INNSCOR AFRICA LIMITED

Audited Abridged Group Financial Results

FOR THE YEAR ENDED 30 JUNE 2021

INNSCOR Africa Limited

Our passion for **value creation**

Salient Features

	INFLATION-ADJUSTED		HISTORICAL	
		30 June 2021 audited ZW$'000		30 June 2021 unaudited ZW$'000
Revenue	35%	66 909 149	406%	56 485 603
Operating profit	15%	8 588 209	234%	11 379 841
Profit for the year	(41%)	4 397 165	138%	10 490 493
Basic earnings per share (cents)	(44%)	486.63	131%	1 263.36
Headline earnings per share (cents)	(44%)	482.39	130%	1 257.42
Cash generated from operating activities	807%	8 638 754	518%	5 865 822
Cash dividend declared per share (cents)	72%	297.18	155%	290.00

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 financial statements are presented in accordance with the disclosure requirements of 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 and Other Business Entities Act (Chapter 24:31).

The principal accounting policies applied in the preparation of these financial statements are consistent with those applied in the previous annual financial statements. There is no impact arising from revised IFRS, which became effective for the reporting period commencing on or after the 1st of January 2020 on the Group's abridged financial statements.

CAUTIONARY STATEMENT- RELIANCE ON ALL FINANCIAL STATEMENTS PREPARED IN ZIMBABWE FROM 2019-2021

The Directors would like to advise users to exercise caution in their use of these Group abridged financial statements due to the material and pervasive impact of the technicalities brought about by the change in functional currency in February 2019 and its consequent effect on the usefulness of financial statements from 2019 through to 2020, and which have resulted in carry-over effects into the 2021 financial year reporting period.

Whilst the Directors have always exercised reasonable due care, and applied judgements that they felt were appropriate in the preparation and presentation of the Group's annual financial statements, certain distortions may arise due to various specific economic factors that may affect the relevance and reliability of the information that is presented in economies that are experiencing hyperinflation, as well as technicalities regarding the change in functional and reporting currency.

2021 FINANCIAL YEAR MODIFIED AUDIT OPINION

As disclosed in the Group's 2019 and 2020 annual reports, the Directors have always ensured compliance with IFRS, however, during these two years, were unable to do so due to the conflict between IFRS and local statutory requirements. The carry-over effects from the 2019 and 2020 financial years noted above continue to affect the current financial year opening balances, resulting in a modified audit opinion being issued for this current year under review.

IAS 29 (FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES)

As previously reported, the Public Accountants and Auditors Board ("PAAB"), having assessed the impact of hyperinflation in the economy, advised that the conditions for adopting IAS 29, were satisfied with effect from 1 July 2019.

IAS 29 requires that inflation-adjusted financial statements become the entity's primary financial statements and the Group has complied with this requirement for these abridged annual financial statements.

The PAAB have provided guidance that the Consumer Price Index ("CPI") be applied in the preparation of hyperinflation financial statements in accordance with IAS 29. The CPI increased from 1,445.21 in June 2020 to 2,986.44 in June 2021, therefore representing a 106.6% increase during the financial year under review, and this compared to the Reserve Bank of Zimbabwe ("RBZ") auction rate of exchange which increased by 48.9% during the same period.

Due to these and other disparities currently prevailing in the economy, significant distortions can occur in the preparation of inflation-adjusted financial statements in accordance with the requirements of IAS 29.

Of significance in the inflation-adjusted financial statements are fair value losses which arise mainly as a result of having to uplift the opening balances of listed equities and biological assets using the CPI and then having to immediately restate the same assets down to closing fair value through the profit and loss account despite no material change in the underlying value of the asset having occurred in the current financial year under review.

The Directors view these distortions as material and pervasive to these annual inflation-adjusted financial statements and advise users to exercise caution in their interpretation. Annual financial statements prepared under the historical cost convention are therefore also presented as supplementary information, and financial commentary has been confined to these particular financial statements.

EXTERNAL AUDITOR'S STATEMENT

These abridged Group annual inflation-adjusted financial statements should be read in conjunction with the complete set of the Group annual inflation-adjusted financial statements for the year ended 30 June 2021.

The financial statements have been audited by Messrs Deloitte & Touche Chartered Accountants (Zimbabwe) ("Deloitte"), who have issued a modified opinion as a result of the carry-over effects noted above from the 2019 and 2020 financial years, into the current financial year. The auditor's report on the Group's annual inflation-adjusted financial statements, from which these abridged Group annual financial statements are extracted, is available for inspection at the Company's registered office. The Engagement Partner responsible for the audit was Mr Brian Mabiza, PAAB Practice Certificate Number 0447.

SUSTAINABILITY REPORTING

As part of our commitment to ensuring the sustainability of our business and stakeholders, the Group is utilising ISO 26000 as guidance for Social Responsibility and continues to apply the Global Reporting Initiative ("GRI") protocol for overall sustainability. Over the years, the Group has aligned its sustainability reporting with Sustainable Development Goals ("SDGs"), demonstrating the Group's commitment and contribution to sustainable development within the environments in which it operates. The Group continues to strengthen its practices and values across its operations to ensure that long-term business success is achieved in a sustainable manner.

OPERATING ENVIRONMENT AND OVERVIEW

The year under review saw an encouraging improvement across the operating environment, supported by progressive monetary and fiscal policies such as the introduction of the foreign currency auction system and multi-currency platforms, providing convenience to the consumer. As a result, a sustained reduction in inflation was experienced as pricing models were able to be set with more certainty. Market sentiment was generally positive, with a distinct improvement in consumer confidence contributing to firm aggregate demand, despite the backdrop of the ongoing COVID-19 global pandemic.

The Group registered excellent volume recoveries across all business units, driven by firmer demand, and this allowed for a trading-oriented focus to be adopted within all operations.

An above-normal 2020/21 rainfall season also contributed to the general economic improvement, as the country emerged from an extended period of drought, giving rise to increased production and supply of key local raw materials such as maize and wheat.

The stable operating environment also gave rise to various corrections within the real cost base of our businesses. In addition to the persistently high cost of debt, pricing corrections to the fuel, power, maintenance and human capital cost lines impacted the overhead base whilst gross margin levels approached more normalised levels, as inflation-induced distortions dissipated; this was further impacted by the current global commodity price cycle and pandemic-induced supply chain disruptions, placing cost-push pressure onto a number of components within the bills of material.

Whilst the economic outlook is generally optimistic, ongoing economic stability will very much depend upon policy consistency, meaningful efforts to stabilise the local currency, and the removal of arbitrage opportunities. The operating environment remains complex and uncertain, with conflicting and unclear laws and regulations; these areas will need to continue to receive focus by our management teams.

FINANCIAL PERFORMANCE

As noted earlier in this report, commentary on the Group's annual financial results is confined to the financial statements prepared under the historical cost convention.

The Group posted revenue of ZW$56.486bn during the year under review, representing a 406% increase on the comparative year. Revenue growth was achieved on the back of volume growth across all businesses as the introduction of new products, increased capacity utilisation in existing and new categories, access to a growing informal market and a market-sensitive pricing strategy all aligned to provide a pleasing result.

As noted above, inflation-induced distortions dissipated during the course of the year, and gross profit percentages were therefore lower in the current year as measured against the comparative year under the historical cost convention; this resulted in overall gross profit growth of 293% being lower than revenue growth.

The Group's financial income continued to be dominated by exchange gains, whilst fair value adjustments on biological assets were impacted by the convergence of market and book values. Fair value adjustments on listed equities were lower by 85% against the comparative year, indicative of the extreme levels of inflation that occurred during the 2020 financial year; this contrasted against the much lower inflation levels experienced in the current year. This has the effect of constraining historical cost earnings per share growth.

The net interest charge for the year of ZW$1.284bn was a significant increase over the comparative year and was affected by higher ZW$-denominated loan values at higher interest rates. The Group's equity-accounted earnings continued to contribute positively to the overall Group result.

Consolidated profit before tax for the year under review at ZW$12.942bn was 143% ahead of the comparative year, whilst annual headline earnings per share for the year of 1,257.42 ZW$ cents showed similar growth.

The Group's Statement of Financial Position remained robust, with a strong asset base supported by fixed assets and inventory positions and minimal gearing at year-end. The Group's free cash generation was pleasing following strong operational cash flows during the latter part of the year, allowing for increased levels of expansion capital expenditure.

OPERATIONS REVIEW

MILL-BAKE

This reporting segment contains the Group's Bakery division, National Foods, and the Group's non-controlling interest in Profeeds.

Volumes within the **Bakery Division** improved by 36% against the comparative year. This was a pleasing result, and was enabled by a reliable and consistent supply of key raw materials, coupled with cost stability, and which allowed for pricing consistency. Although the volumes achieved still lagged historical norms, the division progressed well in rebuilding the volume base, and this will be supported in the coming period through further plant automations and upgrades across all manufacturing facilities, enabling capacity, quality and efficiency improvements.

At **National Foods**, volume performance on an overall basis closed 15% ahead of the comparative year, with strong growth realised within the flour, stockfeeds, groceries and snacks divisions.

The Flour Milling division recorded volume growth of 43% over the comparative year, supported by strong consumer demand, especially within the pre-pack category. A project to upgrade the Bulawayo site with a new state of the art flour mill is underway, and this line is expected to be commissioned during the latter part of the 2022 calendar year, enabling significant capacity and product quality improvements.

The Stockfeeds division delivered a 33% increase in volumes versus the comparative year, with the stronger local demand for protein products, and increased demand from small-scale poultry production, being key determinants of the overall performance. The business has commenced a 3-year phased upgrade to the Aspindale plant in Harare, which will result in a significant modernisation of the existing plant installed in the early 1990s.

Volumes within the Grocery division increased 74% against the comparative year; this substantial growth was achieved largely in the rice and salt categories enhanced by competitive pricing.

The Snacks and Treats division continued to deliver strong volume growth showing a 57% increase against the comparative year. The division continues to innovate and deepen its product offering. Investment into additional manufacturing equipment, which will enhance both capacity and capability, will continue into the new financial year.

The restructured Cereals division, comprising the "Pearlenta Nutri-Active" instant porridge range, continued to gain traction, supported by "Better Buy Soya Delights", a soya-based meat substitute, which has also shown favourable uptake within the market. Additional investment has been approved into the expansion of breakfast cereals and extruded product offerings and is set to avail an exciting and affordable range of nutritious cereals to the market from the middle of 2022.

Notwithstanding the good volume growth across the various divisions within National Foods, the year under review was exceptionally challenging for the Maize Milling division. Volumes decreased 32% against the comparative year, with the decline largely attributable to intense competition from imported maize meal.

At **Profeeds**, volume performance continued to strengthen throughout the year, with stockfeed volumes closing 31% ahead of the comparative year and day-old-chick sales volumes increasing 47% over the same period; with both categories being bolstered by improved protein demand and recovery across the poultry value chain.

The business finalised an investment into a fertiliser blending plant in October 2020, operating under the "Nutrimaster" brand. Initial volume performance within this new category has been pleasing and is expected to improve ahead of the upcoming summer cropping season. The Profeeds retail network under the "Profarmer" brand continued to expand its footprint and broadened its range of agricultural and adjacent product offerings during the year.

As previously reported, the Competition and Tariff Commission directed that the Group's non-controlling investment in Profeeds be disallowed and that the Group divest from the business. The matter is pending judgement on appeal.

PROTEIN

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

The **Colcom Division**, comprising Triple C Pigs and Colcom Foods, delivered a 34% growth in aggregate volumes against the comparative year, with processed product volumes increasing by 54% and fresh product volumes increasing by 15%.
A 10% growth in overall pigs slaughtered was achieved, while production efficiencies arising through improved genetics and diet enhancements resulted in average pig mass improving by 12% over the same period. Upstream investment into a new pig production unit is in development and, together with additional manufacturing capability, will contribute to continued volume growth in the new financial year.

Irvine's delivered pleasing growth across all three of its core categories, with table egg volumes closing at record levels, and being 8% ahead of the comparative year as additional production capacity was brought online. Frozen chicken volumes saw a 21% improvement versus the comparative year, while day-old-chick volumes increased 29% over the same period as demand across the small-scale poultry market continued to recover.

The business continues to execute its long-term capacity and efficiency enhancement strategy of investing in further automated table egg production, frozen chicken capacity expansion, and additional hatchery and breeding facilities.

At **AMP**, volume growth of 6% above the comparative year was relatively muted, and impacted by COVID-19 lockdown restrictions which significantly reduced trading hours. Notwithstanding volume performance, the business continued to perform extremely well from a profitability perspective, successfully adjusting to the fluid environment.

During the year, the business successfully opened the second of its flagship "Texas Meat Market" concept stores in Masvingo, as well as an additional four new protein-specific retail outlets operating under the popular "Texas" brand, as it continued to increase coverage across the nation.

OTHER LIGHT MANUFACTURING AND SERVICES

This reporting segment comprises Natpak, Prodairy, Probottlers and the Group's non-controlling interests in Probrands.

Natpak continued with its positive growth trajectory, delivering overall volumes which were 20% ahead of the comparative year.

The Rigids division recorded a 32% increase in volumes against the comparative year, on the back of firmer demand, increased capacity utilisation, and increased productivity across its core customer base. The investment and commissioning of a new plant was finalised in the latter part of the financial year under review, following several shipping delays, resulting from the effects of the COVID-19 global pandemic. The division is now well-positioned for a significant step-change in capacity, coupled with the ability to service a broader customer base as it enters the new financial year.

The Flexibles and Corrugated divisions delivered strong volume performances, 31% and 29% ahead of the comparative year, respectively. Efforts continue around plant augmentation and deepening the product offering to the market for these divisions.

The Sacks division recorded an 8% decline in volumes against the comparative year; this was largely due to depressed, countrywide, maize milling activity relative to the abnormal demand experienced during the comparative year under the maize subsidy programs. Notwithstanding the volume performance, the outlook for the division is positive, with investments planned to unlock wider product offerings and capacity enhancements.

At **Prodairy**, volumes improved significantly, and closed 48% ahead of the comparative year, notwithstanding the nationwide acute raw milk supply shortages experienced between January and March 2021 due to incessant rainfall. Volume performance was driven within the milk and dairy blend categories representing an 11% and 116% growth respectively versus the comparative year, while favourable volume performance was also realised in the butter and cream categories. The Group continued to play its role in increasing local raw milk production; investment in the Group's dairy herd at Mafuro Farming continued, with production from this operation expected to double during the course of the new financial year. Efforts continue to expand the finished product portfolio through further enhanced, and more convenient, packaging formats.

Probottlers delivered a 43% volume growth for the year, enabled by investments into new filling lines for both the Carbonated Soft Drink and Cordial plants which were commissioned in the first half of the financial year under review. Further investment into alternative packaging formats will continue into the new financial year.

Probrands increased overall volumes by 28% against the comparative year, with notable volume gains within the rice category. The business continues to command a strong market share across much of its product portfolio with a focus to unlock further product segments through new, additional product offerings.

IMPACT OF COVID-19 ON BUSINESS CONTINUITY AND STATEMENT OF SOLVENCY

All Group businesses continue to implement and observe WHO-approved COVID-19 guidelines throughout their operations to safeguard the health and welfare of staff, customers, suppliers and all stakeholders.

The Group fully supports Government's efforts in its vaccination programme, and through ongoing, extensive in-house educational initiatives, continues to encourage its employees to get vaccinated. The Group's human capital and wellness business, Providence Human Capital, has been authorised to administer on-site vaccinations to employees and it is pleasing to see increasing numbers of fully vaccinated staff members; this has resulted in significantly lower cases of the virus now being reported across our business units.

IMPACT OF COVID-19 ON BUSINESS CONTINUITY AND STATEMENT OF SOLVENCY (continued)

Unfortunately, the Group was not spared during the second and third COVID-19 waves experienced by the country during the year under review, and regrets to advise, that the following staff members sadly passed away during those periods:

- Mr Tafadzwa Karimupfumbi (Probottlers)
- Mr George Mukarati (Prodairy)
- Mr Canaan Dagba (Capri)
- Ms Shingirai Chitauro (Providence Health and Wellness)
- Ms Sarah Mwazira (Irvine's Zimbabwe)
- Mr Adam Kupara (National Foods Limited)

The Group pays tribute to these employees and extends its deepest condolences to the bereaved families; may their dear souls rest in eternal peace.

Given the ongoing uncertainty around the impact and conclusion of COVID-19, it is not possible to assess, with absolute certainty, the full impact the pandemic will have on the Group's ongoing financial performance and solvency. At present, the financial status of the Group remains healthy, and the impact of COVID-19 has not created any issues from a solvency or liquidity perspective.

PROSPECTS

The overall performance of the Group over the past year has been extremely positive, underpinned by capacity utilisation recovery, and augmented with the benefits of lower levels of inflation, giving us a positive, yet cautious, outlook for the new financial year.

The progressive policy changes initiated during the year under review are particularly encouraging. Further gains can only be made by the country, however, through policy consistency, the removal of the remaining distortionary and arbitrage effects, and through the implementation of clear and non-conflicting laws and regulations.

Our management teams continue to adapt and optimise trading models appropriately as the environment transitions to lower inflation levels. The critical focus remains on balancing volume objectives with appropriate return levels, careful overhead cost containment, and optimal cash flow generation while preserving balance sheet value. Progress continues to be made with our local financial institution partners to avail appropriately priced borrowings to be deployed across the Group, which in turn will allow for well-priced products for our customers.

The Group remains hopeful that the positive trajectory over the past year will be sustained, and to this end, our management teams are currently executing on our short-term investment pipeline of USD70 million. Investment initiatives covering ongoing business optimisation and expansion within existing business units are now in various stages of implementation and will continue to be phased in over the coming financial year. These exciting developments will result in significant increases in production capacity and efficiency improvements, as well as entry into new products and categories, with significant job opportunities being created.

FINAL DIVIDEND

The Board is pleased to declare a final dividend of 180 ZW$ cents per share payable in respect of all ordinary shares of the Company. This final dividend brings the total dividend for the year ended 30 June 2021, to 290 ZW$ cents, and will be payable to all the shareholders of the Company registered at the close of business on 15 October 2021.

The payment of this final dividend will take place on or around 10 November 2021. The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange up to the market day of 12 October 2021 and ex-dividend from 13 October 2021.

The Board has also declared a final dividend totalling ZW$51 million to Innscor Africa Employee Share Trust (Private) Limited; bringing the total dividend paid to the employee share trust to ZW$82 million for the year ending 30 June 2021. The Innscor Africa Employee Share Trust supports all qualifying beneficiaries with dividend flow and access to various loan schemes.

APPRECIATION

I wish to firstly record my thanks to our executive management team, and in particular our human capital and wellness team, and all our frontline medical staff led by Mrs Chipo Ndudzo, who have continued with the exceptional work of managing our response to the COVID-19 global pandemic, treating affected employees, and launching our numerous in-house education and vaccination initiatives. It is testament to the work ethic, dedication and passion of this combined team that we have been able to meet the challenge of the global pandemic head-on, whilst continuing to operate the businesses.

I wish to also record my appreciation to the Executive Directors, Management and Staff for their effort during the year under review. Finally, I thank very sincerely, the Non-Executive Directors for their ongoing 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
27 September 2021

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

		INFLATION-ADJUSTED		HISTORICAL	
	Note	Year ended 30 June 2021 audited ZW$'000	Year ended 30 June 2020 audited: restated ZW$'000	Year ended 30 June 2021 supplementary ZW$'000	Year ended 30 June 2020 supplementary ZW$'000
REVENUE		**66 909 149**	**49 467 329**	**56 485 603**	**11 159 427**
Operating profit before depreciation, amortisation and fair value adjustments		**8 588 209**	**7 486 868**	**11 379 841**	**3 409 171**
financial income	9	777 589	801 706	645 211	397 287
depreciation on property, plant and equipment and right-of-use assets		(1 141 268)	(1 081 768)	(182 305)	(82 410)
Operating profit before interest, equity accounted earnings and fair value adjustments		**8 224 530**	**7 206 806**	**11 842 747**	**3 724 048**
fair value adjustments on livestock and listed equities		(1 768 238)	282 078	502 181	979 054
Profit before interest and tax		**6 456 292**	**7 488 884**	**12 344 928**	**4 703 102**
interest expense		(1 464 144)	(958 158)	(1 283 761)	(224 869)
equity accounted earnings		2 227 327	2 296 880	1 880 571	858 414
monetary (loss)/gain		(42 339)	466 261	—	—
Profit before tax		**7 177 136**	**9 293 867**	**12 941 738**	**5 336 647**
tax expense		(2 779 971)	(1 870 808)	(2 451 245)	(920 064)
Profit for the year		**4 397 165**	**7 423 059**	**10 490 493**	**4 416 583**
Other comprehensive income - to be recycled to profit or loss net of tax exchange differences arising on the translation of foreign operations attributable to:					
equity holders of the parent		1 004 562	1 955 681	1 004 562	1 955 681
non-controlling interest		11 749	133 069	11 749	133 069
Other comprehensive income for the year recycled to profit or loss, net of tax		**1 016 311**	**2 088 750**	**1 016 311**	**2 088 750**
Total comprehensive income for the year		**5 413 476**	**9 511 809**	**11 506 804**	**6 505 333**
Profit for the year attributable to:					
equity holders of the parent		2 751 840	4 850 969	7 144 165	3 064 586
non-controlling interests		1 645 325	2 572 090	3 346 328	1 351 997
		4 397 165	**7 423 059**	**10 490 493**	**4 416 583**
Total comprehensive income for the year attributable to:					
equity holders of the parent		3 756 402	6 806 650	8 148 727	5 020 267
non-controlling interests		1 657 074	2 705 159	3 358 077	1 485 066
		5 413 476	**9 511 809**	**11 506 804**	**6 505 333**
EARNINGS PER SHARE (CENTS)					
Basic earnings per share	17	**486.63**	**865.06**	**1 263.36**	**546.50**
Headline earnings per share	17	**482.39**	**866.28**	**1 257.42**	**546.34**
Diluted basic earnings per share	17	**481.61**	**852.36**	**1 250.32**	**538.47**
Diluted headline earnings per share	17	**477.42**	**853.56**	**1 244.45**	**538.32**

Audited Abridged Group Statement of Financial Position

		INFLATION-ADJUSTED		HISTORICAL	
	Note	30 June 2021 audited ZW$'000	30 June 2020 audited: restated ZW$'000	30 June 2021 supplementary ZW$'000	30 June 2020 supplementary ZW$'000
ASSETS					
Non-current assets					
property, plant and equipment		12 678 621	9 917 436	4 412 453	943 670
right-of-use assets		716 024	489 096	300 764	43 274
intangible assets		1 938 131	1 925 334	51 233	41 370
investments in associates		8 103 649	5 456 548	4 459 909	2 120 352
other assets		1 347 539	2 515 597	1 268 162	1 180 363
deferred tax assets		—	—	92 320	—
biological assets		242 625	215 691	225 411	104 378
		25 026 589	**20 519 702**	**10 810 252**	**4 433 407**
Current assets					
biological assets		2 022 092	2 155 704	1 672 688	561 641
inventories	10	8 477 380	8 586 963	8 331 456	3 328 048
trade and other receivables	11	8 738 326	5 596 838	8 650 159	2 555 253
cash and cash equivalents		4 389 036	3 303 632	4 389 036	2 125 956
		23 626 834	**19 643 137**	**23 043 339**	**8 570 898**
assets of disposal group classified as held for sale	15	—	65 743	—	7 648
Total assets		**48 653 423**	**40 228 582**	**33 853 591**	**13 011 953**
EQUITY AND LIABILITIES					
Capital and reserves					
ordinary share capital		261 121	261 052	5 699	5 648
share premium		873 785	843 631	25 892	20 358
other reserves		1 924 223	1 475 761	2 683 984	2 056 538
distributable reserves		17 616 451	16 309 884	9 470 981	3 575 773
attributable to equity holders of the parent		**20 675 580**	**18 890 328**	**12 186 556**	**5 658 317**
non-controlling interests		8 532 296	7 784 246	4 230 431	1 664 099
Total shareholders' equity		**29 207 876**	**26 674 574**	**16 416 987**	**7 322 416**
Non-current liabilities					
deferred tax liabilities		2 155 269	2 576 403	146 326	215 964
lease liability	12	248 208	101 338	248 208	49 040
interest-bearing borrowings	14	585 579	90 188	585 579	43 644
		2 989 056	**2 767 929**	**980 113**	**308 648**
Current liabilities					
lease liability	12	88 760	33 091	88 760	16 014
interest-bearing borrowings	14	5 973 779	2 509 663	5 973 779	1 214 485
trade and other payables	13	8 946 349	6 849 320	8 946 349	3 477 471
provisions and other liabilities		220 309	133 305	220 309	64 510
current tax liabilities		1 227 294	1 260 700	1 227 294	608 409
		16 456 491	**10 786 079**	**16 456 491**	**5 380 889**
Total liabilities		**19 445 547**	**13 554 008**	**17 436 604**	**5 689 537**
Total equity and liabilities		**48 653 423**	**40 228 582**	**33 853 591**	**13 011 953**

Audited Abridged Group Statement of Cash Flows

	INFLATION-ADJUSTED		HISTORICAL	
	Year ended 30 June 2021 audited ZW$'000	Year ended 30 June 2020 audited: restated ZW$'000	Year ended 30 June 2021 supplementary ZW$'000	Year ended 30 June 2020 supplementary ZW$'000
Cash generated from operating activities	**8 638 754**	**951 943**	**5 865 822**	**949 422**
interest expense	(1 464 144)	(958 158)	(1 283 761)	(224 869)
tax paid	(2 596 446)	(1 218 730)	(2 034 902)	(261 329)
Total cash available from/(utilised by) operations	**4 578 164**	**(1 224 945)**	**2 547 159**	**463 224**
Investing activities	**(3 828 677)**	**(1 500 589)**	**(3 642 598)**	**(291 447)**
Net cash flows before financing activities	**749 487**	**(2 725 534)**	**(1 095 439)**	**171 777**
Financing activities	**3 638 660**	**2 515 181**	**2 652 845**	**813 931**
Net increase/(decrease) in cash and cash equivalents	**4 388 147**	**(210 353)**	**1 557 406**	**985 708**
Effects of currency translation on cash and cash equivalents - foreign operations	**(3 302 743)**	**1 113 019**	**705 674**	**994 142**
Net increase in cash and cash equivalents	**1 085 404**	**902 666**	**2 263 080**	**1 979 850**
Cash and cash equivalents at the beginning of the year	**3 303 632**	**2 400 966**	**2 125 956**	**146 106**
Cash and cash equivalents at the end of the year	**4 389 036**	**3 303 632**	**4 389 036**	**2 125 956**

Audited Abridged Group Statement of Changes in Equity

		attributable to equity holders of the parent											
				Other Reserves									
	Note	Ordinary Share Capital ZW$'000	Share Premium Reserve ZW$'000	Restructure Reserve ZW$'000	Foreign Currency Translation Reserve ZW$'000	Change in Functional Currency Reserve ZW$'000	Treasury Shares Reserve ZW$'000	Share Based Payment Reserve ZW$'000	Total Other Reserves ZW$'000	Distributable Reserves ZW$'000	Total Attributable to Equity Holders of the Parent ZW$'000	Non-Controlling Interests ZW$'000	Total Shareholders' Equity ZW$'000
INFLATION-ADJUSTED (AUDITED: RESTATED)													
Balances at 30 June 2019		**260 779**	**829 846**	**(611 947)**	**111 601**	**—**	**(32 044)**	**84 076**	**(448 314)**	**11 991 381**	**12 633 692**	**5 434 028**	**18 067 720**
Issue of shares		273	13 785	—	—	—	—	(40 468)	(40 468)	—	(26 410)	—	(26 410)
Profit for the year		—	—	—	—	—	—	—	—	4 850 969	4 850 969	2 572 090	7 423 059
Other comprehensive income		—	—	—	1 955 681	—	—	—	1 955 681	—	1 955 681	133 069	2 088 750
Dividends paid		—	—	—	—	—	—	—	—	(532 466)	(532 466)	(354 742)	(887 208)
Transactions with owners in their capacity as owners	6	—	—	—	—	—	—	—	—	—	—	(199)	(199)
Share-based payment charge		—	—	—	—	—	—	8 862	8 862	—	8 862	—	8 862
Balances at 30 June 2020		**261 052**	**843 631**	**(611 947)**	**2 067 282**	**—**	**(32 044)**	**52 470**	**1 475 761**	**16 309 884**	**18 890 328**	**7 784 246**	**26 674 574**
Issue of shares		69	30 154	—	—	—	—	(25 151)	(25 151)	—	5 072	—	5 072
Profit for the year		—	—	—	—	—	—	—	—	2 751 840	2 751 840	1 645 325	4 397 165
Other comprehensive income		—	—	—	1 004 562	—	—	—	1 004 562	—	1 004 562	11 749	1 016 311
Dividends paid		—	—	—	—	—	—	—	—	(1 445 273)	(1 445 273)	(927 871)	(2 373 144)
Transactions with owners in their capacity as owners		—	—	(403 550)	—	—	(128 853)	—	(532 403)	—	(532 403)	18 847	(513 556)
Share-based payment charge		—	—	—	—	—	—	1 454	1 454	—	1 454	—	1 454
Balances at 30 June 2021		**261 121**	**873 785**	**(1 015 497)**	**3 071 844**	**—**	**(160 897)**	**28 773**	**1 924 223**	**17 616 451**	**20 675 580**	**8 532 296**	**29 207 876**
HISTORICAL													
Balances at 30 June 2019		**5 597**	**17 812**	**(13 135)**	**111 601**	**274 695**	**(688)**	**2 263**	**374 736**	**364 770**	**762 915**	**276 161**	**1 039 076**
Issue of shares		51	2 546	—	—	—	—	(1 084)	(1 084)	—	1 513	—	1 513
Profit for the year		—	—	—	—	—	—	—	—	3 064 586	3 064 586	1 351 997	4 416 583
Other comprehensive income		—	—	—	1 955 681	—	—	—	1 955 681	—	1 955 681	133 069	2 088 750
Dividends paid		—	—	—	—	—	—	—	—	(127 272)	(127 272)	(97 032)	(224 304)
Change in functional currency reserve realised		—	—	—	—	(274 695)	—	—	(274 695)	273 689	(1 006)	—	(1 006)
Transactions with owners in their capacity as owners	6	—	—	—	—	—	—	—	—	—	—	(96)	(96)
Share-based payment charge		—	—	—	—	—	—	1 900	1 900	—	1 900	—	1 900
Balances at 30 June 2020		**5 648**	**20 358**	**(13 135)**	**2 067 282**	**—**	**(688)**	**3 079**	**2 056 538**	**3 575 773**	**5 658 317**	**1 664 099**	**7 322 416**
Issue of shares		51	5 534	—	—	—	—	(1 892)	(1 892)	—	3 693	—	3 693
Profit for the year		—	—	—	—	—	—	—	—	7 144 165	7 144 165	3 346 328	10 490 493
Other comprehensive income		—	—	—	1 004 562	—	—	—	1 004 562	—	1 004 562	11 749	1 016 311
Dividends paid		—	—	—	—	—	—	—	—	(1 248 957)	(1 248 957)	(809 249)	(2 058 206)
Transactions with owners in their capacity as owners		—	—	(264 676)	—	—	(111 730)	—	(376 406)	—	(376 406)	17 504	(358 902)
Share-based payment charge		—	—	—	—	—	—	1 182	1 182	—	1 182	—	1 182
Balances at 30 June 2021		**5 699**	**25 892**	**(277 811)**	**3 071 844**	**—**	**(112 418)**	**2 369**	**2 683 984**	**9 470 981**	**12 186 556**	**4 230 431**	**16 416 987**

Supplementary Information

1 Corporate Information

The Company is incorporated and domiciled in Zimbabwe.

2 Basis of Preparation

The Group's abridged annual inflation-adjusted financial statements for the year ended 30 June 2021 have been prepared in accordance with the requirements of the Zimbabwe 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 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 inflation-adjusted financial statements have been prepared based on the 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. For the purposes of fair presentation in accordance with International Accounting Standard ("IAS") 29 (Financial Reporting in Hyperinflationary Economies), the historic cost financial information has been restated for changes in the general purchasing power of the functional currency of the Group. The financial statements are presented in Zimbabwe Dollars ("ZW$"); all values are rounded to the nearest dollar, except where otherwise indicated.

The principal accounting policies applied in the preparation of the Group consolidated inflation-adjusted financial statements are in terms of IFRS and applicable amendments to IFRS and the accounting policies have been applied consistently in all material respects with those of the previous consolidated annual inflation-adjusted financial statements.

3 IAS 21 (The Effects of Changes in Foreign Exchange Rates)

As noted in the Group's 2019 financial statements, the Government of Zimbabwe promulgated Statutory Instrument ("SI") 33 on 22 February 2019, giving legal effect to the reintroduction of the Zimbabwe Dollar as legal tender and prescribed that for accounting and other purposes, certain assets and liabilities on the effective date would be deemed to be Zimbabwe Dollars at the rate which was at par with the United States Dollar ("US$"). Guidance issued by the Public Accountants and Auditors Board (PAAB) noted that the requirements of SI 33 were contrary to the provisions of IAS 21. The Directors have always ensured compliance with IFRS but were unable to do so in respect of the comparative financial information due to the conflict between IAS 21 and local statutory requirements.

Due to the material and pervasive impact of the technicalities discussed in the previous paragraph and the carry-over effects of these misstatements on the current year's comparative consolidated inflation-adjusted financial statements, the Directors would like to advise users to exercise caution in their use of these abridged inflation-adjusted financial statements.

In 2020, the Government also promulgated SI185/20 which permitted the use of foreign currencies for domestic transactions and in the same year a foreign currency trading system ("Foreign Exchange Auction System") was introduced through the Reserve Bank of Zimbabwe. The Group relies on both foreign currency obtained through the Foreign Exchange Auction System and through the sale of products on the domestic market in line with SI185/20 for its operations; as such the Directors have used an estimation process which is in line with IAS 21, to ascertain the spot rates used to determine the ZW$ price of goods sold in US$ on transaction date and the spot rate used to convert the foreign monetary assets and liabilities which were in existence at 30 June 2021. Foreign monetary assets and liabilities in existence at 30 June 2021 have been translated to ZW$ at the appropriate closing rates of exchange, with exchange differences having been adjusted through the Group's Statement of Profit or Loss in line with IAS 21.

4 IAS 29 (Financial Reporting in Hyperinflationary Economies)

In October 2019, the PAAB issued a pronouncement prescribing that the application of financial reporting in hyperinflationary economies had become effective in Zimbabwe, for reporting years on or after 1 July 2019. These financial statements have been prepared in accordance with IAS 29 together with International Financial Reporting Interpretations Committee ("IFRIC") 7 (Applying the Restatement Approach under IAS 29), as if the economy had been hyperinflationary from 1 October 2018. The Group adopted the Zimbabwe Consumer Price Index ("CPI") as the general price index to restate transactions and balances. Monetary assets and liabilities and non-monetary assets and liabilities carried at fair value have not been restated as they are presented at the measuring unit current at the end of the reporting year. Items recognised in the income statement have been restated by applying the change in the general price index from dates when the transactions were initially recorded in the Group's financial records (transaction date). A net monetary adjustment was recognised in the statement of profit or loss for the year ended 30 June 2021 and the comparative year. Comparative amounts in the Group financial results have been restated to reflect the change in the general price index from 1 October 2018 to the end of the reporting year. All items in the statement of cash flows are expressed based on the restated financial information for the year.

The CPI's and conversion factors used by the Group to adjust the historical cost figures for the year under review for inflation are as follows:

MONTH	CPI	Conversion Factor
Jun-21	2 986.44	1.00
Jun-20	1 445.21	2.07
Jun-19	172.60	14.30

The Group had previously stated comparative inflation-adjusted figures with effect from 1 July 2018, this assumed the economy was subject to IAS 29 with effect from that date, however, the PAAB then issued guidance stating that IAS 29 was to be applied from 1 October 2018. In line with this guidance, the Group's comparative financial information has been restated by applying IAS 29 with effect from 1 October 2018 and the impact of this change on the Group's inflation-adjusted numbers reduces total assets, total liabilities and total equity as shown below:

	INFLATION-ADJUSTED 30 June 2020 ZW$'000
Total assets	439 836
Total liabilities	89 964
Total equity	349 872

5 Legacy Debts

As reported in the comparative year financial statements, the Group has foreign legacy debts amounting to US$3 783 811 (2020: US$5 133 811), being foreign liabilities that were due and payable on 22 February 2019 when the authorities promulgated SI33/2019 which introduced the ZW$ currency. The foreign liabilities were registered and approved by the Reserve Bank of Zimbabwe, ("RBZ") and the Group transferred to the RBZ the ZW$ equivalent of the foreign liabilities based on an exchange rate of ZW$ 1 = US$ 1 in line with Exchange Control Directives RU102/2019 and RU28/2019 and as directed by the RBZ. The foreign debts have been accounted for at the closing exchange rate as at 30 June 2021 in line with IAS 21 and the deposits with the RBZ have also been accounted for as statutory assets at the same closing exchange rate, in compliance with IFRS 9.

The Board remains confident that the RBZ will settle the legacy debts in line with the Exchange Control Directives although risk remains that policies regarding the foreign liabilities may be changed. During the year the RBZ settled US$1 350 000 of the legacy debts and the RBZ has provided confirmation to the Group that the outstanding amounts will be settled.

6 Transactions with Non-Controlling Interests

On 1 July 2020, the Group acquired an additional effective 25.27% of the issued shares of Alpha Packaging (Private) Limited, ("Alpha"/"the Company") for ZW$424 310 337 (Historical: ZW$278 292 164). Immediately prior to the purchase, the Group had an effective controlling interest of 20.42% in the Company. The Group recognised an increase in effective controlling interest from 20.42% to 45.69% and the effect on the equity attributable to the Group during the year is summarised as follows:

	INFLATION-ADJUSTED		HISTORICAL	
	30 June 2021 audited ZW$'000	30 June 2020 audited ZW$'000	30 June 2021 supplementary ZW$'000	30 June 2020 supplementary ZW$'000
Carrying amount of non-controlling interests acquired	20 760	—	13 616	—
Consideration paid to non-controlling interests	(424 310)	—	(278 292)	—
Excess of consideration paid recognised in the Restructure Reserve within equity	(403 550)	—	(264 676)	—

7 Disposal of Net Assets of Pangolin (Private) Limited

On 1 July 2020 Pangolin (Private) Limited ("the Company"), a subsidiary of the Group, disposed its net assets to Probrands (Private) Limited, an associate of the Group. The Group recognised a profit of ZW$2 181 291 (Historical: ZW$12 691 140) on the disposal.

Supplementary Information (continued)

8 Operating Segments

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

Mill-Bake Segment - reports the results of the Group's interests in National Foods Holdings Limited, the Bakery division and non-controlling interest in Profeeds (Private) Limited.

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

Other Light Manufacturing and Services - reports the results of the Group's controlling interests in Natpak (Private) Limited, Prodairy (Private) Limited, Probottlers (Private) Limited and non-controlling interests in Probrands (Private) Limited, Innscor Appliance Manufacturing (Private) Limited t/a Capri, Paperhole Investments (Private) Limited and Afrigrain Trading Limited.

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

	Mill-Bake ZW$'000	Protein ZW$'000	Other Light Manufacturing ZW$'000	Head Office Services ZW$'000	Inter-Segment Adjustments ZW$'000	Total ZW$'000
INFLATION-ADJUSTED						
Revenue						
30 June 2021	40 617 143	22 097 791	10 096 787	589 801	(6 492 373)	**66 909 149**
30 June 2020	32 946 423	13 883 798	7 828 792	302 634	(5 494 318)	**49 467 329**
Operating profit/(loss) before depreciation, amortisation and fair value adjustments						
30 June 2021	4 134 246	3 075 706	1 321 484	56 773	—	**8 588 209**
30 June 2020	4 809 216	1 899 827	1 108 244	(330 419)	—	**7 486 868**
Depreciation and amortisation						
30 June 2021	304 410	422 657	337 438	75 377	1 386	**1 141 268**
30 June 2020	365 281	309 505	358 119	45 956	2 907	**1 081 768**
Equity accounted earnings						
30 June 2021	758 489	194 583	75 327	1 198 928	—	**2 227 327**
30 June 2020	650 423	11 397	207 764	1 427 296	—	**2 296 880**
Profit before tax						
30 June 2021	3 337 802	2 303 969	874 362	661 003	—	**7 177 136**
30 June 2020	4 508 580	1 818 087	1 022 253	1 945 332	(385)	**9 293 867**
Segment assets						
30 June 2021	19 792 220	11 937 127	6 955 561	10 566 549	(598 034)	**48 653 423**
30 June 2020	15 576 910	6 606 277	4 679 543	13 052 190	313 662	**40 228 582**
Segment liabilities						
30 June 2021	8 465 505	5 239 214	3 697 703	2 172 404	(129 279)	**19 445 547**
30 June 2020	5 952 967	2 712 347	2 162 307	2 166 190	560 197	**13 554 008**
Capital expenditure						
30 June 2021	1 082 993	1 545 355	1 183 733	106 201	—	**3 918 282**
30 June 2020	412 015	304 126	496 451	243 058	—	**1 455 650**
Cash flow from operating activities						
30 June 2021	4 468 904	2 385 121	1 020 595	780 023	(15 889)	**8 638 754**
30 June 2020	569 699	147 785	173 341	29 548	31 570	**951 943**
Investing activities						
30 June 2021	(1 047 136)	(1 372 926)	(1 420 570)	(203 689)	215 644	**(3 828 677)**
30 June 2020	(422 043)	(350 114)	(617 017)	(218 713)	107 298	**(1 500 589)**
Financing activities						
30 June 2021	2 202 611	2 304 387	1 983 344	1 086 571	(3 938 253)	**3 638 660**
30 June 2020	655 517	738 366	575 471	666 107	(120 280)	**2 515 181**

*All 30 June 2020 numbers are restated

	Mill-Bake ZW$'000	Protein ZW$'000	Other Light Manufacturing ZW$'000	Head Office Services ZW$'000	Inter-Segment Adjustments ZW$'000	Total ZW$'000
HISTORICAL						
Revenue						
30 June 2021	34 289 538	18 655 252	8 523 843	497 918	(5 480 948)	**56 485 603**
30 June 2020	7 432 445	3 132 072	1 766 112	68 271	(1 239 473)	**11 159 427**
Operating profit/(loss) before depreciation, amortisation and fair value adjustments						
30 June 2021	5 478 099	4 075 477	1 751 038	75 227	—	**11 379 841**
30 June 2020	2 189 893	865 093	504 642	(150 457)	—	**3 409 171**
Depreciation and amortisation						
30 June 2021	48 626	67 515	53 902	12 041	221	**182 305**
30 June 2020	27 828	23 578	27 282	3 501	221	**82 410**
Equity accounted earnings						
30 June 2021	640 405	164 290	63 600	1 012 276	—	**1 880 571**
30 June 2020	243 083	4 259	77 648	533 424	—	**858 414**
Profit before tax						
30 June 2021	6 018 692	4 154 492	1 576 640	1 191 914	—	**12 941 738**
30 June 2020	2 588 879	1 043 967	586 990	1 117 032	(221)	**5 336 647**
Segment assets						
30 June 2021	13 771 646	8 305 985	4 839 756	7 352 321	(416 117)	**33 853 591**
30 June 2020	5 038 359	2 136 803	1 513 600	4 221 737	101 454	**13 011 953**
Segment liabilities						
30 June 2021	7 590 923	4 697 944	3 315 689	1 947 970	(115 922)	**17 436 604**
30 June 2020	2 498 864	1 138 556	907 667	909 297	235 153	**5 689 537**
Capital expenditure						
30 June 2021	1 019 589	1 454 880	1 114 431	99 984	—	**3 688 884**
30 June 2020	83 157	61 381	100 198	49 056	—	**293 792**
Cash flow from operating activities						
30 June 2021	3 034 442	1 619 527	692 996	529 645	(10 788)	**5 865 822**
30 June 2020	568 190	147 394	172 882	29 470	31 486	**949 422**
Investing activities						
30 June 2021	(996 244)	(1 306 200)	(1 351 528)	(193 789)	205 163	**(3 642 598)**
30 June 2020	(81 970)	(68 000)	(119 838)	(42 478)	20 839	**(291 447)**
Financing activities						
30 June 2021	1 605 861	1 680 064	1 446 001	792 188	(2 871 269)	**2 652 845**
30 June 2020	212 130	238 941	186 227	215 557	(38 924)	**813 931**

	INFLATION-ADJUSTED		HISTORICAL	
	Year ended 30 June 2021 audited ZW$'000	Year ended 30 June 2020 audited: restated ZW$'000	Year ended 30 June 2021 supplementary ZW$'000	Year ended 30 June 2020 supplementary ZW$'000
9 Financial income				
Exchange gains/(losses) - realised	1 152 220	(81 352)	994 772	(17 442)
Exchange (losses)/gains - unrealised	(581 619)	111 151	(581 620)	53 789
Profit/(loss) on disposal of plant and equipment	2 760	(12 683)	35 487	(1 694)
Profit on assets of disposal group classified as held for sale	125 786	—	144 620	—
Other	78 442	784 590	51 952	362 634
	777 589	**801 706**	**645 211**	**397 287**
10 Inventories				
Consumable stores	821 990	556 220	797 124	207 727
Finished products, net of allowance for obsolescence	1 856 828	1 644 448	1 831 408	711 124
Raw materials and packaging	5 690 235	6 283 517	5 594 596	2 362 774
Goods in transit	6 025	—	6 025	—
Work in progress	102 302	102 778	102 303	46 423
	8 477 380	**8 586 963**	**8 331 456**	**3 328 048**
11 Trade and other receivables				
Trade receivables	4 446 337	2 608 739	4 446 337	1 262 430
Prepayments	2 815 624	2 345 985	2 727 457	881 248
Rental deposits	—	277	—	134
VAT Receivable	310 628	136 622	310 628	66 115
Other receivables	1 233 463	588 073	1 233 463	385 423
	8 806 052	**5 679 696**	**8 717 885**	**2 595 350**
Allowance for credit losses	(67 726)	(82 858)	(67 726)	(40 097)
	8 738 326	**5 596 838**	**8 650 159**	**2 555 253**
12 Lease liability				
Analysis				
Non-current	248 208	101 338	248 208	49 040
Current	88 760	33 091	88 760	16 014
	336 968	**134 429**	**336 968**	**65 054**
Undiscounted future lease payments				
Payable within one year	347 592	69 693	347 592	33 726
Payable two to five years	1 540 163	161 612	1 540 163	78 208
Payable after five years	1 885 917	56 583	1 885 917	27 382
	3 773 672	**287 888**	**3 773 672**	**139 316**
13 Trade and other payables				
Trade payables	2 694 404	3 736 311	2 694 404	1 808 089
Accruals	1 135 442	1 113 925	1 135 442	539 055
Other payables	5 116 503	1 999 084	5 116 503	1 130 327
	8 946 349	**6 849 320**	**8 946 349**	**3 477 471**

14 Interest-Bearing Borrowings

Interest-bearing borrowings constitute bank loans from various local financial institutions which accrue interest at an average rate of 31% at the end of the year.

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

15 Assets of disposal group classified as held for sale

Following the disposal of the National Foods Holdings Limited depot operations in October 2016, the Board identified the properties from which some of these depots operate to be non-core. The properties that had been previously categorised as assets of disposal group classified as held for sale were disposed during the year.

	INFLATION-ADJUSTED		HISTORICAL	
	Year ended 30 June 2021 audited ZW$'000	Year ended 30 June 2020 audited ZW$'000	Year ended 30 June 2021 supplementary ZW$'000	Year ended 30 June 2020 supplementary ZW$'000
16 Commitments for capital expenditure				
Contracts and orders placed	2 642 520	2 165 573	2 642 520	1 047 972
Authorised by Directors but not contracted	949 339	661 543	949 339	320 136
	3 591 859	**2 827 116**	**3 591 859**	**1 368 108**

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

17 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.

Supplementary Information (continued)

17 Earnings per share (continued)

Headline earnings basis (continued)
The following reflects the income data used in the basic, headline and diluted earnings per share computations:

	INFLATION-ADJUSTED		HISTORICAL	
	Year ended 30 June 2021 audited ZW$'000	Year ended 30 June 2020 audited: restated ZW$'000	Year ended 30 June 2021 supplementary ZW$'000	Year ended 30 June 2020 supplementary ZW$'000
a Net profit attributable to equity holders of the parent	**2 751 840**	**4 850 969**	**7 144 165**	**3 064 586**
b Reconciliation of basic earnings to headline earnings				
Adjustment for non-headline items (gross of tax):				
(Profit)/loss on disposal of property, plant and equipment	(2 760)	12 683	(35 487)	(1 694)
Profit on assets of disposal group classified as held for sale	(125 786)	—	(144 620)	—
Tax effect on adjustments	31 776	(3 135)	44 523	436
Non-controlling interests' share of adjustments	72 811	(2 725)	102 015	359
Net reconciling items	(23 959)	6 823	(33 569)	(899)
Headline earnings attributable to equity holders of the parent	**2 727 881**	**4 857 792**	**7 110 596**	**3 063 687**

c Reconciliation of weighted average number of ordinary shares

	No. of shares issued	No. of shares issued	No. of shares issued	No. of shares issued
Number of shares in issue at the beginning of the year	**564 777**	**559 727**	**564 777**	**559 727**
Add: Weighted Average number of shares issued during the year	3 898	2 856	3 898	2 856
Less: Weighted Average number of Treasury Shares	(3 186)	(1 819)	(3 186)	(1 819)
Weighted Average Number of Ordinary Shares	**565 489**	**560 764**	**565 489**	**560 764**
d Reconciliation of weighted average number of ordinary shares after effects of dilution				
Number of ordinary shares for basic and headline earnings per share	**565 489**	**560 764**	**565 489**	**560 764**
Effects of dilution: Share Option Scheme	5 896	8 361	5 896	8 361
Weighted average number of ordinary shares adjusted for the effects of dilution	**571 385**	**569 125**	**571 385**	**569 125**
Basic earnings per share (cents)	486.63	865.06	1 263.36	546.50
Headline earnings per share (cents)	482.39	866.28	1 257.42	546.34
Diluted basic earnings per share (cents)	481.61	852.36	1 250.32	538.37
Diluted headline earnings per share (cents)	477.42	853.56	1 244.45	538.32

	INFLATION-ADJUSTED		HISTORICAL	
	Year ended 30 June 2021 audited ZW$'000	Year ended 30 June 2020 audited: restated ZW$'000	Year ended 30 June 2021 supplementary ZW$'000	Year ended 30 June 2020 supplementary ZW$'000
18 Contingent liabilities				
Guarantees				
The contingent liabilities relate to bank guarantees provided in respect of associate companies borrowings as at 30 June 2021	**2 968 322**	**1 881 444**	**2 968 322**	**910 475**

19 Uncertain tax positions
The significant currency changes in Zimbabwe since 2018 have created some uncertainities in the treatment of taxes due to the absence of clear guidance and transitional measures from the tax authorities. Complications have arisen from the wording of the tax legislation in relation to the currency of settlement for certain taxes which gives rise to varying interpretations within the economy. In addition, complications have arisen due to the erroneous VAT legislation on certain products from prior periods. This legislation has now been corrected but has not yet dealt with the prior periods in question.

20 Going Concern
The Directors have assessed the ability of the Group to continue as a going concern and have satified 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 inflation-adjusted financial statements on a going concern basis is appropriate.

21 Subsequent events
Subsequent to year end the Board declared a final dividend of ZW$180 cents per share payable in respect of all ordinary shares of the Company.

On the same date the Board also declared a final dividend totalling ZW$51 million to Innscor Africa Employee Share Trust (Private) Limited.