HWANGE COLLIERY COMPANY LIMITED
(*Incorporated in Zimbabwe under registration number* 381/1954)
ZSE Share Code: HCCL.ZW ISIN: ZW0009011934
JSE Share Code: HCCL.ZW ISIN: ZW0009011934
LSE Share Code: HCCL.ZW ISIN: ZW0009011934

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Reviewed Condensed Interim Financial Results

For the half year ended 30 June 2021

ADMINISTRATOR'S LETTER

OVERVIEW

The first half of 2021 was affected by the effects of Covid-19 and various safety measures were put in place in order to protect workers and ensure operations continuity during the period under review. The stability of the official exchange rate has reduced the impact of inflation compared to same period last year. Despite challenges, it is pleasing to note that operations continued throughout the period with an increase in production and sales. We report the achievements for the half year as below.

FINANCIAL PERFORMANCE

Revenue increased by 38% from ZWL 2.19 billion in 2020 to ZWL 3.03 billion in 2021 on an inflation adjusted basis. This was largely due to a combination of an increase in high value coking coal sales and regular product price adjustments in line with market value.

The Company's gross profit increased by 139% to ZWL 851.60 million in historical terms compared to same period last year. Net loss for the period under review decreased from ZWL 991.75 million to ZWL 538.76 million in historical terms. The net loss is a result of ZWL 258.05 million exchange loss on foreign legacy debts and deferred tax of ZWL 441.15 million during the period under review

REVIEW OF OPERATIONS

The Company's production increased by 51% during the period under review, with the main challenges having been foreign currency to import spares and consumables. The sales volumes however increased by only 23.7% compared to 2020 mainly as a result of the influence of Covid-19 on the market and logistics, as well as the reduced thermal coal offtake. Going forward, the Company has targeted to increase coking coal production and sales which will in turn increase capacity to discharge obligations to creditors as well as create a positive balance sheet in the medium term.

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 2021. A successful Covid-19 awareness and vaccination program, for both workers and the greater Hwange Community was run by the Company.

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) Coal Production

During the period under review, focus was on increasing production and sales of high value coking Coal. Coking coal sales increased by 28.6% from 41 053 tonnes in 2020 to 52 793 tonnes in 2021. The coking coal sales volumes were however limited by washing capacity constraints. The plant was completed and commissioned in April 2021.

c) Open Cast Mining

Total coal mined by Opencast operations was 806 404 tonnes, a 55.59% increase in production from the previous year. A total of 305 679 tonnes of coal was delivered to Hwange Power Station during the course of the year, which was 14.03% increase from previous year. Deliveries into the power station were however negatively affected by plant challenges in the power station and limited stock holding space.

d) Underground Mining

3Main Underground Mine coal production was 19.41% higher than the previous year. This was mainly because of improved operational funding and credit facility availed by the major original equipment manufacturer, which has been working well.

e) Fixed and Mobile Plant Repair

Significant investment has been made in repairs and maintenance of the existing plant and equipment. Repair work on the HMS washing plant was completed and the plant was commissioned in April 2021. The Company also purchased a bus to ensure employees gets to work on time.

f) Rebuild of Coke Oven Battery

Bidders were invited to tender for the full rebuild of the Company’s original coke oven battery which was shut down in mid-2014. The tender is for the rebuild of the by-products plant and ancillary plants and also for the supply of a completely new coke oven battery together with the by-products and ancillary plant.

OUTLOOK

A lot of work has gone into stabilisation of the business. With the Company being under reconstruction, it has been challenging to obtain both working capital and long term financing for the business. It is however pleasing to note that as the Company's performance continues to improve, funding support in the form of lines of credit to the business from local banks and regional financiers has likewise been established. As a result, the operations are expected to stabilise within the next 6 to 12 months. The immediate target is to consistently produce at least 200 000 tonnes a month.

COVID -19 UPDATE

Several measures including vaccination were taken to ensure the safety of the employees and other stakeholders. Despite the effects of Covid-19, the Company will continue to operate cognisant of the business risks posed by the pandemic.

ZSE LISTING

The Zimbabwe Stock Exchange suspension owing to administration, continues.

DIRECTORATE

There are no directors in place due to administration.

DIVIDEND

The Company has not declared any dividends for the period under review.

APPRECIATION

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

ENG D S. SIBANDA (MR)

ADMINISTRATOR

5 October 2021

DR C. ZINYEMBA

MANAGING DIRECTOR

5 October 2021

Condensed Statement of Profit or Loss and Other Comprehensive Income for the six months ended 30 June 2021

	INFLATION ADJUSTED	HISTORICAL COST

	Notes	6 months to 30 June 2021 ZWL '000 Reviewed	6 months to 30 June 2020 ZWL '000 Reviewed	6 months to 30 June 2021 ZWL '000 Reviewed	6 months to 30 June 2020 ZWL '000 Reviewed
Revenue	5	3 026 916	2 190 984	2 853 195	709 417
Cost of sales		(2 129 134)	(1 114 642)	2 001 592)	(352 801)
Gross profit		897 782	1 076 342	851 603	356 616
Other income		15 530	8 771	15 896	3 290
Other gains and losses (net)		(282 747)	(2 520 823)	(255 968)	(1 056 285)
Marketing costs		(11 982)	(10 620)	(11 303)	(3 636)
Administrative costs		(561 803)	(577 869)	(651 455)	(194 837)
Gain on net monetary position		304 465	3 432 190	-	-
Operating Profit/(loss)		361 245	1 407 991	(51 227)	(894 852)
Finance cost		(48 171)	(34 457)	(46 379)	(9 644)
PROFIT/(LOSS) BEFORE TAX		**313 074**	**1 373 534**	**(97 606)**	**(904 496)**
Income tax	6	(473 322)	(180 301)	(441 157)	(87 252)
PROFIT/(LOSS) FOR THE PERIOD		**(160 248)**	**1 193 233**	**(538 763)**	**(991 748)**
Other comprehensive income:					
Gain on revaluation property, plant and equipment		-	-	-	-
Tax effect of revaluation		-	-	-	-
TOTAL COMPREHENSIVE PROFIT/ (LOSS) FOR THE PERIOD		**(160 248)**	**1 193 233**	**(538 763)**	**(991 748)**
Attributable (loss)/profit per share ($ per share)					
-basic	7.2	(0.87)	6.49	(2.93)	(5.40)
-diluted	7.2	(0.87)	6.49	(2.93)	(5.40)
Headline (loss) /profit per share ($ per share)					
-basic	7.3	(0.89)	6.48	(2.95)	(5.40)
-diluted	7.3	(0.89)	6.48	(2.95)	(5.40)

Condensed Statement of Financial Position

As at 30 June 2021

		INFLATION ADJUSTED		**HISTORICAL COST**	
	Notes	**30 June 2021 ZWL '000 Reviewed**	**31 December 2020 ZWL '000 Audited**	**30 June 2021 ZWL '000 Reviewed**	**31 December 2020 ZWL '000 Audited**
ASSETS					
Non- current assets					
Property, plant and equipment	8	13 271 333	13 469 464	10 977 397	11 160 545
Investment property	9	533 532	871 475	442 075	442 075
Investment in equity accounted investments	10	500 330	500 330	16 167	16 167
Intangible assets	11	4 919	4 973	4	53
Inventories non - current portion		322 621	317 566	6 545	6 545
		14 632 735	**15 163 808**	**11 442 188**	**11 625 385**
Current assets					
Inventories	12	922 883	887 073	827 674	558 404
Trade and other receivables	13	580 880	628 457	580 880	520 728
Cash and cash equivalents	14	125 363	76 968	125 363	63 774
		1 629 126	**1 592 498**	**1 533 917**	**1 142 906**
Total assets		**16 261 861**	**16 756 306**	**12 976 105**	**12 768 291**
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	15	2 440 825	2 440 825	45 963	45 963
Non-distributable reserves		231 454	231 454	4 358	4 358
Share premium		27 309	27 309	578	578
Revaluation reserve		175 016	175 016	8 357 424	8 357 424
Retained earnings/(accumulated losses		6 585 529	6 745 777	(1 706 644)	(1 167 881)
		9 460 133	**9 620 381**	**6 701 679**	**7 240 442**
Non-current liabilities					
Borrowings	16.1	191 398	226 286	191 398	187 496
Long term creditors	17.2	1 866 072	2 215 563	1 866 072	1 835 776
Income tax liability		10 055	12 135	10 055	10 055
Deferred tax liability		3 142 287	3 133 429	2 652 611	2 211 454
		5 209 812	**5 587 413**	**4 720 136**	**4 244 781**
Current liabilities					

Borrowings	16.2	72 841	181 070	72 841	150 031
Trade and other payables	17.1	1 196 384	994 542	1 196 384	824 059
Provisions	18	322 691	372 900	285 065	308 978
		1 591 916	**1 548 512**	**1 554 290**	**1 283 068**
Total equity and liabilities		**16 261 861**	**16 756 306**	**12 976 105**	**12 768 291**

Condensed Statement of Changes in Equity for the six months ended 30 June 2021

INFLATION ADJUSTED

	Share capital ZWL '000 Reviewed	**Non-distributable reserve ZWL '000 Reviewed**	**Share premium ZWL '000 Reviewed**	**Revaluation reserve ZWL '000 Reviewed**	**(Accumulated)losses ZWL '000 Reviewed**	**Total ZWL '000**
Balance at 1 January 2020	2 440 825	231 454	27 309	-	4 633 629	7 333 217
Profit for the year	-	-	-	-	1 193 233	1 193 233
Balances at 30 June 2020	2 440 825	231 454	27 309	-	5 826 862	8 526 450
Balance at 1 January 2021	2 440 825	231 454	27 309	175 016	6 745 777	9 620 381
Total comprehensive profit for the year	-	-	-	-	(160 248)	(160 248)
Balances at 30 June 2021	2 440 825	231 454	27 309	175 016	6 447 139	9 460 133

HISTORICAL COST

Balance at 1 January 2020	45 963	4 358	578	45 963	(528 147)	431 285
Total comprehensive loss for the period	-	-	-	-	(991 748)	(991 748)
Balances at 30 June 2020	45 963	4 358	578	45 963	(1 519 895)	(1 423 033)
Balance at 1 January 2021	45 963	4 358	578	8 357 424	(1 167 881)	7 240 442
Total comprehensive loss for the year	-	-	-	-	(538 763)	(538 763)
Balances at 30 June 2021	45 963	4 358	578	8 357 424	(1 706 644)	6 701 679

Condensed Statement of Cash flows for the six months ended 30 June 2021

		INFLATION ADJUSTED		**HISTORICAL COST**	
	Notes	**30 June 2021 ZWL**	**30 June 2020 ZWL**	**30 June 2021 ZWL**	**30 June 2020 ZWL**

		'000 Reviewed	'000 Reviewed	'000 Reviewed	'000 Reviewed
Cash generated form operating activities					
Profit/(loss) before taxation		313 074	1 373 534	(97 606)	(904 496)
Adjustment for non-cash items		528 959	293 753	493 013	81 193
Net effect of changes in working capital		20 375	(1 020 280)	18 990	(283 857)
Gain/(loss) on net monetary position		(304 465)	(3 432 190)	-	-
Net cash (utilised in)/ generated from operations		**557 943**	(2 785 183)	414 397	(1 107 160)
Interest paid		-	-	-	-
Tax paid		-	-	-	-
Net cash (utilised in)/generated from operating activities		557 943	(2 785 183)	414 397	(1 107 160)
Cash flows from investing activities					
Purchase of property, plant and equipment		(7 913)	(1 019)	(7 706)	(314)
Net cash utilised in investing activities		(7 913)	(1 019)	(7 706)	(314)
Cash flows from financing activities					
Repayment of borrowings		(82 278)	(1 916)	(76 686)	(927)
(Decrease)/increase in long term creditors		(419 357)	2 782 507	(268 416)	1 124 122
Net cash generated from/ (utilised in) financing activities		(501 634)	2 780 591	(345 102)	1 123 195
Net increase/(decrease) in cash and cash equivalents		48 395	(5 611)	61 589	15 721
Cash and cash equivalents at beginning of the period		76 968	61 616	63 774	11 381

Cash and cash equivalents at end of period		125 363	56 005	125 363	27 102

Notes to The Condensed Financial Statements for the six months ended 30 June 2021

1 NATURE OF OPERATIONS

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 2021 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 2020, which have been prepared in accordance with International Financial Reporting Standards; Companies and Other Business Entities Act (Chapter 24:31) and the relevant statutory instruments (SI 33/99 and SI 62/96).

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).

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 reporting 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 2021	2 986	1.000
30 December 2020	2 475	1.207
30 June 2020	1 445	2.066

These condensed interim financial statements have been reviewed, not audited.

These condensed interim financial statements were approved for issue by the Administrator on 6 October 2021.

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 2020.

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 applied to the audited annual financial statements as at and for the year ended 31 December 2020.

5 REVENUE

	INFLATION ADJUSTED		**HISTORICAL COST**	
	6 months to 30 June 2021 ZWL '000 Reviewed	**6 months to 30 June 2020 ZWL '000 Reviewed**	**6 months to 30 June 2021 ZWL '000 Reviewed**	**6 months to 30 June 2020 ZWL '000 Reviewed**
Mining	2 769 048	2 050 621	2 601 832	667 805
Estates	208 822	113 460	185 367	3 992
Medical Services	49 046	26 903	65 996	7 620
Total	3 026 916	2 190 984	2 853 195	709 417
6. Taxation				
Current Tax	-	-	-	-
Deferred Tax	473 322	180 301	441 157	87 252
	473 322	180 301	441 157	87 252

7 PROFIT/(LOSS) PER SHARE

7.1 Basic

Basic profit/(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.

	INFLATION ADJUSTED		**HISTORICAL COST**	
	6 months to 30 June 2021 ZWL '000 Reviewed	**6 months to 30 June 2020 ZWL '000 Reviewed**	**6 months to 30 June 2021 ZWL '000 Reviewed**	**6 months to 30 June 2020 ZWL '000 Reviewed**
Profit/(loss) attributable to shareholders	(160 248)	1 193 233	(538 763)	(991 748)
Weighted average number of ordinary shares in issue	183 757	183 757	183 757	183 757

Basic earnings/(loss) per share	(0.87)	6.49	(2.93)	(5.40)
7.2 Diluted				
Profit/(loss) used to determine diluted earnings/(loss) per share	(160 248)	1 193 233	(538 763)	(991 748)

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

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/(loss) per share	(0.87)	6.49	(2.93)	(5.40)

Notes to the Condensed Financial Statements for the six months ended 30 June 2021

7.3 Headline earnings/(loss) per share

Headline 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 period:

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

	INFLATION ADJUSTED		**HISTORICAL COST**	
	6 months to 30 June 2021 ZWL '000 Reviewed	**6 months 30 June 2020 ZWL '000 Reviewed**	**6 months 30 June 2021 ZWL '000 Reviewed**	**6 months 30 June 2020 ZWL '000 Reviewed**
IAS 33 - Profits/(losses)	(160 248)	1 193 233	(538 763)	(991 748)
Non - recurring items:				
Proceeds on sale of scrap	(2 592)	(1 612)	2 528	(549)
Impairment	-	-	-	-
Stripping activity impairment	-	-	-	-
Tax effect of the above	-	-	-	-
Headline losses	(162 840)	1 191 621	(541 291)	(992 297)

Weighted average number of ordinary shares in issue	183 757	183 757	183 757	183 757
Headline loss per share	**(0.89)**	**6.48**	**(2.95)**	**(5.40)**

8 PROPERTY, PLANT AND EQUIPMENT

	INFLATION ADJUSTED		**HISTORICAL COST**	
	30 June 2021 ZWL '000 Reviewed	**31 December 2020 ZWL '000 Audited**	**30 June 2021 ZWL '000 Reviewed**	**31 December 2020 ZWL '000 Audited**
Carrying amount at the beginning of the period/year	13 469 463	13 393 817	11 160 545	2 473 969
Additions	7 913	226 380	7 706	175 166
Revaluation	-	232 487	-	8 668 517
Depreciation charge for the period/year	(206 043)	(383 220)	(190 854)	(157 107)
Carrying amount at the end of the period/year	13 271 333	13 469 464	10 977 397	11 160 545
9 INVESTMENT PROPERTY				
Valuation at 1 January	533 532	434 889	442 075	80 328
Fair value gains (included in other gains and losses	-	436 586	-	361 747
	533 532	**871 475**	**442 075**	**442 075**

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	**8 191**	**3 708**	**7 640**	**1 145**

10 INVESTMENT IN EQUITY ACCOUNTED INVESTMENTS

	INFLATION ADJUSTED		HISTORICAL	
	30 June 2021 ZWL '000 Reviewed	**31 December 2020 ZWL '000 Audited**	**30 June 2021 ZWL '000 Reviewed**	**31 December 2020 ZWL '000 Audited**
Investments in associates (note 10.1)	4 221	4 221	1 414	1 414
Investments in joint venture (note 10.2)	496 109	496 109	14 753	14 753
	500 330	500 330	16 167	16 167
10.1 Investment in associates				
Carrying amount as at beginning of period/year	4 221	790	1 414	24
Share of profit/(loss)	-	3 431	-	1 390
Carrying amount at the end of the period/year	4 221	4 221	1 414	1 414

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 INVESTMENT IN EQUITY ACCOUNTED INVESTMENTS

	INFLATION ADJUSTED		HISTORICAL	
	30 June 2021 ZWL '000 Reviewed	**31 December 2020 ZWL '000 Audited**	**30 June 2021 ZWL '000 Reviewed**	**31 December 2020 ZWL '000 Audited**
10.2 Investment in joint venture				
Carrying amount as at 1 January	496 109	496 109	14 753	14 753
Share of loss	-	-	-	-
Carrying amount at the end of the period/year	469 109	469 109	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.

11 INTANGIBLE ASSETS				
Opening carrying amount	4 973	5 756	53	274
Impairment losses	-	(259)	-	(8)
Amortisation charge	(54)	(524)	(49)	(213)
Closing carrying amount	4 919	4 973	4	53

Intangible assets comprise 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				
Raw materials/consumables	291 326	240 405	235 791	90 369
Finished goods				
Coal and coal fines	631 557	646 668	591 883	468 035
	922 883	**887 073**	**827 674**	**558 404**
13 TRADE AND OTHER RECEIVABLES				
Trade	457 178	515 498	457 178	427 132
Other	123 702	112 959	123 702	93 596
	580 880	**628 457**	**580 880**	**520 728**

14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	INFLATION ADJUSTED		**HISTORICAL COST**	
	30 June 2021 ZWL '000 Reviewed	**31 December 2020 ZWL '000 Audited**	**30 June 2021 ZWL '000 Reviewed**	**31 December 2020 ZWL '000 Audited**
Bank and cash balances	125 363	76 968	125 363	63 774
Bank overdraft	-	-	-	-
	125 363	76 968	125 363	63 774

15 SHARE CAPITAL

	INFLATION ADJUSTED		**HISTORICAL COST**	
	30 June 2021 ZWL '000 Reviewed	**31 December 2020 ZWL '000 Audited**	**30 June 2021 ZWL '000 Reviewed**	**31 December 2020 ZWL '000 Audited**
Authorised	51 000	51 000	51 000	51 000

204 000 000 ordinary shares of ZWL0.25 each				
Issued and fully paid				
110 237 432 Ordinary shares of ZWL0.25 each	1 463 522	1 463 522	27 559	27 559
5 962 366 Ordinary shares issued under share option scheme	80 402	80 402	1 515	1 515
	1 543 924	1 543 924	29 074	29 074
67 557 568 ''A'' Ordinary shares of ZWL0.25 each	896 901	896 901	16 889	16 889
	2 440 825	**2 440 825**	**45 963**	**45 963**

BORROWINGS

	INFLATION ADJUSTED		**HISTORICAL COST**	
	30 June 2021 ZWL '000 Reviewed	**31 December 2020 ZWL '000 Audited**	**30 June 2021 ZWL '000 Reviewed**	**31 December 2020 ZWL '000 Audited**
16.1 Non current				
Loans due after one year	191 398	226 286	191 398	187 496
16.2 Current				
Loans payable within one year	72 841	181 070	72 841	150 031

Notes to the Condensed Financial Statements for the six months ended 30 June 2021

17 TRADE AND OTHER PAYABLES

	INFLATION ADJUSTED		**HISTORICAL COST**	
	30 June 2021 ZWL '000 Reviewed	**31 December 2020 ZWL '000 Reviewed**	**30 June 2021 ZWL '000 Reviewed**	**31 December 2020 ZWL '000 Reviewed**
17.1 Trade and other payables-current				
Trade	978 205	582 287	978 205	482 721
Other	218 179	411 955	659 331	341 338
	1 196 384	**994 542**	**1 196 384**	**824 059**

17.2 Trade and other payables- Long term				
Trade	1 866 072	2 215 563	1 866 072	1 835 776
Other	-	-	-	-
	1 866 072	2 215 563	1 866 072	1 835 776

18 PROVISIONS

18.1 Provision for rehabilitation

	INFLATION ADJUSTED		**HISTORICAL COST**	
	30 June 2021 ZWL '000 Reviewed	**31 December 2020 ZWL '000 Audited**	**30 June 2021 ZWL '000 Reviewed**	**31 December 2020 ZWL '000 Audited**
At the beginning of the period/year	219 496	15 774	181 870	13 070
Additional provisions made during the period/year	-	203 722	-	168 800
At the end of the period/year	219 496	219 496	181 870	181 870
18.2 Other provisions				
Leave pay and other provisions	103 195	153 404	103 195	127 108
Total provisions	**322 691**	**372 900**	**285 065**	**308 978**

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				
30 June 2021	**Mining ZWL '000 Reviewed**	**Estates ZWL '000 Reviewed**	**Medical Services ZWL '000 Reviewed**	**Total ZWL '000 Reviewed**
30 June 2021				
Revenue				
From external customers	2 769 048	208 822	49 046	3 026 916
From Other segments	-	122 123	21 422	143 545
Total segment revenues	2 769 048	330 945	70 468	3 170 461

Segment operating loss/profit	550 559	30 887	4 386	585 832
Segment assets	154 943	131 693	128 785	415 421
Segment liabilities	363 874	207 294	258 472	829 640

30 June 2020

Revenue				
From external customers	2 050 621	113 460	26 903	2 190 984
From other segments	-	66 354	11 751	78 105
Total segment revenues	2 050 621	179 814	38 654	2 269 089
Segment operating loss/profit	1 405 145	22 775	(19 929)	1 407 991
Segment assets	320 180	272 136	266 126	858 442
Segment liabilities	751 924	428 361	534 118	1 714 403

	HISTORICAL			
	Mining ZWL '000 Reviewed	**Estates ZWL'000 Reviewed**	**Medical Services ZWL '000 Reviewed**	**Total ZWL '000 Reviewed**
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	(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

30 June 2020

Revenue

From external customers	667 805	33 992	7 620	709 417
From other segments	-	19 879	3 328	23 207
Total segment revenues	667 805	53 871	10 948	732 624

Segment operating (loss)/profit	(893 961)	7 348	(8 239)	(894 852)
Segment assets	3 067 919	39 042	24 101	3 131 063
Segment liabilities	2 610 150	40 022	30 871	2 681 043

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise loans payable 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 Administrator 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 Zimbabwe 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.

23 EVENTS AFTER THE REPORTING DATE

No adjusting or significant events have occurred between the reporting date and the date of authorisation of these financial statements.

AUDITOR'S STATEMENT

The condensed interim financial statements for the six months ended 30 June 2021 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, and

• Going concern.

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 is Farai Chibisa (PAAB Number: 0547).