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| | | |
|---|---|---|
| **NATURE OF BUSINESS** | : | Manufacturing and distribution of chemical and rubber products. |
| **DIRECTOR** | : | Mr. G. G. Nhemhachena (Board Chairman)<br>Dr. I. Murefu (Non-executive)<br>Mrs. P. Nyazenga (Non-executive)<br>Mr. T. Mabeza (Non-executive)<br>Mr. T. Muganyi (Non-executive)<br>Mr. C. Dzumbunu (Non-executive)<br>Mr. J. Gunda (Acting Managing Director)<br>Mr. P. Munyanyi (Finance Director) |
| **SECRETARY** | : | Mr. P. Munyanyi |
| **REGISTERED OFFICE** | : | 111 Dagenham Road<br>Willowvale<br>HARARE |
| **MAIN BANKERS** | : | FBC Bank Limited<br>Southerton Branch<br>HARARE |
| **ATTORNEYS** | : | Dube, Manikai and Hwacha Legal Practitioners<br>Eastgate Complex<br>HARARE |
| **AUDITORS** | : | Grant Thornton Chartered Accountants (Zimbabwe)<br>Registered Public Auditors<br>Camelsa Business Park<br>135 Enterprise Road<br>Highlands<br>**HARARE** |



# Board of Directors



**T. Mabeza**
**Chairman**



**C. M. Dzumbunu**
**Non-Executive Director**



**T. Mabeza**
**Non-Executive Director**



**J. Gunda**
**Managing Director (Acting)**



**Dr. I. Murefu**
**Non-Executive Director**



**P. Munyanyi**
**Finance Director**



**T. R. Muganyi**
**Non-Executive Director**



**P. Nyazenga**
**Non-Executive Director**





T. Mabeza
Chairman

# CHAIRMAN'S STATEMENT

**Introduction**
The results for the year ended 31 December 2024 are hereby presented to you. Commentary is on inflation adjusted figures.

Despite the relentless efforts to quell the geopolitical conflicts in Europe and the Middle East in the year, the protagonists remained defiant upsetting flow of commodities from countries of origin. Inevitably the costs of extraction and delivery increased to primary processors of raw materials setting forth price increases downstream as adaptive strategies to circumvent channel constraints in the value chain evolved. In an effort to fund the conflict, mineral ore reserves were drawn down culminating in a prolonged bearish market for platinum in the global market.

Locally, the concerted effort by the authorities to tame the twin challenges of exchange rate volatility and the attendant hyperinflation shaped the greater part of the operating environment following the adoption of the ZWG in April 2024. The subsequent devaluation of the ZWG currency by 43% in September 2024 further cemented the resolve to stabilise prices and stimulate growth in the economy. The enforcement of the exchange control measures reduced pricing flexibility and compromised business viability. The informal sector presented formidable price competition on the products the company supplied due to relatively liberalised enforcement.

In response to the policy changes, the company focused on delivering a commensurate value proposition to its customers through innovative pricing models leveraging on the diversity of customer's profiles and enhanced its competitive market positioning. The rubber division commissioned the second boiler further improving internal process efficiencies. Cernol Chemicals volumes grew on the back of market

recovery in the traditional markets and consolidation in its niche markets .

**Group Performance**
The total volumes at 812 metric tonnes were 12% lower than the comparable period's 922 due to reduced aggregate demand in the economy.

Total turnover at ZWG 77 million decreased by 49% when compared with the prior year same period's ZWG 150 million in tandem with reduced volumes and the effects of currency conversion in the year. Gross profit margin declined by 41% from the comparable period due to reduced throughput and increased dollarisation in the economy. Operating costs at ZWG 46 million were 43% lower than the comparable period's ZWG 81 million due to cost reduction efforts .
A resultant operating profit of ZWG 29 million was 322% above the comparable period's ZWG 9 million.

**Divisional performance**

**General Beltings**
Total volumes at the rubber division at 238 metric tonnes declined by 37% from the comparable period's 379 metric tonnes due to the reduced product demand. Turnover at ZWG 42 million was 61% lower than the comparable period's ZWG 107 million due to reduced volumes and limited pricing opportunities.

**Cernol Chemicals**
Cernol Chemicals volumes at 574 metric tonnes were 5% above the comparable period's 543 metric tonnes as it regained its traditional markets and etched new markets niches. However the turnover at ZWG 35 million was 19 % lower than the comparable period's ZWG 43 million due to increased price competition.

**Environmental Social Sustainability & Governance**

The company regularly reviews its comprehensive waste water treatment procedures which are aimed at ensuring that discharges are not harmful to the downstream ecosystem and aquatic life. The company collaborates and cooperates with the Environmental Management Agency ( EMA) and complies with all regulations in this regard.

Raw materials for both divisions are sourced from environmentally conscious partners. Formulations strive to eliminate any substances that have been shown to harm the environment.

**Dividend**
At their meeting on 10 April 2025, the Board considered the going concern status of the business and resolved not to declare a dividend.

**Outlook**
The recovery of the global economy and the uptick in mineral commodity prices will stimulate demand from the company's customers. In addition the improved agricultural season will assist in the growth of the agricultural and hospitality sectors that will in turn accelerate Cernol Chemicals recovery efforts.

The company is poised to cope with increased demand of products underpinned by enhanced production capacity and internally generated working capital funding. Strategic partnerships and critical skills retention remain key in the company's ability to remain competitive in its delivery of a commensurate value proposition to its customers.

**Directorate**
A dark cloud hung on the company as it lost two of its long serving Directors Dr. Israel Murefu and Mr. Chamas Dzumbunu in January 2025. Both served the company diligently and participated in its recovery journey. May their souls rest in eternal peace.

I also take this opportunity to welcome three new non-Executive Directors, namely Dr. Tariro Mushuku Mushayavanhu, Mr. Tapiwa Zhou and Mr. Ndumiso Sibanda to the Board. We believe they have the necessary skills that will propel the company further in its endeavour to meet stakeholder expectations.

**Appreciation**
The company has pulled through a difficult year with the support of employees, management and the Board's wise counsel. I remain grateful for the support in the year and look forward to the same in the ensuing year.

**T. MABEZA**
**Chairman**
**30 April 2025**







# MANAGING DIRECTOR'S REPORT

The global economy was still in the throes of conflict as the unending geopolitical crisis in Eastern Europe and in the Middle East flared up despite multiple diplomatic efforts to quell the violence. The advent of second term of office by the Republicans shook global markets as they readied themselves for a potentially explosive trade war between the USA and China. The downstream effect in global trade was to manifest through price inflation and increased cost of raw materials from countries of source.

Profound policy changes in the containment of exchange rate volatility and hyperinflation took effect through the introduction of the Zimbabwe gold currency. The subsequent devaluation in September 2024 cemented government resolve to deal with the twin challenges afflicting the economy in a bid to stabilise prices and anchor growth of the economy. However, the contractionary monetary interventions stemmed aggregate downstream demand in the economy as disposal incomes were eroded. The informal economy grew on the back of greater use of foreign currency while policy thrust on the use of local currency was abhorred by the transacting public.
Buoyed by government's NDS1 (National Development strategy 1) and the subsequent National Transitional policy, the company maintained its resolve to delivering a commensurate value proposition to its customers through competitive product offerings that fared well with regional competition in terms of price quality and delivery times. The mining sector remained the market bedrock for the rubber division while the post COVID 19 market recovery stimulated business growth and market consolidation at the Cernol Chemicals Division.



**Performance**

**Commentary is on Inflation Adjusted Accounts**

Despite the depressed platinum prices at the international market, the rubber division held its own through significant supplies to the energy sector and non-platinum mines. The chemicals division consolidated its recovery efforts in its traditional markets underpinned by the growth in the dairy and hospitality sectors in the economy. The monetary initiatives to stabilise prices and inflation contained speculative pricing while enabling the business to withstand the pressures from the informal competition. However, the skills flight risk remained high in the period as spousal visas encouraged families to relocate to relatively better economies.

Owing to the continued depressed platinum prices in the year and consequent reduced mining activity, coupled with the effects of tight liquidity conditions, volumes for the year at 812 metric tonnes were 12 % lower than the comparable period's 922 metric tonnes. Consequently, turnover at ZWG 77 million was 49 % lower than the comparable period's ZWG 150 million. Cost reduction initiatives yielded a 43 % decline in operating costs from the prior year comparable period's ZWG 81 million to ZWG 46 million. The exchange gains realised in the year of ZWG 39 million resulted in an operating profit of ZWG 29 million recorded in the year.

**Strategy Review**

The measures taken to improve foreign currency availability in the open market has created more competition for the company's products as more players jostle to supply the key mining and agricultural sectors. The relative peace and tranquillity in the region together with economic stability locally has spurred growth in the hospitality sector, a key market for the Chemicals division. The above, position the company in an advantageous position as it will benefit from the synergies inherent in the divisions' funding models. To that end the currency mix in the divisions' inflows will enable the company a more efficient procurement cycle.

Consistent power supplies to the factories remain pivotal in the timeous delivery of product to customers.

The current arrangement with the power distribution company in Bulawayo on load shedding schedules, still fit in well within the operational capacity and order delivery from the Bulawayo factories. Although abrupt power cuts in the Willowvale area are seldom, they are not yet a significant risk to the company's current operational risk profile. To mitigate against this potential risk, a solarisation project is underway at Cernol Chemicals division.The company recognises the exposure to the technical skills risk and a talent development programme on critical skills has been developed with a view to fill in critical positions when they fall vacant.

**Future Prospects**

The bullish mineral commodity prices in particular gold and platinum, favour the company's market positioning augmented by government's support through the manufacturing sector revival plan under the Zimbabwe Industrial Reconstruction and Growth Plan (ZIRGP). This national policy that aims at promoting industrial development through promotion of local procurement, dissuades importation of products that are manufactured locally and are competitively priced,thus presenting market opportunities for the rubber division. Cernol Chemicals will continue to benefit from its traditional market consolidation underpinned by the Buy Zimbabwe Campaign which promotes consumption of locally produced brands both in the industrial and consumer sectors. The company's future prospects bode well within the NDS2 programme as it remains relevant in the drivers of the national economic thrust. The advent of the African Continental Free Trade Area has become a reality and the company will hold its own as it sharpens its comparative advantage through resilient product offering and competitive pricing.

**Appreciation.**

It has been a very eventful first year for me and I owe it to the employees, management and the Board that have enabled me settle in this challenging and exciting position. The wise counsel from the Board has been timeous on all instances and am grateful for the support. Our heartfelt condolences to the families of our late non-Executive Directors Dr Murefu and Mr Dzumbunu who passed on early in the year 2025. May their souls rest in eternal peace. I look forward to your continued support in 2025.



**J Gunda**
**Managing Director**
**6 June 2025**





# Directors' Report

For the year ended 31 December 2024

The Directors have pleasure in submitting to Shareholders, their report together with the audited financial statements of the company for the year ended 31 December 2024.

## ANNUAL RESULTS

## INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT

Capital expenditure for the year ended 31 December 2024 amounted to ZWL 79 568 507 (Historical cost: ZWL 33 809 657). These funds were spent mainly on the replacement of the boiler stoker at General Beltings and aquisition of a container shop at Cernol Chemicals Private Limited.

## SHARE CAPITAL

Share capital is ZWL 640 000 comprising 640 000 000 ordinary shares of ZWL 0.001 cents each. Issued share capital is 536 588 624 ordinary shares of ZWL 0.001 each with a value of ZWL 536 588. Details of the authorised and issued share capital, including options available, are set out in note 8 of the financial statements.

## DIRECTORS AND THEIR INTERESTS

Mr. C.C Dzumbunu, retires by rotation in terms of Article 95 of the Company's Articles of Association and being eligible, offers himself for re-election.
Dr. I Murefu retires by rotation in terms of Article 95 of the Company's Articles of Association and being eligible, offers himself for re-election.
The names of the current Directors of the company are set out on page 2. No Director had, during or at the end of the year, any material interest in any contract with the company which could be considered to be significant in relation to the company's business.

## SUBSTANTIAL SHAREHOLDERS

According to information received by the Directors, the following are the only shareholders beneficially holding, directly and indirectly, at 31 December 2024, in excess of 5% of the issued share capital of the company:

| | |
|---|---|
| Jemaimah Synergies (Private) limited | 62% |
| Workers Trust Management Share Participation | 9% |

## AUDITORS

To appoint Auditors for the current year. Grant Thornton Chartered Accountants, have been external auditors for the company for two years and being eligible, offer themselves for reappointment.

## EMPLOYMENT POLICIES

The continued motivation of employees and management towards overall productivity enhancement is a fundamental feature of the company's operating philosophy and is key to management of risk. This is achieved through training, development, information sharing and progressive co-operative contributions to operating methods and planning, supported by rewards at competitive levels, including short and long term incentives where appropriate.

The company has employed policies which are appropriate to its business and markets and which attract, retain and motivate the quality of staff necessary to compete. These policies are required to provide equal employment opportunities, without discrimination based on gender, race or physical ability.

## PAYMENTS TO SUPPLIERS

The company agrees terms and conditions with suppliers before business takes place and its policy and practice is to pay agreed invoices in accordance with the terms of payment.

**By Order of the Board**

**P Munyanyi (Mr)**
**COMPANY SECRETARY**
**Harare**
**28 April 2025**



# Statement of Corporate Governance

For the year ended 31 December 2024

GB Holdings Limited is committed to an open approach to corporate governance. This process enables the company's shareholders to derive the assurance that, in protecting and adding value to GB Holdings Limited's financial and human resources investment, the company is being managed ethically, according to prudently determined risk parameters and in compliance with the best international practices.

The Board is chaired by a non-executive independent director and currently comprises of two executives members, two independent non-executive members and three non-independent non-executive members. The executive directors generally have the responsibility for making and implementing operational decisions in running the company's business. Non-executive directors support the skills and experience of the executive, contributing to formulation of policy and decision making through their knowledge of, and experience in, other businesses and sectors.

The Board, which meets at least quarterly, sets the strategic objectives of the company, determines investment and environmental policies, approves major capital expenditure, acquisitions and investments. The Board also agrees on performance criteria and delegates to management the detailed planning and implementation of the agreed policy, in accordance with appropriate risk parameters. It monitors compliance with policies, and achievement against objectives, by holding management accountable for its activities through the measurement and control of operations by regular reports to the Board including quarterly performance reporting and budget updates. However, to ensure that effective management controls exist on a day to day basis, the Board has delegated certain powers to committees.

These are:

## Main Board 2024

| Director | Attended | Number of Meetings Eligible to Attend |
|---|---|---|
| G. G. Nhemachena | 4 | 4 |
| T. Mabeza | 4 | 4 |
| I. Murefu | 3 | 4 |
| P. Nyazenga | 4 | 4 |
| C. Dzumbunu | 4 | 4 |
| T. Muganyi | 2 | 4 |
| J. Gunda | 4 | 4 |
| P. Munyanyi | 4 | 4 |

## Audit and Risk Management

The members of the Committee as at 31 December, 2024 were as follows:
C. Dzumbunu Chairperson Non-Executive
P. Nyazenga Non-Executive
Dr. I. Murefu Non-Executive

| Director | Attended | Number of Meetings Eligible to Attend |
|---|---|---|
| C. Dzumbunu (Chairman) | 4 | 4 |
| I. Murefu | 4 | 4 |
| P. Nyazenga | 4 | 4 |
| J. Gunda | 4 | 4 |
| P. Munyanyi | 4 | 4 |

## Finance and Business Development Committee

The members of the Committee as at 31 December, 2024 were as follows:
T. Mabeza Chairperson Non-Executive
G.G. Nhemachena Non-Executive
T. Muganyi Non-Executive

| Director | Attended | Number of Meetings Eligible to Attend |
|---|---|---|
| T. Mabeza (Chairperson) | 4 | 4 |
| G. G. Nhemachena | 4 | 4 |
| T. Muganyi | 4 | 4 |
| J. Gunda | 4 | 4 |
| P. Munyanyi | 4 | 4 |

## Human Resources and Remuneration Committee

The members of the Committee as at 31 December, 2024 were as follows:
Dr. I. Murefu Chairperson Non-Executive
G.G. Nhemachena Non-Executive

| Director | Attended | Number of Meetings Eligible to Attend |
|---|---|---|
| I.Murefu (Chairperson) | 4 | 4 |
| G. G. Nhemachena | 4 | 4 |
| T. Mabeza | 4 | 4 |
| J. Gunda | 4 | 4 |
| P. Munyanyi | 4 | 4 |

The operational management of the company is delegated to the Executive Committee, which is chaired by the Managing Director and includes the Finance Directorate and the divisional General Managers.



**T. Mabeza**
**Chairman**
**28 April 2025**



## Directors' Responsibility Statement

For the year ended 31 December 2024

Responsibilities of Management and Those Charged with Governance for the Financial Statements for the year ended 31 December 2024

It is the Directors' responsibility to ensure that the financial statements fairly present the state of affairs of the Company. The external auditors are responsible for independently reviewing and reporting on the financial statements.

The Directors have assessed the ability of the Company to continue 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 Company 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.

The Directors also carried out an assessment of the impact of liquidity constraints and foreign currency shortages on the Company's operations and income streams and came to a conclusion that the impact is not material to affect the ability of the Company to continue as a going concern for the twelve months ending 31 December 2025.

The financial statements set out in this report have been prepared by management in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), which includes standards and interpretations approved by the IASB and Standing Interpretations Committee (SIC) interpretations issued under previous constitutions.

The Company's accounting and internal control systems are designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of its assets. Such controls are based on established written policies and procedures and all employees are required to maintain the highest ethical standards in ensuring that the Company's business practices are conducted in a manner which in all reasonable circumstances is above reproach. Issues that come to the attention of the Directors have been addressed and the Directors confirm that the system of accounting and internal control is operating in a satisfactory manner.

The Company's financial statements which are set out on pages 10 to 41 were, in accordance with their responsibilities, approved by the Board of Directors on ..... 2025 and are signed on its behalf by:

**Mabeza T.**
**Chairman**

**Gunda J.**
**Managing Director**

These financial statements were prepared under the supervision of:

**Munyanyi P.**
**Finance Director**



Grant Thornton
Camelsa Business Park
135 E.D. Mnangagwa Road
P.O. Box CY 2619
Causeway, Harare
Zimbabwe
T +263(242) 442511-4 / +263 8677009063
F +263 (242) 442517 / 496985
E info@zw.gt.com
www.grantthornton.co.zw

# INDEPENDENT AUDITOR'S REPORT

## To the members of GB Holdings Limited

## Report on the Audit of the Financial Statements

## Adverse Opinion

We have audited the inflation adjusted financial statements of GB Holdings Limited set out on pages 10 to 41, which comprise the inflation adjusted statement of financial position as at 31 December 2024, the inflation adjusted statement of profit or loss and other comprehensive income, the inflation adjusted statement of changes in equity and the inflation adjusted statement of cash flows for the year then ended, and the notes to the inflation adjusted financial statements, including a summary of the significant accounting policies.

In our opinion, because of the significance of the matter described in the Basis for Adverse Opinion section of our report, the financial statements do not present fairly, in all material respects, the financial position of GB Holdings Limited as at 31 December 2024, 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 21 "The Effects of Changes in Foreign Exchange Rates" (IAS 21)*

As disclosed in Note 1.3 to these financial statements, management determined that the Company's functional currency, being the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions of the Company, had changed from Zimbabwe Dollar (ZWL) to United States Dollar (USD) effective 1 January 2024. Subsequent to the assessment and determination of the USD as the Company's functional currency, the Company continued to use the ZWL as its functional currency.

On 5 April 2024, the Government of Zimbabwe through Statutory Instrument 60 of 2024, introduced a new currency, the Zimbabwe Gold (ZWG) to be the unit of account for transactions previously denominated in ZWL. Following the introduction of ZWG, management reassessed the functional currency and determined that the USD continued to be the Company's functional currency. The Company continued to use the local currency as its functional currency for the year ended 31 December 2024.

According to IAS 21, "an entity's functional currency reflects the underlying transactions, events and conditions that are relevant to it. Accordingly, once determined, the functional currency is not changed unless there is a change in those underlying transactions, events and conditions". The continued use of the local currency as the Company's functional currency when the underlying transactions, events and conditions of the Company have changed, constitutes a departure from the requirements of IAS 21. The effects of non-compliance with the requirements of IAS 21 have been considered to be material and pervasive to the financial statements as a whole.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming the opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters noted below relate to the financial statements:

| Areas of focus | How our audit addressed the key audit matter |
|---|---|
| **Revenue recognition**<br><br>There is a presumed fraud risk with regards to revenue recognition as guided by International Standard on Auditing (ISA) 240 – *"The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements"* Revised. There is a risk that revenues are presented at amounts higher than what has been generated by the Company. This is a significant risk and accordingly a key audit matter. | Our audit procedures incorporated a combination of tests of the Company's controls relating to revenue recognition and the appropriateness of revenue recognition policies as well as substantive procedures in respect of testing the occurrence assertion. Our substantive procedures included but were not limited to the following:<br>• Reviewed that the revenue recognition criteria is appropriate and in line with the requirements of IFRS 15 – '*Revenue from contracts with customers*';<br>• Performed cut-off tests on year-end balances to ensure revenue is recognised in the correct period;<br>• Tested design, existence and operating effectiveness of internal controls implemented as well as test of details to ensure accurate processing of revenue transactions;<br>• Identified key controls and tested these controls to obtain satisfaction that they were operating effectively for the year under review;<br>• The results of our controls testing have been the basis for the nature and scoping of the additional test of details, which mainly consisted of testing individual transactions by reconciling them to external sources (supporting documentation); and<br>• Analytical procedures and assessed the reasonableness of explanations provided by management.<br><br>We satisfied ourselves that the revenue recognition is appropriate. |
| Adequacy of allowance for credit losses on trade receivables<br><br>As at 31 December 2024, the Company had trade receivables amounting to ZWG 21 069 668. This was considered to be an area of focus as IFRS 9 - *Financial Instruments* requires management to exercise significant judgement using subjective assumptions when determining both timing and amounts of the impairment provision for trade and other receivables.<br><br>Key areas of judgement included:<br>• The interpretation of the requirements to determine impairment under application of IFRS 9, which is reflected in the Company's expected credit loss model; and<br>• Assumptions used in the expected credit loss model such as the financial condition of the counterparty, expected future cash flows. | Assessed management's allowance for credit losses, which included the following:<br><br>• We performed an assessment of the modelling techniques and methodology used against the requirements of IFRS 9;<br>• We assessed and tested the modelling assumptions with a focus on the:<br><br>i.Key modelling assumptions adopted by the Company.<br>ii.Reliability of the historical data collected; and<br>iii.Appropriateness of macroeconomic factors used.<br>·We examined a sample of exposures and performed procedures to evaluate the:<br>i.Timely identification of exposures with a significant deterioration in credit quality; and<br>ii.Expected loss calculation for exposures assessed on an individual basis.<br><br>• We assessed the adequacy of the disclosures in the financial statements.<br><br>Based on our audit work performed, the assumptions used by management were appropriate. |

**Other information**

The Directors are responsible for the other information. The other information comprises the 'Corporate information', 'Directors' report, 'Corporate governance report', 'Chairman's report', and 'Managing Director's report', which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the Financial Statements**
Our objectives are to obtain reasonable assurance about whether the inflation adjusted 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 judgment 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 Company'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 Company'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 Company 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 entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of GB Holdings Limited audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**
In our opinion, except for the effects of the matter described in the Basis for Adverse Opinion, the financial statements have been properly prepared in compliance with the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

The engagement partner on the audit resulting in this Independent Auditor's Report is Trevor Mungwazi.

**Trevor Mungwazi**
**Partner**

**Registered Public Auditor (PAAB No: 0622)**
**Grant Thornton** **28 April 2025**
**Chartered Accountants (Zimbabwe)**
**Registered Public Auditors**
**HARARE**



# Abridged Statement of financial position

**as at 31 December 2024**

| | Notes | Inflation Adjusted 2024 ZWG | Inflation Adjusted 2023 ZWG | Historical cost 2024 ZWG | Historical cost 2023 ZWG |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 8 | 108 304 508 | 115 664 752 | 64 874 263 | 69 549 920 |
| **Current assets** | | | | | |
| Inventories | 9 | 4 791 811 | 19 672 262 | 4 592 101 | 11 829 051 |
| Trade and other receivables | 10 | 21 069 668 | 26 559 915 | 21 069 668 | 15 970 639 |
| Cash and cash equivalents | 11 | 662 227 | 2 344 247 | 662 227 | 1 409 610 |
| | | **26 523 706** | **48 576 424** | **26 323 996** | **29 209 300** |
| **Total assets** | | **134 828 214** | **164 241 176** | **91 198 259** | **98 759 220** |
| **EQUITY AND LIABILITIES** | | | | | |
| **Capital and reserves** | | | | | |
| Share capital | | 2 464 813 | 2 464 813 | 1 482 107 | 1 482 107 |
| Share options reserve | | 88 195 | 88 195 | 53 032 | 53 032 |
| Non distributable reserve | | (34 841 300) | - | (20 950 286) | - |
| Revaluation reserve | | 61 718 833 | 61 718 833 | 37 111 910 | 37 111 910 |
| Retained earnings | | 57 392 938 | 30 833 238 | 35 252 945 | 18 540 214 |
| | | **86 823 479** | **95 105 079** | **52 949 708** | **57 187 263** |
| **Non-current liabilities** | | | | | |
| Deferred tax | | 24 857 168 | 24 470 359 | 15 100 984 | 14 714 175 |
| **Current liabilities** | | | | | |
| Trade and other payables | 12 | 20 128 927 | 39 645 600 | 20 128 927 | 23 839 142 |
| Corporate tax payable | | 3 018 640 | 5 020 138 | 3 018 640 | 3 018 640 |
| | | **23 147 567** | **44 665 738** | **23 147 567** | **26 857 782** |
| **Total liabilities** | | **48 004 735** | **69 136 097** | **38 248 551** | **41 571 957** |
| **Total equity and liabilities** | | **134 828 214** | **164 241 176** | **91 198 259** | **98 759 220** |



**T. Mabeza**
**Chairman**

**J. Gunda**
**Managing Director**



# Abridged Statement of profit or loss and other comprehensive income

**for the year ended 31 December 2024**

| | Notes | Inflation Adjusted | | Historical cost | |
|---|---|---|---|---|---|
| | | 2024 ZWG | 2023 ZWG | 2024 ZWG | 2023 ZWG |
| Revenue | 13 | 77 130 998 | 150 076 170 | 54 321 065 | 90 241 715 |
| Cost of sales | | (41 159 652) | (89 214 796) | (30 375 782) | (53 645 400) |
| **Gross profit** | | **35 971 346** | **60 861 374** | **23 945 283** | **36 596 315** |
| Other income | 14 | 39 097 917 | 29 070 063 | 25 872 416 | 17 480 006 |
| Operating expenses | | (46 280 763) | (80 569 766) | (32 718 159) | (54 679 662) |
| **Profit / (loss) from operations** | | **28 788 500** | **9 361 671** | **17 099 540** | **(603 341)** |
| Finance costs | 15 | - | (10 555) | - | (6 347) |
| **Profit / (loss) before tax and monetary loss** | | **28 788 500** | **9 351 116** | **17 099 540** | **(609 688)** |
| Monetary loss | | (1 841 991) | (10 365 056) | - | - |
| **Profit / (loss) before tax** | | **26 946 509** | **(1 013 940)** | **17 099 540** | **(609 688)** |
| Income tax (expense)/credit | 16 | (386 809) | 447 099 | (386 809) | 268 843 |
| **Profit /(loss) for the year** | | **26 559 700** | **(566 841)** | **16 712 731** | **(340 845)** |
| Other comprehensive income net of tax | | - | - | - | - |
| **Total comprehensive income / (loss) for the year** | | **26 559 700** | **(566 841)** | **16 712 731** | **(340 845)** |
| Basic earnings / (loss) per share (cents) | | 0.049 | (0.001) | 0.031 | (0.001) |
| Diluted earnings / (loss) per share (cents) | | 0.049 | (0.001) | 0.031 | (0.001) |
| Headline earnings / (loss) per share (cents) | | 0.049 | (0.001) | 0.031 | (0.001) |



# Abridged Statement of changes in equity

**for the year ended 31 December 2024**

**Inflation Adjusted**

| | Share capital ZWG | Share options reserve ZWG | Non Distributable reserve ZWG | Revaluation reserve ZWG | Retained earnings ZWG | Total ZWG |
|---|---|---|---|---|---|---|
| **Balance at 1 January 2023** | **2 464 813** | **88 195** | **-** | **61 718 833** | **31 400 079** | **95 671 920** |
| Total comprehensive loss for the year | - | - | - | - | (566 841) | (566 841) |
| **Balance at 31 December 2023** | **2 464 813** | **88 195** | **-** | **61 718 833** | **30 833 238** | **95 105 079** |
| Effects of changes in functional currency | - | - | (34 841 300) | - | - | (34 841 300) |
| Total comprehensive income for the year | - | - | - | - | 26 559 700 | 26 559 700 |
| **Balance at 31 December 2024** | **2 464 813** | **88 195** | **(34 841 300)** | **61 718 833** | **57 392 938** | **86 823 479** |

**Historical cost**

| | Share Share capital ZWG | Non options reserve ZWG | Distributable reserve ZWG | Revaluation reserve ZWG | Retained earnings ZWG | Total ZWG |
|---|---|---|---|---|---|---|
| **Balance at 1 January 2023** | **1 482 107** | **53 032** | **-** | **37 111 910** | **18 881 059** | **57 528 108** |
| Total comprehensive income for the year | - | - | - | - | (340 845) | (340 845) |
| **Balance at 31 December 2023** | **1 482 107** | **53 032** | **-** | **37 111 910** | **18 540 214** | **57 187 263** |
| Effects of changes in functional currency | - | - | (20 950 286) | - | - | (20 950 286) |
| Total comprehensive income for the year | - | - | - | - | 16 712 731 | 16 712 731 |
| **Balance at 31 December 2024** | **1 482 107** | **53 032** | **(20 950 286)** | **37 111 910** | **35 252 945** | **52 949 708** |



# Abridged Statement of cash flows

**for the year ended 31 December 2024**

| | Notes | Inflation Adjusted | | Historical Cost | |
|---|---|---|---|---|---|
| | | 2024 ZWG | 2023 ZWG | 2024 ZWG | 2023 ZWG |
| **CASH FLOWS FROM OPERATING ACTIVITES** | | | | | |
| **Profit / (loss) before tax** | | **26 946 509** | **(1 013 940)** | **17 099 540** | **(609 688)** |
| **Adjusted for:** | | | | | |
| Depreciation charge for the year | 8 | 7 790 968 | 2 485 613 | 4 935 611 | 1 494 614 |
| Interest expense | 15 | - | 10 555 | - | 6 347 |
| Profit on disposal of assets | | (177 572) | (1 450 094) | (111 706) | (871 950) |
| Monetary loss | | 1 841 991 | 10 365 056 | - | - |
| **Operating cash inflows before working capital changes** | | **36 401 896** | **10 397 190** | **21 923 445** | **19 323** |
| **Changes in working capital** | | | | | |
| Decrease / (increase) in inventories | | 14 880 451 | (9 494 643) | 7 236 950 | (5 709 189) |
| Decrease / (increase) in trade and other receivables | | 5 490 247 | (11 618 088) | (5 099 029) | (6 986 027) |
| (Decrease)/ Increase in trade and other payables | | (19 516 673) | 19 779 349 | (3 710 215) | 11 893 443 |
| **Cash generated /(utilised) from operating activities** | | **37 255 921** | **9 063 808** | **20 351 151** | **(510 450)** |
| Income tax paid | | - | (190 801) | - | (114 730) |
| **Net cash generated /(utilised) from operating activities** | | **37 255 921** | **8 873 007** | **20 351 151** | **(625 180)** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | |
| Proceeds from disposal of vehicles | | 178 356 | 2 568 611 | 112 199 | 1 544 521 |
| Purchase of equipment | 8 | (431 508) | (414 274) | (260 447) | (249 105) |
| **Net cash (utilised) /generated in investing activities** | | **(253 152)** | **2 154 337** | **(148 248)** | **1 295 416** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | |
| Interest paid | 15 | - | (10 555) | - | (6 347) |
| Effects of foreign currency translation | | (34 841 300) | - | (20 950 286) | - |
| **Net cash (outflows) from financing activities** | | **(34 841 300)** | **(10 555)** | **(20 950 286)** | **(6 347)** |
| **NET INCREASE IN CASH AND CASH EQUIVALENTS** | **2** | **161 469** | **11 016 789** | **(747 383)** | **663 889** |
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR** | | **2 344 247** | **1 240 171** | **1 409 610** | **745 721** |
| Effects of inflation on cash and cash equivalents | | (3 843 489) | (9 912 713) | - | - |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR** | **11** | **662 227** | **2 344 247** | **662 227** | **1 409 610** |



# Notes to the financial statements

**as at 31 December 2024**

## 1 General information

### 1.1 Nature of business

The main business of the company, which is incorporated in Zimbabwe (Registration Number 510/68), is that of producing rubber and chemical products.

### 1.2 Currency

For the 2024 financial year, the Directors assessed and concluded that the United Stated Dollar (USD) is the appropriate functional currency, considering income and expense distribution. However, taking into account the regulatory framework, and long-term investment considerations, the Directors decided to continue using the local currency, Zimbabwe Gold (ZWG) as the functional currency. This conclusion aligns with both regulatory requirements and the economic reality of operating in Zimbabwe.

### 1.3 Reporting currency

"Following the Monetary Policy Statement of 5 April 2024, the Government of Zimbabwe issued a Statutory Instrument (SI) 60 of 2024 which formalised the Reserve Bank of Zimbabwe's (RBZ) (Central Bank's) introduction of a structured currency called the Zimbabwe Gold (ZWG). A structured currency is generally defined as a currency that is pegged to a specific exchange rate or currency basket and backed by a bundle of foreign exchange assets and that the currency is fully convertible into the reserve currency on demand. The ZWG is anchored by a composite basket of foreign currency and precious metals (mainly gold) held as reserves by the Reserve Bank of Zimbabwe.With effect from 5 April 2024, all companies were required to convert the previously existing Zimbabwean Dollar (ZWL) balances into ZWG. The new currency is co-circulating with other foreign currencies in the economy. The swap rate on 5 April 2024 was ZWG 2 498.7242 as guided by the closing interbank exchange rate and the price of gold as at that date. This swap rate was used to make legitimate conversions of all ZWL balances into ZWG.In addition to the developments mentioned above, management used judgement to determine the currency that would fairly represent and reflect the economic effects of the underlying transactions that are relevant to the company and its operations as required by IAS 21, the effects of changes in foreign exchange rates given the exposure to multiple currencies circulating in the economy and they concluded that the Company's functional currency changed from ZWL to USD. However, for the year ended 31 December 2024, management continued to use the local currency as both its functional and presentation currency. The audited financial results are therefore presented in Zimbabwe Gold (ZWG)."

### 1.4 Conversion from Zimbabwean Dollar to Zimbabwe Gold

"Following the introduction of the Zimbabwe Gold currency by the Reserve Bank of Zimbabwe (RBZ) on 5 April 2024 and the Statutory Instrument (SI) 60 of 2024, all the previously existing Zimbabwean Dollar (ZWL) balances were converted into ZWG as at that date.The swap rate of ZWG 1 : ZWL 2,498.7242 was used as guided by the closing interbank exchange rate and the price of gold as at that date. The previously reported balances for December 2023 (income statement) and transactions between 1 January 2024 and 31 March 2024 were inflated to the 31st of March 2024. These amounts were converted using the same rate for adoption as the comparative balances and current results in the audited financial results for the period ended 31 December 2024.For the opening balances in the balance sheet, management also inflated to the 31st of March 2024."

Conversion factors as at 31 March 2024:
IndexConversion factor
TCPL as at 31 December 20223113,672.91
TCPL as at 31 December 202365,7036.53
TCPL as at 31 March 2024429,2201

### 1.5 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRSs). The principal accounting policies adopted in the preparation of financial statements are set out below.

The preparation of the financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires the company's management to exercise judgement in applying the company's accounting policies. The areas where significant judgement and estimates have been made in preparing the financial statements and their effects are disclosed in note 4.

The financial statements provide information about the financial position, results of operations and changes in the financial position of the Company. The financial statements are prepared in Zimbabwe Gold. The symbol "ZWG" denotes Zimbabwe Gold unless explicitly indicated otherwise. The financial statements are based on the statutory records that are maintained under the historical cost convention and restated to take into account the effects of inflation in accordance with the International Accounting Standard 29 (IAS 29) "Financial Reporting in Hyperinflationary Economies. In 2019 Zimbabwe met the key indicators of being a hyperinflationary economy as described under IAS 29.

"Accordingly, the inflation adjusted financial statements represent the principal financial statements of the Company. IAS 29 discourages the presentation of historical cost financial statements when inflation adjusted financial statements are presented. However, these have been presented as supplementary information to the restated financial statements."



# Notes to the financial statements (Cont'd)

**as at 31 December 2024**

"IAS 29, "Financial Reporting in Hyperinflationary Economies" requires that the financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date and that corresponding figures for previous periods be restated in the same terms."

The restatement of the historical cost numbers is based on the conversion factors derived from the consumer price index (CPI) issued by the Zimbabwe National Statistics Agency (ZIMSTAT) as reported on the Reserve Bank of Zimbabwe website. Notwithstanding the fact that the change in prices of some commodities was directly linked to exchange rate movements, we do not support using exchange rate movements as a direct proxy for average price movements in the economy. We believe the CPI best represents average price movements in the economy during 2024 and have thus applied it in preparation of these financial statements. The indices and conversion factors used to restate the accompanying financial statements as at 31 December 2024 are given below:

| | Currency | Indices | Conversion factor |
|---|---|---|---|
| CPI on 31 March 2024 | ZWG | 100 | 1.66 |
| CPI on 31 December 2024 | ZWG | 166 | 1.00 |

The main procedures applied for the above-mentioned restatement are as follows:

- Monetary assets, liabilities and items that are carried at amounts that were current or were at fair value as at 31 December 2022 are restated by applying the change in the index from 31 December 2023 to 31 December 2024.
- Non-monetary assets and liabilities that were not carried at amounts current at 31 December 2023 and components of shareholder's equity are restated by applying the change in the index from the date of the transaction or if applicable from the date of their most recent revaluation to 31 December 2024 or if the transaction date was before 1 February 2019, they are restated from 1 February 2019 being the date of initial application of IAS 29.
- Profit or loss items/transactions except the depreciation and amortisation charges are restated by applying the change in the index from the month of the transaction to 31 December 2024. Depreciation and amortisation amounts are based on inflation adjusted cost of the assets.
- Deferred tax is calculated on inflation adjusted carrying amounts of the assets and liabilities.
- The effect of inflation on the net monetary position of the entity is included in the income statement as loss or gain on monetary position.
- All items in the cash flow statement are expressed in terms of the measuring unit current at the balance sheet date.

## 2 Changes in accounting polices and interpretations

**New standards, interpretations and amendments**
Several amendments and interpretations apply for the first time in 2024, but do not have an impact on the financial statements of the company. The company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

**Standards issued now effective**

### Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements

"The amendments require additional disclosures that complement the existing disclosures in these two standards. They require entities to disclose : • the terms and conditions of the arrangement;

• the terms and conditions of the arrangement;
• the amount of the liabilities that are part of the arrangements, breaking out the amounts for which the suppliers have already received payment from the finance providers, and stating where the liabilities are included on the statement of financial position;
• ranges of payment due dates; and
• liquidity risk information."

**Effective date 1 January 2024.**

### Amendments to IAS 1 Presentation of Financial Statements - Non-current liabilities with covenants

The amendments set out in 'Non-current Liabilities with Covenants (Amendments to IAS 1)' state that at the reporting date, the entity does not consider covenants that will need to be complied with in the future, when considering the classification of the debt as current or non-current. Instead, the entity should disclose information about these covenants in the notes to the financial statements. The IASB want these amendments to enable investors to understand the risk that such debt could become repayable early and therefore improving the information being provided on the long-term debt.

**Effective date 1 January 2024.**





### Amendments to IAS 1 Presentation of Financial Statements - Non-current liabilities with covenants

This amendment refines the criteria for classifying liabilities as current or non-current. It clarifies that the right to defer settlement must exist at the reporting date and have substance. Additionally, it provides guidance on how covenants affect the classification of liabilities, ensuring consistency and transparency in financial reporting.

**Effective date 1 January 2024.**

### Amendments to IFRS 16 Lease Liability in a Sale and Leaseback Presentation of Financial Statements - Non-current liabilities with covenants

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease. The Group is currently assessing the impact the amendments will have on its financial statements.

**Effective date 1 January 2024**

**Standards issued not yet effective**

### Amendments to IAS 21 The effects of changes in foreign exchange rates - Lack of exchangeability

These amendments to IAS 21 clarify accounting treatment when a currency lacks exchangeability, ensuring more consistent financial reporting. Companies must assess whether a currency can be exchanged into another and, if not, estimate a spot exchange rate that reflects an orderly transaction under prevailing economic conditions. The amendments introduce new disclosure requirements, increasing transparency for investors and stakeholders.

**Effective date 1 January 2025**

## 3 Material accounting policies

### 3.1 Revenue recognition

To determine whether to recognise revenue, the company follows a five step process:
1 Identifying the contract with a customer;
2 Identifying the performance obligation;
3 Determining the transaction price;
4 Allocating the transaction price to the performance obligation; and
5 Recognising revenue as/when performance obligation(s) are satisfied.

Revenue from the sale of rubber and chemical products is measured at the fair value of the consideration received or receivable and represent amounts receivable for goods provided in the normal course of the business net of discount and value added tax. Revenue is recognised when the goods have been delivered to or collected by the customer.

#### 3.1.1 Performance obligations and timing of revenue recognition"

The company derives revenue from the sale of rubber and chemical products, with revenue recognised at a point in time when control of the asset (rubber and chemical products) is transferred to the customer. This is generally when the goods have been delivered to/or collected by the customer.

#### 3.1.2 Determining the transaction price

The transaction price is fixed for each unit of product.

#### 3.1.3 Allocating amounts to performance obligations

There is a fixed unit price for each product sold. Therefore, there is no judgement involved in allocating the price to each unit offered. Where a customer orders more than one product or service line, the company is able to determine the split of the total price between each product by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

### 3.2 Deferred revenue

Deferred income relates to equipment given to the company under a loyalty programme by one if its customers. The deferred income is recognized through profit or loss on a straight-line basis over the expected life of the equipment.

### 3.3 Employee benefits

Employee benefits are all forms of consideration given in exchange for the company's rendered by employees or for the termination of employment. The classification, recognition and measurement of these employee benefits is as follows:



# Notes to the financial statements (Cont'd)

**as at 31 December 2024**

### 3.3.1 Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. The company's short-term employee benefits comprise remuneration in the form of salaries, wages, bonuses, employee entitlement to leave pay and medical aid. The undiscounted amount of all short-term employee benefits expected to be paid in exchange for service rendered are recognised as an expense or as part of the cost of an asset during the period in which the employee renders the related service. The company recognizes the expected cost of bonuses only when the company has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

### 3.3.2 Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Post-employment benefits comprise retirement benefits that are provided for company employees by the National Social Security Authority (NSSA), which is a defined contribution fund. Payments to the NSSA scheme are recognised as an expense when they fall due, which is when the employee renders the service. The company has no liability for Post-employment Retirement Benefit Funds.

### 3.3.3 Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date (or contractual date) or an employee's decision to accept voluntary redundancy in exchange for those benefits. The company recognizes termination benefits as a liability and an expense at the earlier of when the offer of termination cannot be withdrawn or when the related restructuring costs are recognised under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Termination benefits are measured according to the terms of the termination contract. Where termination benefits are due more than 12 months after the reporting period, the present value of the benefits shall be determined. The discount rate used to calculate the present value shall be determined by reference to market yields on high quality corporate bonds at the end of the reporting period.

## 3.4 Financial instruments

### 3.4.1 Financial assets

The company classifies its financial assets as loans and receivables.

**"Loans and receivables"**

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of services to customers. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cashflows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

**"Derecognition of financial assets"**

Derecognition of financial assets Financial assets are derecognised when the rights to receive cash flows have expired or where they have been transferred and the company has also transferred substantially all risks and rewards of ownership.

**"Impairment of financial assets"**

Impairment of financial assets A financial asset is deemed to be impaired when its carrying amount is greater than its estimated receivable amount, and there is evidence to suggest that the impairment occurred subsequent to the initial recognition of the asset in the financial statements. Impairment





loss is recognised in expenditure.

#### 3.4.2 Financial liabilities

The company classifies its financial liabilities into one of two categories depending on the purpose for which the liability was acquired.

#### (a) Fair value through profit or loss

They are carried in the statement of financial position at fair value with changes in the fair value recognised in profit or loss.

#### (b) Other financial liabilities

**Other financial liabilities include the following items:**

Borrowings are initially recognized at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position.

Trade payables and other short-term monetary liabilities are initially recognized at fair value and subsequently carried at amortised cost using the effective interest rate method.

### 3.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amounts or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the entity and the costs can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the period in which they are incurred. Subsequent to initial measurement property, plant and equipment are measured at fair value. Annual depreciation is charged proportionately over the remaining useful life of an asset where its carrying amount is higher than its residual value. If the carrying amount is lower than the residual value, no depreciation is charged.

Subject to the above property, plant and equipment are depreciated on a straight line basis over the remaining useful lives as follows:

| | |
|---|---|
| Industrial buildings | 40 years |
| Plant and machinery | 40 years |
| Motor vehicles | 5 years |
| Computer equipment | 5 years |
| Other office equipment | 10 years |
| Land and work in progress | not depreciated |

The assets' residual values and useful lives are reviewed at each reporting date and adjusted if appropriate. The residual value of an asset is the estimated amount that would currently be obtained from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in condition expected at the end of its useful life.

Gains and losses on disposals are determined by comparing proceeds with the carrying amounts. These gains and losses are included in profit or loss.

#### (a) Impairment of property, plant and equipment

The carrying amount of property, plant and equipment is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Impairment loss is recognised directly through profit or loss when the carrying amounts of the assets exceed the fair values of the respective assets.

#### (b) De-recognition of property, plant and equipment

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from use or disposal.

### 3.6 Inventories

Inventories are initially recognised at cost and subsequently at standard cost. Inventories are stated at the lower of cost and net realisable value, after making allowance for obsolete inventories. Cost is determined on a standard basis for finished goods, work in progress. Where standard cost differs significantly from actual cost, then actual cost is used. Raw materials are stated at actual cost. The cost of finished goods and work in progress comprises raw materials, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less costs of completion and selling expenses. Write downs to net realisable values and inventory losses are expensed in the period in which the write downs or losses occur.

### 3.7 Operating segments

The company identifies segments as components of the company that engage in business activities from which revenues are earned and expenses incurred (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance,



# Notes to the financial statements (Cont'd)

**as at 31 December 2024**

and for which discrete financial information is available. The chief operating decision-maker has been identified as the Managing Director.

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

### 3.8 Share-based payments

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non vesting condition is not satisfied. Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

### 3.9 Income tax

#### (a) Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

#### (b) Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except: Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except: where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures.

Deferred tax assets are recognised only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets at each reporting date are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax relate to the same taxable entity and the same taxation authority.

### 3.10 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in most advantageous market for the asset or liability. The principal or most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non financial asset takes into account a market participants ability to generate economic benefits by using the asset in its highest and best use or selling it to another market participant that would use the asset in its highest and best use.





All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets and liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

## 4 Critical judgements in applying the company's accounting policies

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts presented in the financial statements and related disclosures. Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgments include:

### (a) Trade receivables

The company assesses its trade receivables for impairment at each reporting date. In determining whether an impairment loss should be recognised in profit or loss, the company makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the receivables.

### (b) Impairment testing

The company is required to test, on an annual basis, whether an asset has suffered any impairment. Impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. The determination of value in use requires the estimation of future cash flows and of a discount rate.

### (c) Going concern

The operations of the company were significantly affected, and may continue to be affected for the foreseeable future, by the adverse effects of the liquidity challenges in the economy and the need for recapitalisation of the company. The ability of the company to continue operating as a going concern, in such an environment, is subject to continual assessment.

The assessment requires judgmental estimates and assumptions regarding future cash flows and the discount rate used to determine the present value of the cash flows.

### (d) Useful lives of property, plant & equipment

The company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. The following factors are considered in estimating the useful life of an asset:

- Expected usage of the asset;
- Expected physical wear and tear which depends on how the asset is going to be used; and
- Management also uses experience with the usage of the asset.

### (e) Functional currency

In assessing the functional and presentation currency, the directors considered the factors below:

- On 1 October 2018, the Reserve Bank of Zimbabwe (RBZ) instructed banks to separate bank accounts into FCA Nostro (US Dollar balances (USD)) and FCA RTGS (RTGS balances (RTGS)). This resulted in the need for the Company to reassess the functional currency of the Company in accordance with IAS 21: The Effects of Changes in Foreign Exchange Rates. It was determined that the functional currency had changed to Real Time Gross Settlement Dollars (RTGS Dollars) with effect from 1 October 2018.

- The RBZ announced that the RTGS would be recognised as an official currency and that an inter-bank foreign exchange market would be established to formalise trading in RTGS with other currencies on 20 February 2019. This further confirmed the change in functional currency of the Company.

- The Government of Zimbabwe issued SI 33 of 2019 introducing Real Time Gross Settlement Dollars (RTGS Dollars) as currency. It also specified, among other things, that for accounting and other purposes, all assets and liabilities held immediately before the effective date valued in United States Dollars were deemed to be valued in RTGS Dollars at a rate of 1:1.

- On 24 June 2019, The Government of Zimbabwe then followed up with issuing SI 142 of 2019 reintroducing the Zimbabwean Dollar (ZWL) and declaring it the sole legal tender for local transactions.

- On 29 March 2020, The Government of Zimbabwe the issued Statutory Instrument 85 of 2020 which was valid until 30 June 2025 which



# Notes to the financial statements (Cont'd)

**as at 31 December 2024**

reintroduced the use of multi-currencies. The cut off date was further extended by Statutory Instrument 218 of 2023 gazetted on 27 October 2023 which extended the multi-currency regime to 2030.

- On 5 April 2024, The Government of Zimbabwe introduced the Zimbabwe Gold currency by the Reserve Bank of Zimbabwe (RBZ) and the Statutory Instrument (SI) 60 of 2024, all the previously existing Zimbabwean Dollar (ZWL) balances were converted into ZWG as at that date. As such, management had to assess whether the new ZWG currency would be appropriate as the functional currency of the organisation.- I n light of this

- increased level of USD transactions since 2019, the Directors conducted a thorough assessment of the factors influencing the determination of GB Holdings' functional currency. The assessment considered factors such as primary economic activities, currency of transactions, cash flow patterns, the regulatory environment, and long-term stability.

- After a thorough assessment and analysis, the management of GB Holdings Limited concluded that the company's functional currency has changed to USD. However, for the year ended 31 December 2024, management continued to use the local currency as both its functional and presentation currency.
- This conclusion was reached because of the following reasons:

1. "Although the use of multi-currencies was extended to 2030, the RBZ pronouncements and enforcements through the FIU (Financial Intelligence Unit) surveillance on pricing compelled companies to use ZWG prices that took account of loss of currency value."

2. Key customers in the mining sector settled accounts in mixed currencies to make use of the liquidated portion to ZWG on exports receipts. Refusal of acceptance to this proposal would have been calamitous and the company could lose key markets.

3. The company currently has no exports and access to foreign currency is limited to Sales in USD local and RBZ willing buyer willing seller arrangement.

- functional currency in the near future.The Directors will continue to assess the developments in accordance with IAS 21 to determine whether there will the need to change the functional currency.

-The following exchange rates have been used to translate the foreign currency balances to Zimbabwe Gold at year end:

| | **2024 Dec Mid - rate ZWG** |
|---|---|
| United States Dollar (USD) | 25.7985 |
| South African Rand (ZAR) | 1.3714 |



# Notes to the financial statements (Cont'd)

**as at 31 December 2024**

## 5 Property, plant and equipment

**Inflation Adjusted**

| | Land ZWG | Buildings ZWG | Plant and machinery ZWG | Motor vehicles ZWG | Office equipment ZWG | Total ZWG |
|---|---|---|---|---|---|---|
| **Carrying amount at 1 January 2023** | **26 582 914** | **57 121 088** | **22 093 145** | **4 740 965** | **8 316 496** | **118 854 608** |
| Gross carrying amount - cost | 26 582 914 | 57 126 845 | 22 100 920 | 4 864 243 | 8 324 334 | 118 999 256 |
| Accumulated depreciation | - | (5 757) | (7 775) | 123 278) | (7 838) | (144 648) |
| **Opening carrying amount** | **26 582 914** | **57 121 088** | **22 093 145** | **4 740 965** | **8 316 496** | **118 854 608** |
| Additions | - | 116 249 | 238 521 | - | 59 504 | 414 274 |
| Disposal | (828 342) | (154 126) | - | (116 856) | (40 595) | (1 139 919) |
| Disposal depreciation | - | 3 852 | - | 13 491 | 4 059 | 21 402 |
| Depreciation charge for the year | - | (784 664) | (296 215) | (504 841) | (899 893) | (2 485 613) |
| **Closing carrying amount** | **25 754 572** | **56 302 399** | **22 035 451** | **4 132 759** | **7 439 571** | **115 664 752** |
| **Carrying amount at 31 December 2023** | **25 754 572** | **56 302 399** | **22 035 451** | **4 132 759** | **7 439 571** | **115 664 752** |
| Gross carrying amount - cost | 25 754 572 | 57 087 063 | 22 331 666 | 4 637 600 | 8 339 464 | 118 150 365 |
| Accumulated depreciation and impairment loss | - | (784 664) | (296 215) | (504 841) | (899 893) | (2 485 613) |
| **Opening carrying amount** | **25 754 572** | **56 302 399** | **22 035 451** | **4 132 759** | **7 439 571** | **115 664 752** |
| Additions | - | - | 342 281 | - | 89 227 | 431 508 |
| Disposals | - | - | - | (1 205) | - | (1 205) |
| Disposals depreciation | - | - | - | 421 | - | 421 |
| Depreciation charge for the year | - | (3 143 772) | (2 659 842) | (713 348) | (1 274 006) | (7 790 968) |
| Closing carrying amount | 25 754 572 | 53 158 627 | 19 717 890 | 3 418 627 | 6 254 792 | 108 304 508 |
| **Carrying amount at 31 December 2024** | **25 754 572** | **53 158 627** | **19 717 890** | **3 418 627** | **6 254 792** | **108 304 508** |
| Gross carrying amount - cost / valuation | 25 754 572 | 56 302 399 | 22 377 732 | 4 131 975 | 7 528 798 | 116 095 476 |
| Accumulated depreciation and impairment loss | - | (3 143 772) | (2 659 842) | (713 348) | (1 274 006) | (7 790 968) |



# Notes to the financial statements (Cont'd)

**as at 31 December 2024**

| | Historical cost | | | | | |
|---|---|---|---|---|---|---|
| | Land ZWG | Buildings ZWG | Plant and machinery ZWG | Motor vehicles ZWG | Office equipment ZWG | Total ZWG |
| **Carrying amount at 1 January 2023** | **15 984 468** | **34 347 258** | **13 284 743** | **2 850 771** | **5 000 760** | **71 468 000** |
| Gross carrying amount - Cost | 15 984 468 | 34 350 720 | 13 289 418 | 2 924 899 | 5 005 473 | 71 554 978 |
| Accumulated depreciation | - | (3 462) | ( 4 675) | (74 128) | (4 713) | (86 978) |
| **Opening carrying amount** | **15 984 468** | **34 347 258** | **13 284 743** | **2 850 771** | **5 000 760** | **71 468 000** |
| Additions | - | 69 901 | 143 424 | - | 35 780 | 249 105 |
| Disposals | (498 087) | (92 677) | - | (70 266) | (24 410) | (685 440) |
| Disposals depreciation | - | 2 316 | - | 8 112 | 2 441 | 12 869 |
| Depreciation charge for the year | - | (471 823) | (178 116) | (303 564) | (541 111) | (1 494 614) |
| **Closing carrying amount** | **15 486 381** | **33 854 975** | **13 250 051** | **2 485 053** | **4 473 460** | **69 549 920** |
| **Carrying amount at 31 December 2023** | **15 486 381** | **33 854 975** | **13 250 051** | **2 485 053** | **4 473 460** | **69 549 920** |
| Gross carrying amount - Cost | 15 486 381 | 34 330 260 | 13 432 842 | 2 804 260 | 5 019 284 | 71 073 027 |
| Accumulated depreciation | - | (475 285) | (182 791) | (319 207) | (545 824) | (1 523 107) |
| **Opening carrying amount** | **15 486 381** | **33 854 975** | **13 250 051** | **2 485 053** | **4 473 460** | **69 549 920** |
| Additions | - | - | 204 317 | - | 56 130 | 260 447 |
| Disposals | - | - | - | (758) | - | (758) |
| Disposals depreciation | - | - | - | 265 | - | 265 |
| Depreciation charge for the year | - | (1 962 604) | (1 625 814) | (483 590) | (863 603) | (4 935 611) |
| **Closing carrying amount** | **15 486 381** | **31 892 371** | **11 828 554** | **2 000 970** | **3 665 987** | **64 874 263** |
| **Carrying amount at 31 December 2024** | **15 486 381** | **31 892 371** | **11 828 554** | **2 000 970** | **3 665 987** | **64 874 263** |
| Gross carrying amount- cost / valuation | 15 486 381 | 33 854 975 | 13 454 368 | 2 484 560 | 4 529 590 | 69 809 874 |
| Accumulated depreciation | - | (1 962 604) | (1 625 814) | (483 590) | (863 603) | (4 935 611) |



# Notes to the financial statements (Cont'd)

**as at 31 December 2024**

| | Inflation Adjusted | | Historical Cost | |
|---|---|---|---|---|
| | 2024 ZWG | 2023 ZWG | 2024 ZWG | 2023 ZWG |
| **6 Inventories** | | | | |
| Raw materials | 3 642 167 | 14 479 489 | 3 471 507 | 8 706 605 |
| Finished goods | 889 924 | 5 169 826 | 873 044 | 3 108 648 |
| Work in progress | 259 720 | 22 947 | 247 550 | 13 798 |
| | **4 791 811** | **19 672 262** | **4 592 101** | **11 829 051** |
| **7 Trade and other receivables** | | | | |
| Trade receivables | 24 126 746 | 32 867 036 | 24 126 746 | 19 763 149 |
| Less: Allowance for credit losses | (3 165 944) | (6 936 710) | (3 165 944) | (4 171 086) |
| Trade receivables - net | 20 960 802 | 25 930 326 | 20 960 802 | 15 592 063 |
| Other receivables | 108 866 | 629 589 | 108 866 | 378 576 |
| **Financial assets other than cash and cash equivalents classified as loans and receivables** | **21 069 668** | **26 559 915** | **21 069 668** | **15 970 639** |

The fair value of trade and other receivables classified as loans and receivables is as follows:

| | | | | |
|---|---|---|---|---|
| Trade receivables | 20 960 802 | 25 930 326 | 20 960 802 | 15 592 063 |
| Other receivables | 108 866 | 629 589 | 108 866 | 378 576 |
| | **21 069 668** | **26 559 915** | **21 069 668** | **15 970 639** |

The carrying value of trade and other receivables at amortised cost approximates fair value.

The movement in the impairment allowance has been included in the operating expenses line item in profit or loss.

### Impairment of trade receivables

The company applies the IFRS 9 simplified approach to measure expected credit losses using a lifetime expected credit loss provision for trade and other receivables. To measure expected credit losses on a collective basis, trade and other receivables are grouped based on similar credit risk and their aging.

The expected loss rates are based on the company's historical credit losses assessed over the past 3 years. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the company's clients. The company has identified Gross Domestic Product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors and accordingly adjusts historical loss rates for expected changes in these factors.

The table below describes the credit loss allowances recognised in the statement of profit or loss:

| **Cernol Chemicals 2024** | Current ZWG | More than 30 days past due ZWG | More than 60 days past due ZWG | More than 90 days past due ZWG | More than 120 days past due ZWG | More than 180 days past due ZWG | Total ZWG |
|---|---|---|---|---|---|---|---|
| Gross carrying amount | 6 979 949 | 381 563 | 1 184 541 | 425 531 | 23 409 | 37 692 | 9 032 685 |
| Default rate | 0.6% | 1.1% | 1.8% | 3.2% | 2.3% | 100.0% | |
| Credit loss allowance | 39 805 | 4 080 | 21 110 | 13 802 | 527 | 37 692 | 117 016 |



# Notes to the financial statements (Cont'd)

**as at 31 December 2024**

| General Beltings 2024 | Current ZWG | More than 30 days past due ZWG | More than 60 days past due ZWG | More than 90 days past due ZWG | More than 120 days past due ZWG | More than 180 days past due ZWG | Total ZWG |
|---|---|---|---|---|---|---|---|
| Gross carrying amount | 10 117 729 | 225 327 | 17 531 | 621 060 | 1 130 817 | 2 984 372 | 15 096 836 |
| Default rate | 0.4% | 0.7% | 2.2% | 2.8% | 0.8% | 100.0% | |
| Credit loss allowance | 36 035 | 1 685 | 381 | 17 465 | 8 990 | 2 984 372 | 3 048 928 |
| **Total credit loss allowance GB Holdings Limited 2024** | | | | | | | **3 165 944** |

| Cernol Chemicals 2023 | Current ZWG | More than 30 days past due ZWG | More than 60 days past due ZWG | More than 90 days past due ZWG | More than 120 days past due ZWG | More than 180 days past due ZWG | Total ZWG |
|---|---|---|---|---|---|---|---|
| Gross carrying amount | 2 537 620 | 1 060 562 | 597 397 | 66 380 | 495 | 2 133 | 4 264 587 |
| Default rate | 0.6% | 1% | 1.7% | 3.1% | 2.9% | 100% | |
| Credit loss allowance | 14 008 | 10 977 | 9 857 | 2 058 | 14 | 2 133 | 39 046 |

| General Beltings 2023 | Current ZWG | More than 30 days past due ZWG | More than 60 days past due ZWG | More than 90 days past due ZWG | More than 120 days past due ZWG | More than 180 days past due ZWG | Total ZWG |
|---|---|---|---|---|---|---|---|
| Gross carrying amount | 11 171 040 | 42 435 | 18 877 | 97 313 | 78 356 | 4 090 541 | 15 498 562 |
| Default rate | 0.3% | 0.7% | 2.1% | 3.6% | 0.0% | 100% | |
| Credit loss allowance | 37 311 | 297 | 387 | 3 503 | - | 4 090 541 | 4 132 039 |
| **Total credit loss allowance GB Holdings Limited 2023** | | | | | | | **4 171 086** |

Movements in the impairment allowance for trade receivable are as follows:

| | Inflation Adjusted | | Historical Cost | |
|---|---|---|---|---|
| | 2024 ZWG | 2023 ZWG | 2024 ZWG | 2023 ZWG |
| At 1 January | 6 936 710 | 204 182 | 4 171 086 | 122 776 |
| Increase/(decrease) during the year | (1 005 142) | 6 894 219 | (1 005 142) | 4 145 536 |
| Effects of IAS 29 and changes in functional currency | (2 765 624) | (161 691) | - | (97 226) |
| **As at 31 December** | **3 165 944** | **6 936 710** | **3 165 944** | **4 171 086** |

## 8 Cash and cash equivalents

For the purposes of statement of cash flows, cash and cash equivalents consist of:

| | | | | |
|---|---|---|---|---|
| Cash at bank | 523 663 | 1 924 373 | 523 663 | 1 157 137 |
| Cash in hand | 138 564 | 419 874 | 138 564 | 252 473 |
| | **662 227** | **2 344 247** | **662 227** | **1 409 610** |



# Notes to the financial statements (Cont'd)

**as at 31 December 2024**

| | Inflation Adjustment | | Historical Cost | |
|---|---|---|---|---|
| | 2024 ZWG | 2023 ZWG | 2024 ZWG | 2023 ZWG |
| **9 Share capital** | | | | |
| Authorised | | | | |
| 640 000 000 ordinary shares of ZWG 0.001 each | 640 000 | 640 000 | 640 000 | 640 000 |
| Issued and fully paid | | | | |
| 536 588 624 ordinary shares of ZWG 0.001 each | 464 813 | 2 464 813 | 1 482 107 | 1 482 107 |

Unissued shares are under the control of the directors subject to the limitations imposed by the Companies and other Business Entities Act (Chapter 24:31) and the requirements of the Zimbabwe Stock Exchange.

**10 Share option reserve**

The company has an equity-settled remuneration scheme for the executive directors and certain senior employees. The only vesting condition being that the individual remains an employee of the company over the same period.

Details of the share option plan are as follows:

**2024**

| | Number of options | Exercise price | Share option reserve | Inflation adjusted |
|---|---|---|---|---|
| Outstanding at the beginning of the year | 6 400 000 | 0.008 | 53 032 | 88 195 |
| Exercised during the year | - | - | - | - |
| Granted during the year | - | - | - | - |
| **Outstanding at the end of the year** | **6 400 000** | **0.008** | **53 032** | **88 195** |

**2023**

| | Number of options | Exercise price | Share option reserve | Inflation adjusted |
|---|---|---|---|---|
| Outstanding at the beginning of the year | 6 400 000 | 0.008 | 53 032 | 88 195 |
| Exercised during the year | - | - | - | - |
| Granted during the year | - | - | - | - |
| **Outstanding at the end of the year** | **6 400 000** | **0.008** | **53 032** | **88 195** |

The exercise price of the options outstanding at 31 December 2024 was ZWG 0.008. Of the total number of options outstanding at 31 December 2024, ZWG 6 400 000 (2023: ZWG 6 400 000) had vested and were exercisable.

The estimated fair value of the share options granted in the Employee Share Ownership scheme is ZWG 0.008, which is equal to the share price at the date of grant. This was measured at the fair value of the equity instrument at the grant date.

| | Inflation Adjustment | | Historical Cost | |
|---|---|---|---|---|
| | 2024 ZWG | 2023 ZWG | 2024 ZWG | 2023 ZWG |
| **11 Revaluation reserve** | | | | |
| Balance at the beginning of the period | 61 718 833 | 61 718 833 | 37 111 910 | 37 111 910 |
| Current year movement | - | - | - | - |
| **Closing balance** | **61 718 833** | **61 718 833** | **37 111 910** | **37 111 910** |



# Notes to the financial statements (Cont'd)

**as at 31 December 2024**

| | Inflation Adjustment | | Historical Cost | |
|---|---|---|---|---|
| | 2024 ZWG | 2023 ZWG | 2024 ZWG | 2023 ZWG |
| **12 Deferred tax** | | | | |
| Analysis of deferred tax | | | | |
| Accelerated wear and tear on property, plant and equipment | 26 409 234 | 27 169 219 | 16 653 050 | 16 337 017 |
| Leave pay provision | (736 835) | (984 106) | (736 835) | (591 749) |
| Expected credit losses | (815 231) | (1 714 754) | (815 231) | (1 031 093) |
| | **24 857 168** | **24 470 359** | **15 100 984** | **14 714 175** |
| Reconciliation | | | | |
| Opening balance | 24 470 359 | 27 288 742 | 14 714 175 | 16 408 887 |
| Recognised in profit or loss | 386 809 | (2 818 383) | 386 809 | (1 694 712) |
| Recognised through OCI | - | - | - | - |
| **Closing balance** | **24 857 168** | **24 470 359** | **15 100 984** | **14 714 175** |
| **13 Trade and other payables** | | | | |
| Trade payables | 8 592 842 | 21 534 708 | 8 592 842 | 12 948 951 |
| Other payables | 1 772 603 | 816 945 | 1 772 603 | 491 234 |
| Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost | 10 365 445 | 22 351 653 | 10 365 445 | 13 440 185 |
| Statutory obligations | 9 763 482 | 17 293 947 | 9 763 482 | 10 398 957 |
| **Total trade and other payables** | **20 128 927** | **39 645 600** | **20 128 927** | **23 839 142** |
| **14 Revenue** | | | | |
| Sale of chemicals | 35 430 292 | 43 423 019 | 24 128 236 | 26 110 526 |
| Sale of rubber | 41 700 706 | 106 653 151 | 30 192 829 | 64 131 189 |
| | **77 130 998** | **150 076 170** | **54 321 065** | **90 241 715** |
| **15 Other income** | | | | |
| Realised exchange gains | 38 690 065 | 26 407 346 | 25 608 302 | 15 878 898 |
| Profit on disposal of assets | 177 573 | 1 450 095 | 111 706 | 871 951 |
| Sundry revenue | 230 279 | 1 212 622 | 152 408 | 729 157 |
| | **39 097 917** | **29 070 063** | **25 872 416** | **17 480 006** |
| **16 Finance costs** | | | | |
| Interest on overdue creditor accounts | - | 10 555 | - | 6 347 |

There were no finance costs incurred in 2024, whereas finance costs in 2023 are made up of interest charged on overdue accounts by creditors.



# Notes to the financial statements (Cont'd)

**as at 31 December 2024**

| | Inflation Adjustment | | Historical Cost | |
|---|---|---|---|---|
| | 2024 ZWG | 2023 ZWG | 2024 ZWG | 2023 ZWG |
| **17 Profit / (loss) before tax** | | | | |
| Profit / (loss) before tax is shown after taking into account the following: | | | | |
| Expenses | | | | |
| Depreciation charge for the year | 7 790 968 | 1 064 615 | 4 935 611 | 640 159 |
| Increase in allowance for credit losses | 1 005 142 | 6 894 219 | 1 005 142 | 4 145 536 |
| Staff costs | 26 814 054 | 22 763 429 | 19 038 624 | 13 687 789 |
| Audit fees | 659 431 | 2 185 258 | 460 202 | 1 314 009 |
| Pension contributions | 691 853 | 173 463 | 491 232 | 104 304 |
| **Directors emoluments:** | | | | |
| - for services as directors | 2 360 789 | 2 196 050 | 1 618 469 | 1 320 498 |
| - for other services | 9 613 778 | 13 830 435 | 6 404 693 | 8 316 325 |
| **18 Income tax expense** | | | | |
| Current tax | - | 2 371 284 | - | 1 425 868 |
| Deferred tax | 386 809 | (2 818 383) | 386 809 | (1 694 711) |
| | **386 809** | **(447 099)** | **386 809** | **(268 843)** |
| **18.1 Tax rate reconciliation** | | | | |
| Profit / (loss) before tax | 26 946 509 | (1 013 940) | 17 099 540 | (609 688) |
| Tax at statutory rate of 25.75% and 24.72% | 6 938 726 | (250 646) | 4 403 132 | (150 715) |
| Tax effect of: | | | | |
| Non taxable income | 4 494 416 | 1 132 | 3 177 325 | 681 |
| Other non deductible items | (10 175 619) | 279 245 | (7 193 648) | 167 912 |
| Change of functional currency and IAS 29 effects | (870 714) | (476 830) | - | (286 721) |
| | **386 809** | **(447 099)** | **386 809** | **(268 843)** |
| **18.2 Corporate tax payable** | | | | |
| Opening balance | 5 020 138 | 2 387 310 | 3 018 640 | 1 435 504 |
| Income tax paid | - | (190 801) | - | (114 730) |
| Current tax | - | 2 371 285 | - | 1 425 868 |
| Effects of IAS 29 and changes in functional currency | (2 001 498) | 452 344 | - | 271 998 |
| **Closing balance** | **3 018 640** | **5 020 138** | **3 018 640** | **3 018 640** |
| **19 Earnings per share (EPS)** | | | | |
| Profit / (loss) from continuing operations attributable to equity holders of the company | 26 559 700 | (566 841) | 16 712 731 | (340 845) |
| Number of shares used in calculating earnings / (loss) per share | | | | |
| Weighted average number of shares used in basic earnings / (loss) per share | 536 588 624 | 536 588 624 | 536 588 624 | 536 588 624 |
| Effect of employee share options | 6 400 000 | 6 400 000 | 6 400 000 | 6 400 000 |
| **Weighted average number of shares used in diluted earnings / (loss) per share** | **542 988 624** | **542 988 624** | **542 988 624** | **542 988 624** |



# Notes to the financial statements (Cont'd)

**as at 31 December 2024**

### Basic earnings / (loss) per share

Basic earnings / (loss) per share is calculated by dividing the earnings / (loss) attributable to ordinary equity holders of the parent company by the average number of ordinary shares in issue during the year.

### Headline earnings / (loss) per share

Headline earnings / (loss) per share is calculated by dividing the headline earnings / (loss) for the year attributable to ordinary equity holders of the parent company by the weighted average number of shares in issue during the year.

| | Inflation Adjustment | | Historical Cost | |
|---|---|---|---|---|
| | 2024 ZWG | 2023 ZWG | 2024 ZWG | 2023 ZWG |
| **Headline loss is calculated as follows:** | | | | |
| Profit / (loss) for the year attributable to ordinary equity holders of the company | 26 559 700 | 16 712 731 | (340 845) | (566 841) |
| Profit on disposal of vehicles | - | - | - | - |
| Headline profit / (loss) | 26 559 700 | (566 841) | 16 712 731 | (340 845) |
| Basic earnings / (loss) per share (cents) | 0.049 | (0.001) | 0.031 | (0.001) |
| Diluted earnings / (loss) per share (cents) | 0.049 | (0.001) | 0.031 | (0.001) |
| Headline earmnings / (loss) per share (cents) | 0.049 | (0.001) | 0.031 | (0.001) |

## 20 Post employment benefits

### National Social Security Authority scheme

All employees are members of the National Social Security Authority Scheme which is a contributory pension scheme. The scheme is administered by the National Social Security Authority. This scheme was promulgated under the National Social Security Authority Act of 1989. The company's obligations under the scheme are limited to specific contributions as legislated from time to time and are presently 3.5% of pensionable emoluments up to a maximum of ZWG 9 321 per month. Contributions for the year were ZWG 491 232.

## 21 Related party disclosure

There were no related parties transactions throughout the year.

## 22 Compensation to key management

Key management are employees who have authority, are responsible for planning, directing and controlling the activities of the company on a day to day basis.

| | | | | |
|---|---|---|---|---|
| Short term employee benefits | 10 651 302 | 13 830 435 | 6 404 693 | 8 316 325 |
| Long term benefits | - | - | - | - |
| | 10 651 302 | 13 830 435 | 6 404 693 | 8 316 325 |

## 23 Financial instruments - Risk management

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

1. Credit risk
2. Cash flow interest rate risk
3. Liquidity risk

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

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



# Notes to the financial statements (Cont'd)

**as at 31 December 2024**

### Principal financial instruments

The principal financial instruments used by the company, from which financial instrument risk arises, are as follows:

1. Trade and other receivables
2. Bank and cash balances
3. Trade and other payables

A summary of the financial instruments held by category is provided below:

| | Inflation Adjusted | | Historical Cost | |
|---|---|---|---|---|
| | 2024 ZWG | 2023 ZWG | 2024 ZWG | 2023 ZWG |
| Financial assets | | | | |
| Bank and cash balances | 662 227 | 2 344 247 | 662 227 | 1 409 610 |
| Trade and other receivables | 21 069 668 | 26 559 915 | 21 069 668 | 15 970 639 |
| | 21 731 895 | 28 904 162 | 21 731 895 | 17 380 249 |
| Financial liabilities | | | | |
| Trade and other payables | 20 128 927 | 39 645 600 | 20 128 927 | 23 839 142 |

### Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, trade and other receivables, accounts payable and borrowings. Due to their short term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables approximates their fair value.

### General objectives, policies and processes

The Board has overall responsibility for the determination of the company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the company's executive management. The company's internal auditors also review the risk management policies and processes and report their findings to the board of directors.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the company's competitiveness and flexibility. Further details regarding these policies are set out below:

### 23.1 Credit risk

Financial assets which potentially subject the company to concentrations of credit risk consists primarily of bank balances and trade and other receivables. The company's bank balances are placed with high quality financial institutions. The credit risk with respect to trade receivable is managed by individually assessing the credit worthiness of each customer before the company's standard credit terms are offered. Further disclosures regarding the trade and other receivables which are neither past due nor impaired are provided in Note 6.

### 23.2 Cash flow interest rate risk

The company is not exposed to cash flow interest rate risk as there are no borrowings or bank overdrafts.

### 23.3 Liquidity risk

"Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company manages its liquidity risk through regular review of daily, weekly, monthly cash flows. In events of critical gaps, the company uses its borrowing facilities which are limited to levels set by the board. "

The table summarises the maturity profile of the company's financial liabilities at 31 December 2024 based on contractual undiscounted payments:

| At 31 December 2024 | Up to 3 months ZWG | 3 to 12 months ZWG | 1 to 5 years ZWG | Over 5 years ZWG | Total ZWG |
|---|---|---|---|---|---|
| Trade and other payables | 20 128 927 | - | - | - | 20 128 927 |
| **At 31 December 2023** | **Up to 3 months ZWG** | **3 to 12 months ZWG** | **1 to 5 years ZWG** | **Over 5 years ZWG** | **Total ZWG** |
| Trade and other payables | 23 839 142 | - | - | - | 23 839 142 |



# Notes to the financial statements (Cont'd)

**as at 31 December 2024**

## 24 Segment information

Description of products from which each reportable segment derives its revenues

The rubber segment is involved in the production and marketing of rubber products and conveyor belting products, generating current year Historical: 56% (Prior year: 70%) of the company's external revenue.

The chemical segment is involved in the manufacturing, importation and distribution of chemical products and contributed current year Historical: 44% (Prior year: 30%) of the company's external revenue.
Factors that management use to identify the company's reportable segments

The company's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different technology and marketing strategies.

Measurement of operating segment profit or loss, assets and liabilities
The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

The company evaluates performance on the basis of profit or loss from operations but excluding non-recurring losses, such as goodwill impairment, and the effects of share based payments.

Segment assets exclude tax assets and assets used primarily for corporate purposes. Segment liabilities exclude tax liabilities and defined benefit liabilities. Loans and borrowings are allocated to the segments based on relevant factors (e.g. funding requirements). Details are provided in the reconciliation from segment assets and liabilities to the company position.

| | Inflation Adjusted | | | Historical Cost | | |
|---|---|---|---|---|---|---|
| | Chemicals ZWG | Rubber ZWG | Head Office ZWG | Chemicals ZWG | Rubber ZWG | Head Office ZWG |
| **2024** | | | | | | |
| Revenue | 35 430 292 | 41 700 706 | - | 24 128 236 | 30 192 829 | - |
| Inter-segmental revenue | - | - | - | - | - | - |
| Revenue from external customers | 35 430 292 | 41 700 706 | - | 24 128 236 | 30 192 829 | - |
| Depreciation charge | 5 704 715 | 2 086 253 | - | 3 613 961 | 1 321 650 | - |
| Segment profit/(loss) | 13 365 039 | 24 743 139 | (9 319 678) | 6 705 994 | 16 358 821 | (5 965 275) |
| Finance expense | - | - | - | - | - | - |
| Company profit/ (loss) before tax | 13 365 039 | 24 743 139 | (9 319 678) | 6 705 994 | 16 358 821 | (5 965 275) |
| **2023** | | | | | | |
| Revenue | 43 423 019 | 106 653 151 | - | 26 110 526 | 64 131 189 | - |
| Inter-segmental revenue | - | - | - | - | - | - |
| Revenue from external customers | 43 423 019 | 106 653 151 | - | 26 110 526 | 64 131 189 | - |
| Depreciation | 1 131 573 | 1 354 039 | - | 680 422 | 814 192 | - |
| Segment profit/(loss) | (3 326 075) | 22 213 868 | (9 536 677) | (1 999 989) | 13 357 334 | (5 734 462) |
| Finance expense | (6 988) | (3 567) | - | (4 202) | (2 145) | - |
| Company profit/ (loss) before tax | (3 333 063) | 22 210 301 | (9 536 677) | (2 004 191) | 13 355 189 | (5 734 462) |



# Notes to the financial statements (Cont'd)

**as at 31 December 2024**

| | Inflation Adjusted | | | Historical Cost | | |
|---|---|---|---|---|---|---|
| | Chemicals ZWG | Rubber ZWG | Head Office ZWG | Chemicals ZWG | Rubber ZWG | Head Office ZWG |
| **2024** | | | | | | |
| Reportable segment assets | 107 144 018 | 76 111 067 | - | 40 941 923 | 53 070 244 | - |
| Total company assets | 107 144 018 | 76 111 067 | - | 40 941 923 | 53 070 244 | - |
| Reportable segment liabilities | 2 482 867 | 9 236 308 | 11 428 392 | 2 482 867 | 9 236 308 | 11 428 392 |
| Deferred tax liability | - | - | 24 857 168 | - | - | 15 100 984 |
| Total company liabilities | 2 482 867 | 9 236 308 | 36 285 560 | 2 482 867 | 9 236 308 | 26 529 376 |
| 2023 | | | | | | |
| Reportable segment assets | 61 350 712 | 102 639 348 | - | 36 890 557 | 61 717 665 | - |
| Total company assets | 61 350 712 | 102 639 348 | - | 36 890 557 | 61 717 665 | - |
| Reportable segment liabilities | 9 794 178 | 19 681 096 | 15 190 464 | 5 889 299 | 11 834 363 | 9 134 120 |
| Deferred tax liability | - | - | 24 470 357 | - | - | 14 714 175 |
| Total company liabilities | 9 794 178 | 19 681 096 | 39 660 821 | 5 889 299 | 11 834 363 | 23 848 295 |

## 25 Management of capital

The company's objectives when maintaining capital are:

i) To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

ii) To provide adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company sets the amount of capital it requires in proportion to risk. The company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The company's capital is made up of the following:

| | Inflation Adjusted | | Historical Cost | |
|---|---|---|---|---|
| | 2024 ZWG | 2023 ZWG | 2024 ZWG | 2023 ZWG |
| Share capital | 2 464 813 | 2 464 813 | 1 482 107 | 1 482 107 |
| Share option reserve | 88 195 | 88 195 | 53 032 | 53 032 |
| Revaluation reserve | 61 718 833 | 61 718 833 | 37 111 910 | 37 111 910 |
| Retained earnings | 57 392 938 | 30 833 238 | 35 252 945 | 18 540 214 |
| | 86 823 479 | 95 105 079 | 73 899 994 | 57 187 263 |

## 26 Capital commitments

The Company had no significant capital commitments authorised by the Board of Directors or contracted for at the reporting date.

## 27 Contingent liabilities

The Company had no significant capital commitments authorised by the Board of Directors or contracted for at the reporting date.

## 28 Going concern considerations

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.



# Shareholders Analysis

| Top Ten Shareholders | Total holding | % of total holding |
|---|---|---|
| JEMAIMAH SYNERGIES (PVT) LTD | 332,348,610 | 62 |
| GENERAL BELTINGS EMPLOYEE SHARE PARTICIPATION TRUST | 47,909,266 | 0.9 |
| PRAKASH, RAD IA | 18,128,897 | 0.3 |
| STANBIC NOMINEES (PRIVATE)LIMITED | 15,270,489 | 0.3 |
| GENERAL BELTINGS MANAGEMENT SHARE PARTICIPATION TRUST | 12,365,408 | 0.2 |
| CHITEPO, BERNARD NORMAN | 11,149,839 | 0.2 |
| TSUROH, WILBROAD | 10,514,091 | 0.2 |
| MAMWADIABIGAI FREEMAN-NNR | 8,284,781 | 0.2 |
| AKSIATRUST | 5,844,793 | 0.1 |
| **Top Ten Shareholding** | **461,816,174** | **86** |
| **Remaining holding** | **75,039,449** | **14** |
| **Total Issued Shares** | **536,588,623** | **100** |

**Analysis by category of shareholders**

| Industry | No. of shareholders | % of total shares | Total shares | % of total s.holders |
|---|---|---|---|---|
| Company Local | 122 | 0.11 | 250,341,855 | 47 |
| Employee | 13 | 0.01 | 67,323,133 | 13 |
| EST | 1 | 0.00 | 109 | 0 |
| Fund Managers | 2 | 0.00 | 3,005 | 0 |
| Insurance Companies | 1 | 0.00 | 482,530 | 0 |
| InvestmentTrustsAnd Property | 12 | 0.01 | 9,732,103 | 2 |
| Local Resident | 935 | 0.82 | 55,186,512 | 10 |
| Nominees Local | 31 | 0.03 | 24,833,050 | 5 |
| Non Resident | 1 | 0.00 | 371,270 | 0 |
| Non Resident Individual | 13 | 0.01 | 22,531,271 | 4 |
| Other Corporate Holdings | 1 | 0.00 | 2,000 | 0 |
| Pension Fund | 7 | 0.01 | 105,781,785 | 20 |
| **Total** | **1,139** | **1.00** | **536,588,623** | **100** |

**Analysis of Shareholders**
**for the year ended 31 December 2023**

| COUNTRIES | No. of shareholders | % of total shares | Total shares | % of total s.holders |
|---|---|---|---|---|
| AUSTRALIA | 1 | 0.00 | 668,731 | 0.00 |
| BOTSWANA | 1 | 0.00 | 50 | 0.00 |
| ESTONIA | 1 | 0.00 | 150,000 | 0.00 |
| KENYA | 1 | 0.00 | 18,128,897 | 1.0 0 |
| MAURITIUS | 1 | 0.00 | 3,216,664 | 1.00 |
| NAMIBIA | 1 | 0.00 | 19,175 | 0.00 |
| SOUTHAFRICA | 3 | 0.00 1 | 96,109 | 0.00 |
| SWEDEN | 3 | 0.00 | 10,006,936 | 3.0 0 |
| UNITED KINGDOM | 5 | 0.00 | 43,153 | 0.00 |
| United States of America | 1 | 0.00 | 371,270 | 0.00 |
| ZIMBABWE | 112 | 1 | 0.98 | 503,787,638 95 |
| **TOTALS** | **1,139** | **1** | **536,588,623** | **100** |

| SHAREHOLDING DISTRIBUTION | No. of shareholders | % of total shares | Total shares | % of total shareholders |
|---|---|---|---|---|
| 0 -100 | 194 | 0.17 | 6,638 | 0.00 |
| 101 - 200 | 52 | 0.05 | 7,455 | 0.00 |
| 201- 500 | 108 | 0.09 | 34,968 | 0.00 |
| 501 - 1,000 | 114 | 0.10 | 88,879 | 0.00 |
| 1,001- 5,000 | 286 | 0.25 | 790,550 | 0.00 |
| 5,001 - 10,000 | 101 | 0.09 | 764,509 | 0.00 |
| 10;001- 50,000 | 156 | 0.14 | 3,645,499 | 1.0 |
| 50,001 - 100,000 | 40 | 0.04 | 2,863,337 | 1.0 |
| 100,001- 500,000 | 46 | 0.04 | 10.710,017 | 2.0 |
| 500,001 - 1,000,000 | 13 | 0.01 | 8.976,221 | 2.0 |
| 1,000,001 - 10,000,000 | 22 | 0.02 | 71,530,673 | 13 |
| 10.000.001- | 7 | 0.01 | 437,169,877 | 81 |
| **TOTALS** | **1,139** | **1.00** | **536,588,623** | **100** |



# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty-second Annual General Meeting of members of GB Holdings Limited will be held in the **Cernol Chemicals Boardroom, 111 Dagenham Road, Willowvale, Harare on Friday 27 June 2025 at 11.30 hours**.

The Agenda of the meeting:

**ORDINARY BUSINESS**

- To receive, consider and adopt The Financial Statements for the year ended 31 December 2024, together with the reports of Directors and Auditors thereon. **NB:** The full annual report can be viewed online on www.gbholdings.co.zw

- To elect directors of the Company as required by section of the Companies & Business Entities Act (Chapter 24:31). The Directors will be re-elected by separate resolutions

- Mr. Tichaona Mabeza retires by rotation in terms of Article 95 of the Company's Articles of Association and offers himself for re-election.
- Dr Tariro Mushayavanhu was appointed to the Board during the course of the current year and being eligible for re-election in terms of Article 101 of the company's Articles of Association offers herself for re-election.
- Mr. Ndumiso Sibanda was appointed to the Board during the course of the current year and being eligible for re-election in terms of Article 101 of the company's Articles of Association offers himself for re-election.
- Mr. Tapiwa Zhou was appointed to the Board during the course of the current year and being eligible for re-election in terms of Article 101 of the company's Articles of Association offers himself for re-election.

- To approve the remuneration of the Directors for the year ended 31 December 2024

- To approve the remuneration of the Auditors for the year ended 31 December 2024.

- To appoint Auditors for the current year. Grant Thornton Chartered Accountants Zimbabwe, have been external auditors for the company for 4 years and being eligible, offer themselves for reappointment.

A member entitled to attend and vote at the meeting may appoint any person or persons to attend, speak and vote in his stead. A proxy need not be a member of the Company.

Proxy forms must be received at the registered office of the Company or be lodged with the **Transfer Secretaries, First Transfer Secretaries (Private) Limited, 1 Armagh Avenue, Eastlea, P.O Box 11, Harare**, not less than 48 hours before the meeting.

**By Order of the Board**

**P. Munyanyi Company Secretary**
**111 Dagenham Road Willowvale**
**Harare**
**6 June 2025**

# GB HOLDINGS LIMITED

## TWENTY-SECOND ANNUAL GENERAL MEETING

**Please complete in block letters**

I/we.....

of.....
being a member of GB Holdings Limited hereby appoint

.....or failing him
The Chairman of the meeting as my /our proxy to vote for me/us on my/our behalf at the ANNUAL GENERAL MEETING of the Company to be held at **Cernol Chemicals Boardroom, 111 Dagenham Road, Willowvale, Harare on Monday 30 June 2025 at 1130 hours.**

Signed this.....

Day of ..... 2025

Signature of member.....

NOTE:

1. In terms of Section 129 of the Companies Act (Chapter 24:03) members are entitled to appoint one or more proxies to act in alternative to attend and vote and speak in their place at the meeting. A proxy need not be a member of the company.

2. Any alteration or correction made to this form of proxy (including deletion of alternatives) must be intialed by the signatories.

3. Instruments of the Proxy must be lodged at the registered office of the company or with the **Transfer Secretaries, First Transfer Secretaries 1 Armagh Avenue, Eastlea, Harare, at least 48 hours** before the time appointed for holding the meeting.