HWANGE COLLIERY COMPANY LIMITED

INTERIM CONDENSED FINANCIAL RESULTS

FOR THE HALF YEAR ENDED 30 JUNE 2022

HWANGE
COLLIERY COMPANY LIMITED
(Incorporated in Zimbabwe)
hwangecolliery.co.zw

PROUDLY PROVIDING MORE THAN JUST COAL

ADMINISTRATOR'S LETTER

for the six months ended 30 June 2022

OVERVIEW

The first half of 2022 operating environment was characterised by general increase in commodity prices and raw materials including diesel, explosives and equipment spares. This was partly caused by the ongoing Russia-Ukraine war which sparked global inflation and increase in interest rates. Despite challenges, the company managed to continue with operations in both production and sales throughout the period. I report the performance for the half year below.

FINANCIAL PERFORMANCE

Despite the increase in revenue, the company posted losses for the period, of ZWL 3.97 billion in inflation adjusted terms. The net loss is a result of ZWL 8 billion exchange loss on foreign legacy debts during the period under review.

The Company's gross profit increased by 74% to ZWL 4.54 billion in inflation adjusted terms compared to same period last year. This was largely due to a combination of an increase in sales volume and regular product price adjustments in line with market value.

REVIEW OF OPERATIONS

The Company's production increased by 52% during the period under review. The sales volumes, however increased by only 74% compared to 2021. Limited availability of spares and the general increase in prices of maintenance spares and consumables affected the operations negatively.

The strategic priorities for the Company's half year were as follows:

a) **Safety, Health, Environment and Quality**
HCCL experienced a fatality free shift record as at 30 June 2022.The lost shift injury frequency rate improved due to initiatives like people focus, systems implementation and technology embracing. HCCL embraced a risk/opportunity-based approach to operations aimed at zero harm. Top risks included Acid Mine Drainage, for which an Environmental Management Plan (EMP) to manage its effects is now in place. Likewise, robust measures aimed at reducing similar incidents related to non-communicable diseases were established through a Wellness policy.

b) **Open Cast Mining**
Total coal mined by Opencast operations was 1 288 521 tonnes, a 55.59% increase in production from the previous year. The steady production is mainly attributed to the successful contract mining model the company has employed.

A total of 676 387 tonnes of coal was produced for Hwange Power Station and Zimbabwe Zhongxin Electrical Energy for electricity generation during the course of the year, which was 124% increase from previous year. Deliveries into the power station were however negatively affected by limited stock holding space in the power station.

c) **Underground Mining**
3Main Underground Mine coal production was 19.49% lower than the previous year. This was mainly due to ageing underground mining equipment. The strategic plan is to have two new continuous miners within the next 18 months. This will result in the company's underground mine reaching optimum production capacity. The first continuous miner is expected to be commissioned before end of this year.

d) **Fixed and Mobile Plant**
The average feed recoveries for HCCL dry screening and wet screening plants were 98% and 90% respectively. Coking coal recovery from Jig & Floatation and HMS plants was 70% of plant feed. The company needs to improve its current washing capacity, as both the HMS plant and the Jig and Floatation plant are outdated and need constant maintenance and repair. This has put pressure on the company's limited working capital. The company intends to have modular plants and washing plant located near the mining areas within the next 24 months.

OUTLOOK

Global coal prices continue to rise amidst ongoing Russia-Ukraine conflict and the company intends to position itself to benefit from the increase in global demand for fossil energy. In this regard, the company will be focusing on coal beneficiation and improving the quality of its coal.

The company is set to receive a washing plant that will be located near mining areas. This equipment will be commissioned during the first quarter of 2023. The company has plans to build a coke battery by 2025.

ZSE LISTING

The Zimbabwe Stock Exchange suspension owing to Administration, continues

DIRECTORATE

There are no directors in place due to Administration.

APPRECIATION

I would like to express my gratitude to the administration team, management and Staff for their collective efforts and dedication to the Company.

M. SHAVA(MR)
ADMINISTRATOR
27 September 2022

B.MHATIWA (MR)
MANAGING DIRECTOR
27 September 2022

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2022

	Notes	INFLATION ADJUSTED 6 months to 30 Jun 2022 ZWL 000 Reviewed	INFLATION ADJUSTED 6 months to 30 Jun 2021 ZWL 000 Reviewed	HISTORICAL COST 6 months to 30 Jun 2022 ZWL 000 Reviewed	HISTORICAL COST 6 months to 30 Jun 2021 ZWL 000 Reviewed
Revenue	5	16 488 033	8 825 355	11 194 058	2 853 195
Cost of sales		(11 943 549)	(6 207 758)	(7 899 063)	(2 001 592)
Gross profit		4 544 484	2 617 597	3 294 995	851 603
Other income		94 666	45 280	59 551	15 896
Other gains and losses (net)		(8 027 703)	(824 384)	(6 728 906)	(255 968)
Marketing costs		(90 940)	(34 935)	(63 568)	(11 303)
Administrative costs		(3 557 719)	(1 638 007)	(2 368 490)	(651 455)
Gain on net monetary position		5 273 261	1 535 194	-	-
Operating (loss)/profit		(1 763 951)	1 700 745	(5 806 418)	(51 227)
Finance cost		(680 770)	(140 449)	(566 787)	(46 379)
Share of profit from equity accounted investments		9 896	-	9 896	-
(LOSS)/ PROFIT BEFORE TAX		(2 434 825)	1 560 296	(6 363 309)	(97 606)
Taxation	6	(1 537 518)	(2 431 011)	(947 579)	(441 157)
(LOSS) FOR THE PERIOD/ YEAR		(3 972 343)	(870 715)	(7 310 888)	(538 763)
Other comprehensive income:					
Gain on revaluation property, plant and equipment		-	-	-	-
Tax effect of revaluation		-	-	-	-
TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD/YEAR		**(3 972 343)**	**(870 715)**	**(7 310 888)**	**(538 763)**
Attributable loss per share					
• basic	7.1	(22)	(5)	(40)	(3)
• diluted	7.2	(22)	(5)	(40)	(3)
Headline loss per share					
• basic	7.3	(22)	(5)	(40)	(3)
• diluted	7.3	(22)	(5)	(40)	(3)

STATEMENT OF FINANCIAL POSITION

as at 30 June 2022

	Notes	INFLATION ADJUSTED 30 Jun 2022 ZWL 000 Reviewed	INFLATION ADJUSTED 31 Dec 2021 ZWL 000 Unaudited	HISTORICAL COST 30 Jun 2022 ZWL 000 Reviewed	HISTORICAL COST 31 Dec 2021 ZWL 000 Unaudited
ASSETS					
Non - current assets					
Property, plant and equipment	8	37 977 495	38 113 876	10 653 306	10 761 079
Investment property	9	2 612 515	2 612 515	458 433	458 433
Investments accounted for using the equity method	10	1 456 364	1 446 468	24 649	14 753
Inventories non - current portion	12	710 628	699 553	4 945	4 945
		42 757 002	**42 872 412**	**11 141 333**	**11 239 210**
Current assets					
Inventories	12	3 639 395	3 155 279	3 630 359	1 156 729
Trade and other receivables	13	3 267 978	2 137 447	3 267 978	976 371
Cash and cash equivalents	14	1 116 980	220 051	1 116 980	100 518
		8 024 353	**5 512 777**	**8 015 317**	**2 233 618**
Total assets		**50 781 355**	**48 385 189**	**19 156 650**	**13 472 828**
EQUITY, RESERVES AND LIABILITIES					
Equity and reserves					
Share capital	15	7 116 531	7 116 531	45 962	45 962
Non-distributable reserves		80 813	80 813	4 358	4 358
Share premium		674 833	674 833	578	578
Revaluation reserve		510 283	510 283	8 357 425	8 357 425
Accumulated losses		15 757 242	19 729 585	(9 568 522)	(2 257 634)
		24 139 702	**28 112 045**	**(1 160 199)**	**6 150 689**
Non-current liabilities					
Borrowings	16.1	181 781	401 201	181 781	183 266
Long term creditors	17.2	9 596 580	6 066 451	9 596 580	2 771 114
Income tax liability		370 586	9 081	374 734	4 148
Deferred tax liability		8 666 688	8 909 557	2 337 736	2 131 329
		18 815 635	**15 386 290**	**12 490 831**	**5 089 857**
Current liabilities					
Borrowings	16.2	53 222	116 512	53 222	53 222
Trade and other payables	17.1	6 071 019	3 011 185	6 071 019	1 375 489
Provisions	18	1 701 777	1 759 157	1 701 777	803 571
		7 826 018	4 886 854	7 826 018	2 232 282
Total equity, reserves and liabilities		**50 781 355**	**48 385 189**	**19 156 650**	**13 472 828**

REGISTERED OFFICE: 7th Floor, Coal House, 17 Nelson Mandela Avenue P. O. Box 2870, Harare, Zimbabwe. EMAIL: corporateaffairs@hrehwange.co.zw

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STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 June 2022

INFLATION ADJUSTED	Share capital ZWL 000	Share premium ZWL 000	Non - distributable reserve ZWL 000	Revaluation reserve ZWL 000	Retained Earnings /(Accumulated Losses) ZWL 000	Total ZWL 000
Balance at 1 January 2021	**7 116 531**	**80 813**	**674 833**	**510 283**	**19 666 966**	**28 049 426**
Total comprehensive loss for the period (reviewed)	-	-	-	-	(870 715)	(870 715)
Balance at 30 June 2021 (reviewed)	7 116 531	80 813	674 833	510 283	18 796 251	27 178 711
Balance at 1 January 2021	7 116 531	80 813	674 833	510 283	19 666 966	28 049 426
Profit for the year	-	-	-	-	62 619	62 619
Balances at 31 December 2021 (audited)	**7 116 531**	**80 813**	**674 833**	**510 283**	**19 729 585**	**28 112 045**
Balance at 1 January 2022	7 116 531	80 813	674 833	510 283	19 729 585	28 112 045
Total comprehensive profit loss for the year (reviewed)	-	-	-	-	(3 972 343)	(3 972 343)
Balances at 30 June 2022 (reviewed)	**7 116 531**	**80 813**	**674 833**	**510 283**	**15 757 242**	**24 139 702**

HISTORICAL COST	Share capital ZWL 000	Share premium ZWL 000	Non - distributable reserve ZWL 000	Revaluation reserve ZWL 000	Retained Earnings /(Accumulated Losses) ZWL 000	Total ZWL 000
Balance at 1 January 2021	**45 962**	**4 358**	**578**	**8 357 425**	**(1 167 879)**	**7 240 445**
Total comprehensive loss for the period (reviewed)	-	-	-	-	(538 763)	(538 763)
Balance at 30 June 2021 (reviewed)	**45 962**	4 358	578	8 357 425	(1 706 642)	6 701 682
Balance at 1 January 2021	**45 962**	4 358	578	8 357 425	(1 167 879)	7 240 445
Loss for the year	-	-	-	-	(1 089 755)	(1 089 755)
Balances at 31 December 2021 (audited)	**45 962**	**4 358**	**578**	**8 357 425**	**(2 257 634)**	**6 150 690**
Balance at 1 January 2022	**45 962**	4 358	578	8 357 425	(2 257 634)	6 150 690
Total comprehensive loss for the period (reviewed)	-	-	-	-	(7 310 888)	(7 310 888)
Balances at 30 June 2022 (reviewed)	**45 962**	**4 358**	**578**	**8 357 425**	**(9 568 522)**	**(1 160 198)**

STATEMENT OF CASH FLOWS
for the six months ended 30 June 2022

	Notes	INFLATION ADJUSTED 30 June 2022 ZWL 000 Reviewed	INFLATION ADJUSTED 30 June 2021 ZWL 000 Reviewed	HISTORICAL COST 30 June 2022 ZWL 000 Reviewed	HISTORICAL COST 30 June 2021 ZWL 000 Reviewed
CASH GENERATED FROM OPERATING ACTIVITIES					
(Loss)/profit before taxation		(2 434 825)	1 560 296	(6 363 309)	(97 606)
Adjustment for non-cash items		8 459 080	1 542 247	7 141 645	493 013
Net effect of changes in working capital		1 136 746	59 405	828 499	18 990
Gain/(loss) on net monetary position		(5 273 261)	(1 535 195)	-	-
Net cash (utilised in)/ generated from operations		**1 887 740**	**1 626 753**	**1 606 835**	**414 397**
Interest paid		-	-	-	-
Tax paid		-	-	-	-
Net cash (utilised in)/generated from operating activities		**1 887 740**	**1 626 753**	**1 606 835**	**414 397**
Cash flows from investing activities					
Purchase of property, plant and equipment		(225 423)	(23 071)	(118 661)	(7 706)
Net cash utilised in investing activities		**(225 423)**	**(23 071)**	**(118 661)**	**(7 706)**
Cash flows from financing activities					
Repayment of borrowings		(10 149)	(239 892)	(6 255)	(76 686)
Long term creditors		(755 239)	(1 222 688)	(465 457)	(268 416)
Net cash generated from/(utilised in) financing activities		**(765 388)**	**(1 462 580)**	**(471 712)**	**(345 102)**
Net (decrease)/increase in cash and cash equivalents		896 929	141 102	1 016 462	61 589
Cash and cash equivalents at beginning of the period		220 051	224 410	100 518	63 774
Cash and cash equivalents at end of period	14	1 116 980	365 512	1 116 980	125 363

NOTES TO THE FINANCIAL STATEMENTS
for the six months ended 30 June 2022

1 NATURE OF OPERATIONS AND GENERAL INFORMATION

Hwange Colliery Company Limited is a Company whose principal activities include extraction, processing and distribution of coal and coal products and provision of health services, provision of properties for rental and various retail goods and services.

2 BASIS OF PREPARATION OF THE CONDENSED FINANCIAL STATEMENTS

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with IAS 34, 'Interim financial reporting'. They do not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements for the year ended 31 December 2021, which have been prepared in accordance with International Financial Reporting Standards; Companies and Other Business Entities Act (Chapter 24:31)

The company is a limited liability company incorporated and domiciled in Zimbabwe. It is listed primarily on the Zimbabwe Stock Exchange (ZSE), and also on the Johannesburg Stock Exchange (JSE) and London Stock Exchange (LSE). This condensed interim financial information has been reviewed, not audited.

These condensed interim financial statements were approved for issue by the Administrator on 27 September 2022.

IAS 29 'Financial Reporting in Hyper -Inflationary Economies'

The Company adopted IAS 29 – "Financial Reporting in Hyper -Inflationary Economies" effective 1 January 2019 as proclaimed by the local accounting regulatory board, Public Accountants and Auditors Board "PAAB". IAS 29 requires that the financial statements prepared in the currency of a hyper-inflationary economy be stated in terms of a measuring unit current at the balance sheet date. The restatement has been calculated by means of conversion factors derived from the consumer price index (CPI) prepared by ZIMSTAT. The indices used are as follows:

DATE	INDICES	CONVERSION FACTOR
30 June 2022	8 707	1.000
31 December 2021	3 977	2.189
30 June 2021	2 986	2.916

3 SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Company's most recent annual financial statements for the year ended 31 December 2021.

4 ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements as at and for the year ended 31 December 2021.

5 REVENUE

	INFLATION ADJUSTED 6 months to 30 June 2022 ZWL 000	INFLATION ADJUSTED 6 months to 30 June 2021 ZWL 000	HISTORICAL COST 6 months to 30 June 2022 ZWL 000	HISTORICAL COST 6 months to 30 June 2021 ZWL 000
Mining	14 991 533	8 073 508	10 239 126	2 601 832
Estates	1 352 986	608 847	864 172	185 367
Medical Services	143 514	143 000	90 760	65 996
Total	16 488 033	8 825 355	11 194 058	2 853 195

6 TAXATION

Current tax	370 586	-	370 586	-
Deferred tax	1 166 932	2 431 011	576 993	441 157
	1 537 518	2 431 011	947 579	441 157

7 EARNINGS/(LOSS) PER SHARE

7.1 Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to shareholders by the weighted average number of ordinary shares in issue during the period/year.

	INFLATION ADJUSTED 6 months to 30 June 2022 ZWL 000	INFLATION ADJUSTED 6 months to 30 June 2021 ZWL 000	HISTORICAL COST 6 months to 30 June 2022 ZWL 000	HISTORICAL COST 6 months to 30 June 2021 ZWL 000
Profit/(loss) attributable to shareholders	(3 972 343)	(870 715)	(7 310 888)	(538 763)
Weighted average number of ordinary shares in issue	183 757	183 757	183 757	183 757
Basic earnings/(loss) per share	(22)	(5)	(40)	(3)

7.2 Diluted

Profit/(loss) used to determine diluted earnings/(loss) per share	(3 972 343)	(870 715)	(7 310 888)	(538 763)

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

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7 EARNINGS/(LOSS) PER SHARE (cont'd)

7.2 Diluted (cont'd)

	INFLATION ADJUSTED		HISTORICAL COST	
	6 months to 30 June 2022 ZWL 000	6 months to 30 June 2021 ZWL 000	6 months to 30 June 2022 ZWL 000	6 months to 30 June 2021 ZWL 000
Weighted average number of ordinary shares in issue	183 757	183 757	183 757	183 757
Weighted average number of ordinary shares for diluted loss per share	183 757	183 757	183 757	183 757
Diluted earnings profit/(loss) per share	(22)	(5)	(40)	(3)

7.3 Headline earnings profit/(loss) per share

Headline earnings/(loss) per share excludes all items of a capital nature and represents an after tax amount. It is calculated by dividing the headline loss shown below by the number of shares in issue during the year:

Reconciliation between headline earnings/(loss) and basic loss:

IAS 33 - Earnings/(losses)	(3 972 343)	(870 715)	(7 310 888)	(538 763)
Non - recurring items:				
Proceeds on sale of scrap	(32 583)	(7 557)	(21 219)	(2 528)
Impairment	-	-	-	-
Stripping activity impairment	-	-	-	-
Tax effect of the above	-	-	-	-
Headline losses	(4 004 926)	(878 272)	(7 332 107)	(541 291)
Weighted average number of ordinary shares in issue	183 757	183 757	183 757	183 757
Headline loss per share	**(22)**	**(5)**	**(40)**	**(3)**

8 PROPERTY, PLANT AND EQUIPMENT

	INFLATION ADJUSTED		HISTORICAL COST	
	30 June 2022 ZWL 000	31 Dec 2021 ZWL 000	30 June 2022 ZWL 000	31 Dec 2021 ZWL 000
Carrying amount at the beginning of the period/year	38 113 876	39 271 919	10 761 079	11 160 545
Additions	225 423	124 726	118 661	55 288
Reclassification	-	(57 560)	-	(16 358)
Impairment	-	(33 405)	-	(9 040)
Depreciation charge for the period/year	(361 804)	(1 191 804)	(226 434)	(429 356)
Carrying amount at the end of the period/year	37 977 495	38 113 876	10 653 306	10 761 079

9 INVESTMENT PROPERTY

Valuation at 1 January	2 612 515	2 540 894	458 433	442 075
Reclassification	-	71 621	-	16 358
	2 612 515	2 612 515	458 433	458 433

Investment property comprises of:

Land situated at Lot 7 of Stand 2185 Salisbury Township Harare with an administration building thereon.
Land situated at Stand 555 Bulawayo Township Bulawayo with an administration building thereon.
Land situated at Stand 701 Bulawayo Township with a residential building thereon.
Land situated at Stand 690 Bulawayo Township with a residential building thereon.

9.1 The following amount has been recognised in profit or loss:

Rental income	25 468	17 932	17 058	7 640

10 INVESTMENT IN EQUITY ACCOUNTED INVESTMENTS

	INFLATION ADJUSTED		HISTORICAL COST	
	30 June 2022 ZWL 000	31 Dec 2021 ZWL 000	30 June 2022 ZWL 000	31 Dec 2021 ZWL 000
Investments in associates (note 10.1)	9 896	-	9 896	-
Investments in joint venture (note 10.2)	1 446 468	1 446 468	14 753	14 753
	1 456 364	1 446 468	24 649	14 753

10.1 Investments in associates

Carrying amount as at beginning of period/year	-	12 308	-	1 414
Share of profit/(loss)	9 896	(12 308)	9 896	(1 414)
Carrying amount at the end of the period/year	**9 896**	**-**	**9 896**	**-**

The Company holds a 49% voting and equity interest in Clay Products (Private) Limited. The Company also holds a 44% voting and equity interest in Zimchem Refineries (Private) Limited. The investments are accounted for using the equity method.

10.2 Investment in joint venture

Carrying amount as at beginning of period/year	1 446 468	1 446 468	14 753	14 753
Share of profit/(loss)	-	-	-	-
Carrying amount at the end of the period/year	1 446 468	1 446 468	14 753	14 753

Hwange Coal Gasification Company (Private) Limited is the only jointly controlled entity and the ultimate ownership interest is 25%. The investment in the joint venture has been accounted for using the equity method.

NOTES TO THE FINANCIAL STATEMENTS
for the six months ended 30 June 2022 (continued)

11 INTANGIBLE ASSETS

	INFLATION ADJUSTED		HISTORICAL COST	
	30 June 2022 ZWL 000	31 Dec 2021 ZWL 000	30 June 2022 ZWL 000	31 Dec 2021 ZWL 000
Opening carrying amount	-	14 492	-	53
Additions	-	-	-	-
Impairment losses	-	-	-	-
Amortisation charge	-	(14 492)	-	(53)
Closing carrying amount	**-**	**-**	**-**	**-**

Intangible assets comprised of mining rights and an enterprise resource planning (ERP) software. The Company acquired the ERP software to support the administration and control of the Company. Some modules for mine planning and marketing are still to be developed. Mining rights comprise new coal mining claims acquired during the year. No intangible assets have been pledged as security for liabilities.

12 INVENTORIES

	INFLATION ADJUSTED		HISTORICAL COST	
	30 June 2022 ZWL 000	31 Dec 2021 ZWL 000	30 June 2022 ZWL 000	31 Dec 2021 ZWL 000
Non- Current portion				
Coal fines	710 628	699 553	4 945	4 945
Current				
Raw materials/consumables	851 828	858 362	195 665	191 493
Finished goods				
Coal and coal fines	2 787 567	2 296 917	3 434 694	965 236
	3 639 395	**3 155 279**	**3 630 359**	**1 156 729**

Intangible assets comprised of mining rights and an enterprise resource planning (ERP) software. The Company acquired the ERP software to support the administration and control of the Company. Some modules for mine planning and marketing are still to be developed. Mining rights comprise new coal mining claims acquired during the year. No intangible assets have been pledged as security for liabilities.

13 TRADE AND OTHER RECEIVABLES

	INFLATION ADJUSTED		HISTORICAL COST	
	30 June 2022 ZWL 000	31 Dec 2021 ZWL 000	30 June 2022 ZWL 000	31 Dec 2021 ZWL 000
Trade	1 570 876	1 193 801	1 570 876	545 320
Other	1 697 102	943 646	1 697 102	431 051
	3 267 978	2 137 447	3 267 978	976 371

14 CASH AND CASH EQUIVALENTS

Bank and cash balances	1 116 980	220 051	1 116 980	100 518
Bank overdraft	-	-	-	-
	1 116 980	220 051	1 116 980	100 518

15 SHARE CAPITAL

Authorised				
204 000 000 ordinary shares of ZWL0.25 each	7 896 452	7 896 452	51 000	51 000
Issued and fully paid				
110 237 432 Ordinary shares of ZWL0.25 each	4 267 082	4 267 082	27 559	27 559
5 962 366 Ordinary shares issued under share option scheme	234 423	234 423	1 514	1 514
	4 501 505	4 501 505	29 073	29 073
67 557 568 "A" Ordinary shares of ZWL0.25 each	2 615 026	2 615 026	16 889	16 889
	7 116 531	7 116 531	45 962	45 962

16 BORROWINGS

	INFLATION ADJUSTED		HISTORICAL COST	
	30 June 2022 ZWL 000	31 Dec 2021 ZWL 000	30 June 2022 ZWL 000	31 Dec 2021 ZWL 000
16.1 Non current				
Loans due after one year	181 781	401 201	181 781	183 266
16.2 Current				
Loans payable within one year	**53 222**	**116 512**	**53 222**	**53 222**

17 TRADE AND OTHER PAYABLES

17.1 Trade and other payables- current				
Trade	3 267 307	2 359 225	3 267 307	1 077 678
Other	2 803 712	651 960	2 803 712	297 811
	6 071 019	3 011 185	6 071 019	1 375 489
17.2 Trade and other payables- Long term				
Trade	9 596 580	6 066 451	9 596 580	2 771 114
Other	-	-	-	-
	9 596 580	6 066 451	9 596 580	2 771 114

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18 PROVISIONS

	INFLATION ADJUSTED		HISTORICAL COST	
	30 June 2022 ZWL 000	31 Dec 2021 ZWL 000	30 June 2022 ZWL 000	31 Dec 2021 ZWL 000
18.1 Provision for rehabilitation				
At the beginning of the period/year	212 662	398 145	212 662	181 870
Additional provisions made during the period/year	6 586	67 409	6 586	30 792
At the end of the period/year	219 248	465 554	219 248	212 662
18.2 Other provisions				
Leave pay and other provisions	1 482 529	1 293 603	1 482 529	590 909
Total provisions	1 701 777	1 759 157	1 701 777	803 571

19 SEGMENT REPORTING

Management currently identifies the Company's three business units as its operating segments. These operating segments are monitored by the Company's Administrator and strategic decisions are made on the basis of adjusted segment operating results.

Segment information for the reporting periods is as follows:

INFLATION ADJUSTED	Mining 2022 ZWL 000	Estates 2022 ZWL 000	Medical services 2022 ZWL 000	Total 2022 ZWL 000
30 June 2022				
Revenue				
From external customers	14 991 533	1 352 986	143 514	16 488 033
From other segments	-	229 773	15 185	244 958
Total segment revenues	14 991 533	1 582 759	158 699	16 732 991
Segment operating loss/profit	(1 671 823)	234 355	(326 483)	(1 763 951)
Segment assets	48 869 198	1 157 599	754 558	50 781 355
Segment liabilities	26 146 385	275 158	220 110	26 641 653

INFLATION ADJUSTED	Mining 2021 ZWL 000	Estates 2021 ZWL 000	Medical services 2021 ZWL 000	Total 2021 ZWL 000
30 June 2021				
Revenue				
From external customers	8 073 508	608 847	143 000	8 825 355
From other segments	-	356 065	62 459	418 524
Total segment revenues	8 073 508	964 912	205 459	9 243 879
Segment operating loss/profit	1 597 902	90 055	12 788	1 700 745
Segment assets	45 501 346	1 157 599	754 558	47 413 503
Segment liabilities	19 335 998	275 167	220 129	19 831 294

HISTORICAL COST	Mining 2022 ZWL 000	Estates 2022 ZWL 000	Medical services 2022 ZWL 000	Total 2022 ZWL 000
30 June 2022				
Revenue				
From external customers	10 239 126	864 172	90 760	11 194 058
From other segments	-	229 773	15 185	244 958
Total segment revenues	10 239 126	1 093 945	105 945	11 439 016
Segment operating loss	(5 872 900)	267 695	(201 213)	(5 806 418)
Segment assets	18 274 813	557 036	324 801	19 156 650
Segment liabilities	19 821 581	275 158	220 110	20 316 849

HISTORICAL COST	Mining 2021 ZWL 000	Estates 2021 ZWL 000	Medical services 2021 ZWL 000	Total 2021 ZWL 000
30 June 2021				
Revenue				
From external customers	2 601 832	185 367	65 996	2 853 195
From other segments	-	125 141	-	125 141
Total segment revenues	2 601 832	310 508	65 996	2 978 336
Segment operating (loss)/profit	(45 930)	(15 139)	9 842	(51 227)
Segment assets	12 858 379	39 042	78 684	12 976 105
Segment liabilities	6 087 925	40 022	146 479	6 274 426

NOTES TO THE FINANCIAL STATEMENTS
for the six months ended 30 June 2022 (continued)

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise loans payable, bank overdrafts and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables and cash and short term deposits, which arise directly from its operations. Exposure to credit, interest rate and currency risk arises in the normal course of Company's business and these are the main risks arising from the Company's financial instruments.

20.1 Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Company assumes foreign credit risk only on customers approved by the Board and follows credit review procedures for local credit customers.

Investments are allowed only in liquid securities and only with approved financial institutions. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amounts of each financial asset in the statement of financial position.

20.2 Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long and short term debt obligations and bank overdrafts. The Company's policy is to manage its interest cost using a mix of fixed and variable rate debts.

20.3 Currency risk

The Company is exposed to foreign currency risk on transactions that are denominated in a currency other than the Zimbabwean Dollar. The currency giving rise to this risk is primarily the South African Rand. In respect of all monetary assets and liabilities held in currencies other than the Zimbabwe Dollar, the Company ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances. The Company's exposure to foreign currency changes for all the other currencies is not significant.

AUDITOR'S STATEMENT

The condensed interim financial statements for the six months ended 30 June 2022 have been reviewed by Grant Thornton Chartered Accountants (Zimbabwe) and an adverse review conclusion has been issued thereon.

The adverse review conclusion was issued regarding the following:

- Non-compliance with International Accounting Standard (IAS) 21 – 'The Effect of Changes in Foreign Exchange Rates',
- Non-compliance with International Accounting Standard (IAS) 29 – 'Financial Reporting in Hyperinflationary Economies',
- Valuation of investment properties, and property, plant & equipment,
- Limitation of scope for revenues and inventories for Estates and Medical Services divisions.

The conclusion on these condensed interim financial statements is available for inspection at the Company's registered office.

The Engagement Partner responsible for this review conclusion is Trevor Mungwazi (PAAB Number: 0622).