INNSCOR AFRICA LIMITED

Audited Abridged Group Financial Results

FOR THE YEAR ENDED 30 JUNE 2023

INNSCOR Africa Limited

Our passion for **value creation**

Salient Features

	% change 2023 vs 2022	Year ended 30 June 2023 USD
Revenue	15%	804 039 805
Operating profit before depreciation, amortisation and fair value adjustments	-13%	91 061 123
Profit for the year	-41%	37 844 019
Total assets	9%	653 843 006
Total equity	3%	417 670 866
Total liabilities	21%	236 172 140
Cash generated from operations	12%	112 070 442
Headline earnings per share (US cents)	-26%	5.63
Dividend per share		
Total dividend (US cents)	12%	2.65
Final dividend declared (US cents)		1.05
Interim dividend paid (US cents)		1.60

DIRECTORS' RESPONSIBILITY

The Holding Company's Directors are responsible for the preparation and fair presentation of the Group's audited annual financial statements, of which this press release represents an extract. These audited, abridged Group annual financial statements are presented in accordance with the disclosure requirements of the Victoria Falls Stock Exchange ("VFEX") Listing Requirements and, except where stated, in accordance with the measurement and recognition principles of International Financial Reporting Standards ("IFRS") and the manner required by the Companies and Other Business Entities Act [Chapter 24:31]. The principal accounting policies applied in the preparation of these Group consolidated, audited, annual financial statements are consistent with those applied in the previous year's financial statements, except for the change in measurement of property, plant and equipment, which was previously measured at historical cost and is now being measured under the revaluation model. There is no impact arising from revised IFRS, which became effective for the reporting period commencing on or after 1 January 2022 on the Group's consolidated, audited, annual financial statements.

CHANGE IN FUNCTIONAL CURRENCY

Commencing with the financial year ended 30 June 2020, and in line with previous guidance issued by the Public Accountants and Auditors Board ("PAAB") and the provisions of International Accounting Standard ("IAS") 29 (Financial Reporting in Hyperinflationary Economies), the Directors have been presenting Group inflation-adjusted financial statements in Zimbabwe Dollars ("ZWL"). Due to the considerable distortions in the economy and the material and pervasive effects that these had in the application of IAS 29, the Directors have always advised users to exercise caution in the interpretation and use of these Group consolidated inflation-adjusted financial statements; in an effort to assist users with their interpretation of the Group's financial performance in previous years, the Directors also issued consolidated financial statements prepared under the historical cost convention, as supplementary information.

As previously advised in the Group's Interim Report and following the promulgation of Statutory Instrument ("SI") 185 of 2020, issued on 24 July 2020, the Group has continued to see a steady increase in the use of foreign currency across its businesses and, in accordance with the requirements of IAS 21 (The Effects of Changes in Foreign Exchange Rates), went through a process of assessing its functional currency. Following the completion of this process, the Group concluded that based on the primary operating environment and the Group's own operating activities, there had been a change in its functional currency from ZWL to United States Dollars ("USD") with effect from the beginning of the current financial year under review. The change in the Group's functional currency is further supported by the Listing Requirements of the VFEX, which require issuers to present financial statements in USD.

IAS 21 directs that entities operating in hyperinflationary economies should translate their last reported inflation-adjusted financial statements using the closing rate of exchange at the reporting date in order to derive and present comparative financial statements under a newly assessed functional currency.

The Directors are of the opinion that using the provisions of IAS 21 to convert the Group's consolidated inflation-adjusted Financial Statements from previous periods as a basis for presenting comparative and opening Statement of Financial Position information, in terms of the new functional currency, will result in the material misstatement of the Group's comparative Financial Statements and information.

In an endeavour to present a true and fair view of the comparative financial performance and position of the Group, stakeholders will recall that the Group used alternative procedures and techniques in the translation process in the preparation of its Interim Report, where it reported total closing shareholders' equity of USD 439.085m in its comparative Statement of Financial Position.

In an effort to move towards full compliance with IFRS, and with the objective of ensuring a return to an unqualified audit opinion on the Group's Financial Statements for the 2024 financial year, the Group further refined its conversion procedures and techniques in translating its previously reported ZWL financial statements to USD; this resulted in closing shareholders equity in the comparative Statement of Financial Position reducing from the USD 439.085m reported in the Interim Report, to USD 405.464m.

This reduction was largely due to the re-calculation of deferred tax provisions, taking account of the recently revised legislation in income tax provisions (reduction in equity of USD 27.924m), the effects of the changes in the accounting policy on property, plant and equipment, now measured under the revaluation method (increase in equity of USD 10.602m), with other adjustments combining to reduce opening equity by a further USD 16.299m; with these other adjustments relating mainly to the carrying value of associate entities (applying the refined Group translation policies), and adjustments required to bring the conversion of other assets and liabilities in line with the provisions of IAS 21.

The Directors have always exercised reasonable due care and applied judgments that they considered to be appropriate in the preparation and presentation of the Group's financial statements, and whilst they believe that the alternative procedures and techniques used in the translation process, as described above, provide users with the best possible view of the comparative financial performance and position of the Group, attention is drawn to the inherent subjectivities and technicalities involved in the translation of ZWL financial statements to USD financial statements.

Further detail on the Group's change in functional currency is contained in **Note 3** to these audited, abridged Group annual financial statements.

CHANGE IN ACCOUNTING POLICY ON PROPERTY, PLANT AND EQUIPMENT

The Group's property, plant and equipment ("PPE") has always been measured at historical cost, and as the Group changed its functional currency from ZWL to USD as described in the preceding paragraph, applying the provisions of IAS 21 to convert the Group's comparative and opening PPE values would have resulted in the material distortion of these values at the date of change in functional currency. Therefore, and in order to ensure future compliance with IFRS, the Directors chose to revalue the Group's PPE at 30 June 2022 so as to reflect the correct PPE values at this date and further details are provided in **Note 4**.

Effecting the change in accounting policy for PPE from the historical cost model to the revaluation model in the prior year is contrary to the provisions of IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors), which does not permit the retrospective application of a change in accounting policy to revalue PPE. The Directors are, however, of the view that effecting the change in the PPE accounting policy from the historical cost model to the revaluation model in the comparative year, will more fairly present PPE values, enhance comparability between the Group's current and comparative Statements of Financial Position, and additionally, will assist users with their interpretation of the Group's financial position and performance.

EXTERNAL AUDITOR'S STATEMENT

These audited, abridged Group annual financial statements should be read in conjunction with the complete set of the Group audited, annual financial statements for the year ended 30 June 2023. The Group's annual financial statements have been audited by Messrs BDO Zimbabwe Chartered Accountants, who have issued an "except for" audit opinion as a result of non-compliance with the provisions of IAS 21 which relates to the translation of opening balances and comparative financial information as noted above, and non-compliance with IAS 8 which results from the changing of the Group's PPE policy from the historical cost model to the revaluation model retrospectively, for the reasons described above. The External Auditor's Report on the Group's audited, annual financial statements, from which these Group audited, abridged annual financial statements are extracted, is available for inspection at the Company's registered office. The Engagement Partner responsible for the audit was Mr Martin Makaya, PAAB Practice Number 0407.

SUSTAINABILITY REPORTING

The Group continues to apply the Global Reporting Initiative ("GRI") protocol linked to the ISO 26000 standard and, over the years, has aligned its sustainability reporting, using ISO 26000, with corresponding Sustainable Development Goals ("SDGs"). This demonstrates the Group's commitment to sustainable development within the environment in which it operates as well as its contribution to sustainability in its wider sphere of influence. The Group continues to strengthen its sustainability practices and values across its operations, with continuous improvement, to ensure long-term business success.

UNCERTAIN TAX POSITIONS

There have been substantial changes in the currency environment in Zimbabwe in recent years, including the reintroduction of the ZWL as the Country's functional currency in February 2019 through SI 33 of 2019, followed by the promulgation of SI 185 of 2020, which reintroduced the use of foreign currency for domestic transactions.

These significant changes have created numerous uncertainties in the treatment of taxes due across the economy and have been compounded by a lack of clear statutory and administrative guidance or practical transitional measures from the tax authorities. The wording of existing tax legislation has given rise to varying interpretations of tax law within the Country. Over time, it has become apparent that the Group's interpretation of the law regarding the currency of settlement for taxes, as well as the methodology for tax computation, has differed from that of the authorities, and this has resulted in a number of uncertainties in the Group's tax position. The Group continues to seek adjudication by the courts on these matters.

OPERATING ENVIRONMENT AND OVERVIEW

The financial year under review was initially characterised by reduced inflationary pressure and market volatility as authorities sought to moderate money supply growth, instituting a considerable increase in local currency lending rates. This achieved the desired impact of arresting inflation and local currency devaluation, resulting in improved business and trading sentiment, albeit with significantly reduced market liquidity.

The second half of the financial year under review saw a rapid devaluation of the local currency with complex and unpredictable market conditions prevailing before liquidity was controlled, and refinements made to the Reserve Bank of Zimbabwe ("RBZ") foreign currency auction system. Pricing distortions and resultant arbitrage in the trade persisted for much of the year, negatively impacting consumer demand and confidence in formal retail channels; despite this however, consumer demand across the informal market remained buoyant, supported by increases in mining and agricultural output, diaspora remittances, and Government infrastructure spending during the year.

Notwithstanding the erratic trading environment, especially in the second half of the financial year under review, the Group's Protein, Stockfeeds, Beverage and Light Manufacturing segments all delivered positive volume growth over the comparative year, whilst the impact of international wheat pricing carried over from the previous financial year, had an adverse impact on the Mill-Bake segment. The Group's investment drive underpinned the overall volume trajectory, with focus being deployed on expanding plant capacities, enhancing manufacturing capabilities and product extensions; whilst route-to-market initiatives continued to be refined in order to drive volume into new markets.

FINANCIAL REVIEW

The Group recorded revenue of USD 804.040m during the financial year under review, representing a growth of 14.7% over the comparative year. Revenue performance was driven by improved capacity utilisation across the Group's core manufacturing businesses, and further supported via the introduction of new product categories, category extensions, and route-to-market optimisation strategies undertaken during the financial year under review.

At operating profit before depreciation, amortisation, and fair value adjustments ("EBITDA") level, the Group saw a mild contraction in margin efficiency terms of 3.7%. This resulted mainly from reduced gross margin yield where the full increase in the core bills of materials could not be fully recovered in the sales price, as our units sought to minimise the impact of price increases on the consumer and maintain volume momentum. Operating expenditure ("Opex") also saw a significant correction in the financial year under review, as many cost buckets fully dollarised, which, when combined with international cost-push pressure, resulted in Opex growing 16.8% ahead of the comparative year. EBITDA for the year closed at USD 91.061m, 13.5% lower than the comparative year.

Currency losses dominated the financial loss line of USD 15.404m as the Group faced a diminishing ability to adequately hedge against the rapid local currency devaluation experienced during the latter part of the financial year. Depreciation and Amortisation increased by 12% versus the comparative year, driven by the significant investment across the Group in the F2022 to F2023 financial periods. Despite the significant increase in local currency lending rates in the first quarter of the financial year under review, the Group managed to contain the annual interest expense to USD 13.443m, representing a 22% reduction on the comparative year.

Fair value adjustments of USD 7.822m emanate mainly from the Group's significant biological asset holdings in the Protein Segment and the application of the provisions of IAS 41 (Agriculture), which require cost of sales of agricultural produce to be fair-valued. The Group's associate businesses delivered positive earnings through the Equity Accounted Earnings line, albeit at considerably lower levels than seen in the comparative year.

Profit Before Tax ("PBT") amounted to USD 48.315m, representing a decline against the comparative year and driven by the margin dynamics at a gross margin and EBITDA level, and compounded by exchange losses and weaker equity-accounted earnings. Headline Earnings Per Share ("HEPS") for the financial year under review amounted to 5.63 US cents per share, which was 26% lower than the comparative year.

The Group's Statement of Financial Position remained robust, with a strong asset base supported by fixed assets, efficient working capital positions, and negligible net gearing levels.

Cash generation was outstanding, and was further supported by improved efficiency across the Group's working capital positions, combining to deliver exceptional operating cash flows of USD 112.070m for the financial year under review, and representing a 12% increase over the comparative year. The strong operating cash flows enabled the Group's extensive investment programme to progress at pace, with USD 70.255m deployed toward capital expansion during the year.

OPERATIONS REVIEW

MILL-BAKE

This reporting segment consists of the Group's Bakery division, National Foods, and the Group's non-controlling interests in Profeeds and Nutrimaster.

Volume growth for the **Bakery** division was muted versus the comparative year, mainly on account of the pricing dynamics experienced early in quarter one, as inflated international wheat pricing resulted in an adverse effect on bread pricing to the consumer. Loaf volumes from quarter two through to quarter four increased substantially however, as local wheat stocks improved, and international pricing softened.

The operation has recently completed the commissioning of its USD 22m investment into a state-of-the-art, fully automated production line in Bulawayo. This investment has significantly improved loaf quality and is expected to enhance manufacturing efficiencies once all Southern region production is migrated to this new facility.

Further plant automation and capacity upgrades will occur at the Harare manufacturing facility in the year ahead, and this will be complemented by the ongoing delivery fleet recapitalisation programme.

At **National Foods**, aggregate volumes contracted by 3% versus the comparative period, mainly driven by the performance of the flour division;

- Volumes in the Flour unit contracted by 12.3% versus the comparative year, driven largely by significant increases in the price of wheat. International wheat prices peaked in the first half of the year, resulting in higher flour prices and a consequent volume reduction of 19.6% for the first quarter. The Flour division completed the installation of a new Buhler mill in Bulawayo, which will increase wheat milling capacity and operational efficiency across the division.

- Maize volumes were disappointing, declining by 9.4% versus the prior year. The current year was characterised by various procurement-related distortions which hampered consistent trade. Initially, various distortions arose in purchasing the local maize crop in quarter one, before volumes recovered in the middle of the year as the local crop dried up, until finally, later in the year, volumes were impacted by the re-opening of the country's borders to finished product.

- Stockfeed volumes were firm, increasing by 10% when compared to the comparative year, with the growth coming across all the major categories, and in particular the poultry, beef and dairy sectors, which all saw firm demand.

- Volumes in the Down-Packed unit, which primarily packs rice and salt, saw encouraging growth of 14% versus last year. Rice volume growth was largely driven by the informal sector and likely benefited from the elevated prices in the wheat-to-bread value chain. Planning for the construction of the new rice packing facility is progressing, and we will be looking to construct this facility in 2024.

- Volumes in the Snacks division increased by 25% against the prior period, as capacity enhancements came on stream and the "King" and "Zapnax" brands continued to show volume growth.

- Biscuit volumes declined marginally compared to last year. The category was under pressure due to flour price increases and the challenges faced by the formal retail market. As previously advised, the National Foods Board has approved the purchase of a new biscuit line, allowing the operation to extend its biscuit portfolio into more specialised products. The new line is expected to be operational in early 2024.

- The installation of the new pasta line in Harare is on track, and the line is expected to be commissioned toward the end of 2023. The line will be the only large-scale pasta line in the Country, and our objective is to meet the growing local demand for pasta. This represents, in our view, the exciting localisation of a key value chain, from the growing of wheat locally to the local production of pasta, which until now has mostly been imported.

- Volumes in the cereals unit grew by 47% over the comparative year. The second phase of National Foods' breakfast cereal investment was commissioned towards the end of the first half of the financial year under review, resulting in the launch of a new range of breakfast cereals, including corn flakes, bran flakes, wholegrain flakes and instant cereals.

Profeeds operated at full capacity for the year under review, delivering stockfeed volumes 9.5% ahead of the comparative year on the back of sustained demand in the poultry category. This was complemented by a 17% increase in day-old-chick volumes over the same period.

Looking ahead, the business will increase its capacity and improve service delivery to the Southern markets via a USD 7m investment into a new Stockfeed facility in Bulawayo; this facility is expected to be operational by the end of F2024.

In the "Profarmer" retail chain, sales of stockfeeds through the channel increased by 23% over the comparative year, driven by strong demand in the small to medium-scale farming segment. The division continued to grow its ancillary farming input offering with pleasing growth realised across the fertiliser, seed, and chemical categories. The division had expanded its nationwide footprint to 50 stores by the end of the financial year under review and has recently undertaken investment into a distribution centre to further unlock efficiencies across the platform.

At **Nutrimaster**, a subsidiary of Profeeds, sales volumes increased 35% over the comparative year, underpinned by a strong order book across the row-cropping, horticulture and tobacco segments. Diversification into a chemical offering under the "Optichem" brand is also underway and scheduled to be availed to the market in early F2024.

PROTEIN

This reporting segment comprises Colcom, Irvine's, and Associated Meat Packers Group ("AMP"), which includes the "Texas Meats," "Texas Chicken," and "Texas Dairy" branded store networks.

The **Colcom division**, comprising Triple C Pigs and Colcom Foods, delivered excellent results for the year under review.

Audited Abridged Group Financial Results

FOR THE YEAR ENDED 30 JUNE 2023

INNSCOR Africa Limited

Our passion for **value creation**

PROTEIN (continued)

At Colcom Foods, demand for fresh pork remained firm, resulting in volume growth of 8%, supported by double-digit growth across the Sausage and Polony categories over the comparative year. Volume growth for the bacon and ham category was muted on the comparative year, reflective of the category's reliance on the formal retail channel.

Pig production at Triple C continued to be excellent with world-class performance benchmarks continuing to be achieved; volumes increased 3% against the comparative year, as prior investment into enhanced genetics and improved rearing sites continue to deliver positive results.

Considerable investment will be deployed into the Colcom operation in the period ahead, and will be focused on upstream capacity extensions of the Triple C production and breeding facilities, whilst at Colcom Foods, the focus remains on modernising and upgrading factory operations at Coventry Road, coupled with an expansionary drive of its branded retail outlets.

At **Irvine's**, volume growth was concentrated in the Table Egg and Day-old Chick categories, growing 14% and 7%, respectively, over the comparative year, whilst the Frozen chicken category continued to operate at capacity, and volumes closed at the same level as the comparative year. Investments targeted at increasing breeder and laying capacity and hatchery extensions have been primary growth drivers, and the business looks ahead to initiating capacity enhancement investment for the Frozen chicken category.

The **AMP Group** recorded a pleasing volume recovery of 13% over the comparative year, with both the chicken and beef categories contributing positively. The business continued to experience supply constraints in the beef category due to local disease controls and restrictions on the movement of cattle during the year. Chicken demand remained firm throughout. The "Texas" retail network continued to expand and open stores in new locations across the Country, growing to 50 stores by the end of the financial year under review.

BEVERAGE AND OTHER LIGHT MANUFACTURING

This reporting segment comprises Prodairy, Mafuro Farming, Probottlers, The Buffalo Brewing Company ("TBBC"), Natpak, and the Group's non-controlling interests in Probrands.

Prodairy continued to register solid volume growth, with overall volumes closing 44% ahead of the comparative year. The Dairy Blend category operating under the "Revive" brand benefited from prior capacity expansion investment, and volumes closed 83% ahead of the comparative year. A similar growth of 73% over the comparative year was registered in the Steri-milk category, whilst the "Life" UHT milk, butter and cream categories also delivered strong volume growth of 5% and 23%, respectively. Further investment into capacity enhancements across the operation's product portfolio will continue in the forthcoming financial year, complemented by product format extensions and innovative route-to-market initiatives.

At **Mafuro Farming**, raw milk production grew by 8% over the comparative year. The business has completed the initial investment phase to establish a modern dairy operation in the Midlands Province, and the herd is expected to enter full production early in the new financial year.

Probottlers' aggregate volumes increased 14% ahead of the comparative year, mainly driven by increased production capacity through the new "Fizzi" 500ml line. Volumes within the Cordial category under the "Tree Tips" and "Bally House" brands saw some contraction versus the comparative year, primarily due to grey-market imports evident in the trade, and challenging trading dynamics in the formal retail sector.

TBBC launched its sorghum beer product under the "Nyathi" brand in December 2022; market uptake has been positive, and initial overall volume performance has been aligned with target.

At **Natpak**, overall volumes closed 10% ahead of the comparative year, driven by capacity enhancements and product extensions with the Rigids and Corrugated divisions, which registered volume growth of 14% and 19%, respectively, ahead of the comparative year. The Flexibles and Sacks divisions also delivered growth over the comparative year, and both business units will see additional investment to expand operations in the forthcoming financial year.

At Probrands, overall volumes lagged the comparative year following a deliberate refocus of the business strategy away from commoditised categories. Focus continues on creating innovative household and adjacent condiment products for the Zimbabwean consumer, and both categories delivered positive growth in this regard.

PROSPECTS

The operating environment proved complex and challenging for much of the year under review, and the Group's trading performance from a profitability and return on equity perspective largely reflected this. Notwithstanding the trading performance, the Group continued to produce exceptional levels of free cash flow which drove the numerous ongoing capital expansion projects across the entire business portfolio, and enabled strong levels of cash returns to shareholders.

From a trading perspective, our business models continue to undergo constant refinement to ensure we remain agile and relevant in a dynamic and complex operating environment. It is vital that our expansion programmes yield world-class quality products, and that our increasing manufacturing capacities across our business units translate into economies of scale, resulting in excellent pricing for our customers; we will continue to strive to make the lives of our customers better.

Over the past two financial years, the Group has deployed almost USD 125m in expansion capital investment across its numerous business units. This investment programme has allowed for the establishment of new business units and products, enabled the expansion and modernising of existing manufacturing lines, extended existing product categories, and will ultimately enhance the overall manufacturing efficiencies and capabilities of the Group as critical mass is reached. Much of this investment has recently been commissioned, or is in the final stages of commissioning, and in the period ahead we will deploy considerable focus and energy on ensuring these exciting new investments operate according to the necessary operating models, driving positive returns to shareholders.

Finally, the Group understands its responsibilities to the nation in providing world-class quality products at affordable prices, and we will continue to pursue our expansion programmes with this objective in mind. Additionally, in the period ahead, we will work to identify and support, key initiatives and programmes that reflect our passion for empowering and supporting our communities.

FINAL DIVIDEND

The Board is pleased to declare a final dividend of 1.05 US cents per share payable in respect of all ordinary shares of the Company. This final dividend will be payable to all shareholders of the Company registered at the close of business on 13 October 2023. This brings the total dividend to shareholders for the current year under review to 2.65 US cents per share which is a 12% increase on the 2.37 US cents per share paid in respect of F2022.

The payment of this final dividend will take place on or around 8 November 2023. The shares of the Company will be traded cum-dividend on the VFEX up to the market day of 10 October 2023 and ex-dividend from 11 October 2023.

The Board has also declared a final dividend totalling USD 305,000 to Innscor Africa Employee Share Trust (Private) Limited. Innscor Africa Employee Share Trust (Private) Limited supports all qualifying beneficiaries with both dividend flow and various loan schemes.

APPRECIATION

I wish to record my sincere appreciation to the Executive Directors, Management, and Staff for their effort during the year under review. I also wish to thank the Non-Executive Directors for their wise counsel and the Group's customers, suppliers, and other stakeholders for their continued support and loyalty.

A B C CHINAKE
Independent, Non-Executive Chairman
28 September 2023

Audited Abridged Group Statement of Profit Or Loss and Other Comprehensive Income

	Note	Year ended 30 June 2023 USD	Year ended 30 June 2022 USD
REVENUE		**804 039 805**	**700 994 290**
Operating profit before depreciation, amortisation and fair value adjustments		**91 061 123**	**105 220 839**
financial (loss)/income	7	(15 404 704)	222 318
depreciation on property, plant and equipment and right-of-use assets, and amortisation on intangible assets		(23 443 245)	(20 903 645)
Operating profit before interest, equity accounted earnings, fair value adjustments and tax		**52 213 174**	**84 539 512**
fair value adjustments on livestock and listed equities		7 822 468	7 134 438
Profit before interest, equity accounted earnings and tax		**60 035 642**	**91 673 950**
net interest expense		(13 443 180)	(17 227 142)
equity accounted earnings		1 722 897	6 028 400
Profit before tax		**48 315 359**	**80 475 208**
tax expense		(10 471 340)	(16 650 593)
Profit for the year		**37 844 019**	**63 824 615**
Profit for the year attributable to:			
equity holders of the parent		32 146 774	45 281 822
non-controlling interests		5 697 245	18 542 793
		37 844 019	**63 824 615**
Other comprehensive income for the year that will not be reclassified subsequently to profit or loss,			
Revaluation surplus		—	161 444 738
Deferred tax on revaluation surplus		—	(33 564 989)
Revaluation surplus, net of deferred tax		**—**	**127 879 749**
Revaluation surplus attributable to:			
equity holders of the parent		—	89 515 824
non-controlling interests		—	38 363 925
Other comprehensive income for the year that will not be reclassified subsequently to profit or loss, net of tax		**—**	**127 879 749**
Total comprehensive income for the year attributable to:			
equity holders of the parent		32 146 774	134 797 646
non-controlling interests		5 697 245	56 906 718
		37 844 019	**191 704 364**
EARNINGS PER SHARE (CENTS)			
Basic earnings per share	14	**5.63**	**7.96**
Headline earnings per share	14	**5.63**	**7.62**
Diluted basic earnings per share	14	**5.63**	**7.96**
Diluted headline earnings per share	14	**5.63**	**7.62**

Audited Abridged Group Statement of Financial Position

	Note	30 June 2023 Audited USD	30 June 2022 Audited USD
ASSETS			
Non-current assets			
property, plant and equipment		312 855 810	258 611 731
right-of-use assets		4 514 119	3 429 936
intangible assets		8 918 541	8 882 775
investments in associates		51 407 711	50 798 423
other assets		15 303 142	13 210 829
biological assets		5 193 699	3 199 569
		398 193 022	**338 133 263**
Current assets			
other assets		7 296 590	9 933 363
biological assets		25 609 066	19 684 662
inventories	8	105 550 510	114 017 800
trade and other receivables	9	88 020 712	86 042 886
cash and cash equivalents		29 173 106	32 861 146
		255 649 984	**262 539 857**
Total assets		**653 843 006**	**600 673 120**
EQUITY AND LIABILITIES			
Capital and reserves			
ordinary share capital		1 171 521	1 171 521
class 'A' ordinary shares		2	2
share premium		4 080 962	4 080 962
other reserves		116 179 828	116 336 327
distributable reserves		169 907 567	156 719 610
attributable to equity holders of the parent		**291 339 880**	**278 308 422**
non-controlling interests		126 330 986	127 155 610
Total shareholders' equity		**417 670 866**	**405 464 032**
Non-current liabilities			
deferred tax liabilities		33 214 938	32 755 715
lease liability	10	3 453 576	2 677 870
interest-bearing borrowings	11	19 263 994	10 102 785
		55 932 508	**45 536 370**
Current liabilities			
lease liability	10	1 240 212	794 414
interest-bearing borrowings	11	48 839 823	35 685 783
trade and other payables	12	121 421 194	98 196 819
provisions and other liabilities		2 548 848	1 804 179
current tax liabilities		6 189 555	13 191 523
		180 239 632	**149 672 718**
Total liabilities		**236 172 140**	**195 209 088**
Total equity and liabilities		**653 843 006**	**600 673 120**

Audited Abridged Group Statement of Cash Flows

	Year ended 30 June 2023 Audited USD	Year ended 30 June 2022 Audited USD
Cash generated from operating activities	**112 070 442**	**100 195 847**
interest expense	(13 443 180)	(17 227 142)
tax paid	(12 611 657)	(14 884 011)
Total cash available from operations	**86 015 605**	**68 084 694**
Investing activities	**(85 811 556)**	**(50 278 122)**
Net cashflows before financing activities	**204 049**	**17 806 572**
Financing activities	**(3 892 089)**	**(19 114 350)**
Net decrease in cash and cash equivalents	**(3 688 040)**	**(1 307 778)**
Cash and cash equivalents at the beginning of the year	**32 861 146**	**34 168 924**
Cash and cash equivalents at the end of the year	**29 173 106**	**32 861 146**

Group Statement of Changes in Equity

	attributable to equity holders of the parent												
				Other Reserves									
	Ordinary Share Capital USD	Class A Ordinary Share Capital USD	Share Premium Reserve USD	Restructure Reserve USD	Revaluation Reserve USD	Foreign Currency Translation Reserve USD	Treasury Shares Reserve USD	Share-Based Payment Reserve USD	Total Other Reserves USD	Distributable Reserves USD	Total Attributable to Equity Holders of the Parent USD	Non-Controlling Interests USD	Total Shareholders' Equity USD
Balances at 30 June 2021	**1 171 278**	**2**	**3 919 431**	**(4 555 088)**	**—**	**29 673 031**	**(721 715)**	**129 062**	**24 525 290**	**122 294 156**	**151 910 157**	**72 236 397**	**224 146 554**
Share-based payment charge	—	—	—	—	—	—	—	900	900	—	900	—	900
Issue of shares	243	—	161 531	—	—	—	—	(129 962)	(129 962)	—	31 812	—	31 812
Profit for the year	—	—	—	—	—	—	—	—	—	45 281 822	45 281 822	18 542 793	63 824 615
Dividends paid	—	—	—	—	—	—	—	—	—	(10 856 368)	(10 856 368)	(5 291 475)	(16 147 843)
Transactions with owners in their capacity as owners	—	—	—	2 424 275	—	—	—	—	2 424 275	—	2 424 275	3 303 970	5 728 245
Revaluation surplus net of deferred tax	—	—	—	—	89 515 824	—	—	—	89 515 824	—	89 515 824	38 363 925	127 879 749
Balances at 30 June 2022	**1 171 521**	**2**	**4 080 962**	**(2 130 813)**	**89 515 824**	**29 673 031**	**(721 715)**	**—**	**116 336 327**	**156 719 610**	**278 308 422**	**127 155 610**	**405 464 032**
Profit for the year	—	—	—	—	—	—	—	—	—	32 146 774	32 146 774	5 697 245	37 844 019
Dividends paid	—	—	—	—	—	—	—	—	—	(18 958 817)	(18 958 817)	(6 746 279)	(25 705 096)
Transactions with owners in their capacity as owners	—	—	—	—	—	—	(156 499)	—	(156 499)	—	(156 499)	224 410	67 911
Balances as at 30 June 2023	**1 171 521**	**2**	**4 080 962**	**(2 130 813)**	**89 515 824**	**29 673 031**	**(878 214)**	**—**	**116 179 828**	**169 907 567**	**291 339 880**	**126 330 986**	**417 670 866**

Supplementary Information

1 Corporate Information

The Company is incorporated and domiciled in Zimbabwe.

2 Basis of Preparation

The Group's abridged consolidated annual financial statements for the year ended 30 June 2023 have been prepared in accordance with the requirements of the Victoria Falls Stock Exchange Listing Requirements and in a manner required by the Zimbabwe Companies and Other Business Entities Act [Chapter 24.31]. The Listing Requirements require annual financial statements to be prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Group's abridged consolidated annual financial statements have been prepared based on statutory records that are maintained under the historical cost basis, except for equity investments and some biological assets that have been measured at fair value.

The financial statements are presented in United States Dollars (USD); all values are rounded to the nearest dollar, except where otherwise indicated.

The principal accounting policies applied in the preparation of the Group annual financial statements are in terms of IFRS, except where otherwise stated, and applicable amendments to IFRS and the accounting policies have been applied consistently in all material respects with those of the previous consolidated annual financial statements except for the change in accounting for property, plant and equipment which is explained in **Note 4** below.

3 Change in functional and presentation currency

Following the promulgation of Statutory Instrument ("SI") 185 of 2020, issued on 24 July 2020, the Group has continued to see a steady increase in the use of foreign currency across its businesses and, in accordance with the requirements of IAS 21 ("The Effects of Changes in Foreign Exchange Rates"), has been through a process of assessing its functional currency. In assessing functional currency, the following factors were considered:

(i) the currency that mainly influences sales prices for goods and services (the currency in which sales prices for goods and services are denominated and settled).
(ii) the currency which influences labour, material and other costs of providing goods and services.
(iii) the currency in which funds from financing activities are generated.
(iv) the currency in which receipts from operating activities are usually retained.

The Group concluded that based on the above factors, there has been a change in the Group's functional currency from ZWL to United States Dollars ("USD") with effect from the beginning of the current financial year. The change in the Group's functional currency is further supported by the Listing Requirements of the VFEX, which require issuers to present financial statements in USD.

Procedures to convert comparative financial statements to USD

IAS 21 directs that entities operating in hyperinflationary economies should translate their last reported Group's inflation-adjusted financial statements using the closing rate of exchange at the reporting date in order to derive and present comparative financial statements under a newly assessed functional currency.

The Directors are of the opinion that using the provisions of IAS 21 to convert the Group's inflation-adjusted Financial Statements from previous periods as a basis for presenting comparative and opening Financial Statements and information, in terms of the new functional currency, will result in the material misstatement of the Group's comparative Financial Statements and information. In an endeavour to present a true and fair view of the comparative financial performance and position of the Group, the following procedures and techniques were utilised:

The Comparative Statement of Profit or Loss and Other Comprehensive Income

- All ZWL transactions concluded during the period were converted to USD using the spot rate existing at the date of the transaction.
- USD transactions were accounted for at original USD value.

The Comparative Statement of Financial Position

- The Group changed its accounting policy for property, plant and equipment to the revaluation method, and an independent professional valuer performed the revaluation exercise as at 30 June 2022.
- Investments in Associates were recalculated by taking the Group's share of the net assets of the Associate, after accounting for any revaluations at entity level.
- Biological asset values were recalculated, based on USD fair values and USD historical costs at 30 June 2022.
- Deferred Taxation was recomputed using the updated tax legislation, and the provisions of IAS 12 (Income Taxes), taking account of the new carrying values of assets and liabilities.
- All other assets and liabilities were converted in line with IAS 21.

With the objective of ensuring a return to an unqualified audit opinion on the Group's Financial Statements for the 2024 financial year, the Group applied the above refined conversion procedures and techniques to its comparative Financial Statements, and this resulted in the closing Shareholders' Equity recorded in the comparative Statement of Financial Position reducing from the USD 439.085m reported in the Interim Report, to USD 405.464m.

This reduction was largely due to the re-calculation of deferred taxation provisions, taking account of the recently revised legislation in income tax provisions (reduction in equity of USD 27.924m), the effects of the changes in the accounting policy on property, plant and equipment, now measured under the revaluation method (increase in equity of USD 10.602m), with other adjustments combining to reduce opening equity by a further USD 16.299m; with these other adjustments relating mainly to the carrying value of associate entities (applying the refined Group translation policies), and adjustments required to bring the conversion of other assets and liabilities in line with the provisions of IAS 21.

4 Change in accounting policy, ("Property, Plant and Equipment")

With effect from 30 June 2022, the Group changed its accounting policy for Property, Plant and Equipment from the Cost Model to the Revaluation Model.

4 Change in accounting policy ("Property, Plant and Equipment") (continued)

The revalued amounts were based on a valuation exercise performed by Integrated Properties (Private) Limited, an independent accredited professional valuer. Integrated Properties has experience in valuing assets of the Group's nature. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The revaluation surplus, net of deferred tax, has been included under Revaluation Reserve, and in the Statement of Profit or Loss and Other Comprehensive Income, under Other Comprehensive Income.

5 Legacy Debts

As reported in prior years' financial statements, the Group had foreign legacy debts amounting to USD3 453 811 as at 30 June 2022, being foreign liabilities that were due and payable on 22 February 2019 when the authorities promulgated SI33/2019 which introduced the ZWL currency. The foreign liabilities were registered and approved by the Reserve Bank of Zimbabwe, ("RBZ") and the Group transferred to the RBZ the ZWL equivalent of the foreign liabilities based on an exchange rate of USD 1 = ZWL 1 in line with Exchange Control Directives RU102/2019 and RU28/2019 and as directed by the RBZ.

During the year, the Group received USD123 547 as settlement in respect of Legacy Debts, and the Group was issued with Treasury Bills in lieu of the remaining Legacy Debts' balance. These Treasury Bills mature between 2025 and 2042, and are held at amortised cost.

6 Operating Segments

The Group's operations comprise of the Mill-Bake, Protein, Beverage and Other Light Manufacturing, and Head Office and Other Services Segments explained as follows:

Mill-Bake Segment - this segment reports the results of the Group's interests in National Foods Holdings Limited, the Bakery Division, Superlinx (Private) Limited t/a Bakers Inn Sales & Distribution, Bakers Inn Logistics (Private) Limited and the Group's non-controlling interests in Profeeds (Private) Limited and Nutrimaster (Private) Limited.

Protein Segment - this segment reports the results of the Group's interests in the Colcom Division, Irvine's Zimbabwe (Private) Limited, Associated Meat Packers (Private) Limited and Intercane Investments (Private) Limited.

Beverage and Other Light Manufacturing Segment - this segment reports the results of the Group's interests in Prodairy (Private) Limited, Probottlers (Private) Limited, The Buffalo Brewing Company (Private) Limited, Prodistribution (Private) Limited, Natpak (Private) Limited, Saxin Enterprises (Private) Limited, Sabithorn (Private) Limited and the Group's associated interests in Probrands (Private) Limited.

Head Office and Other Services Segment - this segment reports the Group's shared services functions namely treasury, internal audit, legal, company secretarial services, Providence Human Capital, Syntegra Solutions (Private) Limited and MyCash Financial Services (Private) Limited and the Group's associated interests in Paperhole Investments (Private) Limited and Afrigrain Trading Limited.

	Mill-Bake USD	Protein USD	Beverage and Other Light Manufacturing USD	Head Office and Other Services USD	Inter-Segment Adjustments USD	Total USD
Revenue						
30 June 2023	435 061 375	235 373 146	213 246 940	9 169 963	(88 811 619)	804 039 805
30 June 2022	372 611 752	216 551 666	165 639 602	12 858 390	(66 667 120)	700 994 290
Operating profit before depreciation, amortisation and fair value adjustments						
30 June 2023	44 577 148	21 614 320	15 963 775	8 905 880	—	91 061 123
30 June 2022	54 537 174	29 706 547	19 471 865	1 505 253	—	105 220 839
Depreciation and amortisation						
30 June 2023	8 060 586	8 232 479	6 407 416	742 764	—	23 443 245
30 June 2022	8 500 434	6 229 354	5 038 954	913 464	221 439	20 903 645
Equity accounted earnings						
30 June 2023	1 786 483	—	(505 934)	442 348	—	1 722 897
30 June 2022	2 333 101	—	338 546	3 356 753	—	6 028 400
Profit before tax						
30 June 2023	23 652 109	11 048 636	2 514 052	11 646 541	(545 979)	48 315 359
30 June 2022	36 815 914	21 384 906	9 796 498	16 021 593	(3 543 703)	80 475 208
Segment assets						
30 June 2023	273 573 788	137 807 157	135 786 263	210 116 702	(103 440 904)	653 843 006
30 June 2022	251 591 850	120 479 406	98 445 992	202 194 816	(72 038 944)	600 673 120
Segment liabilities						
30 June 2023	116 310 703	54 295 884	80 351 478	1 620 107	(16 406 032)	236 172 140
30 June 2022	88 501 392	43 264 674	48 151 510	17 508 894	(2 217 382)	195 209 088
Capital expenditure						
30 June 2023	42 877 282	12 717 317	16 444 773	5 922 874	—	77 962 246
30 June 2022	29 834 955	11 715 497	18 905 861	606 034	—	61 062 347
Cash flow from operating activities						
30 June 2023	219 827 783	15 820 260	11 380 831	40 377 734	(175 336 166)	112 070 442
30 June 2022	195 536 212	14 072 078	10 123 218	35 915 884	(155 451 545)	100 195 847
Investing activities						
30 June 2023	(27 234 222)	(15 417 618)	(25 057 109)	(9 374 203)	(8 728 404)	(85 811 556)
30 June 2022	(15 956 890)	(9 033 386)	(14 681 291)	(5 492 469)	(5 114 086)	(50 278 122)
Financing activities						
30 June 2023	18 864 165	1 360 713	15 057 005	2 309 449	(41 483 421)	(3 892 089)
30 June 2022	90 173 944	6 504 442	71 975 067	11 039 562	(198 807 365)	(19 114 350)

Supplementary Information (continued)

	Year ended 30 June 2023 Audited USD	Year ended 30 June 2022 Audited USD
7 Financial (loss)/income		
Exchange losses	(16 002 654)	(2 443 878)
Dividend income	581 395	637 209
Profit/(loss) on disposal of plant and equipment	14 096	(559 042)
Profit on disposal and restructure of associate and subsidiaries	—	2 588 029
Other	2 459	—
	(15 404 704)	**222 318**

	30 June 2023 Audited USD	30 June 2022 Audited USD
8 Inventories		
Consumable stores	22 320 389	12 116 992
Finished products, net of allowance for obsolescence	20 152 330	28 756 881
Raw materials and packaging	62 504 133	72 512 431
Work in progress	573 658	631 496
	105 550 510	**114 017 800**
9 Trade and other receivables		
Trade receivables	59 614 362	25 635 920
Prepayments	12 700 784	20 079 592
VAT receivable	2 131 420	2 373 760
Other receivables	14 950 542	38 188 524
	89 397 108	**86 277 796**
Allowance for credit losses	(1 376 396)	(234 910)
	88 020 712	**86 042 886**
10 Lease liability		
Analysis		
Non-current	3 453 576	2 677 870
Current	1 240 212	794 414
	4 693 788	**3 472 284**

11 Interest-Bearing Borrowings

Interest-bearing borrowings constitute bank loans from various local financial institutions which accrued interest at an average rate of 12% during the year.

These facilities expire at different dates and will be reviewed and renewed when they mature.

	30 June 2023 Audited USD	30 June 2022 Audited USD
12 Trade and other payables		
Trade payables	59 658 218	48 247 320
Accruals	18 993 639	15 360 703
Other payables	42 769 337	34 588 796
	121 421 194	**98 196 819**
13 Commitments for capital expenditure		
Contracts and orders placed	7 394 316	7 479 362
Authorised by Directors but not contracted	76 118 727	76 994 208
	83 513 043	**84 473 570**

The capital expenditure is to be financed out of the Group's own resources and existing borrowing facilities.

14 Earnings per share

Basic earnings basis

The calculation of basic earnings per share is based on the profit attributable to equity holders of the parent and the weighted average number of ordinary shares in issue for the year.

Diluted earnings basis

The calculation of diluted earnings per share is based on the profit attributable to equity holders of the parent and the weighted average number of ordinary shares in issue after adjusting for potential conversion of share options. The potential conversion is possible when the average market price of ordinary shares during the year exceeds the exercise price of such options.

The share options arising from the Group's Employee Share Trust Scheme were not dilutive as at the end of the current year.

Headline earnings basis

Headline earnings comprise of basic earnings attributable to equity holders of the parent adjusted for profits, losses and items of a capital nature that do not form part of the ordinary activities of the Group, net of their related tax effects and share of non-controlling interests as applicable.

The following reflects the income data used in the basic, headline and diluted earnings per share computations:

	Year ended 30 June 2023 reviewed USD	Year ended 30 June 2022 reviewed USD
a Net profit attributable to equity holders of the parent	32 146 774	45 281 822
b Reconciliation of basic earnings to headline earnings		
Profit for the period attributable to equity holders of the parent	32 146 774	45 281 822
Adjustment for non-headline items (gross of tax):		
(Profit)/loss on disposal of property, plant and equipment	(14 096)	559 042
Profit on disposal and restructure of associate and subsidiaries	—	(2 588 029)
Tax effect of adjustments	3 485	389 446
Non-controlling interests' share of adjustments	—	(271 668)
Headline earnings attributable to ordinary shareholders	**32 136 163**	**43 370 613**

14 Earnings per share (continued)

c Reconciliation of weighted average number of ordinary shares

	No. of shares issued	No. of shares issued
Number of shares in issue at the beginning of the year	575 926 450	569 876 450
Add: Weighted Average number of shares issued during the year	—	3 959 288
Less: Weighted Average number of Treasury Shares acquired in the current year	(238 520)	—
Less: Weighted Average number of Treasury Shares from prior years	(4 639 901)	(4 639 901)
Weighted Average Number of Shares	**571 048 029**	**569 195 837**
Weighted average number of ordinary shares before effect of dilution	**571 048 029**	**569 195 837**
Effect of dilution from share options:	—	—
Weighted average number of ordinary shares adjusted for the effect of dilution	**571 048 029**	**569 195 837**
Basic earnings per share (cents)	**5.63**	**7.96**
Headline earnings per share (cents)	**5.63**	**7.62**
Diluted basic earnings per share (cents)	**5.63**	**7.96**
Diluted headline earnings per share (cents)	**5.63**	**7.62**

15 Uncertain tax positions

There have been substantial changes in the currency environment in Zimbabwe in recent years, including the reintroduction of the ZWL as the Country's functional currency in February 2019 through SI 33 of 2019, followed by the promulgation of SI 185 of 2020, which reintroduced the use of foreign currency for domestic transactions.

These significant changes have created numerous uncertainties in the treatment of taxes due across the economy and have been compounded by a lack of clear statutory and administrative guidance or practical transitional measures from the tax authorities. The wording of existing tax legislation has given rise to varying interpretations of tax law within the Country. Over time, it has become apparent that the Group's interpretation of the law regarding the currency of settlement for taxes, as well as the methodology for tax computation, has differed from that of the authorities, and this has resulted in a number of uncertainties in the Group's tax position. The Group continues to seek adjudication by the courts on these matters.

16 Going Concern

The Directors have assessed the ability of the Group to continue as a Going Concern and have satisfied themselves that the Group is in a sound financial position and has adequate resources to continue in existence for the foreseeable future. Accordingly, they believe that the preparation of these consolidated annual financial statements on a Going Concern basis is appropriate.