at the Annual General Meeting of Shareholders may appoint a proxy to attend, speak and on poll, vote in his/her stead. A proxy need not to be a member of the Company. Forms of proxy must be lodged at the Registered Office of the Company or emailed to enquiries@masimbagroup.com not less than forty-eight (48) hours before the time of holding of the meeting.

Proxy Form

For the forty seventh Annual General Meeting to be held virtually on Monday 20 June 2022 at 1430 hours.

I/We………...

of………………………………………………………………………………………..……………………………….....

being the holder of………………………………………...……………..shares in the Company hereby appoint:

1………………………………..……..of ………………….........................……………………………….…..... or failing him/her

2………………………………..………..of ………………….........................………………………………..... or failing him/her

3. The Chairman of the AGM
as my/our proxy to act for me/us at the AGM for the purpose of considering and, if deemed fit, passing with or without modification, the resolutions to be proposed there at, and at each adjournment or postponement thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares in the issued share capital of the Company registered in my/our name (see note 2) in accordance with the following instructions:

Resolutions		**For**	**Against**	**Abstain**
1.	**Ordinary Business**			
1.1	Approval of Financial Statements and Reports To receive, consider and adopt the Annual Financial Statements for the year ended 31 December 2021, including the Directors' and Independent Auditor's reports thereon.			
1.2	Approval of Directors' Fees Approval of Directors' fees for the year ended 31 December 2021.			
1.3	Election of Directors 1.3.1 In accordance with Article 114 of the Company's Articles of Association, Messrs. Malcolm William McCulloch and Mark Mario Di Nicola retire by rotation at the Company's Annual General Meeting and being eligible, offer themselves for re-election. The Directors will be elected by separate resolution. 1.3.2 Mr. Herbert Stanley Mashanyare and Ms. Cathrine Charmaine Chitiyo have been appointed as Directors of the Company and in terms of Article 115 of the Articles of Association, they retire at the forthcoming Annual General Meeting. Being eligible, they offer themselves for re-election. The Directors will be elected by separate resolution.			
1.4	Dividend To confirm the declaration of a final dividend of ZWL227.13 comprising of a dividend in specie of ZWL185.43 and cash dividend of ZWL41.70 cents per share for the year ended 31 December 2021.			
1.5	Auditor 1.5.1 To approve the remuneration of the Auditor for the previous year. 1.5.2 To consider the appointment of Messrs. Grant Thornton as the Auditor for the ensuing year.			
2.	**Special Business**			
	2.1 Share Buyback			

Every person present and entitled to vote at the AGM shall, on a show of hands, have one vote only, but in the event of a poll, every share shall have one vote.

Signed at……………………...............................……………… on ……………………………………...………… 2022

Signature(s)……………………………………………………………………………………………..………………………………………….....................

Assisted by………...

Full name(s) of signatories if signing in a representative capacity (see note 2) **(PLEASE USE BLOCK LETTERS).**

………...…. Notes to the form of proxy

……………………………………………………………………………………………….…….….……...……..

Instructions for signing and lodging this form of proxy

1. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space provided, with or without deleting "the Chairman of the AGM", but any such deletion must be initialled by the Shareholder. The person whose name appears first on the form of proxy will, unless his/her name has been deleted, be entitled to act as proxy to the exclusion of those whose names follow.

2. A Shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that Shareholder in the appropriate space/s provided as well as by means of a cross whether the Shareholder wishes to vote, for, against or abstain from the resolutions. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the AGM as he/she deems fit in respect of the entire Shareholder's votes exercisable thereat. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or by his/her proxy or cast them in the same way.

3. A deletion of any printed matter and the completion of any blank spaces need not be signed or initialled. Any alteration or correction must be initialled by the signatories.

4. The Chairman shall be entitled to decline to accept the authority of a person signing the proxy form:

   i under a power of attorney
   ii on behalf of a Company

   unless that person's power of attorney or authority is deposited at the offices of the Company's transfer secretaries, or the registered office of the Company, not less than forty-eight (48) hours before the meeting.

5. If two or more proxies attend the meeting then that person attending the meeting whose name appears first on the proxy form and whose name is not deleted, shall be regarded as the validly appointed proxy.

6. When there are joint holders of shares, any one holder may sign the form of proxy. In the case of joint holders, the senior who tenders a vote will be accepted to the exclusion of other joint holders. Seniority will be determined by the order in which names stand in the register of members.

7. The completion and lodging of this form of proxy will not preclude the member who grants this proxy form from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such member wish to do so.

8. To be effective, completed proxy forms must reach the Company's transfer secretaries or the registered office of the Company not less than forty-eight (48) hours before the time appointed for the holding of the AGM.

9. Please ensure that name(s) of the member(s) on the form of proxy and the voting form are the same as those on the share register.

10. Please be advised that the number of votes a member is entitled to will be determined by the number of shares recorded on the Share Register by 1600 hours on Friday 17 June 2022.

OFFICE OF THE TRANSFER SECRETARIES
First Transfer Secretaries (Private) Limited
1 Armagh Road, Eastlea
Harare
Zimbabwe

REGISTERED OFFICE OF THE COMPANY
44 Tilbury Road
Willowvale
Harare
Zimbabwe

Notes

DESIGN AND LAYOUT BY VPCG

Masimba
HOLDINGS LIMITED

www.masimbagroup.com