INNSCOR AFRICA LIMITED

Audited Abridged Group Financial Results

FOR THE YEAR ENDED 30 JUNE 2017

INNSCOR Africa Limited

Our passion for **value creation**

SALIENT FEATURES

		USD
Revenue - continuing operations	-1% ▼	**580 303 226**
Operating profit - continuing operations	19% ▲	**65 518 624**
Profit before tax - continuing operations	7% ▲	**41 628 800**
Basic earnings per share (cents) - continuing operations	38% ▲	**4.43**
Basic earnings per share (cents) - continuing and discontinuing operations	132% ▲	**4.76**
Headline earnings per share (cents) - continuing operations	39% ▲	**4.74**
Headline earnings per share (cents) - continuing and discontinuing operations	47% ▲	**4.57**
Final cash dividend declared per share (cents)	50% ▲	**0.90**

DIRECTORS' RESPONSIBILITY

The Holding Company's Directors are responsible for the preparation and fair presentation of the Group's consolidated financial statements, of which this press release represents an extract. These abridged Group annual financial statements are presented in accordance with the Zimbabwe Stock Exchange (ZSE) Listing Requirements for provisional annual financial statements (Preliminary Reports), and in accordance with the measurement and recognition principles of International Financial Reporting Standards (IFRS), and in the manner required by the Companies Act (Chapter 24:03). The accounting policies applied in the preparation of these financial statements are, except where stated, consistent with those applied in the previous annual financial statements.

AUDIT STATEMENT

These abridged Group annual financial statements should be read in conjunction with the complete set of the Group annual financial statements for the year ended 30 June 2017. The Group annual financial statements have been audited by Ernst & Young Chartered Accountants (Zimbabwe), who have issued an unmodified opinion thereon and have included a section on key audit matters in their report. The key audit matters covered the fair valuation of biological assets, inventory existence and valuation and allowance for credit losses. The auditor's report on the Group annual financial statements, from which these abridged Group annual financial statements are extracted, is available for inspection at the Company's registered office.

SUSTAINABILITY REPORTING

As part of our commitment to ensuring the sustainability of our business and stakeholders, the Group continues to apply the Global Reporting Initiatives (GRI)'s Sustainability Reporting Guidelines. During the year under review, the Group aligned its Sustainability Reporting using GRI-G4 with corresponding Sustainable Development Goals (SDGs) demonstrating the Group's commitment and contribution to sustainable development within the environments we operate. The Group will continue to strengthen practices and values across its operations to ensure that long-term business success is achieved in a sustainable manner.

OPERATING ENVIRONMENT

Following the successful completion of the Group's unbundling processes, this reporting period marks the first full year that the Group has operated in its reconfigured structure, focusing on its core manufacturing activities.

Trading conditions remained extremely challenging during the year under review, and whilst several product categories within the Group recorded improved capacity utilisation following Government's welcome introduction of policies to increase local production, and to reduce the country's dependence on imports; delays in obtaining the requisite foreign currency to fund the import of key raw materials, and at times to obtain the necessary import permits, resulted in periodic production bottlenecks. Cost increases in raw materials were also experienced, as suppliers reduced credit terms on the basis of perceived higher risk, and this had the effect of reducing margins in a number of cases as the Group's business units continued striving to keep the pricing of products at affordable levels for customers and consumers.

The ability of the Group to adequately manage its foreign creditor position going forward remains its primary risk. In this regard, we will continue to work with our commercial banking partners and the Reserve Bank of Zimbabwe in mitigating this risk.

FINANCIAL PERFORMANCE

The Group's continuing operations posted revenue of US$580.303m in the year under review, being a marginal decline from the prior year, with margin dollars following a similar trend.

Cost benefits were realised both at operating unit level, following the various restructure programmes initiated over the past year, and also at Head Office level, as a result of a much more streamlined, and focused management structure. The lower level of operating expenditure incurred was the principal driver in the improvement recorded at operating profit level, which at US$65.519m was a 19% increase on the prior year; this was a very pleasing result.

Below the operating profit level, and of significance, was the exceptional charge of US$7.284m which resulted from the outbreak of Avian Influenza at Irvine's. This charge relates to the value of livestock culled as a result of the outbreak and to prevent further infections from taking place. An unfavourable variance in the Group's fair value adjustment was mitigated by an improvement in the collective performance of the Group's associate entities. Overall profit before tax at $41.629m was 7% above that recorded in the prior year.

The profit after tax for the period from discontinued operations of US$0.984m is largely a result of the profit recorded on the disposal of the SPAR Zambia operation and The River Club which took effect from 30 November 2016 and 30 June 2017 respectively. The discontinued operations' profit after tax is not comparable to that of the prior year due to the differing combination of business units in each period.

The Group's headline earnings per share, which excludes the exceptional charge incurred at Irvine's as a result of Avian Influenza, increased by 39% to 4.74 US cents over the prior year; this was a very satisfying result with the operation benefitting from renewed focus and energy in its reconfigured format.

In order to adapt to the prevailing conditions, significant focus was placed on reducing the Group's foreign creditor positions in the second half of the year under review, and this, coupled with the migration from imported maize supply to local maize supply following a successful local agricultural season, saw a cash flow increase in the Group's working capital position of US$47.702m. This change in working capital strategy resulted in reduced cash being generated from operations and a marginal increase in the net gearing of continuing operations to 15.32% on the back of increased usage of local borrowing facilities. Capital expenditure for the period amounted to US$16.556m and was limited to critical maintenance and expansion projects. The overall statement of financial position remained strong.

As previously reported, the Group still has an amount outstanding of US$2.550m relating to the payment it made into trust in 2014 pending determination of its case with the Competition and Tariff's Commission (CTC). This amount is included in working capital. The High Court has ruled in favour of the Group, and the Group awaits repayment of this amount, although the CTC has taken the matter on appeal to the Supreme Court where judgement is pending.

OPERATIONS REVIEW

The Group's **Bakery Operations** continued to produce improved results. Loaf volumes showed marginal growth over the prior year, with the new half-loaf and family-loaf offerings being well received in the market, whilst pie volumes increased by 150% following a re-positioning and re-launch of the product.

The business refurbished a previously dormant line in Harare and another line, previously based in Harare, was transferred and commissioned in Bulawayo at the beginning of the 2018 financial year. This consolidation of bread operations to one site in each of Harare and Bulawayo, ensured that production efficiencies, product quality and capacities continued to be enhanced and resulted in good operating profit growth.

Notwithstanding the solid performance recorded, the outlook for the business remains challenging, with some margin erosion being experienced in the second half of the financial year. Focus in the coming year will be directed toward the ongoing pricing management of key raw materials as well as the main conversion and distribution overhead cost buckets.

National Foods delivered a subdued performance for the year under review. Volumes at 507,000mt were 10% below the prior year and were largely impacted by the poor performance of the Maize Division, which saw volumes reduce by 39% as the Grain Marketing Board continued to price its commercial offering aggressively, resulting in a loss of US$0.770m being recorded in this division. Conversely, the Flour Division performed strongly, achieving an all-time volume high, driven by strong demand from the major plant bakeries, reduced finished product imports and the recent extensive plant upgrades which improved efficiencies.

A reduction in overall operating expenditure helped to mitigate reduced margin dollars and operating profits were similar to those recorded in the prior year. Whilst significant progress was made in reducing foreign creditor positions in the second half of the financial year, foreign credit terms tightened and the management of raw material flow and cost will thus remain a critical focus area in the year ahead.

Volumes at **Colcom** increased by 13% over the prior year on the back of a 14% increase in pork produced by its pig production units and a 34% increase in the volume of pies. The continued shift in sales mix from processed products to fresh lines, combined with the market's inability to absorb price adjustments across all protein categories required to keep pace with increased raw material cost, limited revenue growth to 10% and dollar margin growth to 3%. Operating expenditure increased by 5% over the prior year predominantly on account of increases in selling costs associated with the opening of additional stores and other administration costs. Operating profit was similar to that recorded in the prior year, whilst a negative variance in the fair value adjustments on biological assets resulted in a 9% decline in profit before tax.

The business has commenced the redevelopment of an additional piggery which is expected to increase pig production by 28% at full capacity; the first off-take from this project will be received in the latter part of the coming financial year. Additional investment will also take place in expanding the Group's "Texas" retail platform and in securing its beef supply chain.

Irvine's recorded revenue growth of 5% over the prior year, driven mainly by an 11% increase in table egg volumes and a marginal improvement in average yield prices in the second half of the financial year. Raw material costs, however, remained significantly higher than the prior year resulting in reduced margins and an overall reduction in profitability.

In May 2017, a case of Avian Influenza was detected on one of the operation's farms, resulting in a preventative and precautionary cull-out of all the birds on this particular site. During the latter part of July, notwithstanding normal mortality levels, routine sampling revealed further positive cases of Avian Influenza and the Department of Veterinary Services deemed it prudent, and recommended a de-population exercise of this entire farm. This exercise resulted in exceptional charges of US$7.284m being processed to the income statement in the year under review.

The farm is now undergoing sanitation procedures in readiness for restocking, and full production from the operation's own sources is expected to be reached by the beginning of the second half of the ensuing financial year. In the interim, production levels are being sustained by the importation of hatching eggs.

Capri produced a much improved result with a 44% revenue growth over the prior year being driven by a 57% increase in volumes. Volume growth was largely export-based, and exports now account for almost one-third of total volumes.

Margins however reduced, mainly due to increased raw material costs, and the need to counter the aggressive pricing policies employed by regional manufacturers exporting into Zimbabwe, where at times, prices have been half of their domestic market retail prices.

The introduction of policies to support local manufacture has been a positive development for the business and the export incentive scheme introduced through the Reserve Bank of Zimbabwe has provided some cushion to the business. Overall a strong increase in profitability was recorded, albeit off a low base.

The business continues to develop new products and variants and will be launching these in the near future. Given constrained local trading conditions, export markets represent the biggest growth opportunity for the operation.

At **Natpak**, revenue and volumes surged 25% on the back of strong growth in the new flexible packaging division. Margins, however, narrowed during the year as a result of an increase in key commodity prices, whilst operating expenditure increased as a result of pre-operating charges incurred on the set up of the flexible packaging unit; overall operating profits increased by 5% over the prior year.

With full capacity being quickly attained in the flexible packaging operation, additional equipment was commissioned in the final quarter of the financial year creating further capacity and capability opportunities for the operation and ensuring the positive growth trajectory in the business will be maintained.

Profeeds, an associate company of the Group, recorded a 9% decline in both feed and chick volumes over the prior year, translating to a 5% decrease in revenue. This decline was however countered by improvements in operating, production and distribution efficiencies and a 7% reduction in operating expenditure, ensuring a marginal improvement in operating profit.

The business continues to pursue opportunities to extract production efficiencies and innovate its product offering. Renewed focus and participation in its small-scale farmer program also represent exciting growth opportunities.

Probrands, another business in which the Group has a non-controlling interest, experienced good volume growth in many of its FMCG products, and revenue increased by 18% over the prior year as a result. A change in strategy to outsource the operation's distribution function saw margins declining, but this was mitigated by a reduction in related operating expenditure; with operating profit increasing 88%.

After a number of delays in making the necessary final foreign currency payments, the operation's UHT plant finally commenced commercial production in the last quarter of the year under review, with initial volumes being extremely encouraging. The Probottlers operation continued its good results in both the carbonated and cordial ranges, and additional investment in both these categories is scheduled for the new financial year.

DISCONTINUED AND DISCONTINUING OPERATIONS

The Group successfully concluded the disposal of its interest in SPAR Zambia Limited and The River Club during the period under review, with these transactions being effective from 30 November 2016 and 30 June 2017 respectively. Included in the profit after tax from discontinued operations are trading results from these businesses together with the consolidated profit on disposal of US$2.698m realised from the transactions.

In addition to the above businesses, the comparative information disclosed under discontinued operations also includes three month's trading of the Group's former Quick Service Restaurants (unbundled by way of a dividend in-specie in October 2015, and listed as Simbisa Brands Limited on the ZSE in November 2015), nine months trading of the Group's former Speciality Retail and Distribution businesses (unbundled by way of a dividend in-specie in April 2016, and listed as Axia Corporation Limited on the ZSE in May 2016) and results from the SPAR Zimbabwe businesses disposed in 2016.

As a result of the different mix of businesses and varying lengths of trading, the overall profit or loss disclosed under discontinued operations is not comparable.

PROSPECTS

Notwithstanding the challenging and fluid trading conditions as well as the Avian Influenza outbreak at Irvine's, the results achieved in the year under review are very pleasing, with renewed focus and energy being enabled by a simpler business structure and a more cost-efficient and effective leadership structure.

Many of the manufacturing processes within the Group require a high level of imported raw material and hence there is a large requirement for foreign currency. The successful local maize harvest will reduce this requirement in the coming year, however there will still be a large foreign requirement in respect of other key raw materials as well as capital items which can further enhance efficiencies in the production of existing and new import-substitute products. We will continue to minimise foreign creditor positions and will engage with our commercial banking stakeholders as well as the Reserve Bank of Zimbabwe in order to meet our external payment requirements and to ensure uninterrupted supply of locally produced goods to the market.

As far as existing operations are concerned, there are a number of units which remain cost-heavy and it is vital for the Group's management teams to continue with the initiatives to improve efficiencies in order to achieve the goal of becoming lowest-cost producers. Initiatives will include reducing fixed, "above-site" costs, improving focus and cost efficiency at the core conversion stage and pursuing variable-costed sales and distribution models. There remain a number of cases of duplicated function and process within the Group and so focus will also be directed toward rationalising these as necessary and re-structuring businesses as an enabler for better focus and to achieve sustainable, long-term growth.

In addition to optimising existing operations, the Group will continue to look at opportunities to expand existing categories and to add synergistic and adjacent products and businesses in the consumer staple space both locally and regionally. Integration opportunities will also be examined.

DIVIDEND

The Board is pleased to declare a final dividend of 0.90 US cents per share payable in respect of all ordinary shares of the Company. The dividend is payable in respect of the financial year ended 30 June 2017 and will be paid in full to all shareholders of the Company registered at the close of business on the 13th of October 2017. The payment of this dividend will take place on or about the 27th October 2017. The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange up to the market day of the 10th of October 2017 and ex-dividend as from the 11th of October 2017.

The Board has also declared a final dividend totalling US$220,000 to Innscor Africa Employee Share Trust (Private) Limited.

The Group's final cash dividend of 0.90 US cents per share together with the interim cash dividend of 0.70 US cents per share brings the total dividend paid for the financial year under review to 1.60 US cents per share.

APPRECIATION

I wish to record my appreciation to the executive Directors, management and staff for their ongoing effort, in extremely challenging conditions, during the period under review. I also wish to thank the non-executive Directors for their considerable input as well as the Group's customers, suppliers and other stakeholders for their continued support and loyalty.

A.B.C. CHINAKE
Chairman
18 September 2017

Abridged Group Statement of Profit or Loss and Other Comprehensive Income

	Note	12 Months Ended 30 June 2017 audited	12 Months Ended 30 June 2016 audited
CONTINUING OPERATIONS	**Note**	**USD**	**USD**
Revenue		**580 303 226**	**586 910 708**
Operating profit before impairment, depreciation, amortisation and fair value adjustments		**65 518 624**	**55 026 751**
impairment and derecognition of plant and equipment and intangible assets		—	(1 708 921)
financial (loss)/income	4	(9 908 385)	1 421 888
depreciation and amortisation		(15 289 432)	(15 974 415)
Operating profit before interest, equity accounted earnings and fair value adjustments		**40 320 807**	**38 765 303**
fair value adjustments on livestock		(321 170)	312 053
Profit before interest and tax		**39 999 637**	**39 077 356**
interest income		1 639 186	1 290 787
interest expense		(6 233 574)	(6 127 835)
equity accounted earnings		6 223 551	4 760 760
Profit before tax		**41 628 800**	**39 001 068**
tax expense		(7 940 188)	(8 523 652)
Profit for the year from continuing operations		**33 688 612**	**30 477 416**
DISCONTINUED AND DISCONTINUING OPERATIONS			
Profit/(loss) after tax for the year from discontinued and discontinuing operations		**983 931**	**(3 668 010)**
profit after tax for the year from operations		734 437	963 957
recycling of foreign exchange differences arising on disposal/(unbundling) of operations		249 494	(4 631 967)
Profit for the year from continuing, discontinued and discontinuing operations		**34 672 543**	**26 809 406**
Other comprehensive income - to be recycled to profit or loss			
exchange differences arising on the translation of foreign operations		26 228	(3 218 376)
recycling of foreign exchange differences arising on (disposal)/unbundling of foreign operations		(249 494)	4 631 967
Other comprehensive income for the year, net of tax		**(223 266)**	**1 413 591**
Total comprehensive income for the year		**34 449 277**	**28 222 997**
Profit for the year from continuing, discontinued and discontinuing operations attributable to:			
equity holders of the parent		25 717 439	11 067 972
non-controlling interests		8 955 104	15 741 434
		34 672 543	**26 809 406**
Total comprehensive income for the year from continuing, discontinued and discontinuing operations attributable to:			
equity holders of the parent		25 489 657	13 409 063
non-controlling interests		8 959 620	14 813 934
		34 449 277	**28 222 997**
EARNINGS PER SHARE (CENTS)			
Basic earnings per share - continuing operations	7	**4.43**	**3.20**
Basic earnings per share - continuing and discontinuing operations	7	**4.76**	**2.05**
Headline earnings per share - continuing operations	7	**4.74**	**3.40**
Headline earnings per share - continuing and discontinuing operations	7	**4.57**	**3.11**
Diluted basic earnings per share - continuing operations	7	**4.42**	**3.20**
Diluted basic earnings per share - continuing and discontinuing operations	7	**4.75**	**2.05**
Diluted headline earnings per share - continuing operations	7	**4.73**	**3.40**
Diluted headline earnings per share - continuing and discontinuing operations	7	**4.56**	**3.11**

Abridged Group Statement of Financial Position

	At 30 June 2017 audited USD	At 30 June 2016 audited USD
ASSETS		
Non-current assets		
property, plant and equipment	166 731 014	170 421 762
intangible assets	38 952 509	38 980 447
investments in associates	28 426 278	21 947 735
other financial assets	7 093 139	215 921
biological assets	1 626 343	1 607 026
deferred tax assets	7 905 502	4 408 712
	250 734 785	**237 581 603**
Current assets		
other financial assets	100 266	3 811 658
biological assets	7 329 155	14 457 091
inventories	76 967 363	81 421 194
trade and other receivables	107 531 553	66 812 012
cash and cash equivalents	30 254 403	25 743 731
	222 182 740	**192 245 686**
assets of disposal group classified as held for sale	—	23 233 326
Total assets	**472 917 525**	**453 060 615**
EQUITY AND LIABILITIES		
Capital and reserves		
ordinary share capital	5 415 934	5 415 934
class "A" ordinary share capital	10	10
other reserves	(2 866 055)	(3 038 009)
distributable reserves	183 872 413	168 973 752
attributable to equity holders of parent	**186 422 302**	**171 351 687**
non-controlling interests	99 036 477	92 930 342
Total shareholders' equity	**285 458 779**	**264 282 029**
Non-current liabilities		
deferred tax liabilities	28 201 694	26 460 839
interest-bearing borrowings	11 966 016	3 116 673
	40 167 710	29 577 512
Current liabilities		
interest-bearing borrowings	69 920 969	59 317 315
trade and other payables	75 023 977	85 382 711
provisions and other liabilities	2 294 717	2 453 127
current tax liabilities	51 373	491 735
	147 291 036	147 644 888
liabilities directly associated with the assets classified as held for sale	—	11 556 186
Total liabilities	**187 458 746**	**188 778 586**
Total equity and liabilities	**472 917 525**	**453 060 615**

Abridged Group Statement of Cash Flows

	12 Months Ended 30 June 2017 audited USD	12 Months Ended 30 June 2016 audited USD
Cash generated from operating activities	**16 266 561**	**53 053 564**
interest income - continuing and discontinuing operations	1 640 121	1 862 694
interest expense - continuing and discontinuing operations	(6 613 468)	(7 977 620)
tax paid - continuing and discontinuing operations	(6 562 720)	(11 548 556)
Total cash available from operations	**4 730 494**	**35 390 082**
Investing activities	**(7 697 170)**	**(30 794 938)**
Net cash inflow before financing activities	**(2 966 676)**	**4 595 144**
Financing activities	**5 147 174**	**(10 368 426)**
Net increase/(decrease) in cash and cash equivalents	**2 180 498**	**(5 773 282)**
Cash and cash equivalents at the beginning of the year	**28 073 905**	**33 847 187**
Cash and cash equivalents at the end of the year	**30 254 403**	**28 073 905**
Cash and cash equivalents comprise:		
cash and cash equivalents attributable to continuing operations	**30 254 403**	**25 743 731**
cash and cash equivalents attributable to discontinuing operations	**—**	**2 330 174**
	30 254 403	**28 073 905**

Supplementary Information (continued)

	30 June 2017 audited USD	30 June 2016 audited USD
3 Future lease commitments		
Payable within one year	3 139 132	4 387 914
Payable two to five years	13 367 320	12 996 574
Payable after five years	4 587 856	3 217 243
	21 094 308	**20 601 731**
4 Financial (loss)/income		
Exchange (losses)/gains - realised	(3 578 797)	574 089
Exchange (losses)/gains - unrealised	(135 611)	88 210
Profit on disposal of associates and unquoted investments	—	240 372
Profit on disposal of property, plant and equipment and intangibles	943 864	169 583
Exceptional charges to livestock	(7 284 546)	—
Other	146 705	349 634
	(9 908 385)	**1 421 888**
5 Commitments for capital expenditure		
Contracts and orders placed	3 436 143	5 611 978
Authorised by Directors but not contracted	20 859 574	19 267 091
	24 295 717	**24 879 069**
The capital expenditure will be financed out of the Group's own resources and existing borrowing facilities.		
6 Security		
Net book value of property, plant, equipment, motor vehicles, inventories and accounts receivables pledged as security for interest-bearing borrowings.	13 500 000	13 500 000

7 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 period.

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 indigenisation transaction and the 2016 Innscor Africa Limited Share Option Scheme had no dilutive effect at the end of the reporting period.

The share options arising from the Group's Employee Share Trust Scheme were dilutive as at the end of the reporting period.

The dilutive effect of these options is shown in the calculation below.

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.

Abridged Group Statement of Changes in Equity

	Ordinary Share Capital USD	Class "A" Ordinary Share Capital USD	Other Reserves: Non-Distributable Reserves USD	Other Reserves: Translation Reserves of Disposal Group USD	Other Reserves: Treasury Shares USD	Other Reserves: Share-based Payment Reserve USD	Total Other Reserves USD	Distributable Reserves USD	Total attributable to equity holders of parent USD	Non-Controlling Interests USD	Total shareholders equity USD
Balance at 30 June 2015	**5 415 934**	**10**	**(6 029 267)**	**—**	**—**	**—**	**(6 029 267)**	**217 050 477**	**216 437 154**	115 500 983	331 938 137
Profit for the year	—	—	—	—	—	—	—	11 067 972	11 067 972	15 741 434	26 809 406
Other comprehensive income	—	—	2 341 091	—	—	—	2 341 091	—	2 341 091	(927 500)	1 413 591
Dividends paid	—	—	—	—	—	—	—	(4 832 545)	(4 832 545)	(9 463 532)	(14 296 077)
Simbisa Brands Limited dividend-in-specie	—	—	—	—	—	—	—	(29 468 288)	(29 468 288)	—	(29 468 288)
Axia Corporation Limited dividend-in-specie	—	—	—	—	—	—	—	(27 754 800)	(27 754 800)	—	(27 754 800)
Transactions with owners in their capacity as owners	—	—	650 167	—	—	—	650 167	2 910 936	3 561 103	(27 921 043)	(24 359 940)
Transfer of translation reserves to disposal group classified as held-for-sale	—	—	(238 210)	238 210	—	—	—	—	—	—	—
Balance at 30 June 2016	**5 415 934**	**10**	**(3 276 219)**	**238 210**	**—**	**—**	**(3 038 009)**	**168 973 752**	**171 351 687**	**92 930 342**	**264 282 029**
Profit for the year	—	—	—	—	—	—	—	25 717 439	25 717 439	8 955 104	34 672 543
Other comprehensive income	—	—	19 093	(246 874)	—	—	(227 781)	—	(227 781)	4 515	(223 266)
Dividends paid	—	—	—	—	—	—	—	(7 275 412)	(7 275 412)	(6 394 444)	(13 669 856)
Acquisition of treasury shares	—	—	—	—	(1 298 255)	—	(1 298 255)	—	(1 298 255)	—	(1 298 255)
Transactions with owners in their capacity as owners	—	—	622 761	8 664	905 212	—	1 536 637	(3 543 366)	(2 006 729)	3 540 960	1 534 231
Share-based payment charge for the year	—	—	—	—	—	217 310	217 310	—	217 310	—	217 310
Deferred tax on share-based payment	—	—	—	—	—	(55 957)	(55 957)	—	(55 957)	—	(55 957)
Balance at 30 June 2017	**5 415 934**	**10**	**(2 634 365)**	**—**	**(393 043)**	**161 353**	**(2 866 055)**	**183 872 413**	**186 422 302**	**99 036 477**	**285 458 779**

Supplementary Information

1 Corporate Information
The Company is incorporated and domiciled in Zimbabwe.

2 Operating Segments
The Group's continuing operations comprise the Light Manufacturing and Head Office Services Segments explained as follows:

Light Manufacturing - reports the results of the Group's interests in National Foods, Colcom, Irvine's, Bakery Operations, Capri, Natpak, and associated interests in Profeeds, Probrands and Probottlers.

Head Office Services - reports the Group's shared services functions of treasury, legal, tax and audit.

The Group's discontinued operations comprise SPAR Zambia (results up to 30 November 2016) and The River Club and within the comparatives Quick Service Restaurants businesses for 3 months, Speciality Retail and Distribution for 9 months and SPAR Zimbabwe and Shearwater operations for 6 months.

Included in the total assets and total liabilities are the remaining assets and liabilities relating to the SPAR Zimbabwe operation previously disclosed under Assets of disposal group classified as held for sale. These balances will be collected or settled through continuing activities of the Group.

	CONTINUING OPERATIONS: Light Manufacturing USD	CONTINUING OPERATIONS: Head Office Services USD	CONTINUING OPERATIONS: Adjustments USD	CONTINUING OPERATIONS: Total Continuing Operations USD	DISCONTINUED OPERATIONS: Total Discontinued Operations USD
Revenue					
30 June 2017	579 192 018	1 111 208	—	**580 303 226**	**13 421 385**
30 June 2016	586 910 708	—	—	**586 910 708**	**249 076 528**
Operating profit/(loss) before depreciation and amortisation					
30 June 2017	62 676 980	2 841 644	—	**65 518 624**	**(930 019)**
30 June 2016	56 194 696	(1 167 945)	—	**55 026 751**	**12 036 075**
Impairment and derecognition of PPE and intangible assets					
30 June 2017	—	—	—	**—**	**—**
30 June 2016	1 708 921	—	—	**1 708 921**	**1 431 198**
Depreciation and amortisation					
30 June 2017	14 666 432	623 000	—	**15 289 432**	**273 338**
30 June 2016	15 316 068	658 347	—	**15 974 415**	**4 163 085**
Equity accounted earnings					
30 June 2017	4 067 070	2 156 481	—	**6 223 551**	**—**
30 June 2016	1 819 407	2 941 353	—	**4 760 760**	**172**
Profit/(loss) before tax					
30 June 2017	38 086 576	3 542 224	—	**41 628 800**	**984 189**
30 June 2016	39 334 995	(333 927)	—	**39 001 068**	**5 968 184**
Segment assets					
30 June 2017	426 842 418	48 955 955	(2 880 848)	**472 917 525**	**—**
30 June 2016	397 553 963	34 472 028	(2 198 702)	**429 827 289**	**23 233 326**
Segment liabilities					
30 June 2017	109 604 596	30 633 886	47 220 264	**187 458 746**	**—**
30 June 2016	105 901 613	42 354 682	28 966 105	**177 222 400**	**11 556 196**
Capital expenditure					
30 June 2017	16 304 834	7 966	—	**16 312 800**	**243 523**
30 June 2016	16 560 491	38 964	—	**16 599 455**	**6 866 327**

7 Earnings per share (continued)

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

	CONTINUING OPERATIONS: 30 June 2017 audited USD	CONTINUING OPERATIONS: 30 Jun 2016 audited USD	CONTINUING AND DISCONTINUED OPERATIONS: 30 June 2017 audited USD	CONTINUING AND DISCONTINUED OPERATIONS: 30 Jun 2016 audited USD
a Net profit attributable to equity holders of the parent	23 915 544	17 318 026	25 717 439	11 067 972
b Reconciliation of basic earnings to headline earnings				
Profit for the year attributable to equity holders of the parent	23 915 544	17 318 026	25 717 439	11 067 972
Adjustment for capital items (gross of tax):				
Recycling of foreign exchange differences arising on (disposal)/unbundling of foreign operations	—	—	(249 494)	4 631 967
Profit on disposal of investments in associates	—	(240 372)	—	(240 370)
Impairment of plant and equipment and intangible assets	—	1 708 921	—	3 140 119
Profit on disposal of property, plant and equipment	3 371	(169 583)	(9 365)	(761 151)
Loss on restructure of associates	—	166 671	—	166 671
Profit on disposal of subsidiaries	—	—	(2 448 815)	—
Exceptional charges to livestock	7 284 546	—	7 284 546	—
Profit on disposal of intangible assets	(952 368)	—	(952 368)	—
Tax effect on adjustments	(1 877 134)	(333 540)	(1 873 855)	(557 425)
Non-controlling interests' share of adjustments	(2 761 808)	(44 647)	(2 763 507)	(628 793)
Headline earnings attributable to ordinary shareholders	**25 612 151**	**18 405 476**	**24 704 581**	**16 818 990**
Weighted average number of ordinary shares:				
Weighted average number of shares for basic and headline earnings per share	540 379 789	541 593 440	540 379 789	541 593 440
Effect of dilution from employee share trust	1 296 958	—	1 296 958	—
Weighted average number of ordinary shares adjusted for the effect of dilution	**541 676 747**	**541 593 440**	**541 676 747**	**541 593 440**
Basic earnings per share (cents)	4.43	3.20	4.76	2.05
Headline earnings per share (cents)	4.74	3.40	4.57	3.11
Diluted basic earnings per share (cents)	4.42	3.20	4.75	2.05
Diluted headline earnings per share (cents)	4.73	3.40	4.56	3.11
8 Contingent liabilities				
Guarantees				
The contingent liabilities relate to bank guarantees provided in respect of associate companies as at 30 June 2017	97 000 000	68 650 000	97 000 000	68 650 000

9 Interest Bearing Borrowings
Interest-bearing borrowings constitute bank loans from various local financial institutions which accrue interest at an average rate of 6.8% per annum. The facilities expire at different dates and will be reviewed and renewed when they mature.