INNSCOR Africa Limited

our. passion for value creation

Annual Report 2021

Navigating the Pandemic: "Focus on Our People, Productivity, Innovation and Our Environment to drive Value Creation"

VISION

Our vision is to improve the quality of life of the customers in our chosen target markets and thereby to create and unlock value for all our stakeholders. We do this by bringing access to best value consumer staple goods at the lowest relative price.

MISSION

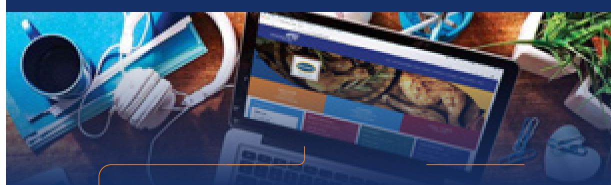
Innscor Africa Limited is a focused group of light manufacturing businesses which, together with various strategically integrated agricultural operations, produce a number of Zimbabwe's iconic brands in the consumer staple product space.

We manufacture consumer staple goods for the mass market through a managed, and where strategically appropriate, integrated portfolio of businesses which:

- benefit from being part of our Group
- have the ability of being lowest cost producers
- have the ability or potential to achieve scale
- have the ability to become market leaders

VALUES

- Passion for value creation
- Entrepreneurial spirit
- Leadership
- Quality in all we do
- Integrity
- Accountability
- Trust
- Collaboration



ONLINE
You can find this report and more information about Innscor Africa Limited online at **www.innscorafrica.com.**
Our Annual Report along with other relevant documents can be downloaded at **http://www.innscorafrica.com/downloads.**

About Our **Report**

Innscor Africa Limited, a Company listed on Zimbabwe Stock Exchange (ZSE), presents its annual report for the year ended 30 June 2021. This report integrates both financial and non-financial information necessary to inform our broad stakeholders on the overview of our economic, environmental and social performance, as well as prospects and strategy of the Group.

The report reflects our belief in strong corporate sustainable practices underpinning our value creation for our stakeholders and shareholders. We continue to improve our report content, as such some sections of the report contain enhancements which are indicated appropriately.

All references to a year refers to the Group's financial year which is 30 June, for instance 2021 refers to the financial year ended 30 June 2021.

Reporting Frameworks

The consolidated annual inflation-adjusted financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31). In reporting non-financial information, the Group is guided by:

- Global Reporting Initiatives (GRI) Protocol
- Listing Requirements of the Zimbabwe Stock Exchange (ZSE)
- Zimbabwe standard ZWS ISO 26000:2010 integrating, implementing and promoting socially responsible behaviour throughout the organisation through its policies and practices and within its sphere of influence; identifying and engaging with stakeholders; and communicating commitments, performance and other information related to social responsibility
- The National Code of Corporate Governance in Zimbabwe (ZIMCODE)
- Climate Change Disclosure Framework of the Carbon Disclosure Standards Board ("CDSB") guided by ISO 14064-65-66 Greenhouse gas ("GHG") quantification, reporting, verification, validation
- Business Reporting on Sustainable Development Goals ("SDGs"): Guide of GRI and United Nations Global Compact ("UNGC"): ISO 26000 and other relevant ISO standards.

Data and Assurance

Our annual inflation-adjusted financial statements were audited by Messrs Deloitte & Touche Chartered Accountants (Zimbabwe) ("Deloitte") in accordance with International Standards of Auditing ("ISA"). The independent auditor's report on the financial statements is contained on **page 114.**

Sustainability Report Declaration

The sustainability information in this annual report was prepared using Zimbabwe standard ZWS ISO 26000:2010, the international ISO guidance standard adopted by Zimbabwe, providing the framework to integrate Social Responsibility ("SR") into the values and practices of the Group. It communicates the commitment, performance and relevant information on SR; a key component of sustainability. The information in this report may be used for the Global Reporting Initiative (GRI) protocol using the GRI/ ISO 26000 linkage[1]. Black Crystal Consulting, an independent sustainability reporting consultant, performed an independent review of this report and the information therein, assessed the actual performance with site visits, and provided third-party assurance that all considerations were taken into account to ensure that the report complies in all material aspects with provisions of the selected standard and linkage requirements.

A summary of the applicable United Nations Sustainable Development Goals (SDGs) in relation to Innscor Africa Limited is also presented as part of this report.

The report reflects our belief in strong corporate sustainable practices underpinning our value creation ethos.

Forward-looking Statements

This report contains certain forward-looking statements. These statements are based on current estimates and projections by Innscor Africa Limited management using current available information. Future statements are not guarantees of future developments and results outlined therein.

These are dependent on a number of factors; they involve various risks and uncertainties; and they are based on assumptions that may not prove to be accurate. We do not assume any obligation to update the forward-looking statements contained in this report. We would welcome your feedback on our reporting and any suggestions you may have in terms of what you would like to see incorporated in our report for 2022. To do so, please contact Andrew Lorimer or Tracey Stephens on email: andrew.lorimer@innscorafrica.com or tracey.stephens@innscorafrica.com and phone +263 242 496790/496886.

Addington Chinake
Chairman

Julian Schonken
Group Chief Executive Officer

[1] GRI G4 Guidelines and ISO 26000:2010 How to use the GRI G4 Guidelines and ISO 26000 in conjunction (https://www.iso.org/iso/iso-gri-26000_2014-01-28.pdf)

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ANNEXURES

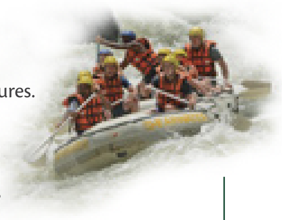
History And
Evolution of the Group

1987

First Quick Service Restaurant (QSR) branded as Chicken Inn opened on Speke Avenue in Harare.

1993

- Acquired Astra Crocodile Ranching & Shearwater Adventures.
- Opened Distribution Group Africa (DGA) and started securing international agencies



1995

Acquired and commissioned a mechanised bread plant in Harare.

1998

Secured Nando's Franchise and opened the first Nando's store in Avondale, Harare.

- Acquired Capri Corporation Limited and reverse-listed Innscor on the ZSE (market cap USD70m).
- Opened QSR outlets namely Chicken Inn, Pizza Inn, Bakers Inn and Creamy Inn in Zambia, Ghana, Kenya, Tanzania, Uganda and Mozambique.

1999

- Acquired Spar Eastern Region and opened SPAR branded Corporate Stores in Harare.
- Secured Steers franchise and opened the first Steers outlet at Speke Avenue, Harare.
- Acquired a new biscuit line for the Iris Biscuit business.
- New packaging machine purchased for the Snacks business.

2000

- Concluded an Innscor-Exxon Mobil deal to open Innscor branded QSR outlets on Exxon Mobil forecourts across Africa.

2002

- Opened QSR outlets in Nigeria and Senegal on Exxon Mobil forecourts.
- Opened franchised QSR outlets in Malawi and Angola.
- Opened the first SPAR Corporate store in Zambia.

2003

Acquired shareholding in National Foods Holdings Limited (NTFD.zw), a leading supplier of Zimbabwean FMCGs (**www.nationalfoods.co.zw**).

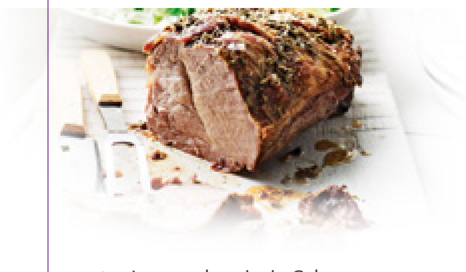
2004

Acquired shareholding in Colcom Holdings Limited (COLC.zw), a leading manufacturer of pork products in Zimbabwe (**www.colcomfoods.com**).

2005

- Commenced construction of a third crocodile farm in Kariba.
- Expanded QSR footprint into 12 African countries, 7 company operated and 5 franchised.

2006



- Increased equity in Colcom Holdings Limited (COLC.zw) to 79.64% and started consolidating Colcom into Innscor results.

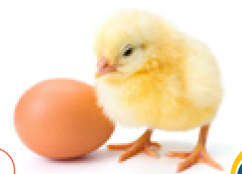
2007

- Acquired a new biscuit line for the Iris Biscuit business.
- New packaging machine purchased for the Snacks business.
- Major refurbishment of the Bakery line at Simon Mazorodze Road Site, Harare.
- Opened 2 additional SPAR stores in Lusaka and Livingstone, with a total of 6 stores now in operation in Zambia.
- Increased the number of franchised QSR outlets in the Nigerian market.

2008

- Invested into a new Timber processing plant for our Bakaya Hardwoods business.
- A new SPAR branded corporate store opened in Chawama, Zambia.

2009



- Acquired shareholding in Irvine's Zimbabwe (Private) Limited, a leading Zimbabwean poultry producer (**www.irvineschicken.co.zw**).

2010

Unbundled through a dividend in-specie, the crocodile ranching operation and listed this separately on the ZSE as Padenga Holdings Limited (PHL.zw) (**www.padenga.com**).

2011

- Acquired Shepperton Road property in Harare, with space to accommodate 5 breadlines and started consolidation of Bakery operations onto this site.
- Secured Galito's Franchise.

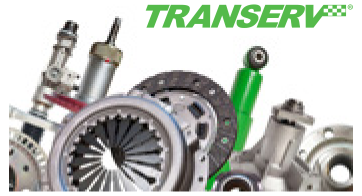
2013

- Franchised Chicken Inn, Pizza Inn, Creamy Inn and Galito's branded QSR outlets in Swaziland and Lesotho.
- Grew QSR network in the Zimbabwean, Kenyan & Zambian markets.
- Opened QSR outlets in the Democratic Republic of Congo (DRC).

2015

- Acquired a non-controlling interest in a leading stockfeeds business, Profeeds (Private) Limited (www.profeeds.co.zw).
- Unbundled QSR operations through a dividend in-specie and listed it separately on the ZSE as Simbisa Brands Limited (SIM.zw), (**www.simbisabrands.com**).

2016



- Acquired automotive retail business Transerv.
- Commenced the reorganisation of the Group into a light manufacturing business.
- Disposed the Group's interest in non-core SPAR Corporate Retail stores, Distribution operations and Tourism operations of Shearwater Adventures.
- Acquired a non-controlling interest in an FMCG manufacturing and downpacking of basic commodities business, Probrands (Private) Limited, (**www. probrands.co.zw**).
- Unbundled Speciality Retail businesses and listed it separately on the ZSE as Axia Corporation Limited (AXIA.zw). (**www.axiacorpltd.com**).
- Consolidated the Group's light manufacturing business into key categories.

2017

Disposed SPAR Zambia Limited and The River Club.

2018

- Acquired remaining non-controlling interest in Colcom Holdings Limited and de-listed the company. (**www.colcom.co.zw**).
- Commenced UHT milk production at Prodairy (Private) Limited.
- Merged pie production facilities.

2019

- Restructure of Probrands (Private) Limited.
- Acquisition of **50.64%** interest in Probottlers (Private) Limited.
- Restructured Associated Meat Packers (Private) Limited (AMP) out of Colcom.
- Concluded the dilution of Innscor Appliance Manufacturing (Private) Limited to 25.05%.
- Disposal of interest in Freddy Hirsch (Private) Limited.
- Commenced production of condiments.

2020

- Set target of 100 000 hectares under irrigation, to meet the Country's given requirements.

2021

- Invested in Financial Services - MyCash Financial Services.
- Invested in fertiliser blending plant - 'Nutrimaster' through the Profeeds business

Group Structure and Profile

INNSCOR Africa Limited

Mill-Bake

- 37.82% — National Foods Holdings Limited
  - 100% National Foods Limited
  - 100% National Foods Properties Limited
  - 100% Breathaway Food Caterers (Private) Limited
  - 100% Botswana Milling & Produce Company (Private) Limited
  - 100% Red Seal Manufactures (Private) Limited
  - 50% National Foods Logistics (Pvt) Ltd (Associate Company)
  - 40% Pure Oil Industries (Pvt) Ltd (Associate Company)
- 100% — Bread Division
  - Shepperton Road Plant Harare (Division)
  - Lennard Bread Bulawayo (Division)
  - 50% Bakers Inn Logistics (Pvt) Ltd (Associate Company)
- 49% — Profeeds (Private) Limited (Associate Company)
  - 45 x Retail Stores (Division)
  - 1 x Feed Factory (Division)
  - 66% Acqua Feeds (Private) Limited
  - 50% Nutrimaster (Private) Limited

Protein

- 49% — Irvine's Zimbabwe (Private) Limited
  - Feedmill (Division)
  - Commercial Hatchery (Division)
  - Breeders (Division)
  - Layers (Division)
  - Broilers and Abattoir (Division)
- 100% — Colcom Division
  - Colcom Holdings Limited
  - Triple C Pigs (Division)
  - Colcom Foods Limited
- 50.1% — Associated Meat Packers (Private) Limited
  - Texas Meats: 30 x Retail Stores, 2 x Texas Meat Market
  - 50.01% Silkchin Trading (Pvt) Ltd
  - 50.1% Intercane (Pvt) Ltd, 16 Texas Chicken Stores

Other Light Manufacturing

- 50.64% — Probottlers (Private) Limited
- 39.2% — Probrands (Private) Limited (Associate Company)
- 50.1% — Prodairy (Private) Limited
  - 50% Keshelmar (Private) Limited (Associate Company)
  - 45% Mafuro Farming (Private) Limited (Associate Company)
- 58.33% — Natpak (Private) Limited
  - 78.33% Alpha Packaging (Private) Limited
- 50% — Skitap (Private) Limited
  - 50.1% Innscor Appliance Manufacturing (Private) Limited
    - 66.7% Goodshow Manufacturing (Private) Limited t/a WRS
    - 100% Capri
- 50% — Paperhole Investments (Private) Limited (Associate Company)
- 49.89% — Afrigrain Trading Limited (Associate Company)
- 50% — Integrated Agriculture (Private) Limited (Associate Company)

Head Office Services

- Treasury Division
- IT Services
  - 50% Syntegra Solutions (Private) Limited
    - 30% MyCash Financial Services (Private) Limited
- Payroll & Wellness Services
  - 60% Rafferty Investments (Private) Limited) t/a Providence Human Capital
    - 5 x Industrial Clinics
- Group Properties Division
- Other Head Office Shared Services
  - Tax
  - Treasury
  - Legal
- 40% — MyCash Financial Services (Private) Limited

Innscor Africa Limited is a manufacturer of consumer staple and durable goods for the mass market, through a managed and where strategically appropriate, integrated portfolio of businesses.

The Group commands leading market shares across a range of its categories and over the years has grown organically, through acquisition and by venturing into new categories.

The structure of the Group and the effective shareholding by Group Companies in subsidiaries and associates is illustrated herewith.

Our Products and Brands

Maize
- National Foods Ltd
- Pearlenta
- Pearlenta Active Instant Porridge
- Red Seal
- Better Buy

Stockfeed and Petfood
- National Foods Stockfeeds
- PROfeeds The Performance Feed
- PROfarmer
- aquafeeds
- Red Seal
- Irvine's Trust earned
- BowWow
- Kenergy
- Colcom

Flour
- National Foods Ltd
- Gloria Trusted Since 1920
- Gloria Quick Mix
- Red Seal
- Better Buy

Chicken
- Irvine's Trust earned
- Texas Meats
- Texas Chicken

Table Eggs and Day-Old Chicks
- Irvine's Trust earned

Bread and Pies
- Baker's Inn Better taste, more value
- Colcom

Pork and Beef
- Colcom
- Colcom Shops
- Colcom Shop Express
- Colcom Home-2-U Service
- Colcom Tastee
- Danmeats
- Oscars
- amp
- Texas Meat Market
- Butcher Box
- Prime Brand Corned Meat
- Texas Meats
- Texas Pork
- Texas Beef
- Zimnyama

FMCG
- Red Seal
- Ma-Hat-Ma Rice
- Zimgold
- Oleo
- Purola
- Zimbrite
- Better Buy
- PRObrands
- ideal
- Royal

Biscuits and Snacks
- National Foods Ltd
- Allegros Popticorn
- Iris
- ZapNax
- King Kurls

Dairy and Dairy Blends
- Texas Dairy
- PROdairy
- Life
- Revive
- masi
- Sour Sana
- KSM Beverages
- Kershelmar Dairies

Packaging
- NatPak
- Alpha Packaging

Beverages
- PRObottlers
- Bally House
- fizzi
- Treetips
- St. Clairs

Farming Products
- nutrimaster Grow like a Pro
- PHI Commodities
- kukura

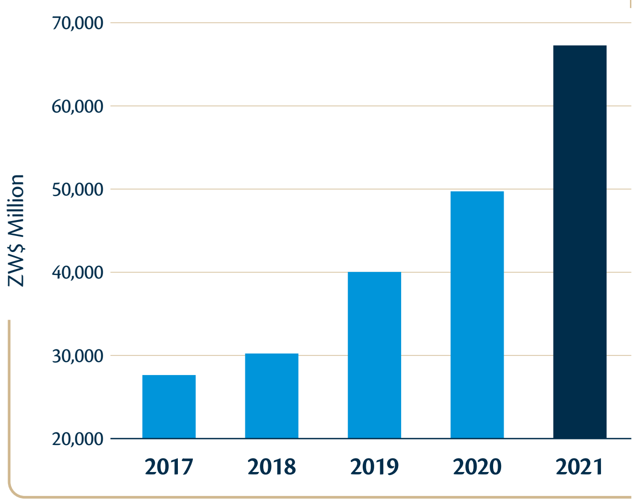
Five-Year Performance
Performance Highlights - Inflation-Adjusted

Group Revenue

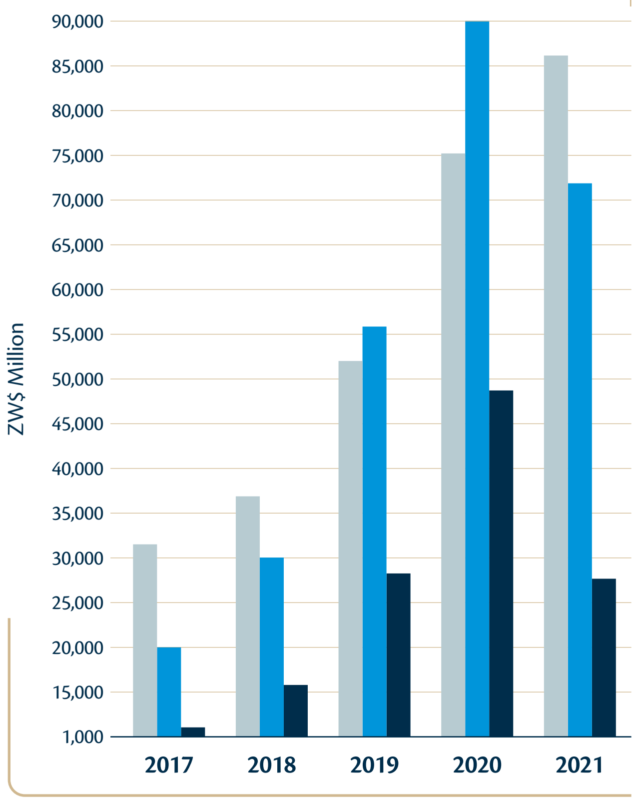
35%

The Group posted revenue of **ZW$66 909bn** during the year under review, representing a 35% increase on the comparative year.

Revenue



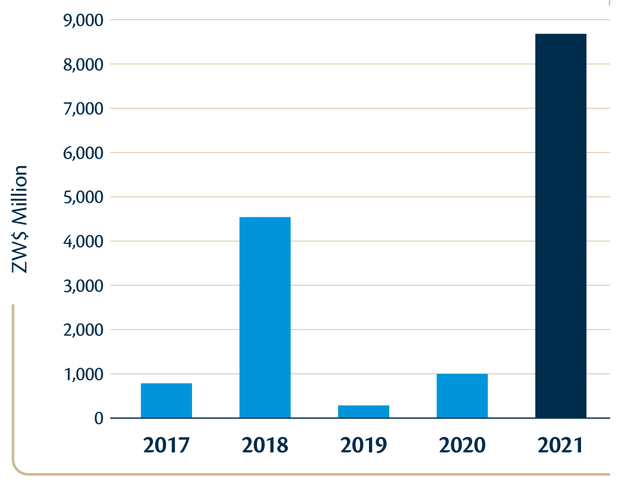
Profit Performace



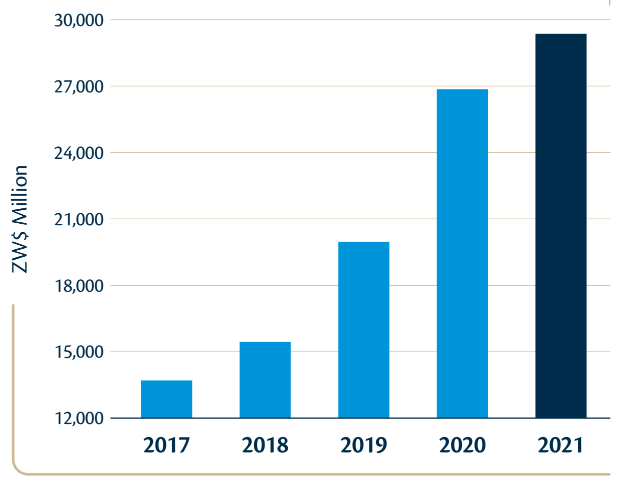
- Operating Profit Before Impairment, Depreciation, Amortisation and Fair Value Adjustments
- Profit Before Tax
- Profit for the Year Attributable to Equity Holders of the Parent

Five-Year Performance
Performance Highlights - Inflation-Adjusted

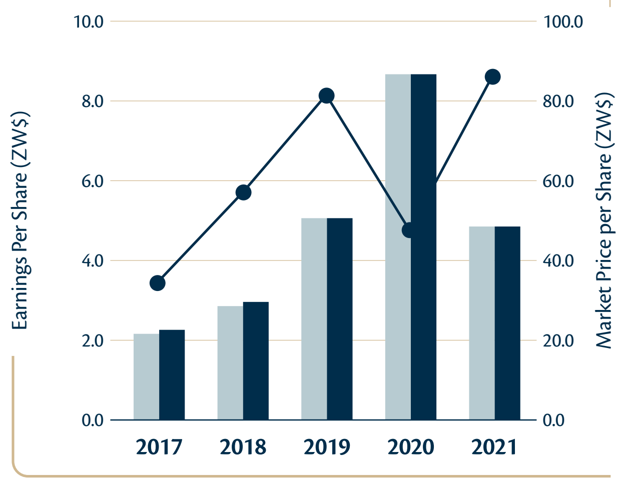
Cash Generated from Operating Activities



Net Assets

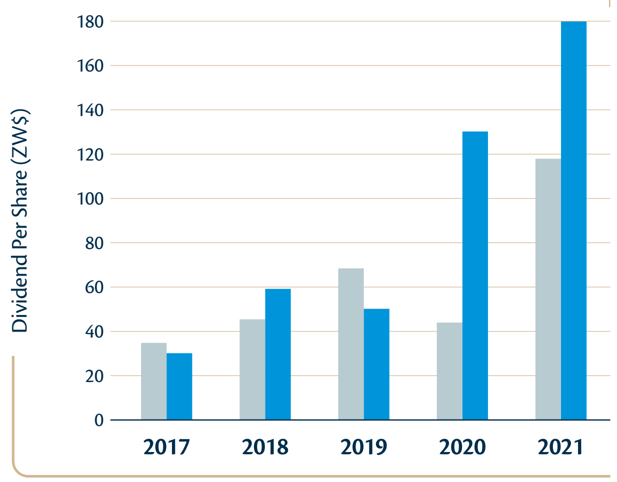


Share Performance



- Basic Earnings per Share
- Headline Earnings per Share
- Market Price per Share (RHS)

Ordinary Dividend Per Share



- Interim Dividend per Share
- Final Dividend per Share

Sustainability Performance

Environmental Performance	2021	2020	2019	2018	2017
Water usage (m^3)	1 772 380	1 691 187	1 626 961	1 503 793	1 044 029
% change	5%	4%	8%	44%	-4%
Carbon Footprint Scope 1 Fuels (tonnes CO2e)	38 079	33 739	30 113	27 546	22 553
% change	13%	12%	9%	22%	
Carbon Footprint Scope 2 Electricity (tonnes CO2e)	71 590	58 535	73 176	68 284	63 574
% change	22%	-20%	7%	7%	
Number of Employees	8 805	7 579	7 730	7 566	6 739
% change	16%	-2%	2%	12%	-19%

Chairman's Statement **and Review of Operations**

DIRECTORS' RESPONSIBILITY

The Holding Company's Directors are responsible for the preparation and fair presentation of the Group's consolidated financial statements.

These Group's annual inflation-adjusted financial statements are presented in accordance with the disclosure requirements of the Zimbabwe Stock Exchange ("ZSE") Listing Requirements for annual financial statements, 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 consolidated annual 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 consolidated annual 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 consolidated 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 consolidated 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

The Group annual inflation-adjusted 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, is presented from **page 114 to 119.** The Engagement Partner responsible for the audit was Brian Mabiza, PAAB Practice Certificate Number 0447.

Chairman's Statement **and Review of Operations**

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.

36%

Volumes within the **Bakery Division** improved by 36% against the comparative year.

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.

Chairman's Statement **and Review of Operations** (continued)

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.

Chairman's Statement **and Review of Operations** (continued)

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.

Chairman's Statement **and Review of Operations** (continued)

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.

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 ended 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

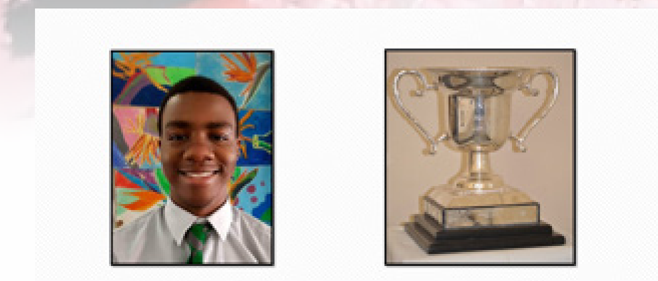
Corporate Social Responsibility
And Business Highlights

Our Strategic Approach

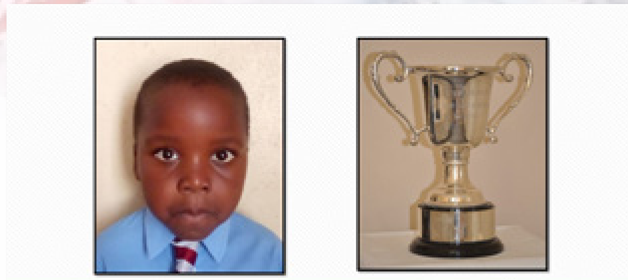
Through various initiatives across the organisation, the Group supports community development programs that empowers the disadvantaged and less privileged with opportunities to access healthcare, education and recreational activities. We support orphans, the disabled and senior citizens by improving their living conditions.

The Group also provides support in the areas of arts and culture, the environment, sports and recreation and animal welfare.

Baker's Inn Futures League



Best Overall Senior
Bradley Gumbo
Form 4, St John's College



Best Overall Junior
Leon Mudumo
Grade 0, St Thomas Aquinus

Innscor Africa Limited ("IAL") continued to proudly support the following:

National Institute of Allied Arts (NIAA) - Visual and Arts Festival
Investment in Arts and Culture Support
IAL are proud to be associated with the NIAA, an organisation that has been in existence for over 100 years. Since its inception, candidates who excelled have received awards and certificates with the earliest recorded medallions being presented in 1927 while the earliest certificate was presented 1938.

NIAA continues to build up a knowledge, understanding and appreciation of the arts by affording people, mainly school children, the opportunity to participate and perform in the fields of music, speech, drama, literature and art. In spite of various COVID-19 lockdown measures that were in place for the greater part of 2021, the NIAA continued with the annual programmes, albeit online, and awarded proud winners their trophies and prizes.

NIAA VOCAL & INSTRUMENTAL EISTEDDFOD
NIAA SPEECH & DRAMA FESTIVAL
NIAA NATIONAL INSTITUTE OF ALLIED ARTS
BUILDING THE ARTS
EST. 1913
NIAA VISUAL ARTS FESTIVAL
NIAA LITERARY FESTIVAL

Corporate Social Responsibility
And Business Highlights

Friends of the Environment (FOTE) – Investment in Our Environment

Widespread deforestation continues at an even more alarming rate fuelled by the global demand for timber, paper, land preparation for agriculture, veldt fires and energy requirements. Deforestation is considered the second leading contributor to carbon emissions worldwide after the burning of fossil fuels. As forests disappear, so too does wildlife, flora and fauna, aquatic life and river eco-systems. Forests serve as value stores for biological diversity, balance of ecosystems and as stabilizers of the global climate.

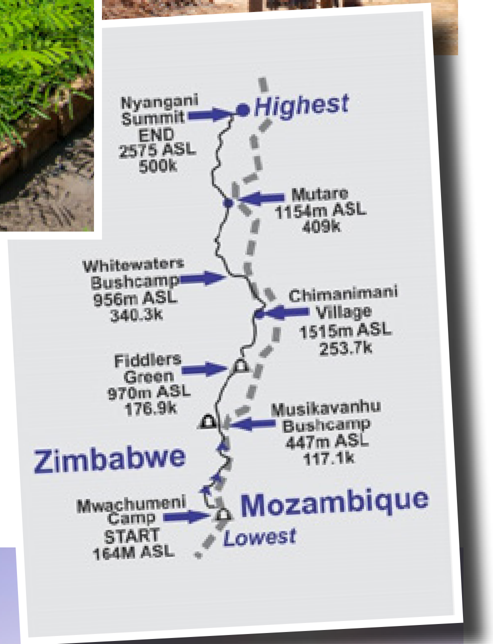
Unfortunately, our forests are depleting much faster than nature can replenish on its own including current reforestation efforts. In Zimbabwe alone, **330 000** hectares of forests are destroyed annually, according to the Forestry Commission in Zimbabwe and our forests will be completely depleted in **52** years. Much of the rural landscape lies desolate. FOTE through all its initiatives acknowledge that they will never be able to solve the climate change crisis without seriously engaging in reforestation while at the same time stopping deforestation. IAL continued to support FOTE and this very important cause for the past eight years and hopes to make an impact in preserving and protecting our national forests for the long-term benefit of our society.

FOTE Objectives:

To plant a minimum of 500 million trees in Zimbabwe by 2026.

How will this objective be achieved:

- Environmental awareness campaigns
- Establishment of tree seedling nurseries
- Tree planting
- Employment creation
- Advocate for primary and secondary school curricular that encompass environmental issues
- Sponsoring tree planting and conservation programmes
- Promotion of a culture of tree planting and environmental conservation



IAL/Baker's Inn Futures League (BIFL) – Investment in Sports and Recreation

This initiative, which supports grassroots development of junior cricket in Zimbabwe was launched by the Group through the Baker's Inn brand in conjunction with the Alistair Campbell High Performance Programme (ACHPP) in 2020.

The programme, which focuses on the Under 14 to Under 18 age groups, provides aspiring young cricketers with expert coaching, access to training facilities and weekly matches.

Despite lock-down measures over the past two years, the initiative has proven to be highly successful in nurturing participation, understanding and exposure to the game of cricket of Zimbabwe, which continues to grow and gain popularity.

The Blue Cross Adventure Challenge

The Blue Cross is a 500km ultra distance adventure challenge that takes participants from the Save-Runde Confluence situated in the Save Valley to Mount Nyangani in the Eastern Highlands. The event is in its 26th year and raises funds exclusively for the Society for Prevention of Cruelty to Animals (SPCA). The 2020 event brought together 120 participants, and together with their support teams who tackled the endurance event across a range of disciplines, including running, walking, mountain biking and horse-back riding. IAL is a proud sponsor of the event and continue to play an active role in supporting the SPCA.

Ongoing COVID-19 Pandemic Investment in the health and welfare of Our People

IAL continued to provide ongoing medical support to its employees through the high-care medical centre established during 2020 at the onset of the COVID-19 pandemic, with almost ZW$ 161 million having been deployed towards COVID-19 awareness campaigns, provision of basic health care, medication, hospitalisation and counseling services and support to affected employees. The Group continues to implement and observe WHO-approved COVID-19 guidelines across its operations to safeguard the health and welfare of its employees, consumers, customers, suppliers and stakeholders. The Group also supported the Government's efforts in its vaccination programme, and through extensive in-house educational initiatives, it continues to encourage its employees to get vaccinated. Educational support initiatives continue to be implemented across the Group businesses, and a transition in the general culture toward a heightened focus on cleanliness and improved hygiene standards is evident across the Group.

National Covid-19 Call Centre - In 2020, IAL invested into a National Covid-19 Call Centre. The Group have continued to fund the Call Centre through providing the personnel that man the Call Centre 24/7, in liaison with the Ministry of Information and Broadcasting Services. The Call Centre provides general updates and information on Covid-19 and other government pronouncements regarding COVID-19. IAL provides the full salaries and wages for employees manning the Call Centre with Liquid Telecom providing connectivity and bandwidth.

* Full details of IAL social responsibility support is shown from **page 88 to 92.**

Group Head Office Long Service Awards

The Group celebrates and recognise the following executives attaining 20 years of service:

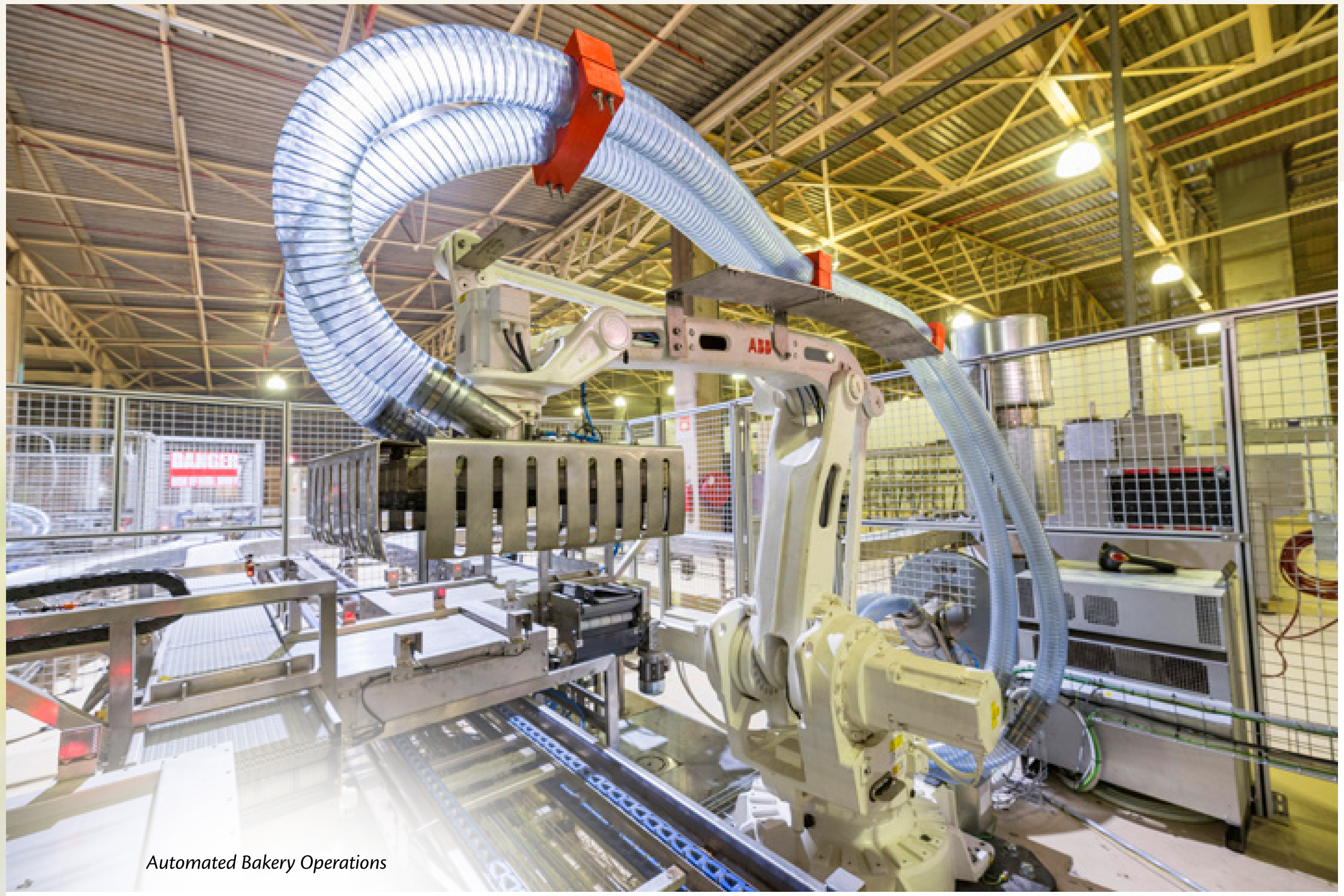
Name	Title
Godfrey Gwainda	Group Financial Director
Priti Da Silva	Group Services Executive

Baker's Inn

Better taste, more value

Our Strategic Approach

Baker's Inn Corporate Social Responsibility initiatives continue to enhance the welfare and livelihoods within our communities through support to schools, orphanages, support to people with disabilities and senior citizen's homes.



Automated Bakery Operations

"I AM Baker's Inn" Programme

Baker's Inn initiated the "I AM Baker's Inn" programme as a critical management tool aimed to foster a culture of citizen service in employees and to encourage the value of teamwork. To give impetus to these critical objectives, projects with meaningful and sustainable impact in communities where the company operates were supported through the "I AM Baker's Inn" campaign. The project was designed to ensure the transfer of useful life skills in employees to communities, and to strengthen our relationships with all stakeholders we deal with.

Baker's Inn in the Community

Baker's Inn extended retooling support to Jairos Jiri Association's Glen Eagles Farm in Budiriro, Harare and at Percy Ibbotson Remand Home and Hostel in Bulawayo.

For more than 60 years Jairos Jiri has created places of hope for people with disabilities where they can learn and train to be respected, and independent members of our society.

Percy Ibbotson Remand Home and Hostel is a reformatory for juveniles situated southeast of Luveve, close to Jairos Jiri Training Centre in Bulawayo.

Baker's Inn

Greenhouse Drip irrigation - Glen Eagles Farm (Jairos Jiri)

Baker's Inn in the Community (continued)

To allow the centres to be self-sufficient and raise funds through the sale of vegetables and chickens, Baker's Inn provided:

1. 3 x 5 000 litre water tanks;
2. 4.5Kva diesel generator;
3. Greenhouse Drip Irrigation system;
4. Wheelbarrows, field tools and equipment;
5. Vegetable seeds, fertilisers, and chemicals;
6. Vegetable crates, and;
7. Broiler chicks and feed.

In addition to the above financial support the company ran an employee volunteer programme where staff visited the two centres on selected days to offer their labour in land preparation as well as weeding, to supplement the very limited labour resources at the centres whilst at the same time fostering a strong sense of brand loyalty, team spirit and satisfaction in our staff. Through our support, the centres were able to increase their tillage capacity in 2021.

Baker's Inn brings Cheers to Children's Home

Baker's Inn is proud to have supported Shungu Dzevana Children's Home in Hatfield, Harare, as part of the commitment made through the "I AM Baker's Inn" community programmes to uplift the lives of the communities in which we operate.

The Shungu Dzevana Trust Children's Home was established in 1992 to provide residential care for orphaned and vulnerable children in home-like settings. It also reintegrates children within the communities through identification of foster families and adoption parents.

* Full details of Baker's Inn social responsibility support is shown from **page 88 to 92.**

Long Service Awards at Baker's Inn in 2021

Baker's Inn recognises the long-service commitment of its employees who provide the following benefits to the organisation:

a. Retention of valued expertise;
b. Organisational stability and lower staff turnover;
c. The creation of a positive and supportive work environment; and
d. The identification of role models and the opportunity to affirm a sense of community and shared purpose.

Long Service Awards

Northern Region Number of Years Service	Number of Employees
10	44
15	5
20	6

Southern Region Number of Years Service	Number of Employees
10	17
15	2
20	3

Baker's Inn Logistics Number of Years Service	Number of Employees
10	5
15	2

National Foods Limited

Sustainability In Our Business

The National Foods' Board and Executive Management team led the journey to fully implement sustainable governance processes. Our sustainability strategy continues to focus on the four pillars we have identified in making a difference to society, namely: health and nutrition; responsible production and environmental stewardship; our people and society; and supply chain and agriculture.

In 2021 we took our sustainability strategy a step further, focusing on developing our systems and processes to better monitor and improve our sustainability. The Group adopted the international standard, ISO 26000 (Guidance on Social Responsibility) as the framework for sustainability reporting thereby integrating social responsibility into the Group's values and practices and in communicating the commitment, performance and other information related to Sustainability Reporting.

↑26% ZW$33.2 billion in Revenue, 26% growth from previous year

525,000mt 525 000MT sold in the year, 15% growth from previous year.

The key objective in 2021 was to collect and present auditable non-financial data, which can be used as a baseline to measure improvements made over time. Any gaps that were identified, especially from the aspects of safety, occupational health and environmental impacts, have been prioritised and mitigation measures have been put in place.

Corporate Social Responsibility (CSR)

National Foods has a robust CSR program whose objective is to plough back to communities within which the company operates by enhancing lives, improving wellbeing and building lasting emotional capital. We provide monthly support to a total of 44 centres in vulnerable communities across the country. These centres include orphanages, special needs groups, vulnerable women and children, schools, hospitals, churches as well as wildlife organisations. The company also responds to Government calls in supporting national causes and recently, assistance towards the COVID-19 pandemic among others.

National Foods celebrated 100 years of existence in the year 2020 against the backdrop of successive droughts and the adverse impact of COVID-19 on the country. Given the circumstances, the company elected to forego the planned centenary celebrations in favour of giving back to the society which has supported us over the last century. To this end the NFL 100 Charities Initiative was launched to provide once off support to 100 charitable organisations who are not part of the company's ongoing CSR program.

National Foods CSR Handover ceremony

National Foods Limited

Corporate Social Responsibility (CSR) (continued)

This gesture allowed National Foods to further increase its CSR footprint and celebrate with more than 50 000 beneficiaries in addition to those we already support.

* Full details of National Foods social responsibility support is shown from **page 88 to 92.**

Innovations

Having celebrated our 100 years in 2020, we continue to look forward to the next 100 years with optimism and determination. We remain strongly focused on delivering value to our consumers. Despite the challenges brought about by the COVID-19 pandemic in the year, we have continued on our solid trajectory to respond and anticipate our consumers' needs by delivering relevant market changing innovations.

The Group continues to drive a strong innovation agenda, launching four new innovations in 2021 to add to the seven achieved in 2020 and a further 3 from 2019. As well as the above in market innovations, National Foods has a number of exciting new products in the pipeline.

2021 New Innovations:

a) Better Buy Self Raising Flour
b) Gloria Quick Mix
c) King Pops
d) National Foods Stockfeeds Road Runner

Awards

The strong drive to play a broad role in the community we serve was recognised by the market as the company received several awards in the year.

The accolades received in 2020/21 are outlined below:

Award	Category	Awarded To:	Position level
MAZ Exceptional Marketing Awards	Best Radio Advert	Pearlenta NutriActive Instant Porridge	Winner
	Best Outdoor Campaign	Allegros Popticorn	Winner
	Executive Marketer of the Year	Lawrence Kutinyu	Winner
	Marketing Oriented CEO of the Year	Mike Lashbrook	1st Runner Up
	Brand Manager of the Year	Theodora Kadzinga	1st Runner Up
	New Product/ Innovation of the Year	Allegros Popticorn	1st Runner Up
Superbrand Awards	Best Radio Advert	Pearlenta NutriActive Instant Porridge	Winner
	FMCG Grains Sectorial Award	Red Seal Roller Meal	Winner
	Overall Business to Business	National Foods Limited	2nd Runner up
	FMCG Grains Sectorial	Mahatma Rice	2nd Runner up
	Overall Business to Consumer	Gloria	10th Position
	Top 200 Brands	Red Seal Roller Meal	14th position
CSR Network Zimbabwe	Top Charitable Organisation of the Year:	100 Charities initiative	Winner
Institute of Public Relations and Communication Zimbabwe	Public Relations & Communication	100 Charities initiative	Winner
	Campaign of the Year Best Campaign – Corporate Social Responsibility	100 Charities initiative	Winner

Long Service Awards

Our strong culture has at its core a focus on continuous learning and development for growth. We are also purposeful, innovative, hardworking, competitive and results driven and we recognise and reward our teams when they deliver mutually agreed results. This has resulted in us being able to retain our critical talent and foster loyalty and commitment to the brand by its most valuable stakeholders, our staff. This year we joined 42 employees in celebrating the following milestones in terms of years of service:

Number of Employees Per Years Served	
15 years	7
20 years	13
25 years	13
30 years	6
35 years	2
40 years	1
Total	**42**

Profeeds

Our Strategic Approach

Supporting animal welfare continues to be a critical focus of the Profeeds' Corporate Social Responsibility initiatives, as well as empowering local communities in generating sustainable income.

Honde Valley-Mutasa District Aquaculture

- Fish Feed plant installed with capacity of producing 600 metric tonnes per month

Profeeds was established in 2007 as a stock feed manufacturing plant. With 14 years of high performance stock feed manufacturing experience; Profeeds feed covers a variety of species and are specialists in Poultry (Broiler and Layer), Cattle, Horse, Pig, Goat, Rabbit, Dog and Aquatic feed.

Profeeds invested in various innovative projects during the financial year.

Profeeds enhanced its manufacturing facilities as follows:

- A second boiler was installed at the business during the year, and with this, current steam output will double, from 3MT to 6MT of steam per hour.
- Installed a 16 sqm cold storage facility during the latter part of the financial year. This valuable investment enhances Profeeds ability to purchase, store and sell vaccines to industry standards.
- Profarmer Hub – Harare is the only branch currently set up to sell vaccines, however, the business expects more store locations to hold vaccinations in 2022.
- By adding vaccinations to our retail product basket, we bring Profeeds closer to servicing all small-scale farmers efficiently, from under one roof.
- A new fish feed plant was commissioned towards the end of the financial year. All fish feed, crocodile feed and dog feed are processed through this plant. The business is optimistic and aims to increase the plants' capacity utilisation to 80% within the next year.
- Notwithstanding the challenges brought about by the pandemic during the year, Profeeds managed to expand its re-branded, and refurbished "ProFarmer" retail network, with 12 sites nationwide, including; Bulawayo CBD, Bulawayo Belmont, Murehwa, Chiredzi, Kadoma, Kariba, Chinhoyi, Karoi, Rusape, Guruve, Masvingo, Zvishavane and Harare Town Shop.

Profeeds

As part of our efforts to recognize, and appreciate the contribution of our Mothers, a Mothers' Day give away campaign was undertaken via the Profeeds' Facebook page. The campaign was a fantastic success and two lucky Mothers, Rachel Sigauke and Farisai Tapera won prizes.

Corporate Social Responsibility

Profeeds supports Imire Rhino & Wildlife Conservation through the donation of game feed pellets. During this financial year, Profeeds donated 34MT of feed for the animals at the reserve. The year saw the birth of Kamchacha; Imire's sixth black rhino born on the reserve since the breeding initiative began in 2015. Six calves in seven years is an unbelievable achievement for the reserve, and Profeeds will continue to support the great work being undertaken at Imire to preserve these animals for future generations.

All Imire rhinos have been successfully darted and Very High Frequency (VHF) pulse collared which allow 24/7 access of their whereabouts which is vital for anti-poaching protection.

Imire has also been selected as a cheetah rewilding project and have welcomed two cheetahs onto the reserve to be rewilded from Canada. The cheetahs have settled in well and are hunting very successfully.

Veterinarians for Animal Welfare Zimbabwe (VAWZ)
Profeeds, through VAWZ, provide financial support toward a series of Rabies and Sterilisation Campaigns. During the year, campaigns were held in Caledonia, Chimanimani and Zvishavane.

Zimbabwe National Society for the Prevention of Cruelty to Animals (ZNPSCA)
For every bag of Prodog 8kg chunks, 50c (USD) is donated to the ZNSPCA as part of an ongoing commitment and in 2021.

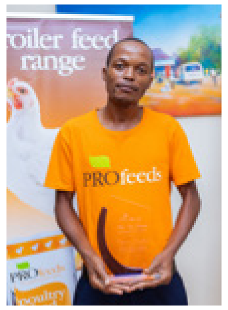
Area	Rabies Vaccines	Sterilisations & 5-1 vaccine	Other
Zvishavane (June 2021)	724	19 dogs and 10 cats	
Caledonia (Nov) 2020	800	59 dogs	Dipped/de-wormed, walk in cases
Chimanimani Oct 2020 (Chimanimani Village, Nyanyadzi, Gudyanga)	631	87	Vit B jabs, parasite control, walk-ins

* Full details of Profeeds social responsibility support is shown from **page 88 to 92.**

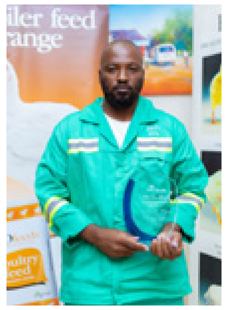
Long Service Awards

Profeeds being a young company was very proud to celebrate and recognise some of its employees who attained their 10-year milestone.


Amanda Mushonga


Charles Musekiwa


John Browning


Kudakwashe Marerwa


Stephen Mutsau

Colcom

Our Strategic Approach

At Colcom, we continue to assist in empowering the communities that we operate in through multiple initiatives that improve the livelihoods of vulnerable stakeholders.

40 Years of Service

Sustainable Pig Production

Sustainability is a pivotal aspect of our business and investment strategy and we aim to use best business practices to meet and balance the needs of our current and future stakeholders.

The growing environmental and social concerns worldwide, shifted our focus from the traditional financial expectations, to corporate sustainability and responsibility.

In our day-to-day activities, we endeavour to produce, sell and distribute goods whose production, distribution, use and disposal does not harm the environment.

Triple C farm uses pigs with improved genetics which produces more piglets per sow, thus reducing the need to keep large herds and therefore, saving on feed, water and energy. In terms of waste management Triple C farm uses lagoons for holding the effluent from the pigsties. Before the effluent is directed into the lagoons, it is pre-treated whereby, the solid material in the effluent is removed and bagged as manure. The manure is collected by local farmers for use as organic fertilizers on their farms, thus replacing the use of chemical fertilizers which are harmful to the environment, and a modern day challenge. The effluent that finds its way into the lagoons follows the 3 pond system/waste stabilisation technique. It is naturally treated and effluent in the final pond is used for irrigation, thus reducing the use of fresh water.

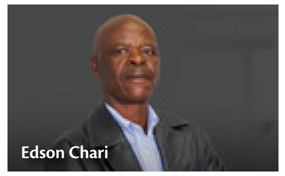
Smoked Sausage Volume Growth
1 million kg

Colcom Pie Volume Growth
961 000 kg 9.6 million extra units sold

Mnandi Polony Volume
870 000 kg an increase of 590 000kg

It is part of the organisation's culture to return to use, materials that are still reusable and avoid discarding into the environment, thus ensuring environmental protection and production cost savings. This includes returning of used feed empty bags into the production cycle. Within the farm perimeter, we have land preserved for wildlife which remains undisturbed by development activities. Within this land, vegetation is protected from internal and outside poachers. Wildlife is also preserved with wild bucks using the area as habitat.

We are committed to sustainability and continuously work on improving our practices from farm to table.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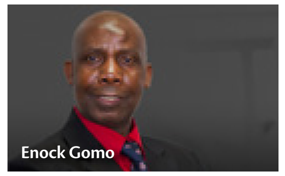
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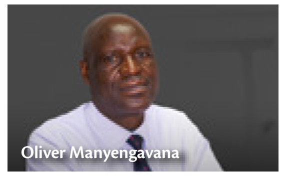
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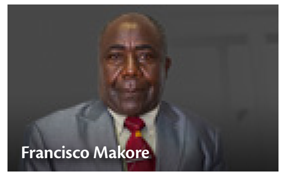
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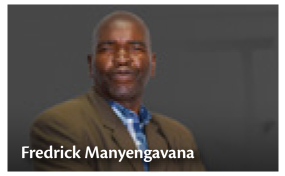
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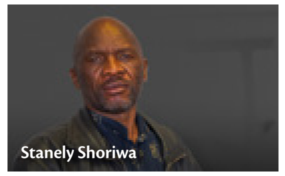
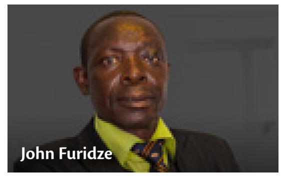

Stanely Shoriwa


Tim Chisinde


John Furidze

Irvine's

Our Strategic Approach

Irvine's Zimbabwe strategic approach continues to be heavily involved in rural and small-scale poultry production, in line with Government's policy of developing agriculture in the rural areas.

Irvine's Zimbabwe recorded volume increases across all three categories. Day-old-chick volumes increased by 37% during the year under review whilst table eggs volumes were up 8% reaching a new record high. Frozen chicken recorded a 21% volume growth recovering from the decline recorded same period last year.

Key Statistics

- **82%** employees vaccinated
- **8%** Egg volume growth reaching new record high
- **37%** Increased Day-Old-Chick Volumes
- **21%** Frozen Chicken Volume Growth

Corporate Social Responsibility

Managing the pandemic

In response to the pandemic and the need to carry out essential service duties, Irvine's focussed on ensuring all employees could undertake their respective duties in a safe environment.

As such, Irvine's provided masks, sanitizers, regular testing to its employees and stakeholders, whilst supporting the Government's vaccination program - which has led to remarkable success in managing COVID-19 cases.

In addition,1 000 face masks were donated to surrounding communities as part of efforts to educate people on the importance of the good hygiene in preventing the spread of the COVID-19 virus.

Community support

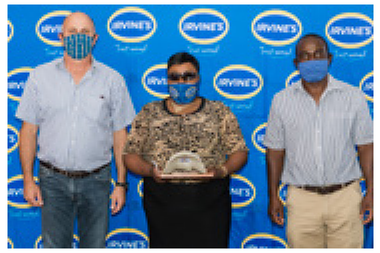
One demo chicken house was handed over to Ntabeni Primary School in Bulawayo together with a first batch of 2 500 broiler chickens as part of our support to community development. The demo house will be used in the community for broiler management training, and school projects. This latest addition is the 13th Irvine's demo house in operation across the country, in addition to demo houses at John Landa Nkomo-Tsholotsho, Bindura Chipaze Primary School, Mapuvire Primary School-Chivi, Glen View 1 High School-Harare, Materera School-Chihota, Home Field Centre-Mt Hampden, Watsomba-

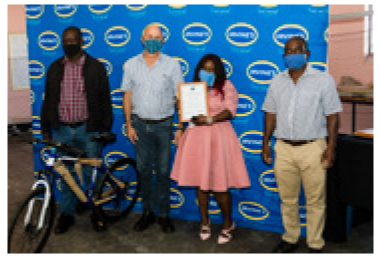
Manicaland, Gwebi College, Goromonzi High School, Makoholi Centre-Masvingo, Esgodini Agricultural College-Matableleland South.

A donation of chicken and eggs was made to Kudakwashe Children's Home as part of World Egg Day celebrations, in addition to this, weekly donations of eggs and chicken to children's homes, old people's homes and other nursing homes.

* Full details of Irvine's social responsibility support is shown from **page 88 to 92.**

Long Service Awards





AMP

Our Strategic Approach

AMP takes great pride in the various Corporate Social Responsibility initiatives that make a meaningful impact to the underprivileged and vulnerable stakeholders in the communities in which we operate.

AMP Retail Development - Opening of Texas Meat Market, Masvingo

AMP Retail Developments

AMP opened 5 new stores in 2021; 2 of which fell under the Texas Meats format, one of each in the Texas Chicken and Texas Meat Market formats, as well as the new Texas Dairy outlet - which offers every category of dairy produce out of the branch at Coventry Road Harare, and delivers a fresh, exciting retail experience for local residents.

The other retail developments (Texas Meats, Texas Meat Market and Texas Chicken) helped to improve customer accessibility and convenience for communities in and around Mabelreign, Machipisa, Seke Road in Harare and Masvingo. These Harare stores, were opened in response to the movement limitations (to the CBD store locations), following the necessary health precautions imposed by lockdowns during the year. Although the business experienced a noticeable increase in online shopping through the Butcher Box App, these new outlets showcase the business's success in navigating through business-unusual-times, as well as bringing more of our brands to the people.

Women at AMP

While AMP made remarkable efforts in expanding its retail footprint, it also celebrated building capability through providing opportunities for inclusion. Abattoir management and protein processing has traditionally been a male dominated field given the unique conditions of the profession. However in recent years, steady progress has been achieved at AMP to drive more women in the workplace, and women represent 22% of the total workforce.

AMP Food Safety Certification

The AMP Factory received FSSC 22000 Food Safety Management Certification after the close of the financial year.

FSSC 22000 incorporates ISO 22000 of 2018 and ISO 22000 of 2009 management systems with sector specific prerequisite programmes and additional FSSC 22000 requirements.

The award cements AMP's commitment to provide customers and consumers with quality meat that is processed from a factory that meets global safety, hygiene and quality standard and requirements.

Key Statistics

Driving women inclusion in the workplace

22% Universal Benchmark

Female compliment at AMP

25% Women in Management at AMP

Creating opportunities for youth through internships / attachments

5 Students

Retail Branches

39 Retail Stores

Promoting and supporting inclusive agriculture supply chains

116 Small and Large-Scale Farmers

AMP Awards

- Confederation of Zimbabwe Retailers – Butchery of Year 2020
- Confederation of Zimbabwe Retailers – Top 100 Suppliers of the Year 2020
- Confederation of Zimbabwe Retailers – Outstanding Store Design 2020

AMP

Corporate Social Responsibility

Driving sustainable community development, AMP has championed a number of activities and supported public and private partnerships through non-profit organisations that help to address national and global challenges around child welfare, arts and culture, animal conservation, cancer education, and cancer awareness.

Chinyaradzo's Children's Home

The annual support of Chinyaradzo Children's Home in Highlands, has helped to bring to life, AMP's vision to nourish families. This long standing commitment has enabled AMP to reach 52 children daily with – each child provided with 3 meals a day.

The business provides similar support to God Miracle Mission, a foster home based in Hatcliffe, Harare, which supports the nutritional needs of up to 30 children at this home on a monthly basis.

In addition to the support of vulnerable children, AMP Group is committed to support the development of local arts and culture, the Group is the principle sponsor of the performing arts students who form the St John's College Pipe Band in Harare. The Band, who were named 2018 World Champions in Piping and Drumming, often performs at local events as part of their fundraising and practice efforts in preparation for their local and international competitions.

The business also aims to achieve zero waste in its supply chain operations.

In the effort to achieve this goal, AMP frequently donates to animal foundations, shelters, and conversation programmes across the country, such as The Friend Animal Foundation, Tikki Hywood Foundation and SPCA Harare. Not only are the by-products of slicing and processing donated to these non-profit organisations on a monthly basis, AMP employees who feel that they have a personal passion for animals often volunteer their time to also help conserve and care for animals.

Long Service Awards

Name	Department	Station	Job Title	Years of Service
David Phiri	AMP Factory	Harare	Boning Technician	40
Elmon Moyo	Texas Chicken	Bulawayo	Shopman	30

* Full details of AMP social responsibility support is shown from **page 88 to 92.**

NatPak

Our Strategic Approach

Natpak was started in Bulawayo in 1981, primarily to meet the growing packaging demands of its then parent company, National Foods Limited.

NatPak rigids division

In 1994 Natpak expanded to Harare where it opened a full production plant for woven polypropylene sacks. Natpak is focused on investment in state-of-the-art equipment, giving it the capability to produce large volume, high-quality output.

In 2014 Natpak diversified its operations by entering flexible film production, mostly for FMCG products. In 2017 Natpak made an investment into Alpha Packaging (Private) Limited, which manufactures corrugated paper packaging. Alpha's state of the art plant was commissioned in 2019. In 2018 investments were made to the manufacture of Polyethylene (PET) preforms and High Density (HD) closures and bottles, leading to the creation of its rigids packaging division.

Sustainable Operations

The company is Safety Management System ISO 22000 certified and takes responsibility for all waste generated in the production process through recycling. The business is committed to continual improvement particularly in the area of food safety and is currently focused on attainment of certification to the international benchmark of Brand Reputation Compliance Global Standards (BRGS).

Recent investments include

Natpak has commissioned a new coating line to the sacks division and two preform injection moulding machines enabling increased capacity and growth. Alpha Packaging has commissioned a flour bag machine and is expanding its warehousing capacity.

Alpha Packaging Warehouse extension in progress

Prodairy

PROdairy

Investment into new Technology

In partnership with our packaging supplier, Prodairy launched the Fino Ultra High Temperature (UHT) packaging format during the financial year.

The Fino UHT packaging format is based on recycled paper and unlike the current plastic sachet format that we have traditionally used, the Fino format allows for UHT processing which increases product shelf life to 6 months. The use of recycled paper positively contributes to sustaining our environment.

Inclusion of women in the workforce over the financial year

Prodairy is an equal opportunity based employer, with growing women representation in managerial positions.

We have also prioritised the creation of employment for women in our new production lines such as Butter and Fino UHT, resulting in women employees increasing to 21% of the workforce from 15%.

Women as a % of total workforce

21%

Women as a % of management

30%

Long Service Awards

Years of Service	Number of Employees
10	15
15	1

Providing training opportunities for the youth through industrial attachments and our graduate trainee programme.

Every year Prodairy engages university students on attachment. These students are placed within the different departments at the workplace. In the majority of cases, we have been able to recruit these attachees as employees once they graduate.

Prodairy introduced a 2-year Graduate Trainee programme which has equipped the Trainees with on-the-Job experience and has helped them in transitioning into the world of employment. We have ensured that after the Training programmes, the Trainees are offered employment within Prodairy. This has given us a rich source of talent as we are able to mould these Graduate Trainees to our particular standards.

Profession	Number of Graduate Trainees
Finance	6
Human Resources	1
Quality and Assurance	1
Production	3

Prodairy

Corporate Social Responsibility

Prodairy is a partner to the National Blood Transfusion Services (NBTS) and has supported them with donations of various beverages that are utilised in their schools' blood drive. The NBTS holds regular blood camps at the Prodairy premises where employees are given an opportunity to donate blood. Despite the disruptions of the COVID-19 pandemic, two such camps were held in the financial year.

Prodairy also supports local youth sports initiatives such as the Ruwa Football Club, Tag Rugby Trust (that supports grassroots rugby development). The support from Prodairy is in the form of cash, kits and uniforms and beverages for consumption during matches.

Prodairy in conjunction with Probrands participates in the regular donations of food to hospitals and senior citizen homes. The local hospitals that have benefited from this are Sally Mugabe and Parirenyatwa hospitals. The senior citizen homes that Prodairy has supported are Save Old Age People, Ondine Francis Trust, Flame Lily, Lodge Scotia and Westreign Homes.

* Full details of Prodairy social responsibility support is shown from **page 88 to 92.**

Food Safety Management Initiatives

Prodairy was certified to ISO 22000: 2005 food safety management system in August 2019 and is now transitioning to the new ISO22 000: 2018 standard. The transition process was initiated with the Initial Document Evaluation (IDE) carried out by the Standards Association of Zimbabwe in the last week of June 2021 and sailed through. Prodairy expects to be certified by September 2021 to solidify its commitment to the provision of safe and quality dairy products and beverages.

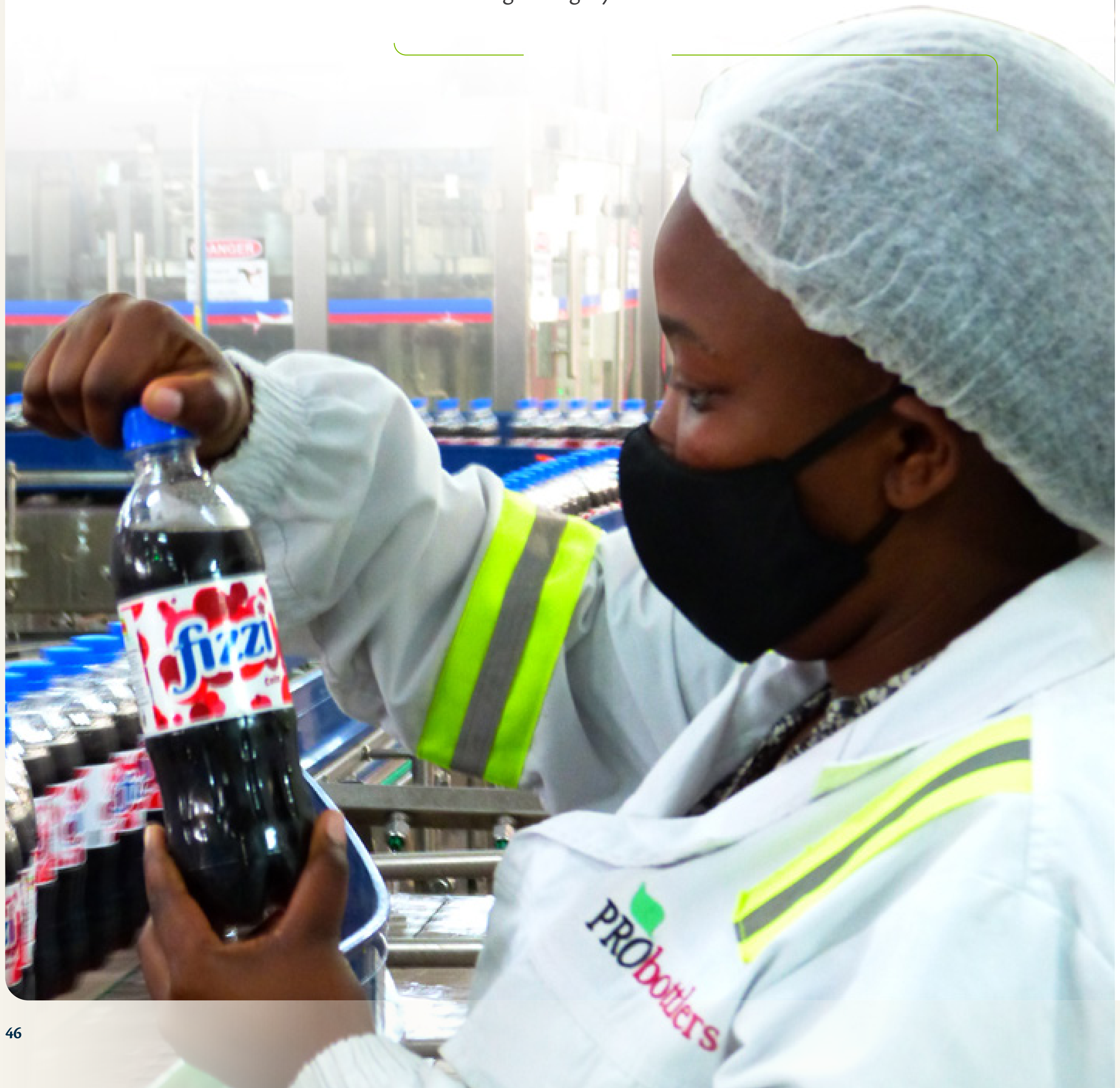
Sustainability

As part of our environmental protection program in waste management, Prodairy continues to engage EMA registered contractors who collects and manages our waste and recycling activities.

Probottlers

Probottlers' Retail & Wholesale Channel Developments

The formal market covering the wholesale and retail chains has continued to evolve considerably this year, especially in the beverage category.



4 Students

Creating opportunities for youth through internships / attachments

Women at Probottlers

In the beverage manufacturing industry, where the participation of women is in the minority, Probottlers has endeavoured to push the boundaries that foster gender stereotypes in the workplace. We believe that a diverse, dynamic and inclusive team is necessary to allow for women to contribute to society. As a progressive team, Probottlers continues to deliberately recruit and develop women in our business, negating the norm that the manufacturing industry is for men.

Probottlers Food Safety Certification & Environmental Management

Probottlers is in the early stages of developing a roadmap towards development and implementation of structures required for certification to the standard ISO 22000: 2018 Food Safety Management System Certification. We have identified and implemented relevant prerequisite programmes that ensure that our products are manufactured in a hygienic manner, strict quality and food safety principles are applied during processing of all our products.

Probottlers

Lovinia Chirema –
Factory Shop Assistant

Probottlers Food Safety Certification & Environmental Management (continued)

The company has a vibrant environmental management system that ensures minimum damage to the environment that it operates in, and currently has strategies to address post-consumer environmental impacts of the packaging associated with its products.

Corporate Social Responsibility

Probottlers championed a number of activities and supported public and private partnerships through non-profit organisations.

Key initiatives undertaken include sponsoring Ruwa Football Club by providing for their seasonal budgetary requirements, equipment, and soccer kits. Probottlers' involvement has created an increased awareness and excitement within the Ruwa community, enabling the nurturing of talent and ensuring the existence of a platform for the youth in the community to pursue their dreams in the sporting arena.

The business also provides support to various children's homes, through provision of meals and other budgetary support initiatives.

The business supports the Victoria Falls Anti-Poaching Trust. The Victoria Falls Anti-Poaching Unit (VFAPU), a non-profit organisation dedicated to the conservation of our local wildlife and natural resources. VFAPU protects the wildlife and habitat from poacher pressure (subsistence and commercial), as well rescuing and rehabilitating animals injured by human interference. Additionally, VFAPU trains ex-poachers in new skills so they find alternative avenues of revenue creation to give them a sustainable income without doing harm to flora and fauna. VFAPU and its partners reach children at an early age through school and community awareness programs.

* Full details of Probottlers social responsibility support is shown from **page 88 to 92.**

Probrands

PRObrands

Investment Into New Technology

Probrands expanded its condiments portfolio during the year under the Ideal range, through an investment into peanut butter manufacturing.


Probrands Factory Team - Sauces and Condiments


Probrands sponsorship of the Husqvarna Mud Run

This new product line will enable Probrands to grow volumes under the condiments and sauces category where the business has achieved an encouraging share of the market.

Inclusion of women in the workforce over the financial year

Probrands prides itself on offering equal opportunities for employment and has shown an encouraging improvement in the number of women employed across the total Probrands' workforce, with 40% of management staff being represented by women. The business continues to ensure progressive measures are in place to ensure inclusivity and diversity in the workplace.

Women as a % of total workforce
14%

Women as a % of management staff
40%

Long Service Awards

Number of Years Service	Number of Employees
10	19
15	1

Providing training opportunities for the youth through attachments and our graduate trainee programme.

Training programs for youths feed into all departments across the business. The trainees acquire practical skills and experience throughout the course of the programs. We also afford opportunities for re-engagements of trainees after finishing their studies and we are proud to say that the organisation has re-engaged three trainees as artisans in 2021.

Profession	Number of Graduate Trainees
Finance	1
Quality and Assurance	2
Production	1

Corporate Social Responsibility

Probrands is sponsoring two University of Zimbabwe students through their degree programmes. This sponsorship involves paying for their tuition fees and upkeep.

* Full details of Probrands social responsibility support is shown from **page 88 to 92.**

Probrands Food Safety Management Initiatives

Probrands has initiated the development and implementation of our Food safety management system based on the ISO 22000: 2018 standard. This comes as a fulfilment to the consistent provision of high quality products so as to meet our customer demands and expectations. Certification to the ISO 22000: 2018 is expected to be achieved by December 2022.

Sustainability

Prevention of environmental pollution has been part of Probrands goals and have engaged Environmental Management Agency (EMA) registered contractors who manages our waste and recycling activities as an initiative to achieve a circular economy.

MyCash

MyCash

Our Strategic Approach

MyCash Financial Services is a licensed Payments Service Provider and Bureau De Change, which seeks to promote financial inclusion through the provision of digital banking solutions to the Zimbabwean market.

*212#
USSD BANKING

WHATSAPP BANKING
0773 212 212

SMART PHONE BANKING

INTERNET BANKING
www.mycash.co.zw

CARD BANKING

MyCash's mission is to provide simple, low-cost and convenient financial services. We are committed to building a digital platform that enables true financial inclusion, delivering affordable services, and allowing every Zimbabwean to be banked.

MyCash commenced operations in 2015 and in 2021, MyCash was successfully incorporated within the Innscor Africa Limited Group. MyCash provides digital banking solutions to the Zimbabwean market, offering a wide range of personal and business banking products which cater for the needs of individuals, Small to Medium Enterprises (SME) and Corporates.

Our Products and Services

As a digital financial services provider, we have a range of products and channels for every one of our segments.

Retail

- **Wallet Account:** Dial *212# from any mobile phone on any Zimbabwean network, open a personal MyCash wallet via the self-onboarding feature, and start transacting immediately.
- **Send2Cell:** Send money from your wallet to any cellphone number on any network in Zimbabwe at the lowest cost, regardless of whether the recipient has a MyCash wallet or not.
- **MyCash Debit Card:** Swipe on any Zimswitch enabled POS device countrywide.
- **USSD Banking:** Dial *212# and start transacting immediately through the simple, convenient and interactive USSD platform.
- **Mobile Banking:** Download the MyCash Android and iOs mobile app from Google Play or Apple Store, and conveniently manage your funds, with zero data costs when using an Econet line.
- **Internet Banking:** Visit the MyCash website www.mycash.co.zw to register for internet banking and transact from the convenience of your office and home, with the ability to carry out bulk transactions, bill payments, Zipit and RTGS transfers and much more.
- **WhatsApp Banking:** Send "Hi" to 0773 212 212 and start transacting immediately using MyCash's secure link.
- **Bank Transfers:** Send or Receive funds through the MyCash Internal Transfers channel via ZIPIT or RTGS.
- **Bill Payments:** Pay your ZOL, ZESA, Telone and other Bills via the MyCash Bill Payments feature.

SME and Corporate

- MyCash offers bespoke digital banking solutions to SME and corporate customers, including payroll services, bulk payment processing and petty cash solutions. SME and Corporate customers can sign up for MyCash and transact through the card, mobile, WhatsApp and internet banking channels whilst seamlessly managing and monitoring transactions.

To Sign up for a Corporate MyCash Account, visit the MyCash website: **www.mycash.co.zw**

MyCash team cleaning up at Mbare Musika

Mobile Banking:
*212#

Head Office:
Block No.5, Arundel Office Park
117 Norfolk Road, Mt Pleasant
Harare, Zimbabwe

Customer Service:
Tel: +263 0867 7173562
WhatsApp: +263 777 452 097
Email: callcentre@mycash.co.zw

PHI

PHI Livestock

PHI invested in a beef breeding herd comprising indigenous breeds and established its own feed lotting operation with a fully licensed abattoir just outside Harare.

The division also has an extensive cattle buyer network in outlying areas facilitating a cost-effective route to market for rural cattle producers direct to the abattoir and from there into wholesale outlets into Harare. PHI Livestock has become a major supplier of beef in the country.

In conjunction with World Vision, PHI has also established two Cattle Business Centres in the Dotito and Mayo communal areas bringing much needed assistance and infrastructure to those areas in support of animal husbandry.

PHI Contracting

Through its dedicated contract farming entity, Agrowth Farming (Private) Limited, PHI has extended its planned hectarage to 20 000 ha for the 2021/22 summer season, having successfully managed the recent summer season comprising maize, soya, and sugar beans. There is currently 5 000 hectares of winter wheat in the ground and harvesting has commenced at the time of writing.

PHI continues its focus of empowering farmers and expanding local production to reduce reliance on imported commodities.

PHI Farming

PHI continues to expand its direct farming operations through a combination of organic growth where a further two farms have been brought into commercial production with an additional 600 ha of irrigation, as well as investing into an existing row crop operation, adding a further 1 200 ha under irrigation.

These expansions create much needed employment in their areas of operation.

The recently established seed potato production unit has yielded its first commercial seed crop, and this will greatly assist in the Group's drive for import substitution.

Empowerment of the **Group's Employees**

The Group employs over 8 800 employees of which 3 600 are full-time employees who are eligible beneficiaries of the Innscor Africa Employee Share Trust ("the Trust).

The Trust was set-up to empower employees and to develop a sense of belonging amongst them.

In 2014, the Trust was issued with 1 000 Non-Voting Class 'A' ordinary shares in Innscor Africa Limited. These shares entitle the Trust to close to 5% of any dividend declared and paid to ordinary Shareholders of Innscor Africa Limited.

The Trust also holds an option to subscribe for 30 million Innscor Africa Limited shares at the volume weighted average price of Innscor Africa Limited Shares over a 60 trading day period, which expires in December 2024.

During the year, the Trust received a total ZW$59 200 000 in dividend from Innscor and out of this, qualifying employees received ZW$53 828 500 dividend during 2021 (ZW$32 077 190 in 2020). It is expected that in November 2021 qualifying employees will receive ZW$12 500 each towards the 2021 final dividend.

The table below shows dividend earned by qualifying employees during the financial year.

Dividends Paid	Dividend Paid to each Beneficiary	Number of Employees	Total Dividend Paid ZW$
November 2020	7 000	3 373	23 611 000
May 2021	8 500	3 555	30 217 500
Total paid in 2021	**15 500**		**53 828 500**

In addition to regular dividends paid to qualifying employees, the Trust also provides short-term and long-term loans to employees towards the personal needs of these employees.

INNSCOR AFRICA · EMPLOYEE SHARE TRUST (PRIVATE) LIMITED

Corporate **Governance**

Group Governance & Management Approach

Balancing the interests of all stakeholders continues to be a significant focus of the Group. As such the Group continues to monitor and evaluate best practices critical for long-term business sustainability. Critical to our corporate governance values is ensuring that we observe principles and ethical practices benchmarked on international best practices.

We continue to monitor and align codes of corporate practices and conduct with local and international corporate governance codes such as the National Code of Corporate Governance in Zimbabwe (ZIMCODE) which the Board has adopted as the primary code of Corporate Governance for the Innscor Group. We continue to explore aligning with the OECD Principles of Corporate Governance.

In 2019, the revised Zimbabwe Stock Exchange Listing Requirements (ZSE) (Statutory Instrument 134/2019) and the new Companies and Other Business Entities Act (COBE) (Chapter 24:31) ("the Act") came into operation in Zimbabwe and the Group has analysed these thoroughly in order to ensure compliance with the requirements of the ZSE Listing requirements and COBE.

Our management philosophy is vested on the need to conduct the affairs of the Group with transparency, integrity, accountability and in accordance with generally accepted corporate practices, in the interests of our stakeholders and shareholders. This enables our shareholders and stakeholders to derive assurance that, in sustaining and adding value to Innscor Africa Limited's financial, natural, intellectual, manufactured, relational and human capital investment, the Group is being managed ethically, according to prudently determined parameters and in compliance with best international practices.

Mechanisms for Communication with Shareholders

We provide various platforms for our stakeholders to communicate with the Board of Directors and senior management. Such platforms include the Annual General Meeting, analysts briefing, investors meetings, notices to shareholders and stakeholders, press announcements of interim and year-end results, trading updates, investor briefings, annual reporting to shareholders and exercise of shareholders' voting rights through proxy forms. Our website contains a vast array of updated operational, sustainability and financial information which can be easily accessed by all.

Corporate **Governance** (continued)

Board and Management Ethics

The principles of observing sound ethical practices, values and conduct is ultimately the Board and Management's responsibility. Declarations of interest and any conflict arising in carrying out the effective roles and responsibilities are a requirement of all Innscor Africa Limited Directors and Management. Such declarations are included in the business of all Board meetings held during the year by the Company.

Declaration of Directors

During the year under review, no Directors had any material interests which could cause significant conflict of interest with the Group's objectives. The beneficial interests of Directors and their families in the shares of Innscor Africa Limited are presented in **note 24.4**.

Share Dealings

Directors, management and all Group staff are not permitted to deal directly or indirectly in the shares of the Group or companies during:

- The period from the end of the interim or annual reporting periods to the announcement of the interim and annual results.
- Any period when they are aware of any negotiations or details which may affect the share price, or,
- Any period when they are in possession of information, the effects of which may affect the share price.
- Any share dealings by Directors and management in listed shares of the Group are declared to the ZSE.

Professional Advice

The Group's policy where justifiable, entitles Directors to seek independent professional advice at the Group's expense in the furtherance of their duties or advancement of the Group's business objectives.

Board Structure and Responsibilities

The Group continues to align the Board composition with the COBE and with the ZSE Listing Requirements and in line with governance policy and international best practices of corporate governance. At the commencement of FY 2021 our Board of Directors consisted of 2 Executive Directors, 2 Independent Non-executive Directors and 2 Non-Independent Non-Executive Directors.

In accordance with the requirements of COBE, that a public company should have a minimum of 7 Directors, the Board sought approval to appoint an additional Independent Non-Executive Director at the Annual General Meeting of Shareholders in December 2020, following the recommendations of the Nominations Committee. Consequently, Mrs D.K. Shinya was appointed as new Independent Non-Executive Director to the Innscor Board with effect from 1st January 2021.

The Chairman and Non-Executive Directors bring a significant amount of experience and intuition to guide an active and ambitious executive management team.

The Board meets quarterly to monitor the performance of the Group and its management and to deliberate on the strategic direction of its operations. Short biographies of each of the Directors are disclosed on **page 62 and 63**.

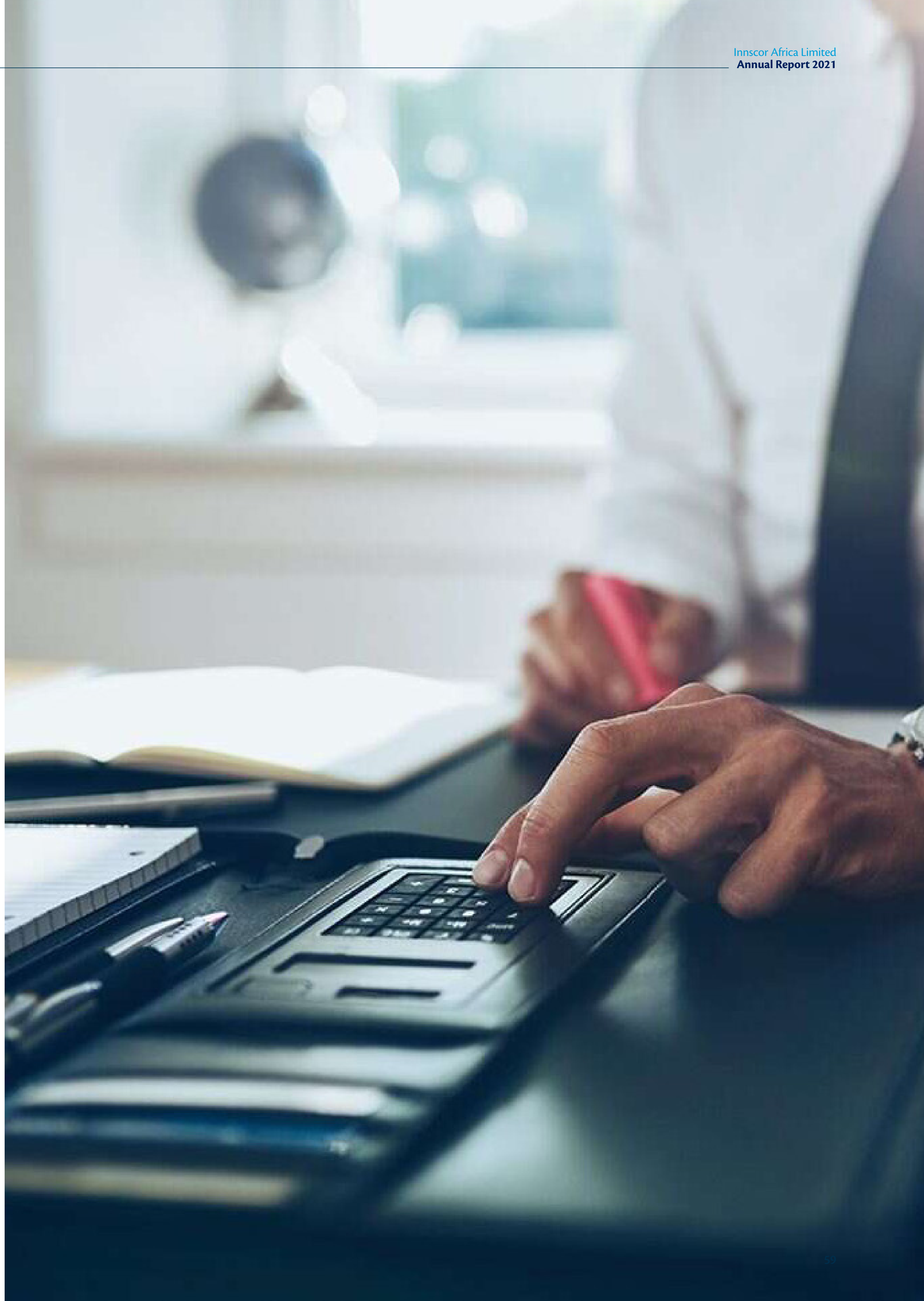
The Group operates a decentralised structure reporting to the Group Board of Directors. Each individual business has a formal Board of Directors, with clearly defined responsibilities and objectives, for the day-to-day running of its operations. A comprehensive management reporting system ensures that each business is brought to account on a monthly basis on operational, governance, sustainability and financial matters.

Summarised on **page 60** is the Board Structure and the members of the various board Committees and the responsibilities of each Committee.

Directors' Remuneration

Remuneration packages for the Group's Executive Directors and other Directors and Senior Executives are determined by the Group's Remuneration Committee. These packages include a guaranteed salary as well as a performance-related incentive linked to the achievement of pre-set targets which takes into account the needs of the Group and Shareholders from time to time. The Group also operates a long-term retention scheme designed to retain employees in the medium to long-term, to focus their attention on longer-term strategic goals and ensure sustained growth of the Group. Details regarding the "2016 Innscor Africa Limited Share Option Scheme" are contained in **note 24.3**.

As at 30th June 2021, there were no loans from the Group to any Director.



Corporate **Governance** (continued)

Committee	Members	Committee Members Summary Roles & Responsibilities
Audit & Risk	T.N. Sibanda (Chairman) A.B.C. Chinake* (resigned 4 March 2021) M.J. Fowler D.K. Shinya (Mrs) (appointed 4 March 2021 in place of A.B.C. Chinake)	The Audit & Risk Committee assists the Board in the fulfilment of its duties. The Audit & Risk Committee deals, inter alia, with compliance, internal control and risk management. The Committee comprises two independent, Non-Executive Directors and one Non-Independent, Non-Executive Director. An Independent Non-Executive Director chairs the Committee. Mr Chinake stood down as a member of this Committee, in compliance with the requirements of the Companies and Other Business Entities Act (24:31) that the Independent Non-Executive Chairman of the Board should not be a member of the Audit Committee, with effect from 4th March 2021 and was replaced on the Committee by the new Independent Non-Executive Director, Mrs D. K. Shinya, who is a Chartered Accountant. The Committee meets at least three times a year with the Group's external and internal auditors to consider compliance with financial reporting requirements, monitor the appropriateness of accounting policies and the effectiveness of the systems of internal control and consider the findings of the internal and external auditors. Both the internal and external auditors have unrestricted access to the Audit & Risk Committee to ensure independence and the objectivity of their findings and scope of their work.
Remuneration	A.B.C. Chinake (Chairman) M.J. Fowler T.N. Sibanda	The Remuneration Committee comprises an independent, Non-Executive Chairman, an Independent Non-Executive Director and a Non-Independent, Non-Executive Director who determine, on behalf of the Board and the shareholders, the individual remuneration packages for the Executive Directors and other executive management. The Group's Remuneration policy is to provide packages that attract, retain and motivate high quality individuals who contribute to the sustainable growth and success of each of the businesses in which the Group operates. Packages primarily include basic salaries, performance related bonuses and long-term, share-based incentives.
Nominations	A.B.C. Chinake (Chairman) M.J. Fowler T.N. Sibanda	The Nominations Committee comprises an Independent, Non-Executive Chairman, an Independent Non-Executive Director and a Non-Independent, Non-Executive Director who consider the composition of the Board and its Committees and makes appropriate recommendations to the Board regarding the retirement, appointment and replacement of Directors.
Executive	J.P. Schonken (Chairman) G. Gwainda M.J.R. Lashbrook A.D. Lorimer (Company Secretary) C. Tumazos R. Nyamuziwa N. Mazango A. Warren-Codrington	The Executive Committee is responsible for formulating, directing and implementing strategic decisions. The Committee meets regularly. The Committee is composed of two Group Executive Directors, CEO's from three of its largest operating business units, the Group Treasurer, the Group Company Secretary and a Senior Executive.
Finance & Investment	G. Gwainda (Chairman) J.P. Schonken R. Nyamuziwa A.D. Lorimer (Company Secretary) A. Warren-Codrington L. Magara	The Finance and Investment Committee is mandated by the Board to set, approve and monitor overall borrowing limits for the Group and for the individual companies within the Group. The Committee is responsible for approving financial institutions that the Group can transact with and limits of such transactions. The Committee also sets, approves and monitors the overall capital expenditure investment within the Group and specifically analyses any expansion capital expenditure and potential business acquisition or disposal. The Committee is composed of two Group Executive Directors and the Group Treasurer, Group Company Secretary and two senior Executive managers. The Committee meets on a regular basis to consider banking facilities, borrowing positions, borrowing limits, counter party limits, capital expenditure, investment opportunities and such other business as may be directed by the Board.

Corporate **Governance** (continued)

Attendance of Directors and Executives at Meetings during the 2021 Financial Year (1st July 2020 to 30th June 2021)

DIRECTOR/ EXECUTIVE	YEAR OF APPOINTMENT	MAIN BOARD (4 Meetings)	AUDIT & RISK (3 Meetings)	REMUNERATION (2 Meetings)	NOMINATIONS (2 Meetings)	EXECUTIVE (7 Meetings)	FINANCE & INVESTMENT (7 Meetings)
Mr. A.B.C. Chinake	2015	4	2**	2	2	N/A	N/A
Mr. M.J. Fowler	1994	2	2	2	2	N/A	N/A
Mr. G. Gwainda	2015	4	3	2	2	7	7
Mr. Z. Koudounaris	1996	4	N/A	N/A	N/A	N/A	N/A
Mr. J.P. Schonken	2007	4	2	2	2	6	6
Mr. T.N. Sibanda	2005	4	3	2	2	N/A	N/A
Mrs. D.K. Shinya	2021	2*	2	N/A	N/A	N/A	N/A
Mr. A.D. Lorimer	N/A	4	3	N/A	1	6	6
Mr. M.J.R. Lashbrook	N/A	N/A	N/A	N/A	N/A	7	N/A
Mr. R. Nyamuziwa	N/A	N/A	N/A	N/A	N/A	7	7
Mr. N. Mazango	N/A	N/A	N/A	N/A	N/A	5	N/A
Mr. C. Tumazos	N/A	N/A	N/A	N/A	N/A	6	N/A
Mrs L. Magara	N/A	N/A	N/A	N/A	N/A	N/A	6
Mr. A. Warren-Codrington	N/A	N/A	N/A	N/A	N/A	6	6

Notes:-

* Mrs D K Shinya appointed as a director with effect from 1st January 2021

** Mr A B C Chinake resigned from the Audit and Risk Committee with effect from 4th March 2021 to be replaced by Mrs D K Shinya

Board of **Directors**

Addington Chinake
Independent Non-Executive Chairman
(Appointed January 2015)

Addington is a legal practitioner by profession, with more than twenty-six years of experience in legal services in Zimbabwe. He has extensive experience in all manner of legal practice in Zimbabwe. Over the past twenty years, his area of specialisation has been corporate and commercial law including mining law, competition law, mergers and acquisitions, Leveraged Buy Outs (LBO's) and capital raising. Addington has been involved in a number of significant FDI transactions and a number of other multi-million-dollar acquisitions and disposals by foreign companies of equity on Zimbabwe Stock Exchange listed entities and major Greenfield mining projects. He has acted for a number of public companies on the Zimbabwe Stock Exchange and has sat on the boards of a other publicly listed companies. Addington is currently the Chairman of Simbisa Brands Limited. He is a member of the Innscor Group's Remuneration and Nominations Committees.

Julian Schonken
Chief Executive Officer
(Appointed Director October 2007 and Group CEO September 2016)

Julian, who is Zimbabwean, completed his tertiary education at Rhodes University in South Africa, where he attained a Bachelor of Commerce degree. In 1999 and shortly after completing his articles of clerkship and qualifying as a Chartered Accountant (Zimbabwe) with Deloitte, Julian joined Innscor and has held a number of financial and managerial positions during his 22 years with the Group. In October 2007, Julian was appointed to the main Board of Innscor as Group Financial Director; in January 2015 Julian accepted appointment as Executive Director for the Light Manufacturing Division of Innscor and in September 2016, was appointed as Group Chief Executive Officer. Julian currently chairs the Group's Executive Committee and is a member of its Finance and Investment Committee; he also sits on the boards and committees of a number of Innscor's operating business units.

Godfrey Gwainda
Group Financial Director
(Appointed January 2015)

Godfrey is a Chartered Accountant with over twenty years of experience in accounting and finance. Godfrey completed his articles of clerkship with KPMG and qualified as a Chartered Accountant (Zimbabwe) in 2000. In September 2001 he joined Innscor and has held a number of financial and managerial positions. In January 2015, Godfrey was appointed to the main Board of Innscor as Group Financial Director. Godfrey is a member of the Group's Executive Committee and chairs the Finance and Investment Committee. He also sits on the board of National Foods Holdings Limited. Godfrey holds an MBA from Henley Business School of the University of Reading.

Board of **Directors** (continued)

Michael Fowler
Non-Executive Director
(Appointed July 1994)

Michael is a founder shareholder of Innscor and has held a number of managerial positions within the Group including a period during which he served as the Group Chief Executive Officer. Michael was a key driver behind the Group's investment into its now unbundled crocodile ranching operations (Padenga Holdings Limited) where he has remained as an executive director since its unbundling and separate listing on the ZSE in 2010. Michael is a member of the Group's Remuneration, Nomination and Audit Committees.

Zinona (Zed) Koudounaris
Non-Executive Director
(Appointed April 1996)

Zed completed his tertiary education at Rhodes University in South Africa where he attained a Bachelor of Commerce degree, majoring in Business and Computer Sciences. Zed is a founder shareholder of the Group and was the driving force behind the initial creation and success of the Group's core fast food brands. Zed has held a number of positions within the Group including Chief Executive Officer upon the Group's listing in 1998. Zed remains highly active in pursuing strategic growth opportunities for the Group and providing guidance to its management team. Zed also sits on the boards of Simbisa Brands Limited and Axia Corporation Limited.

Thembinkosi (Themba) Sibanda
Independent Non-Executive Director
(Appointed November 2005)

Themba, is a Chartered Accountant by profession, with over thirty-seven years post-qualifying experience. He has continued to practice with the firm Schmulian and Sibanda Chartered Accountants (Zimbabwe) in Bulawayo. Over the past thirty-two years, he has served on the boards of several blue-chip companies on the Zimbabwe Stock Exchange ranging from banking, beverages, pipes, tyres and building material manufacturers, and he currently sits on the boards of several listed entities in Zimbabwe, including Edgars Stores Zimbabwe Limited, Padenga Holdings Limited, Axia Corporation Limited and PPC Zimbabwe Limited. He is currently the Chairman of the Group's Audit and Risk Committee and is also a member of the Remuneration and Nominations Committees.

Duduzile (Dudu) Shinya
Independent Non-Executive Director
(Appointed January 2021)

Dudu is a Fellow Chartered Accountant of Zimbabwe, FCA(Z) and holds a Bachelor in Accounting Science Honours degree with the University of South Africa (UNISA) as well as a Master's in Business Leadership from the UNISA Graduate School of Business Leadership.
Dudu has experience of accounting and financial leadership spanning over twenty years, including eleven years at PricewaterhouseCoopers (PwC), where she commenced her accountancy career.

Dudu is currently the Chief Finance Officer of the Zimbabwe Investment and Development Agency (ZIDA). Previously she worked with the Takura Capital Group overseeing the finance roles at Medical Investments Limited (flagship brand, The Avenues Clinic), as well as Amalgamated Brands, the investment holding company for Cairns Holdings, Lobels' Bread, Cailogistics and Cailo Marketing Services. Prior to Takura Capital Group, she was the Finance Director at Schweppes Holdings Africa Limited. Dudu is current past-President of the Institute of Chartered Accountants of Zimbabwe (ICAZ). She has served over six years' as a Council member of ICAZ and in the Committee of ICAZ, such as the Audit and Finance Committee, Pathways Committee, We CAN Committee as well as on the Accounting Practices Committee. Dudu currently sits on the Zimbabwe International Trade Fair board, is a member of the Public Accountants' and Auditors' Board (PAAB) Accounting Standards Committee, and also a member of the Strategy Committee of the International Federation of Women Accountants'. She has served on the CBZ Bank Board, Old Mutual, Schweppes Zimbabwe Limited and ZINWA as an Independent Non-Executive Director.

Directorate **and Management**

MAIN BOARD OF DIRECTORS

Independent, Non-Executive Directors	Non-Independent, Non-Executive Directors	Executive Directors
Addington Chinake (Chairman)	Michael Fowler	Julian Schonken
Thembinkosi Sibanda	Zinona (Zed) Koudounaris	Godfrey Gwainda
Duduzile Shinya		

NOMINATIONS COMMITTEE	AUDIT & RISK COMMITTEE	REMUNERATION COMMITTEE
Addington Chinake (Chairman)	Thembinkosi Sibanda (Chairman)	Addington Chinake (Chairman)
Thembinkosi Sibanda	Michael Fowler	Thembinkosi Sibanda
Michael Fowler	Duduzile Shinya	Michael Fowler
	Andrew Lorimer (Group Company Secretary)	

EXECUTIVE COMMITTEE		FINANCE & INVESTMENT COMMITTEE
Julian Schonken (Chairman)	Ngoni Mazango	Godfrey Gwainda (Chairman)
Godfrey Gwainda	Raymond Nyamuziwa	Julian Schonken
Constantine Tumazos	Alastair Warren-Codrington	Raymond Nyamuziwa
Michael Lashbrook	Andrew Lorimer (Group Company Secretary)	Alastair Warren-Codrington
		Ledwin Magara
		Andrew Lorimer (Group Company Secretary)

GROUP EXECUTIVES

Julian Schonken	Group Chief Executive Officer
Godfrey Gwainda	Group Chief Financial Officer
Raymond Nyamuziwa	Group Treasurer
Andrew Lorimer	Group Company Secretary

DIVISIONAL MANAGEMENT

CORPORATE SERVICES

Corporate & Treasury

Priti Da Silva	Group Services Executive
Alastair Warren - Codrington	Business Development Executive
Ledwin Magara	Group Finance Executive
Kind Kapfudza	Group Finance Manager
Ronald Gumbo	Group Tax Officer
Tapiwa Zvarevashe	Group Automation Manager

Providence Human Capital

Dr Chipo Ndudzo	Managing Director
Dr Tapiwa Kusotera	Group Medical Executive

Syntegra Solutions (Private) Limited

Craig Spong	Chief Executive Officer
Bruce Francis	Chief Product Officer
Obert Nziramasanga	Chief Operations Officer
Killian Hwengwere	Chief Data Officer
Chris Barikano	Chief Transformation Officer
Cuan Alcock	Chief Commercial Officer

MyCash Financial Services (Private) Limited

Sabinah Chitehwe	Managing Director
Raphael Mapfumo	Head of Business Development
Steve Marusic	Head of Operations and Projects
Mukai Mahachi	Head of Finance
Angela Siwa	Head of Customer Service
Marcos Mupingo	Head of Risk & Compliance

Directorate **and Management** (continued)

MILL-BAKE SEGMENT

National Foods Holdings Limited

Michael Lashbrook	Group CEO
Lovejoy Nyandoro	Group Finance Director
Rugare Nyandoro	Human Resource Director
Lawrence Kutinyu	Marketing Executive
Sharon Musodza	Sales Executive
James Stevens	Managing Executive - Flour
Swys Viviers	Managing Executive - Stockfeeds
Chipo Nheta	Managing Executive - Maize Milling
Alice Kambasha	Managing Executive - Snacks & Treats
Nigel Weller	Managing Executive - Traded Goods
William Kapfupi	Managing Executive - Cereals, Culinary and Baby Foods (CCB)
Vikas Swami	Managing Executive - Downpack
Nqgabutho Moyo	Operations Executive - Flour
Tendai Maphosa	Commercial Executive - Stockfeeds

Pure Oils Industries (Private) Limited

Pradyuman Kumar Ganediwal	Executive Chairman
Rodreck Musiyiwa	Head of Operations
Aman Jyoti	Head of Commercal

Innscor Africa Bread Company Division

Ngoni Mazango	Chief Executive Officer
Mandla Nkosi	Financial Director
Constantine Cyprianos	Procurement Executive

Profeeds (Private) Limited

Sean Reid	Managing Director
Tidings Chimpondah	Executive Director
Herbert Ratisai	Finance Executive
Knox Muoaya	Retail Executive
Gerry McCollum	Managing Director - Acquafeeds
Grahame Barr	Managing Director - Nutrimaster

PROTEIN SEGMENT

Colcom

Constantine Tumazos	Group Chief Executive Officer
Mandy Murebwa	Group Finance Director
Norita Adams	Group Sales and Marketing Director
Jan Van As	Group Operations Director
Zvitendo Matsika	Group Human Resources Executive
Ian Kennaird	Chief Executive - Triple C Pigs
Nyasha Zindoga	Group Finance Manager

Associated Meats Packers Group

Lester Jones	Group Chief Executive Officer
Tsitsi Kuodza	Group Finance Manager
Jeffrey Grundy	Managing Executive - Associated Meat Packers
Robert Lee-Webb	Managing Executive - Texas Chicken
Brian Beattie	Managing Director - Zimnyama

Irvine's Zimbabwe (Private) Limited

David Irvine	Managing Director
Gerald Mabureza	Chief Finance Officer
David Hasluck	Administration Executive
Anele Zunga	Commercial Excutive
Wifred Mapfuise	Human Resources Executive
Rutendo Dzangai	Finance Manager

OTHER LIGHT MANUFACTUTING

Natpak (Private) Limited

Guy Martell	Managing Director
Rodney Finnigan	Finance Director
Tamuka Kunaka	Operations Director

Alpha Packaging (Private) Limited

Michael Ferreira	Managing Director
Michael Dunn	Operations Director

Probrands (Private) Limited

Calum Philip	Managing Director
Nqobani Mthethwa	Finance Director
Thomas Wallace	General Manager
Rutendo Makunike	Route -To -Market Executive
James Manguwo	Finance Manager
Tatenda Nhira	Procurement Manager

Prodairy (Private) Limited

Calum Philip	Managing Director
Nqobani Mthethwa	Finance Director
Ishmael Mtema	Route-To-Market Executive
Tendai Hofisi	Finance Manager
Levie Chikomo	Production Manager
Stacey Jackson	Operations Executive

Probottlers (Private) Limited

Christo Botha	Managing Director
Chris Strydom	Operations Manager
Cloudious Zihura	Finance Manager
Sean Smith	Route -To-Market Executive

Prodistribution (Private) Limited

Onward Nyabadza	Distribution Director
Evans Kaklamanis	Transport Manager
Evelyn Banga	Accountant

Risk **Management**

Management Approach to Risks

The Board is ultimately responsible for governance of risk management across the Group. The Board achieves this through the Audit & Risk and the Finance & Investment Committees as well as independent divisional or subsidiary boards.

The responsibilities of each of the committees are provided on **page 60**. Our approach to risk management is structured on Enterprise Risk, Finance and Internal Controls Risk as well as Environmental Risk.

Enterprise Risk Management

Management of Enterprise Risk is based on effective leadership provided by the Board through Executive, Audit and Risk and the Finance and Investment Committees. The Board reviews all material business and financial risks to provide sound decisions and targets for implementation. The Group uses the following instruments and approaches to risk management:

- Maintaining ISO 9001, ISO 17025 and ISO 22000 standards in some business units;
- Supplier and/or customer compliance audits;
- Safety, Health, Environment and Quality (SHEQ) policies;
- Providing effective leadership to ensure all forms of risks are identified, evaluated and monitored.

The Group continues to work with its companies to attain other Certification and Standards where appropriate.

Financial and Internal Control Risk

The Audit & Risk Committee plays a critical role in assisting the Board with managing internal control risk within the Group as is fully explained on **page 60** of this report.

Environmental Risk

The Group manages Environmental Risks by undertaking regular environmental and health inspections and applies internal environmental management procedures and standards to mitigate environmental impacts. The Group ensures compliance with the Environmental Management Agency (EMA) provisions and local authorities' by-laws at all times.

Sustainability Strategy **and Governance**

Group Strategic Approach

Sustainability continues to be firmly embedded into the Group's corporate strategy. We recognise that sustainability is a significant driver to how we manage operational risk and drive the strategic positioning of the Group for long-term business success.

By integrating sustainability in our operational decision making and business strategy, we are able to identify potential risks and opportunities. Our sustainability strategy is to ensure that we minimise negative impacts and related costs on the business and on our stakeholders, particularly those related to the environment and society, through ensuring that there is a good balance with economic success.

Our sustainability strategy is implemented by adhering to international best practice and standards held by the Group companies, which include ISO 9001 (Quality Management System), ISO 22000 (Food Safety Management System), ISO 14000:2015 (Environmental Management System); ISO 45000:2018 (Occupational Health & Safety Management System); ISO 17025 (competence of testing and calibration laboratories); and FSSC 22000 (Food Safety Management) to manage environmental and social issues in many of the Group's companies. In addition, the Group places great emphasis on compliance with local laws, regulations and requirements in the places we operate. Furthermore, the Group keeps track of protocols and commitments adopted or signed by government, which have a bearing on business sustainability such as the Sustainable Development Goals (SDGs) and Climate Change (CC).

Principles and Considerations

The Group's organisational governance is based on the principles of social responsibility which is incorporated into the Group's decision making and implementation processes. These principles include:

- accountability for its impacts on society, the economy and the environment;
- transparency for its decisions and activities that impact on society and the environment;
- ethical behaviour where its behaviour should be based on the values of honesty, equity and integrity;
- respect for stakeholder interests whereby the Group respects, considers and responds to the interests of its stakeholders;
- respect for the rule of law where the Group accepts that respect for the rule of law is mandatory;
- respect for the international norms of behaviour where the Group respects international norms of behaviour, while adhering to the principle of respect for the rule of law;
- respect for human rights where human rights are respected and recognised both for their importance and their universality, promoting the rights set out in the International Bill of Human Rights;
- respect the welfare of animals, when affecting their lives and existence, including by providing decent conditions for keeping, breeding, producing, transporting and using animals.

Governance

Our sustainability management is structured into two levels, starting at the company level all the way to the Group. We have sustainability teams set up in our companies, tasked with identification, evaluation and assisting in managing our sustainability impacts on economic, environmental and social issues. In addition, the teams are responsible for monitoring and evaluating systems from which data is collected to ensure quality and reliability.

Inclusivity and Responsiveness

The Group continues to integrate stakeholder engagement in the overall corporate and risk management strategy of our businesses. Our approach in achieving sustainable business success driven by ensuring sustainable relations with all our stakeholders as business partners are maintained. Maintaining sustainable stakeholder relationships based on shared values of honesty, inclusivity and responsiveness contribute to trust and strong relational capital for the Group. Our stakeholder engagement strategy is a responsibility that is shared among all employees and management and is embedded in how we interface with our stakeholders in our day-to-day activities.

Supply Chain

Our corporate strategy is to maintain a sustainable supply chain which thrives on shared values. Supply chain management is a critical component in our business value chain and sustains our brand name and image. Therefore, the Group provide systems which ensure that all suppliers are screened on their track record and consideration of sustainability issues such as environmental, social, behaviour, corruption, statutory compliance and human rights practices. The Group ensures that most of our suppliers share our common values for sustainability in our value chain. Associated Meat Packers (Private) Limited, National Foods Holdings Limited, Irvine's Zimbabwe (Private) Limited, Colcom Division, Profeeds (Private) Limited and Probrands (Private) Limited provide opportunities for disadvantaged groups, small-scale farmers, youths and the less privileged to be part of our supply chain through their contribution to economic empowerment of our society and sustainable development in the places of operation. Appropriate training and support is provided to ensure quality standards are met.

Sustainable Capital Management

The Group recognises that it is critical to apply integrated thinking in the manner in which we manage the capitals of our business. The Group considers natural, human, intellectual, financial, manufacturing and social relations as capital input into our business model. Therefore, sustainable management of this capital remains a critical aspect of our business strategy formulation and execution, for creating and sustaining business value for our shareholders and stakeholders in the short and long term.

Sustainability **Achievements**

KEY SUSTAINABILITY SUCCESSES WITHIN THE GROUP

The following are the key sustainability successes within the Group's businesses:

- **FSSC 22000 Food Safety Management Certification:** AMP Meats' factory received its FSSC22000 certification, which cements AMP's commitment to providing customers and consumers with quality meat that is processed from a factory that meets global safety, hygiene and quality requirements.

- **The Coca Cola Company Supplier Guiding Principles technical assessment:** Natpak has been successfully audited by The Coca Cola Company for compliance with its Coca Cola Supplier Guiding Principles and passed the technical assessment for conditional supplier status.

- **Water consumption:** Probottlers managed to reduce overall water consumption by 36% over the last year while Probrands achieved a 59% reduction.

- **Electric forklifts:** Natpak is changing from using diesel to electric forklifts in its factories so as to improve the air quality in the work environment.

- **Supplementary solar for refrigeration:** AMP Meats has started trials on solar powered refrigeration containers at the AMP Shop with the aim to reduce reliance on electricity.

- **Zero waste philosophy:** National Foods' zero waste philosophy continues to be made possible as a result of its cyclonic boilers in Harare and Bulawayo, which recover energy by incinerating waste, such as used plastic sacks, at high temperature to produce the steam required for processing its stockfeed products, and is done in a manner that National Foods' air emissions are kept within its current green band, as set in its emissions permit.

- **Recycling initiatives:** Recycling initiatives at Natpak and Alpha Packaging are a success. Natpak set up a chipping machine to deal with discarded branded plastics, which they cannot recycle internally. The plastic chips are bought by small enterprises and are used for products, such as buckets, dishes, chairs as well as bin liners, black sheeting and car bumpers. Alpha Packaging meanwhile produces egg cartons from 100% waste paper.

Sustainability **Achievements** (continued)

- **Outgrower programme:** Irvine's continues its outgrower programme with 26 independent farmers raising all of Irvine's broilers for processing. This programme supports smaller farmers, therefore contributing to employment and economic upliftment of the community in which Irvine's operates.

- **Support for local farmers:** Profeeds and Nutrimaster continue to provide an agri-solution for all its customers, who are mainly small-scale farmers, by providing training, agricultural and technical support advice to its customers as well as providing a one stop shopping service in the areas they operate. This increases local economy transactions and ultimately encourages local growth.

- **Women's Projects:** The Group continued to support groups which empower women in their local communities.

- **Provision of healthcare:** Providence Health continued to support the Group through the provision of healthcare services and recorded visits from employees and from dependents, as well as assisting each business on the management of the COVID-19 pandemic as detailed further on **page 77.**

- **On-site medical facilities:** Through six on-site medical facilities, the Group was able to continue to provide medical care for its employees as well as their dependents. During the reporting year the medical facilities recorded a total of 15 340 visits from employees, while the clinics on the farms recorded 5 957 visits from employees' dependents, see further details on **page 77.**

- **Education:** Irvine's and Colcom provides access to education for employees' families and local communities through the primary schools located on their farms.

Sustainability in **Our Value Chain**

HUMAN RIGHTS

Overview

Human rights are inherent, inalienable and universal entitlements for every human that are interrelated, interdependent and indivisible and guaranteed by law. The primacy of respect for fundamental human rights is a key component of organisational sustainability. Organisations should "know and show" that they respect human rights, and have the responsibility to respect human rights, including within their sphere of influence.

Principles

The Group strives to fulfil the human rights expectations of all its stakeholders. We recognise the provisions of the Bill of Rights in the Constitution of Zimbabwe and are guided by the United Nations Guiding Principles on Business and Human Rights (UNGP).

The Group monitors potential human rights risks in our business conduct, practices and engagements with employees. All business units conduct human rights assessments to determine potential human rights risks for the purpose of providing commensurate management measures for their prevention, reduction and redress. During the reporting year, no material human rights violation issues were brought to the attention of management.

We acknowledge the necessity for a commitment to avoiding violations of rights in respect of:
- freedom of association and the right to collective bargaining;
- the elimination of compulsory labour;
- the abolition of child labour; and
- the elimination of discrimination in respect of employment and occupation.

Sustainability in **Our Value Chain** (continued)

HUMAN CAPITAL

Overview

The Group aims to attract and retain talented and passionate people for our businesses and support them in their skills and knowledge development. Our businesses create a working environment which values our employees as partners in fulfilling the Group's mission, founded on mutual trust, respect and dedication to performance, quality, and respect for each other.

Principles

The Group is led by highly motivated executives, management and support teams that help the Group achieve its corporate strategy and goals. To achieve this, the Group focuses on creating working conditions that inspire our employees to achieve set targets. Our businesses are strongly committed to labour and social standards that attract and retain excellent people and leaders whom we continue to develop through long life learning and support.

With the support from Providence Human Capital, the Group provides employment opportunities through various forms that include short-term contracts, casual positions, fixed-term contracts and full time or permanent positions. These opportunities are managed through adherence to local and international labour standards. Our employees are free to be members of trade unions of their choice in our business sectors to enable us to build sustainable relations.

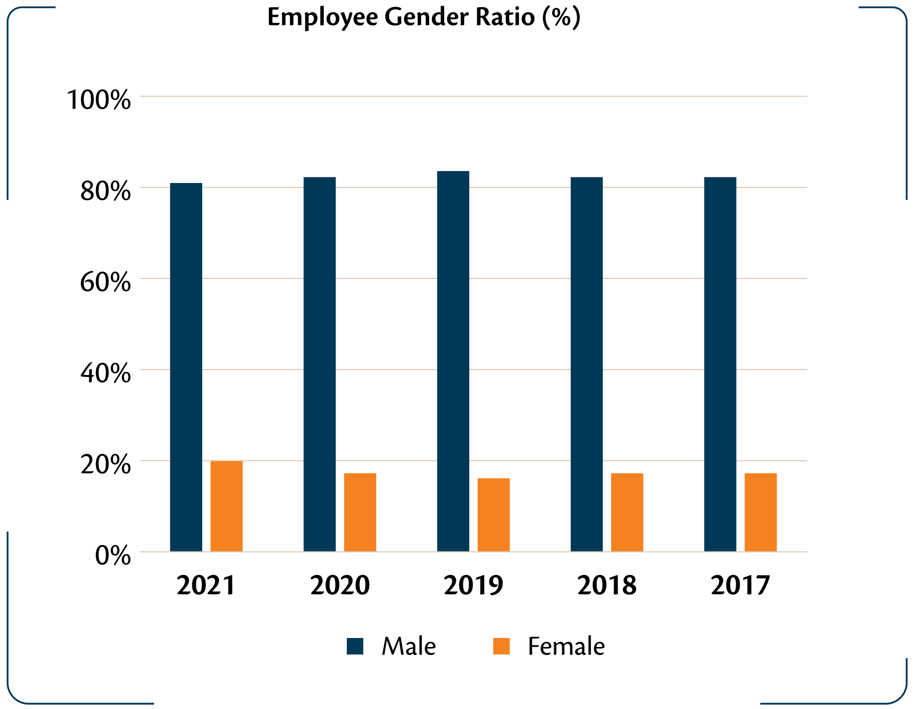
In 2021, the Group employed a total of 8 805 staff of which 53.5% were in permanent employment and 46.5% as contract staff, providing a long term livelihood to a majority of our employees.

Employee Gender Ratios

The Group places much emphasis on employing women within its businesses increasing women represented to 19% of total workforce in 2021 from 17% in 2020.

Total Employees Gender Ratio

Total Employees	Unit	2021	2020	2019	2018	2017
Male	Count	7 101	6 259	6 410	6 207	5 534
Female	Count	1 704	1 320	1 320	1 359	1 205
Total Employees		**8 805**	**7 579**	**7 730**	**7 566**	**6 739**
% Female		**19%**	**17%**	**17%**	**18%**	**18%**



Celebrating Women Every Day

Sustainability in
Our Value Chain (continued)

Occupational Health & Safety

Overview

The Group considers health and safety in our work place critical to all our businesses. Any incidences are treated seriously and receive the necessary attention. Regular audits are conducted to ensure safety measures are in place at all times and appropriate training conducted to ensure that all employees are aware of health and safety issues. The Group's policy is to ensure incidences are kept as low as possible.

Number of Injuries

	Unit	2021	2020	2019	2018	2017
Total Number of Injuries	Incidences	420	405	317	260	266

The Group sustained a total of 420 injuries during the reporting year, which is 4% higher than last year, resulting in 1 375 days lost to injury (LTI). The businesses continue to give reinforcement training on the standard operating procedures (SOPs) specifically aimed at reducing the number of injuries sustained in the workplace.

During the year, the various businesses provided their staff with safety training, which included the following topics:

- Emergency preparedness and response training
- Incident reporting and basic emergency procedures training
- Fire prevention and firefighting procedure training
- First aid training
- Spills response training
- Chemical usage safety training
- High voltage switch training
- Occupational health risk assessment training
- Lifting techniques training
- Machine operating training
- In-house driver training

The Group's commitment to health, safety and welfare for all of its employees requires all businesses to ensure that they adopt and apply best practice at all times. During the year, the following training was provided by Providence Human Capital's Research, Training & Development department on employee wellness and training selected staff as First Aiders:

- COVID-19 awareness
- Breast cancer awareness
- Mental health care
- Nurse aid
- First aid training

Sustainability in
Our Value Chain (continued)

Healthcare for employees and their dependents

Overview

The Group looks after the health and welfare of its employees by providing primary healthcare for all either through on-site medical facilities or through cooperation with Providence Health who provide a corporate wellness program for the Group's employees and their dependents.

Six of the businesses in the Group have clinics or medical facilities on site, while the other businesses obtain healthcare support for the employees and their dependents through Providence Health's facilities in central Harare and Bulawayo.

During the year, the various medical facilities reported a total of 19 264 visits from employees, highlighting the value of these medical facilities for staff. On the farms, a total of 4 418 visits from the dependents of Irvine's employees were recorded at their two clinics, while the Triple C Pigs clinic recorded 1 539 visits from their employees' dependents. The Providence Health clinics recorded a further 3 924 visits from employees and 2 251 visits from dependents.

The table below presents the number of visits recorded at the various on-site medical facilities over the year.

Total number of visits recorded at the on-siteclinics

Individual Clinics	Total number of clinic visits made by employees	Total number of clinic visits made by dependents
National Foods	4 808	—
Baker's Inn	747	—
Irvine's	6 260	4 418
Colcom	1 718	1 539
AMP Meats	364	—
Probrands	11	
Prodairy	17	
Natpak	1 415	—
TOTAL	**15 340**	**5 957**
Providence Health Clinics	3 924	2 251
GRAND TOTAL	**19 264**	**8 208**

Sustainability in **Our Value Chain** (continued)

Healthcare for employees and their dependents (continued)

COVID-19 Support

Providence Health continued to provide the Group with invaluable support to be able to cope and deal with the COVID-19 pandemic with the principal aim of keeping all employees and their dependents safe. This was achieved through:

- Continued awareness campaigns on COVID-19 prevention
- Continuous rapid response information dissemination to all stakeholders
- COVID-19 screening at various stakeholders
- Participation in the COVID-19 vaccination nationwide campaign
- Ensuring employees have easy access to primary health care
- Covering medical bills for certain complex cases
- Providing Vitamin C, face masks, hand sanitizers, and face shields to the employees.

Providence Health is licenced to administer COVID-19 vaccinations at Providence Health's clinics as well as via site visits to Group Companies premises.

Sustainability in Our Value Chain (continued)

Human development and training in the workplace

Overview

The Group strives to provide opportunities for our employees to attend relevant training courses and programmes to advance their knowledge and skills that benefit our business value chain by ensuring our production facilities maintain the highest standard and skills. Our life learning and development opportunities are available through internal and external training activities in an equitable manner.

The Group's businesses kept their staff up-to-date by providing on the job training on subjects including the following:

- Quality control management system training
- Product quality control training
- Supply chain management training
- Food safety management system training
- FSSC 22000 food safety training
- SHEQ training
- SADMA Milling Course training
- Annual account & cycle planning training
- Tax training
- Excel training
- Customer care training
- Handling customer complaints training
- Project management training

Sustainability in **Our Value Chain** (continued)

THE ENVIRONMENT

Overview

The Group's decisions and activities have an impact on the environment. The impacts are associated with the Group's use of resources, location of the Group's activities, the generation of pollution and waste, and the impact of the Group's activities on natural habitats. To reduce its environmental impacts, the Group adopted an integrated approach that takes into consideration the direct and indirect economic, social, health and environmental implications of its decisions and activities.

Principles

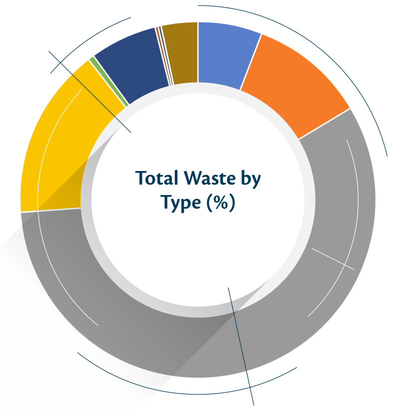
Environmental stewardship is a key responsibility of our management, which carries both financial and physical risks. The Group takes appropriate measures to minimise the effects of the businesses' operations on the environment proactively and monitoring our impacts. The Group ensures that operations are in compliance with environmental laws, voluntary and international best practices and standards to minimise impacts on the ecosystem, biodiversity and climate. The Group calculates its carbon footprint in order to understand its current impact on climate change, allowing it to establish and to optimise the Group's use of resources while minimising its environmental impacts and reducing long term risks.

Waste Management

The Group is committed to reduce the amount of waste deposited at landfills and to increase the Group's commitment to the 4 R's (Reduce, Re-use, Recycle and Recover), the zero-waste philosophy and Best Environmental Option (BEO) approach to managing waste with the safe and responsible disposal of residual waste. Waste management plans are being implemented by each business.

During the year, the Group produced a total of 9 748 tonnes of waste, of which 6% was disposed at landfills, 57% of the Group's waste was suitable for use on farms with the majority being chicken manure which was used as organic fertilizer. 16% was plastics and 10% paper or cardboard waste which has or have the potential to be recycled. During the reporting year 321 tonnes of waste was incinerated in the National Foods' Harare boiler. Coal ash was used to run boilers.

The Group's types of waste is presented in the chart below.



General Waste	6.06%
Paper and Cardboard	10.46%
Organic waste to farmers	57.47%
Plastics	15.50%
Sweeping mixed with sand	0.74%
Coal Ash	5.92%
Tetra Packs	0.48%
Scrap Metal	0.08%
Waste to boiler	3.29%

Sustainability in **Our Value Chain** (continued)

Recycled Waste

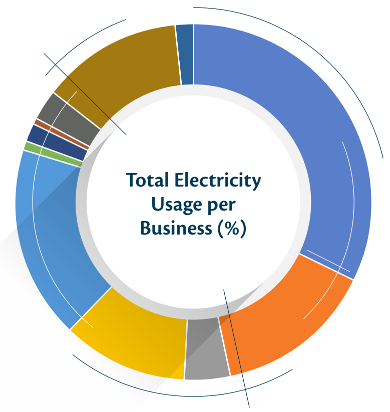
Three of the Group's businesses have focused on recycling their waste. Natpak through its recently installed chipping machine crushes branded plastic waste to chips, which are bought by small enterprises for their plastic moulding machines. The corrugated box manufacturer, Alpha Packaging recycles waste cardboard and recycled paper to make mulch to produce egg cartons, while Probrands recycled 8 tonnes of plastic and 3.6 tonnes of cardboard boxes in the past year through local enterprises. Irvine's produced 5 107 tonnes of chicken manure which farmers use as organic fertilizers.

For plastics, which are non-recyclable and are not halogenated, National Foods' cyclonic boilers are the best waste disposal solution turning waste into energy, within permitted air pollution parameters.

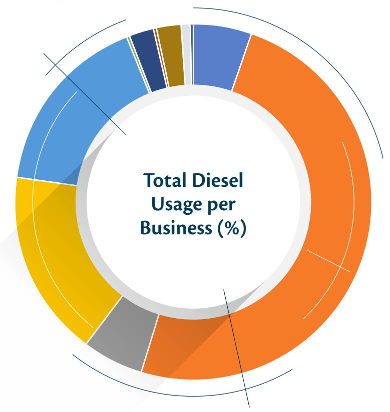
SUSTAINABLE RESOURCE USE

Overview

Efficiency in the use of materials is key to the Group's objective to reduce our negative environmental impact. By setting objectives with corresponding targets, each business is working towards optimising the use of natural resources used over time with the goal for the most efficient production processes and systems.



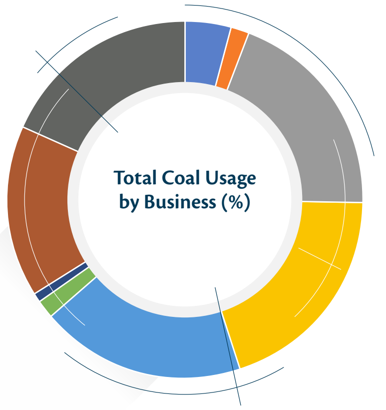
National Foods	32.43%
Baker's Inn	14.45%
Profeeds	4.18%
Irvine's	11.25%
Colcom	17.49%
AMP Meats	0.86%
Probottlers	1.83%
Probrands	0.33%
Prodairy	2.91%
Natpak	12.86%
Alpha Packaging	1.41%



National Foods	5.47%
Baker's Inn	49.47%
Profeeds	5.53%
Irvine's	16.92%
Colcom	16.74%
AMP Meats	0.05%
Probottlers	2.25%
Probrands	0.28%
Prodairy	2.44%
Natpak	0.65%
Alpha Packaging	0.20%

Sustainability in Our Value Chain (continued)

Sustainable resource use (continued)



National Foods	4.23%
Baker's Inn	1.62%
Profeeds	19.60%
Irvine's	19.73%
Colcom	18.70%
Probottlers	1.47%
Probrands	1.02%
Prodairy	15.48%
Alpha Packaging	18.15%

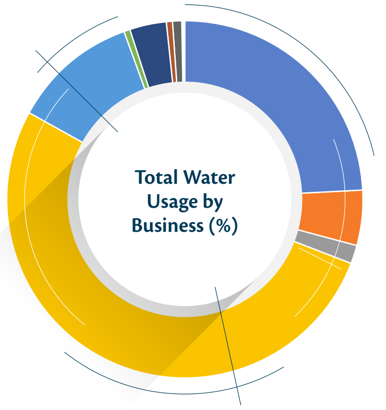
Energy Consumption – within the Group

Energy Type	Unit	2021	2020	2019	2018	2017
Electricity	MWh	98 099	80 210*	100 272	93 569	87 115
Heating (Coal)	Tonnes	8 159	7 203*	5 895*	5 133*	4 121 *
Diesel (Ovens, Boilers, & Generators)	Litres	6 810 447	6 070 305*	5 892 984*	5 620 494*	4 674 432 *

* Data has been re-evaluated in conformity with standard measurements

Energy Consumption – outside the Group

Energy Type	Unit	2021	2020	2019	2018	2017
Diesel	Litres	6 003 334	6 736 479	7 177 527	5 965 820	6 328 678
Petrol	Litres	1 178 488	849 662	524 646	596 011	655 784
Total	**Litres**	**7 181 822**	**7 586 141**	**7 702 173**	**6 561 831**	**6 984 462**



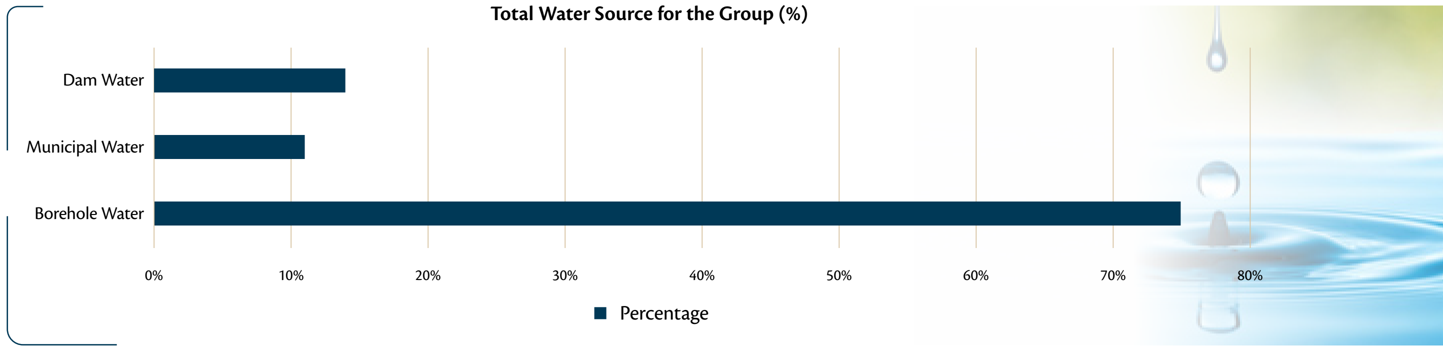
National Foods	24.20%
Baker's Inn	4.98%
Profeeds	1.79%
Irvine's	52.36%
Colcom	11.37%
AMP Meats	0.32%
Probottlers	3.53%
Probrands	0.47%
Prodairy	0.01%
Natpak	0.02%
Alpha Packaging	0.95%

The Group used in total 1 772 380m^3 of water which is sourced as municipal water provided by the City of Harare and Bulawayo and borehole water – as reflected in the Water Usage per Business chart above. Water being a finite natural resource, the Group is investigating ways to minimise our water footprint throughout the Group.

Sustainability in Our Value Chain (continued)

Sustainable resource use (continued)

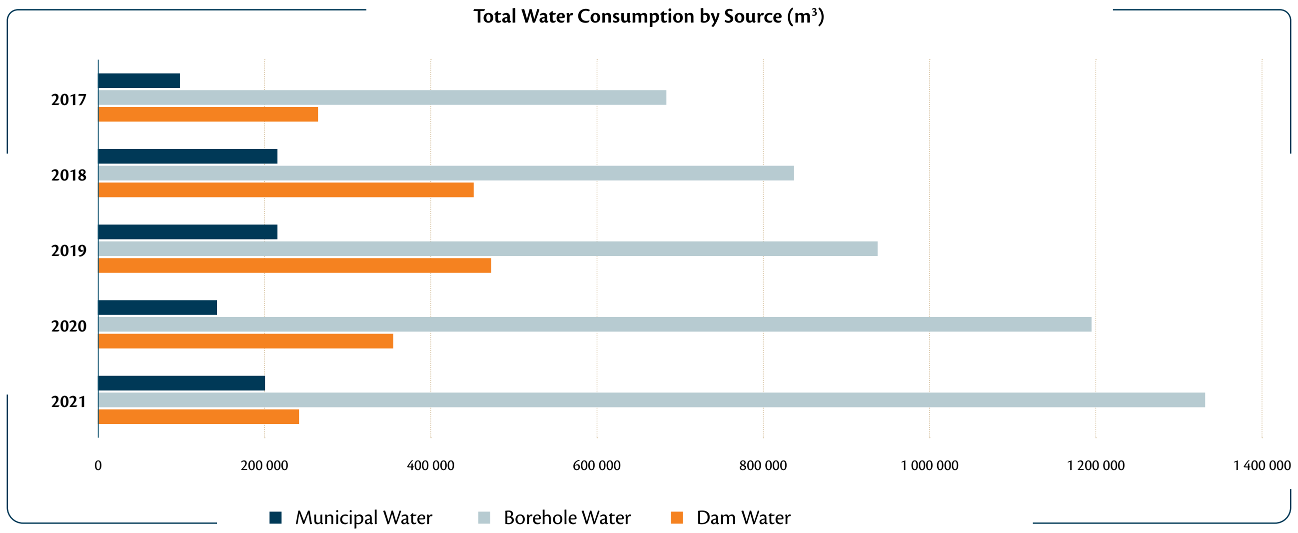
Water Sources



Water Sources for the Group

Water m^3	Unit	2021	2020	2019	2018	2017
Borehole water	m^3	1 332 497	1 195 260	938 282	837 064	683 531
Municipal water	m^3	199 341	141 945	215 321	215 567	97 665
Dam Water	m^3	240 542	353 982	473 358	451 162	262 833
Total	**m^3**	**1 772 380**	**1 691 187**	**1 626 961**	**1 503 793**	**1 044 029**
% change year on year		+5%	+4%	+8%	+44%	

Group Water consumption by Source



As the graph above shows, the Group still relies heavily on borehole water with 75% of its water, especially in the Harare area, being sourced from groundwater during the year.

Sustainability in **Our Value Chain** (continued)

CLIMATE CHANGE MITIGATION AND ADAPTATION

Overview

The Group recognises that our operations contribute to climate change in some way and it is therefore the Group's responsibility to ensure that our businesses respond positively to calls for climate change protection and mitigation. Conversely, changes in climate can in turn have an impact on our businesses, particularly those that rely heavily on water and on agricultural inputs. This potentially very important impact is recognised by the Group as needing to be taken into account in any future business plans.

Carbon Footprint

The Group reports its carbon footprint across all its businesses. The Group continues to use the Department for Environment, Food and Rural Affairs (DEFRA) (United Kingdom's) UK Government GHG (Greenhouse Gases) Conversion Factors. The information is presented as tonnes of carbon dioxide equivalent (tonnes CO_2e), which is the universal unit of measurement to indicate the global warming potential (GWP) of GHGs, expressed in terms of the GWP of one unit of carbon dioxide (CO_2). The GWPs used in the calculations of CO_2e are based on the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (AR4) over a 100-year period. Electricity carbon footprint factors are taken from those developed using IPCC factors by applying the Zimbabwean electrical grid parameters, including both renewable and non-renewable sources as found on emissionsfactors.com.

When reporting on GHGs, there are three scopes of emission which are to be included in the calculations:

Scope 1 Calculations including emissions from direct fuel use
Scope 2 Calculations including emissions from indirect sources – electricity
Scope 3 Calculations including indirect emissions not included in Scope 2, e.g. business travel, shipment of goods.

The Group's carbon footprint is presented below, calculated for Scope 1 and 2.

Scope 1: Direct Emissions

Scope 1 relates to direct emission arising from business activities within our control and ownership. DEFRA Greenhouse gas reporting: conversion factors 2021 are used for these calculations. The carbon footprint has been calculated based on the fuel used for the production processes only. This includes the use of coal as well as diesel used to run ovens, boilers and generators.

Table: Scope 1: Direct Emissions

Emissions sources	Unit	2021	2020	2019	2018	2017
Fuels (Coal and Diesel for ovens, boilers & generators)	tonnes CO2e	38 079	33 739	30 113	27 546	22 553

Scope 2: Indirect Emissions

Scope 2 relates to the emissions arising from the use of electricity generated by a third party or sources over which a company has no control. The data below is calculated based on www.emissionsfactors.com's IPCC calculation value of 0.729770333127 $kgCO_2e/kWh$ for Zimbabwe.

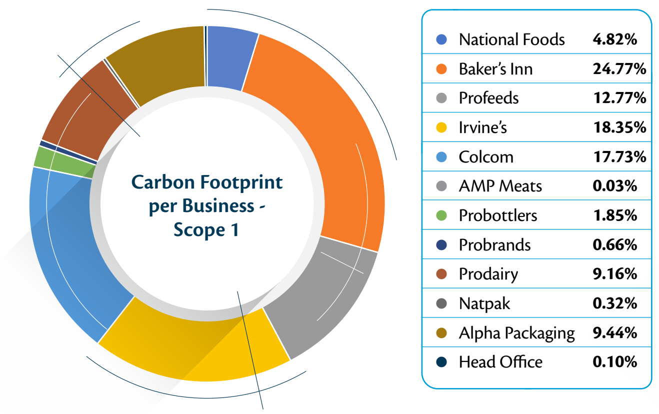
Table: Scope 2: Indirect Emissions

Emissions sources	Unit	2021	2020	2019	2018	2017
Electricity	tonnes CO2e	71 590	58 535	73 176	68 284	63 574

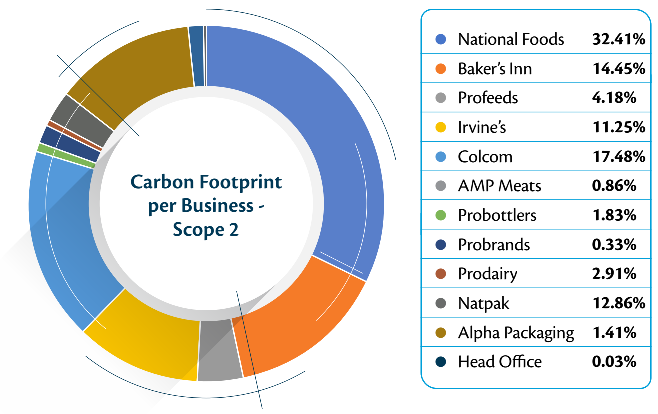
Sustainability in **Our Value Chain** (continued)

CLIMATE CHANGE MITIGATION AND ADAPTATION (continued)

Carbon Footprint for Scope 1
(Coal and Diesel for ovens, boilers & generators) per Business



Carbon Footprint for Scope 2 (Electricity) per Business



Sustainability in **Our Value Chain** (continued)

ANIMAL WELFARE

Overview
There is a growing and justifiable concern amongst many global consumers that animal, and animal-based products, are produced in accordance with minimum acceptable standards to protect both humans and animals.

Principles
The principles of animal welfare known as the 'Five Freedoms of Animal Welfare' set by the UK Farm Animal Welfare Council demand that animals are guaranteed the following:
- Freedom from thirst, hunger and malnutrition - by ready access to fresh water and a diet to maintain full health and vigor.
- Freedom from discomfort - by providing a suitable environment including shelter and a comfortable resting area.
- Freedom from pain, injury and disease - by prevention or rapid diagnosis and treatment.
- Freedom to express normal behavior - by providing sufficient space, proper facilities and company of the animal's own kind.
- Freedom from fear and distress - by ensuring conditions that avoid mental suffering.

The Group companies involved in animal production are Irvine's (chicken), Colcom (pigs), AMP Meats (cattle), Prodairy (cattle), as well as National Foods and Profeeds, who both produce animal feed. Irvine's, AMP and Colcom have stringent animal welfare programs in place.

PROMOTING SOCIAL RESPONSIBILITY IN THE VALUE CHAIN

Overview
Fair operating practice is a core component of social responsibility. Fair operating practices relate to ethical conduct in the Group's dealings with other organisations, including the relationships between government agencies as well as between the Group and their partners, suppliers, contractors, customers, competitors, and the associations which Group companies are members. Behaving ethically is fundamental to establishing and sustaining legitimate and productive relationships between companies and through the promotion of social responsibility in the value chain, the Group is able to encourage other organisations to adopt similar policies.

Principles
Our corporate strategy is to maintain a sustainable value chain, which succeeds on shared values and is a critical component as it reflects our brand name and image. We provide systems, which ensure that all suppliers are screened on their track record and standpoint on sustainability issues such as environmental, social, behavioural, corruption, statutory compliance and human rights practices. The Group endevour to ensure that most of its suppliers share our common values for sustainability in our value chain.

Value chain management
The Group's strategy is to ensure that all raw materials and resource procurement is conducted in a professional and transparent manner, meeting prescribed standards and quality. Our objective is to ensure that the Group procures raw materials in a sustainable way that minimises business risk. The Group places responsibility on management to ensure sustainable supply chain management in all our businesses, and also that our supply chain objectives are delivered in a sustainable manner.

The Group's key raw materials are: maize, wheat, wheat bran, soya meal and soya beans. The quantities required by the Group are significant and the table below highlights the volumes consumed each year in production of our products.

Sustainability in **Our Value Chain** (continued)

PROMOTING SOCIAL RESPONSIBILITY IN THE VALUE CHAIN (continued)

Table: Key Raw Materials Used

Materials Used	Unit	2021	2020	2019	2018	2017
Maize	Tonnes	291 656	319 957	393 849	271 581	272 711
Soya meal and Soya beans	Tonnes	62 555	68 451	88 341	66 454	60 461
Wheat and Wheat bran	Tonnes	240 082	227 147	366 204	362 298	242 196
	Tonnes	**594 293**	**615 555**	**848 394**	**700 333**	**575 368**

The Group expects suppliers to operate in accordance with its values, adhering to national laws, international health and safety standards and ethics in the supply chain business relationships. We engage suppliers on our sustainability values through supplier briefings, meetings, audits and trainings. We create economic opportunities for small scale and previously disadvantaged groups in our supply chain as part of our inclusive business approach. We provide appropriate training to ensure that suppliers meet expected quality and standards. In managing risk, our suppliers are introduced to international standards requirements and evaluation criteria so as to sustain our brands, reputation, as well as to improve their own systems.

CONSUMER ISSUES

Overview
The consumer is fundamental to the Group's business and their health and safety should not be compromised. Protecting consumers' health and safety involves the provision of products and services that are safe and do not carry unacceptable risk of harm when used or consumed.

Principles
The Group ensures that its production facilities maintain the highest of standards that do not compromise on quality and safety of its consumers and employees. We take comprehensive preventative measures that ensure our production facilities meet the highest standards which allow responsible consumption of raw materials in our production processes. The Group adheres to the international standards ISO 9001 (Quality Management System), ISO 22000 (Food Safety Management System), ISO 14000:2015 (Environmental Management System); ISO 45000:2018 (Occupational Health & Safety Management System); ISO 17025 (competence of testing and calibration laboratories); and FSSC 22000 (Food Safety Management) to ensure quality and safety for our consumers.

Fair Marketing
Fair marketing allows customers to compare products, avoid misunderstandings due to misinformation and enhances customer satisfaction. The Group continues to promote fair marketing by ensuring that all our products contain all necessary information on the product for our consumers.

Our businesses monitor and review the safety of our products through our quality control units from raw material procurement, production all the way to our customers. We do this through customer satisfaction surveys and engagements. Our businesses work continuously to ensure that our products pose no risk to our customers, consumers, employees and the environment and that they are, and are seen to be used responsibly and in the manner intended. Our Strategy is to ensure that high standards are applied in the manufacturing and distribution. Our companies retained or attained their ISO 9001, ISO17025, ISO 22000 and FSSC 22000 certification.

The Group continues to monitor any feedback from its customers, whether they were praises or complaints, and responds to any complaints received by rectifying the issues. On the whole our customers were satisfied with the quality of our products. Our brands received significantly higher rankings in the market in terms of awareness and satisfaction rating.

Sustainability in **Our Value Chain** (continued)

COMMUNITY INVOLVEMENT & DEVELOPMENT

Overview

The Group views community involvement and development as being of significant value to its operations. The Group's strategy is to ensure that the Group provides economic opportunities in the value chain that help alleviate poverty and contribute towards better conditions of life for the community and individuals therein. This includes supporting the national economy through the Group's key contributions to the fiscal revenues. Our focus is on creating sustainable partnerships with communities in ways that bring long-term benefits and lead to community empowerment and economic independence.

Education and Culture

Education and culture are the foundations for social and economic development and part of community identity, which the Group places considerable value on, as highlighted under individual businesses from this **page 88 to 92**.

Social Investment

The Group sees community involvement and development as a significant value to its operations.

Inclusive Business

The Group recognises vulnerable groups and communities that have limited capacity to realise their material needs. The Group therefore has on-going commitments for the provision of basic essentials for selected vulnerable groups. In addition to this, as part of our social responsibility program, the Group engages in inclusive business where the Group works with and empowers the disadvantaged and less privileged to become entrepreneurs involved in commercial enterprise. This is intended to reduce dependency, promote downstream industry and improve local economies.

Charitable Donations

The following table highlights the various community involvement and development initiatives carried out throughout the year by the various businesses, highlighting the Group's commitment to Social Investment.

	SUPPORT	BENEFICIARIES
INVESTMENTS IN VULNERABLE GROUPS		
Innscor	• Providing financial sponsorship on awareness of COVID-19 at a national level	• National Covid Call Centre • Ministry of Health & Child Care (MOHCC) for its ZimCovid Safe campaign • Ministry of Information and Broadcasting Services
National Foods	• Monthly food donations to vulnerable communities	• 21 orphanages, including Runyararo Children's Home, Kambuzuma, Felly Orphanage & Mother of Peace. • Disability support for 10 centres, including Zimcare Trust, Homefield, Sharon Cohen & Emerald Hill • Old People's Homes, including Mucheke Old People's Home & Ruwa Trust Lodge • Marula School and the Shingirayi Trust
Baker's Inn	• Daily Bread supply to Prisons and Vulnerable groups	• 300 loaves per day to Orphanages • 900 loaves per day to Prisons • 120 loaves per day to Disability Centres • 100 loaves per day to Senior Citizen Homes

Sustainability in **Our Value Chain** (continued)

COMMUNITY INVOLVEMENT & DEVELOPMENT (continued)

Charitable Donations (continued)

	SUPPORT	BENEFICIARIES
INVESTMENTS IN VULNERABLE GROUPS (continued)		
Colcom	Regular food donations	• Orphanages - Rose of Sharon, Chinyaradzo's Children Home, Vimbainesu Children's Home, Shearly Cripps Children's Home and St Christopher • Disability Support - Emerald Hill Children's Home, St Joseph, Homefields, Jairos Jiri Association • Senior Citizen Home Support - Athol Evans • Vulnerable groups - St Marceline
Irvine's	• Supporting Old Age Homes and Disabled/ Disadvantaged children through regular donations of chicken and eggs • Donation of washable face masks to the community	• Athol Evans, Fairways Home, Harare Senior Citizens Club, Waterfalls Trust, Beezer Organisation • Emerald Hill Children's Home, Jairos Jiri Foundation, Danhiko Project Msasa, St John's House of Boys • Washable masks for the less privileged communities surrounding Irvine's premises at Hopely, Stoneridge, and Southlands.
AMP Meats	• Regular food donations	• Chinyaradzo Children Home • God Miracle Mission, a foster home based in Hatcliffe
Prodairy	• Food donations made to the Old Age Homes, Children Homes and other Vulnerable Groups. • Sponsorship to School activities	• Ruwa Rehabilitation Centre, Save Our Aged People (SOAP Zimbabwe), Beatrice Old People's Home, Ondine Francis Trust, Zimbabwe National COVID-19 Action Trust (ZINCAT), Harare Rotary Club, Sally Mugabe Hospital, Aunty G's Place of Safety, Jail & Bail, Good Samaritans, Christ Ministries, Rusape Hospital, Flame Lily Retirement Homes, Westreign Old Age Home, National Blood Transfusion Services. • Barwick School Prize Giving Donation Christmas Donation and Give Aways, Zimbabwe Women's Resource Centre and Network's EatOut Movement,
Probrands	• Regular food donations to Old Age Homes	• Save Our Aged People (SOAP Zimbabwe), Ondine Francis Trust
Probottlers	• Providing beverage donations to support various institutions who are dedicated to looking after vulnerable groups within society	• Rainbow Children's Home, Miracle Missions, Jail & Bail, National Blood Transfusion Services, Westreign Old Age Home, Flame Lily Old Age Home
Natpak	• Special donation of 27 mattresses and 10 blankets	• Mutemwa Leprosy Centre and Mother of Peace in conjunction with SEEDCO
Providence Human Capital	• Partnered with the Access to Justice Centre, which assists marginalised communities, the poor, and Government. The Centre provides research, legal aid provision, legal advisory, advocacy, law reform, clinical training and legal outreaches	• Access to Justice Centre (AJC) is a flagship of the Faculty of Law at the University of Zimbabwe

Sustainability in **Our Value Chain** (continued)

COMMUNITY INVOLVEMENT & DEVELOPMENT (continued)

Charitable Donations (continued)

	SUPPORT	BENEFICIARIES
CULTURE & ARTS SUPPORT		
Innscor	• Annual sponsorship towards recognition of Arts in Zimbabwe	• The National Institute of Allied Arts Zimbabwe (NIAA)
National Foods	• Food donations to provide support to bring different people together to find common ground to build the community	• Centres including Vocational Training Centre and Sunshine Zimbabwe Project for people with special needs
Baker's Inn	• Supporting culture and arts through product give-aways	• Baker's Inn Harare donated loaves for Art, Social & Regional support • Community empowerment and development
Irvine's	• Providing support for the local women to make protective clothing items for team members and repairing torn protective clothing	• Derbyshire Women's Club
Colcom	• Supporting the arts for young people through food hampers and food donations	• Starbrite Zimbabwe
AMP Meats	• Assisting the pipe band in maintaining its instruments as well as providing funding for the band to compete at the World Championships in 2022.	• St John's School Pipe Band
Probottlers	• Supporting the network working with young adults with drink donations	• Red Frog Network
INVESTMENTS IN SPORTING ACTIVITIES		
AMP Meats	• Support through kit sponsorship for FORZA BHORA Five-a-side Football League	• Old Johannian Football Squad
Probottlers	• Supporting football club's upkeep and providing sporting equipment	• ProGroup Ruwa Football Club • TAG Rugby Trust
Probrands	• In support of improving the lives of children in Zimbabwe, using rugby as a development tool • Food donation for the local football club within Probrands' community	• Ruwa Football Club RUWA FC
INVESTMENTS IN THE ENVIRONMENT		
Innscor	• Supporting charities and raising awareness of the importance of the environment	• Donations to Friends of the Environment in support of the continued planting of trees around Zimbabwe
Colcom	• National Clean Up Campaign	• Donation towards the Pomona Clean Up Campaign and Ballantine Park Conservancy

Sustainability in Our Value Chain (continued)

COMMUNITY INVOLVEMENT & DEVELOPMENT (continued)

Charitable Donations (continued)

	SUPPORT	BENEFICIARIES
INVESTMENTS IN ANIMAL WELFARE		
Innscor	• Donations for animals	• Society for the Prevention of Cruelty to Animals (SPCA)
National Foods	• Donations of chicken feed, dog food, calf grower and game nuts to help improve animal welfare through directly providing care for animals in need and raising awareness of animal cruelty	• Centres including Imire Rhino & Wildlife Conservation, Society for the Prevention of Cruelty to Animals (SPCA), Zambezi Society, Wild is Life Wildlife Sanctuary
Profeeds	• Providing support for various wildlife charities through the donation of product • Restocking reconstructed dam with fingerlings • Vaccination and Sterilisation program administered through VAWZ	• Healing with Horses, Zimbabwe National Society for the Prevention of Cruelty to Animals (ZNSPCA), National Angler, Humani Ranch – Save Valley Conservancy, Imire Rhino & Wildlife Conservation • Mucheranwa Dam outside Marondera
Colcom	• Donations for wildlife	• Providing support for Veterinarians for Wildlife Zimbabwe (VAWZ) and Zimbabwe Society for the Prevention of Cruelty to Animals (ZNSPCA)
AMP Meats	• Donation of pet food	• The Friend Animal Foundation • The Tikki Hywood Foundation • SPCA Harare
Irvine's	• Donations of pet food for the upkeep of animals	• Waterfalls Dog section - Zimbabwe Republic Police (ZRP)
Prodairy	• Providing food donations	• Providing support for the Bumi Hills Anti-Poaching Rangers and the Horse Show
Probottlers	• Providing wildlife conservation sponsorships through contributions towards anti-poaching scouts' upkeep and fish conservation through catch & release. • Supporting animal charity through tonic drinks donations for Christmas fundraiser	• Victoria Falls Anti-poaching Unit (VFAPU) • Chiredzi Rangers (Lowveld) • Keepnet Zimbabwe • The Friend Animal Foundation
INVESTMENTS IN AGRICULTURE PROJECTS AND PRODUCTION		
Innscor	• Providing community benefits • Supporting community project	• Providing Tick Grease to vulnerable communities • Women's Group with various pig farming projects
Irvine's	• Donation of a chicken house for the primary school to raise chicken layers to empower local community. • Vaccination of chickens from backyard chicken farms	• Ntabeni Primary School, Bulawayo • Waterfalls and Beatrice Areas

Sustainability in **Our Value Chain** (continued)

COMMUNITY INVOLVEMENT & DEVELOPMENT (continued)

Charitable Donations (continued)

	SUPPORT	BENEFICIARIES
OTHER INITIATIVES		
Innscor	• Supporting the Special Forces of Zimbabwe	• Maintenance of the One Commando Regiment's swimming pool used for training
Profeeds	• Supporting events through donations	• Ulysses Club, Mud Run, Sharon School Golf Day, Ruzawi School Polocrosse Sponsorship
Colcom	• Donations of support	• Providing support for the Zimbabwe National Army, Marketers Association of Zimbabwe (MAZ) COVID-19 Relief hampers, Zimbabwe Military Police, Zimbabwe Prisons and Correctional Services (ZPCS)
Probrands	• Through the payment of tuition fees, supporting two undergraduate students at the University of Zimbabwe through Probrands corporate social responsibility (CSR) programme	• One student is studying Honours BSc degree in Aeronautical Engineering, while the other is studying for an Honours degree in Audit and Risk Management

Sustainability in **Our Value Chain** (continued)

ECONOMIC PERFORMANCE

Defined Contribution Pension Plan

The Group ensures that all qualifying employees are members of voluntary and statutory pension schemes managed through self-administered defined contribution pension schemes and the relevant statutory bodies. The Group manages the Innscor Africa Limited Pension Fund and the National Foods Pension Fund. Compulsory external schemes comprise the National Social Security Authority Scheme, Workers Compensation Insurance Fund and the Catering Industry Pension Fund.

The total contributions to the schemes for the year is presented below:

	INFLATION-ADJUSTED				
	2021 ZW$	**2020 ZW$**	**2019 ZW$**	**2018 ZW$**	**2017 ZW$**
Pension	134 931 287	72 263 782	160 758 193	145 929 369	151 368 360

	HISTORICAL				
	2021 ZW$	**2020 ZW$**	**2019 ZW$**	**2018 ZW$**	**2017 ZW$**
Pension	111 785 087	11 205 476	4 722 232	4 286 639	4 446 408

Value added statements

	INFLATION-ADJUSTED				
	2021 ZW$'000	**2020 ZW$'000**	**2019 ZW$'000**	**2018 ZW$'000**	**2017 ZW$'000**
Economic Value Generation					
Value Generated*	24 651 198	20 415 964	14 841 997	8 013 225	7 149 675
Other income and interest	(927 03)	387 465	178 419	179 700	154 128
Equity Accounted Earnings	2 227 326	2 296 880	906 944	401 209	211 867
	25 951 489	**23 100 309**	**15 927 360**	**8 594 134**	**7 515 670**
Economic Value Distribution					
Other operating costs	(9 686 096)	(10 275 074)	(6 093 758)	(2 920 670)	(2 778 663)
Staff costs and benefits	(7 068 053)	(2 968 383)	(3 472 201)	(2 564 370)	(2 249 830)
Impairment and related income/(charges)	777 589	1 083 784	412 326	(122 930)	(337 310)
Depreciation and amortisation	(1 141 268)	(1 081 768)	(1 425 524)	(565 779)	(520 496)
Providers of capital	(1 614 187)	(1 031 263)	(313 040)	(280 059)	(212 209)
Provision for taxes	(2 779 971)	(1 870 808)	(1 761 038)	(481 896)	(270 307)
Monetary (loss)/gain	(42 339)	466 261	348 477	—	—
Value Added	**4 397 164**	**7 423 058**	**3 622 602**	**1 658 430**	**1 146 855**

* measured by gross profit during the period

Sustainability in **Our Value Chain** (continued)

ECONOMIC PERFORMANCE (continued)

Value added statements (continued)

	HISTORICAL				
	2021 ZW$'000	**2020 ZW$'000**	**2019 ZW$'000**	**2018 ZW$'000**	**2017 ZW$'000**
Economic Value Generation					
Value Generated*	25 132 813	6 402 752	571 286	235 387	210 020
Other income and interest	1 240 465	1 063 529	51 747	5 279	4 527
Equity Accounted Earnings	1 880 571	858 414	49 418	11 785	6 224
	28 253 849	**8 324 695**	**672 451**	**252 451**	**220 771**
Economic Value Distribution					
Other operating costs	(8 024 537)	(1 593 289)	(179 003)	(85 794)	(81 623)
Staff Costs and benefits	(6 335 162)	(1 472 183)	(141 381)	(75 328)	(66 088)
Impairment and related income/(charges)	645 211	397 287	(9 988)	(3 611)	(9 908)
Depreciation and Amortisation	(182 305)	(82 409)	(32 538)	(16 620)	(15 289)
Providers of Capital	(1 415 318)	(237 453)	(13 402)	(8 227)	(6 234)
Provision for Taxes	(2 451 245)	(920 064)	(57 303)	(14 156)	(7 940)
Value Added	**10 490 493**	**4 416 584**	**238 837**	**48 715**	**33 689**

* measured by gross profit during the period

Payments to Government

	INFLATION-ADJUSTED				
	2021 ZW$'000	**2020 ZW$'000**	**2019 ZW$'000**	**2018 ZW$'000**	**2017 ZW$'000**
Corporate Tax – Associates	270 576	106 536	381 118	177 843	36 915
Corporate Tax – Subsidiary	2 596 446	1 218 730	514 575	280 059	223 414
Intermediate Money Transfer Tax (IMTT)	702 006	704 925	542 680	—	—
Value Added Tax (VAT)	296 676	653 455	(329 217)	178 710	225 512
Import Duty	654 527	226 000	236 812	184 484	148 406
Other Taxes	1 888 751	2 017 745	738 813	329 669	179 058
TOTAL	**6 408 982**	**4 927 391**	**2 084 781**	**1 150 765**	**813 305**

	HISTORICAL				
	2021 ZW$'000	**2020 ZW$'000**	**2019 ZW$'000**	**2018 ZW$'000**	**2017 ZW$'000**
Corporate Tax – Associates	224 161	16 520	11 195	5 224	1 084
Corporate Tax – Subsidiary	2 034 902	261 329	15 116	8 227	6 563
Intermediate Money Transfer Tax (IMTT)	581 583	109 308	15 941	—	—
Value Added Tax (VAT)	245 784	101 327	(9 671)	5 250	6 624
Import Duty	542 249	35 044	6 956	5 419	4 359
Other Taxes	1 564 754	312 879	21 702	9 684	5 260
TOTAL	**5 193 433**	**836 407**	**61 239**	**33 804**	**23 890**

Sustainability within **Each Innscor Business**

NATIONAL FOODS HOLDINGS LIMITED

National Foods is Zimbabwe's largest food manufacturer. The Company was established in 1920 and has manufacturing sites in Harare and Bulawayo from which it distributes its products throughout Zimbabwe. National Foods produces a broad range of basic foods, including maize meal, flour, rice, salt, snacks, biscuits, pasta, sugar beans, baked beans, popcorn and a full range of animal feed. The Company's iconic brands include Red Seal, Pearlenta, Gloria, Mahatma, Better Buy, ZimGold, National Foods Stockfeeds, Iris, Zapnax, KING and most recently Allegros Popticorn. Gloria and Red Seal have existed for over 100 years.

Key sustainability highlights

- Zero waste philosophy with recovering energy by using waste incinerated in National Foods' cyclonic boilers to produce the steam required for processing. This initiative allows for symbiosis with other businesses of the Group for the disposal of specific waste to be incinerated.
- New machinery which will increase production and energy efficiency will be installed at both National Foods Harare (cereal plant) and National Foods Bulawayo (flour mill).

Key annual data for National Foods

Overall Electricity per tonne of poduct	kWh/tonne	57
Target* Electricity/tonne of product	kWh/tonne	47
Overall water per tonne of product	m^3/tonne	0.75
Target water used per tonne of product	m^3/tonne	0.48
Specific Scope 1 Carbon Footprint	kgCO2e/tonne product	0.004
Specific Scope 2 Carbon Footprint	kgCO2e/tonne product	42

* Target is best performing monthly data.

Sustainability within **Each Innscor Business** (continued)

BAKER'S INN

Baker's Inn specialises in freshly baked bread out of bakeries in Harare and Bulawayo, from which the division distributes its freshly baked loaves nationwide, using Baker's Inn Logistics trucks. The bakery produces four types of loaves: Premium High Energy Brown, Premium Low GI Seed Loaf, Premium Soft White and Premium Whole Grain Loaf. At both bakeries, 80% of the bread baked is the Premium Soft White bread.

Key sustainability highlights

- New equipment has been installed at the Harare bakery, which has increased capacity and improved quality control.
- Plans to expand the Bulawayo factory are currently being considered. This will improve product efficiency and create new employment opportunities.
- Water management plans are being developed for both the Harare and Bulawayo bakeries.
- Baker's Inn employs 1 443 staff at its Harare and Bulawayo bakeries, providing economic stability to them and their families.
- The bakeries distribute off-specification bread to orphanages, old people's home, disability centres and prisons as part of their social responsibility activities.

Key annual data for Baker's Inn

		Bulawayo	Harare
Overall Electricity per tonne of product	kWh/loaf	0.0577	0.13
Target Electricity per tonne of product	kWh/loaf	0.0513	0.09
Overall Water per loaf	litres/loaf	0.280	0.823
Target Water used per loaf	litres/loaf	0.2762	0.518
Specific Scope 1 Carbon Footprint	kg CO2e/loaf	0.07	0.071
Specific Scope 2 Carbon Footprint	kgCO2e/loaf	0.04	0.097

* Target is best performing monthly data.

PROFEEDS & NUTRIMASTER

Profeeds is a leading Zimbabwean stock feed manufacturer who produces feed for poultry (both broilers and layers), cattle, pig, goat, rabbit, horse, fish feed as well as dog food. The company distributes its feed through 45 retail stores nationwide with continued expansion plans throughout Zimbabwe. The shops provide a complete agri-solution for Zimbabwe farmers with stock feed, veterinary products, equipment, implements, seed, fertilizer and other agri inputs on sale.

Nutrimaster uses latest technology to ensure effective blending of fertilisers whilst integrating all aspects of social responsibility into the design of the plant. Strategies to implement training and use of the product in the small scale and poorer communities to improve their agricultural yields are a key objective.

Key sustainability aspects

- Profeeds is planning to upgrade its production facility in early parts of 2022.
- Profeeds have developed and successfully implemented a waste management plan whereby all major waste streams generated are separated and recycled or reused.
- The company has started to follow SCORE Zimbabwe, the United Nation's International Labour Organisation (ILO)'s global programme for sustaining competitive and responsible enterprises (SCORE) to improve productivity and working conditions in small and medium enterprises (SMEs).
- Profeeds and Nutrimaster continues to provide an agri-solution for all its customers by providing training and advice to its customers as well as a one stop shopping service.
- Through farm visits and live training sessions via Facebook or masterclass videos, Profeeds continues to provide technical training, e.g. on poultry management, or on cleaning and disinfection, to its client base of small-scale farmers as well as commercial growers.

Key annual data for Profeeds

Overall Electricity per tonne of product	kWh/tonne	33.92
Target* Electricity per tonne of product	kWh/tonne	25.65
Overall water per tonne of product	litres/tonne	251.36
Target water used per tonne of product	litres/tonne	98.47
Specific Scope 1 Carbon Footprint	kg CO2e/tonne product	40.2
Specific Scope 2 Carbon Footprint	kg CO2e/tonne product	24.8

* Target is best performing monthly data.

Sustainability within **Each Innscor Business** (continued)

IRVINE'S

Irvine's is Zimbabwe's leading poultry producer and is one of the largest producers of broiler day old chicks in the country. A chicken processing plant and egg plant as well as feed mill, are all located at Derbyshire Farm. Irvine's is one of Zimbabwe's largest table egg producers.

Key sustainability highlights

- Irvine's has embarked on a water recycling project to mitigate against drought and to reduce any environmental pollution. The project will run in five phases over the next three years. Phase 1 is in progress and involves the procurement and installation of coarse and fine screens. This phase should be commissioned in the first quarter of 2022.
- Irvine's has water treatment plants to aid in reducing the water usage at its facilities.
- As part of its outgrower programme, Irvine's has 26 independent farmers who supply its processing plant with birds for slaughter.
- Through the sales of its day old chicks, Irvine's improves the lives of over 40 000 families, who have embarked on small scale chicken farming projects. These small scale farmers buy on average 100 chicks and benefit from Irvine's after-sales support and poultry management training programs.
- 65% of Irvine's employees are permanently employed, highlighting the Company's commitment and investment in its staff.
- Irvine's runs a clinic and primary school for its employees and their families at its two farms providing health and education facilities within reach. The two clinics treated 6 260 staff over the year as well as 4 418 employees' family members.
- Irvine's works with a women's cooperative by providing support in making protective clothing items for team members and repairing torn protective clothing.
- Improved specific electricity latter part of the year.

Key annual data for Irvine's

Overall Electricity per tonne of product	kWh/tonne	586
Target* Electricity per tonne of product	kWh/tonne	394
Overall Water per tonne of product	m^3/tonne	47
Target Water used per tonne of product	m^3/tonne	32
Specific Scope 1 Carbon Footprint	tonnes CO2e/tonne product	0.37
Specific Scope 2 Carbon Footprint	tonnes CO2e/tonne product	0.43

* Target is best performing monthly data.

Recycled Packaging

Sustainability within **Each Innscor Business** (continued)

COLCOM

Colcom is Zimbabwe's leading pork producer and has its abattoir and factory at the Colcom Complex in Harare. Triple C Pigs is headquartered in Norton at Grasmere Farm and has four other farms situated in various locations around the country which raise pigs for Colcom.

Key sustainability highlights

- Employs over 1 200 staff at the Colcom Complex in Harare as well as at the farms at Triple C Pigs and the four other managed farms.
- Provides education and health care for its employees' dependents working on the farms.
- Developing a waste management plan, which emphasises Colcom's commitment to the 4 R's (Reduce, Re-use, Recycle and Recover), the zero waste philosophy and Best Environmental Option (BEO) approach to managing waste with the safe and responsible disposal of residual waste is recommended. This includes chain of custody being implemented to ensure safe disposal of waste.
- Policy implementation to move over to more efficient refrigeration systems to reduce electricity consumption.
- Improvements to the effluent treatment system are being investigated to ensure compliance with the Harare City by-laws..

Key annual data for Colcom

Overall Electricity per tonne of product	kWh/tonne	911
Target* Electricity pertonne of product	kWh/tonne	724
Overall Water per tonne of product	m^3/tonne	10.7
Target Water used per tonne of product	m^3/tonne	8.48
Specific Scope 1 Carbon Footprint	tonnes CO2e/tonne product	0.33
Specific Scope 2 Carbon Footprint	tonnes CO2e/tonne product	0.67

* Target is best performing monthly data.

Sustainability within **Each Innscor Business** (continued)

AMP MEATS

AMP Meats is a holding company, which focuses on the retail and wholesale of meat products, through retail outlets branded Texas Meats, Texas Meat Market, Texas Chicken, Texas Dairy, plus an online presence as Butcher Box. Through Butcher Box, the Company also sells fish and seafood, using various local suppliers. All products are packaged at AMP Meats at its Workington factory from where they are dispatched.

Key sustainability highlights

- Solar trials for supplementary energy added to their refrigeration are currently underway.
- The business has a good working system for buying cattle from rural communities and are able to work with local farmers to improve the quality of meat through education and training.
- AMP Meats is working on using compostable packaging for its orders through the Butcher Box online retail outlet.
- The AMP Meats' factory obtained the FSSC 22000 Food Safety Management Certification, cementing AMP's commitment to providing customers and consumers with quality meat that is processed from a factory that meets global safety, hygiene and quality requirements.

Key annual data for AMP Meats

Overall Electricity per tonne of product	kWh/tonne	219
Target* Electricity per tonne of product	kWh/tonne	165.31
Overall Water per tonne of product	m^3/tonne	1.39
Target Water used per tonne of product*	m^3/tonne	0.62
Specific Scope 1 Carbon Footprint	kg CO2e/tonne product	2.46
Specific Scope 2 Carbon Footprint	kg CO2e/tonne product	160

* Target is best performing monthly data.

Sustainability within **Each Innscor Business** (continued)

PROBOTTLERS

Probottlers produces carbonated soft drinks (CSD) and cordials at a factory located in Ruwa. The company was launched in 2013 under the Bally House Crush and Cordial range, and also produces a CSD "Fizzi" as well as mixers under the St Clairs range.

Key sustainability highlights

- Great improvement of both specific energy and water usage. Achieved 36% reduction in water usage per unit product.
- During the course of the year, the specific electricity consumption per tonne of product has dropped to 0.05 kWh/litre which is exemplary.

Key annual data for Probottlers

Overall Electricity per litre of product	kWh/litre	0.043
Target Electricity per litre of product	kWh/litre	0.021
Overall Water per litre of product	Litre/litre	1.43
Target Water used per litre of product	Litre/litre	1.24
Specific Scope 1 Carbon Footprint	kg CO2e/litre	0.017
Specific Scope 2 Carbon Footprint	kg CO2e/litre	0.0315

* Target is best performing monthly data.

Sustainability within **Each Innscor Business** (continued)

PRODAIRY

Prodairy produces dairy products which include long life milk, cultured milk, dairy blend, 'maheu' under brand names such as Life, Masi and Revive. 16 dairy farms, including Mafuro Farming, supply Prodairy with milk. The company has a supplier code of good conduct and carries out audits to ensure that the farms produce top quality milk.

Key sustainability highlights

- The Environmental Management Agency (EMA) has issued Prodairy with the EIA licence to extend its plant to allow for the yoghurt plant project to be implemented.
- Prodairy has developed and documented a stakeholder matrix, which identifies and captures its needs and expectations.

Key annual data for Prodairy

Overall Electricity per m^3 of product	kWh/ m^3	71
Target Electricity per m^3 of product	kWh/ m^3	63
Overall Water per litre of product	Litres/litre	3.42
Target Water used per litre of product	Litres/litre	2.76
Specific Scope 1 Carbon Footprint	tonnes CO2e/m^3	0.09
Specific Scope 2 Carbon Footprint	tonnes CO2e/m^3	0.052

* Target is best performing monthly data.

Sustainability within **Each Innscor Business** (continued)

NATPAK

Natpak is one of Zimbabwe's key plastic packaging manufacturers, who uses state of the art technology and equipment in their manufacturing processes at three factories in Harare. Various sizes of Polyethylene terephthalate (PET) preforms, High Density Polythene (HDPE) bottles and closures for the packaging of beverage, dairy and chemical products are produced at the Rigids division factory. Woven sacks, used, for example, for maize meal, stock feed, grain, seed or fertilizer packaging, are produced at the Sacks factory. The Flexibles factory focuses on primary food packaging such as bread bags, FFS sheeting used in sugar, rice, salt, milk, etc. and pouches used in poultry packaging as well as secondary packaging such as shrink and stretch wrap film and baler bags as well as black sheeting. The printing of the plastic packaging of many of Zimbabwe's iconic brands takes place at both the Flexibles and Sacks factories, using advanced printing presses.

Key sustainability highlights

- Natpak has been audited by Coca-Cola for compliance with its Coca-Cola Supplier Guiding Principles and has passed the technical assessment for conditional supplier status.
- The company aims for zero waste and recycles non-contaminated plastic within its production cycle.
- Contaminated branded waste packaging is recycled into pellets and reused through production of black sheeting and bin liners.
- A chipping machine has been installed to crush branded composite plastic waste to chips, which are bought by small enterprises for their plastics moulding companies.
- The company is migrating to the use of electric forklifts to reduce reliance on fossil fuels and improve air quality at the factories.
- Management is also giving serious consideration to product stewardship in establishing how best to deal with the waste management of waste by consumers and is actively engaged in seeking solutions in this regard.

Key annual data for Natpak

Overall Electricity per tonne of product	kWh/tonne	966
Target* Electricity per tonne of product	kWh/tonne	726
Overall Water per tonne of product	m^3/tonne	27
Target Water used per tonne of product	m^3/tonne	23
Specific Scope 1 Carbon Footprint	kg CO2e/tonne product	9.2
Specific Scope 2 Carbon Footprint	kg CO2e/tonne product	705

* Target is best performing monthly data.

Sustainability within **Each Innscor Business** (continued)

PROVIDENCE HUMAN CAPITAL

Providence Human Capital focuses on people solutions, with a goal to be the most trusted and respected corporate services management firm, recognised by its people and clients for delivering excellence. Providence Human Capital works together with its stakeholders to create sustainable working environments.

Providence provides outsourced Payroll Services, Employee Benefits, Employee Wellness and Staffing Solutions.

Key sustainability highlights

Providence continue to provide support to the Group to deal with the COVID-19 pandemic by:

- Providing doctors, nurses and counsellors with cell phones to respond to any COVID-19 queries;
- Assigning personnel from its health, and learning & development teams to manage and coordinate issues related to the pandemic and
- Providing sessions on COVID-19 to employees, HR Practitioners and other stakeholders.

Sustainability within **Each Innscor Business** (continued)

PROVIDENCE HUMAN CAPITAL (continued)

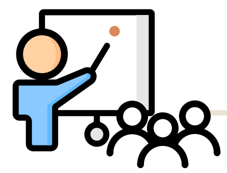
COVID-19 Pandemic Support

In response to the COVID-19 pandemic, Providence Human Capital undertook a robust awareness campaign through the dissemination of information and material to its employees.

Providence preparedness Response Program continues to include the following::

Activation of Doctors', nurses' and counsellors' cellphones to enable quick response to COVID-19 Queries.

Assignment of personnel to manage and coordinate issues related to the Pandemic.



Provision of sessions on COVID-19 to employees, HR Practitioners and other stakeholders.

Sustainability within
Each Innscor Business (continued)

PROVIDENCE HUMAN CAPITAL (continued)

Various COVID-19 response materials were shared with all its employees and stakeholders:

Counselling Services

Providence Human Capital counselling personnel continuously provided counselling services to the employees in response to the effects of the COVID-19 pandemic. The Counselling Centre has also promoted information dissemination to ensure most employees and dependents receive the necessary information and help they needed during this pandemic.

Celebrating Women Every Day

Providence Human Capital provides the Group with a platform to celebrate women every day.

Sustainable **Development Goals**

Following the Group's progress made in 2021, the Group's future initiatives are aligned towards the seven SDGs which align with the ten national priority SDGs adopted by the Government of Zimbabwe. They are the following:

SDGs	Theme	Our Business Response(s)
3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages.	• All of our staff and many of our staff families are given access to medical facilities provided either by on-site Providence Health clinics or through medical aid schemes. • The Group continued to respond to the COVID-19 pandemic and health needs with an investment of more than ZWL 161 million to keep its employees safe.
4 QUALITY EDUCATION	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	• Our internship programs and training sessions for small scale farmers and continual improvement training and courses for our staff aim to improve not only our productivity and sustainability, but ensure those in our sphere of influence are positively impacted by our operations. • Operations of our Group located in rural areas, provide assistance where possible to ensure families of staff members have access to education. • The Group aims to support a number of schools across the country by providing learning material, food donations and sporting equipment. Due to the COVID-19 pandemic, lockdown closed schools for most of the year. The Group hopes to resume supporting the various educational institutions as soon as possible in the new reporting year.
6 CLEAN WATER AND SANITATION	Ensure availability and sustainable management of water and sanitation for all.	• Clean potable water provision is a priority at all our facilities with regular inspections to ensure the health of our workers is not compromised. • Effluent monitoring and management is being performed to ensure our facilities do not contaminate clean water systems. • Reducing water usage is a key priority for the Group with regular monitoring and savings schemes being implemented wherever possible.
7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable and modern energy for all.	• Our policy is to minimise energy usage wherever possible. • Detailed monitoring and reporting systems allow the Group to develop energy savings strategies. • We aim to use the most energy efficient and newest technologies for our expansion projects with energy usage being a major contributing factor to our equipment selection.
8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	• With economic growth being key to our expansion and investment goals, we aim to improve not only the quality of life for those directly in the employment of the Group, but also through the implementation of procurement systems, improve the job quality, lifestyles and sustainability of our wider sphere of influence, also involving a progressive move to inclusive business.
15 LIFE ON LAND	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.	• Through our contract farming schemes, outgrower programmes, and training sessions run by our agricultural sections, we aim to educate and positively influence farmers to protect biodiversity wherever possible, by protecting natural woodlands, wetlands, rivers and dams.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	• The Group's corporate governance policies and procedures are designed to ensure accountability at all levels within our businesses

Business
Association Memberships

The Group through its businesses and employees is a member of the following business associations:

- Association of Meat Importers & Exporters (AMIE)
- Business Council for Sustainable Development Zimbabwe (BCSDZ)
- Commercial Farmers Union (CFU)
- Confederation of Zimbabwe Industries (CZI)
- Dairy Processors Association of Zimbabwe (DPAZ)
- Federation of Master Printers of Zimbabwe (FMPZ)
- Grain Millers Association of Zimbabwe (GMAZ)
- Groceries Manufacturers Association (GMA)
- Health Professions Authority of Zimbabwe (HPAZ)
- Livestock Identification Trust (LIT)
- Livestock Meat Advisory Council (LMAC)
- National Bakers Association of Zimbabwe (NBAZ)
- Pig Producers' Association of Zimbabwe (PPAZ)
- Stockfeed Manufacturers Association (SMA)
- Zimbabwe Abattoir Association (ZBA)
- Zimbabwe Association of Dairy Farmers (ZADF)
- Zimbabwe Business Council on Wellness (ZBCW)
- Zimbabwe Dairy Industry Trust (ZDIT)
- Zimbabwe Halaal Association (ZHA)
- Zimbabwe Institution of Engineers (ZIA)
- Zimbabwe Institute of Occupational Safety and Health (ZIOSH)
- Zimbabwe National Chamber of Commerce (ZNCC)
- Zimbabwe Poultry Association (ZPA)
- Zimbabwe Quality Assured Pork (ZQAP)

STANDARDS & CERTIFICATIONS

We act according to values and standards prescribed in our business value chain to deliver high quality products and services. We strive to uphold national laws and regulations while taking into account global best practices and standards. Some of the Group companies follow or are certified for the following international and local standards:

Management Systems
- ISO 9001 Quality Management System
- ISO 14 0001 Environmental Management System
- ISO 22 000 Food Safety Management System
- ISO 17 025 Management System for general requirements for the competence of testing and calibration laboratories
- FSSC 22 000 Food Safety Management System, recognized by the GFSI (Global Food Safety Initiative)
- ISO 45 000 Occupational Health & Safety

Health
- International Labour Standards on Occupational Safety & Health – ILO-OSH
- Health Professions Authority of Zimbabwe (HPA)
- Ministry of Health Certification
- National Social Security Authority (NSSA) Factory Licence
- City of Harare – City Health License
- Ruwa Local Board – Health Registration Certificate

Agriculture
- Agricultural Marketing Authority (AMA)
- Ministry of Agriculture Certification
- Environmental Management Agency (EMA) Licence

Individual **Business Awards**

Head Office
- Buy Zimbabwe – Best Company of the Decade (Winner)

National Foods
- CSR Network Zimbabwe – Top Charitable Organisation of the Year
- The Institute of Public Relations & Communication Zimbabwe – Best Campaign: Corporate Social Responsibility (Winner)
- The Institute of Public Relations & Communication Zimbabwe: Public Relations & Communication Campaign of the Year (Winner)

Superbrand Awards
- Best Radio Advert - Pearlenta
- NutriActive Instant Porridge (Winner)
- FMCG Grains Sectorial Award - Red Seal Roller Meal (Winner)
- Overall Business to Business - Gloria (2nd Runner up)
- FMCG Grains Sectorial - Mahatma Rice (2nd Runner up)
- Overall Business to Consumer - Gloria (10th position)
- Top 200 Brands - Red Seal Roller Meal (14th position)

MAZ Exceptional Marketing Awards
- Best Radio Advert - Pearlenta NutriActive Instant Porridge (Winner)
- Best Outdoor Campaign - Allegros Popticorn (Winner)
- Executive Marketer of the Year - Lawrence Kutinyu (Winner)
- Marketing Oriented CEO of the Year - Mike Lashbrook (1st Runner up)
- Brand Manager of the Year - Theodora Kadzinga (1st Runner up)
- New Product/Innovation of the Year - Allegros Popticorn (1st Runner up)

Bakeries
- FMCG Bakery Sector for Superbrand 2020 (Winner)
- Superbrand of the Year – Business to Consumer (2nd position) Category

AMP
- Confederation of Zimbabwe Retailers - Butchery of Year 2020
- Confederation of Zimbabwe Retailers - Top 100 Suppliers of the Year 2020
- Confederation of Zimbabwe Retailers - Outstanding Store Design 2020

Irvine's
- Zimtrade Exporters Award – Agriculture Inputs Sector
- CSR Network Zimbabwe – Top Charitable Organisation of the Year Award

Profeeds
- Profeeds was the overall winner for the MAZ Superbrand 2020 Livestock sector

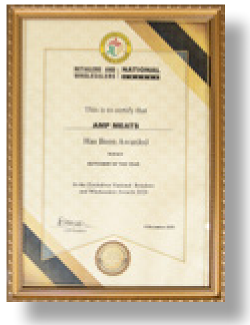
Probrands
- Zimbabwe National Environmental Responsible Business & CSR AWARDS 2020 – Excellence in Community Empowerment TOP COVID-19 Fight Supporting Organisation Award
- Marketing Association of Zimbabwe (MAZ) (1st Runner up in the FMCG fast food sector Superbrand 2020)
- TM Pick 'n' Pay Awards – Supplier of the Year
- MAZ- 10th position, Brand of the Year 2020 (10th position)
- Buy Zimbabwe – Chairman's Special Recognition of The Decade Award

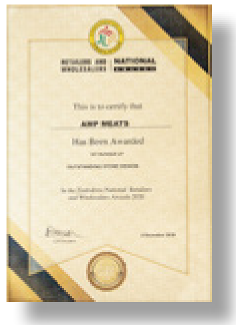
Probottlers
- MAZ- Beverage Sector

Individual **Business Awards** (continued)










Annual **Financial Statements**

for the year ended 30 June 2021

Directors' Responsibility and Approval of Financial Statements

The Directors of Innscor Africa Limited ("the Company"/"the Group"/"Innscor") are required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) to maintain adequate accounting records and to prepare consolidated financial statements that present a true and fair view of the state of affairs of the Company and the Group at the end of each financial year and of the profit and cash flows for the period. In preparing the accompanying financial statements, generally accepted accounting practices have been followed. Suitable accounting policies have been used and consistently applied, as well, reasonable and prudent judgements and estimates have been made.

The principal accounting policies of the Group are consistent with those applied in the previous year and conform to International Financial Reporting Standards ("IFRS"), and all applicable amendments to IFRS.

The Directors have satisfied themselves that the Group is in a sound financial position and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements.

The Board recognises and acknowledges its responsibility for the Group's systems of internal financial control. Innscor maintains internal controls and systems that are designed to safeguard the assets of the Group prevent and detect errors and fraud and ensure the completeness and accuracy of the Group's records. The Group's Audit and Risk Committee has met the external auditors to discuss their reports and the results of their work which includes assessments of the relative strengths and weaknesses of key control areas. In a growing Group of the size, complexity and diversity of Innscor it may be expected that occasional breakdowns in established control procedures may occur; any such breakdowns have been reported to the Group's Audit and Risk Committee and the Board.

The consolidated annual inflation-adjusted financial statements for the year ended 30 June 2021, which appear on **page 120 to 214** have been approved by the Board of Directors and are signed on its behalf by:

A B C CHINAKE
Independent, Non-Executive Chairman
Harare
27 September 2021

G GWAINDA
Executive Director
CA (Z)
Registered Public Accountant

Company Secretary's Certification

I certify that, to the best of my knowledge and belief, the Group has lodged with the Registrar of Companies all such returns as are required to be lodged by a Public entity in terms of the Companies and Other Business Entities Act (Chapter 24:31), and all such returns are true, correct and up to date.

A D LORIMER
Company Secretary
Harare
27 September 2021

Report of Directors

The Directors have the pleasure in presenting their report together with the audited consolidated inflation-adjusted financial statements, ("financial statements") of the Group for the year ended 30 June 2021. The numbers presented in this Report of Directors are all adjusted for inflation as per the requirements of IAS 29 (Reporting in Hyperinflationary Economies).

Share Capital

At 30 June 2021 the authorised share capital of the Company comprised of 800 000 000 ordinary shares of ZW$0.01 (one cent) each and 1 000 Non-Voting Class "A" ordinary shares of ZW$0.01 (one cent) each. The issued share capital was at ZW$261 121 078 (2020: ZW$261 052 011), (Historical: ZW$5 698 764, 2020: ZW$5 647 764) divided into 569 876 450 ordinary shares (2020: 564 776 450) of ZW$45.82 cents (2020: ZW$46.22), (Historical: ZW$0.01) each and 1 000 Non-Voting Class "A" ordinary shares of ZW$46.22 (Historical: ZW$0.01) each.

Dividends

Ordinary shares

The Board declared a final dividend of ZW$180 cents per share (2020: ZW$129.75 cents), [Historical: ZW$180 cents per share (2020: ZW$100 cents)] and an interim dividend of ZW$117.18 cents per share (2020: ZW$43.03 cents), [Historical: ZW$110 cents per share (2020: ZW$13.73 cents)]. This brings the total dividend in respect of the 2021 financial year to ZW$297.18 cents per share (2020: ZW$172.76 cents), [Historical: ZW$290 cents per share (2020: ZW$113.73 cents)].

Non-voting class "A" ordinary shares

The Board declared a final dividend of ZW$51 000 000 (2020: ZW$36 589 868) [Historical: ZW$51 000 000, (2020: ZW$28 200 000)] and an interim dividend of ZW$33 022 061 (2020: ZW$16 223 178) [Historical: ZW$31 000 000 (2020: ZW$3 877 734)] to Innscor Africa Employee Share Trust (Private) Limited. This brings the total dividend in respect of the 2021 financial year to ZW$84 022 061 (2020: ZW$52 813 016)] [Historical: ZW$82 000 000 (2020: ZW$32 077 734)].

Directors and their Interests

In terms of the Company's Articles of Association, Messrs A B C Chinake and Z Koudounaris retire from office by rotation at the Company's Annual General Meeting of Shareholders on 3 December 2021 and being eligible offer themselves for re-election as Directors. The beneficial interests of the Directors in the shares of the Company are disclosed in **note 24.4** of the financial statements.

Directors' Fees

Members will be asked to approve the payments of Directors' fees in respect of the year ended 30 June 2021 as well as fees in respect of other services provided by Directors during the year.

Auditors

Members will be asked to approve the remuneration of the auditors for the financial year ended 30 June 2021 and to reappoint Deloitte & Touche as auditors of the Company to hold office for the ensuing year.

For and on behalf of the Board.

A B C CHINAKE
Independent, Non-Executive Chairman
Harare
27 September 2021

G GWAINDA
Executive Director
CA (Z)
Registered Public Accountant

PO Box 267
Harare
Zimbabwe

Deloitte & Touche
Registered Auditors
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INNSCOR AFRICA LIMITED

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS

Qualified opinion

We have audited the inflation-adjusted consolidated financial statements of Innscor Africa Limited (the "Company") and its subsidiaries (together, "the Group"), set out on pages 120 to 214, which comprise the inflation-adjusted consolidated statement of financial position as at 30 June 2021, and the inflation-adjusted consolidated statement of profit or loss and other comprehensive income, the inflation-adjusted consolidated statement of changes in equity and the inflation-adjusted consolidated statement of cash flows for the year then ended, and the notes to the inflation-adjusted consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying inflation-adjusted consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs"), and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

Basis for Qualified Opinion

Our basis for qualified opinion has been arrived at after consideration of the following matters:

1. ***Impact of adverse opinion on prior year audited consolidated inflation-adjusted financial statements and the carry over effects in the current year inflation-adjusted consolidated financial statements***

i. *Accounting for blocked funds*

Included within the prior year financial assets are local funds deposits amounting to ZW$5 133 811 placed by the Company and its local subsidiaries namely National Foods Holdings Limited, Irvine's Zimbabwe (Private) Limited and Probottlers (Private) Limited, with the Reserve Bank of Zimbabwe ("RBZ") in pursuance of the registration of foreign currency denominated liabilities at the date of functional currency change on 22 February 2019 as required by policy pronouncements and undertakings by RBZ. The deposits in local currency were inappropriately recognised as a monetary financial asset in the prior period. For the year ended 30 June 2021, the Group was able to satisfy the recognition criteria of the deposits to the RBZ as a monetary statutory receivable. The deposits in local currency, held with the RBZ, were inappropriately treated as foreign denominated derivative financial asset and translated at the Group's closing ZW$/USD exchange rate in contravention of International Accounting Standard (IAS) 21 – The Effects of Changes In Exchange rates which defines foreign currency as a currency other than the functional currency of the Group. This resulted in an overstatement on the current assets and financial income by ZW$699 481 151 (2020 balance uplifted to current year).

For the year ended 30 June 2021, the Group was able to satisfy the recognition criteria of the deposits to the RBZ as a monetary statutory receivable. The statutory receivable was appropriately accounted for under the requirements of IAS 21. Due to the fact that the recognition criteria and accounting treatment was not appropriate for the year ended 30 June 2020, our opinion on the current year inflation-adjusted consolidated financial statements is modified because of the misstatement to the financial assets and financial income in the comparative financial information and the resulting carry-over impact to the movements in the financial income and monetary adjustment in the current year inflation-adjusted statement of profit or loss and other comprehensive income.

MAKING AN IMPACT THAT MATTERS since 1845

Basis for Qualified Opinion (continued)

2. ***Incomplete application of IAS 1 (Presentation of financial statements) disclosures on restated comparative financial information***

The Group applied the United States Dollar ("USD") as its functional and reporting currency for the period 1 July 2018 to 22 February 2019 and the Real Time Gross Settlement Dollar ("RTGS$") or Zimbabwe Dollar ("ZW$") for the period 23 February 2019 to 30 June 2019, in order to comply with Statutory Instrument 33 of 2019 ("SI 33/2019"), issued on 22 February 2019. In addition, to comply with SI 33/2019, the Group changed its functional and presentation currency with effect from 23 February 2019. Under IAS 21, the change in functional currency should have occurred from 1 October 2018, based on the significance of the monetary and exchange control policy changes that occurred between 2016 and 2019.

As a result of this incorrect date of change in functional currency, the inflation adjusted corresponding figures for the year ended 30 June 2019 were misstated, and opening balances for the year ended 30 June 2020 were also similarly misstated, with a consequential impact on reported financial performance and position for the year ended 30 June 2020. Furthermore, the incorrect date of change in functional currency also impacted the accuracy of the hyperinflation restatements required under IAS 29 'Financial Reporting in Hyperinflationary Economies'. This resulted in the adverse audit opinion in the prior years.

The Group resolved to correct the inconsistencies arising due to the decision to apply the requirements of IAS 21 and IAS 29 from 22 February 2019 as opposed to 1 October 2018 as would have been required to comply with International Financial Reporting Standards ("IFRS"). This was applied by restating the prior year financial statements as further described in Note 2.5. Whilst the cumulative impact from the first opening statement of financial position as of 1 July 2019 was corrected, the third statement of financial position as at 30 June 2019 was not presented as required by the IAS 1 -Presentation of Financial Statements. This results in a modification as a result of non-compliance with the presentation requirements.

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Inflation-adjusted Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Matter

The financial statements of the Group for the year ended 30 June 2020, were audited by another auditor who expressed an adverse opinion on those statements on 25 September 2020.

The adverse opinion was in part based on the Group's inability to establish observable market wide exchange rates that meet the requirements of IAS 21 at the time.

During the current year, management reassessed its ability to establish an observable market wide exchange rate for both the year ended 30 June 2020 and 30 June 2021. We reassessed the specific item as basis for the adverse audit opinion being "Exchange rates used (Non-compliance with IAS 21 by the Company and its local subsidiaries with ZW$ as their functional currency) on the 2020 financial statements and concluded that the Group was subsequently able to establish observable market wide exchange rates. Consequently there was no further impact on the audit opinion for the year ended 30 June 2021.

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the inflation-adjusted financial statements of the current period. These matters were addressed in the context of our audit of the inflation-adjusted consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section of our report, we have determined the matters described below to be the key audit matters.

Key audit matter	How the matter was addressed in the audit
1. Valuation of Biological Assets	
As disclosed in note 5 biological assets are recognised at fair value. Biological assets of the Group include cattle, pigs, birds and hatching eggs, and fair value is determined with reference to the average theoretical life spans for the various categories of biological assets and available market prices. Valuation of biological assets was considered a key audit matter due to the judgements involved in determination of the assumptions used to come up with the fair values and the accuracy of the inputs used in the model. The related disclosures for the fair valuation of biological assets are included in note 19 of the inflation adjusted consolidated financial statements.	In addressing the key audit matter, we performed the following procedures: • Tested the design and implementation of controls around the valuation of biological assets; • Assessed the fair valuation process adopted by management for conformity with the requirements of International Financial Reporting Standards, specifically International Accounting Standard ("IAS") 41: Agriculture; • Substantively tested key data inputs underpinning the carrying amount of biological assets; • Evaluated the reasonableness of management's assumptions with reference to the economic environment, related industry norms and other relevant factors/ considerations; • Assessed the consistency of application of the valuation model compared with prior year; • Re-performed the valuation process using management's model; • Performed sensitivity analysis on key valuation inputs; and • Assessed the appropriateness of the disclosures for biological assets. We assessed the valuation methodologies applied to be appropriate. The related disclosures were also appropriate.
2. Estimation of exchange rates for use in translating foreign currency balances and transactions – Compliance with IAS 21 'The Effects of Changes in Exchange Rates	
The Group's functional currency is the Zimbabwe dollar, and the Group undertakes a number of direct and indirect foreign currency denominated transactions that subsequently also give rise to foreign currency denominated balances. The legally recognised exchange rate for the translation of these foreign currency denominated transactions and balances is the RBZ Foreign Currency Auction exchange rate. However, because the Group is unable to access its full foreign currency requirements from the RBZ Foreign Currency Auction, it is faced with a long-term lack of exchangeability.	Our testing was focused on the areas of judgement applied by management in determining the internal spot exchange rates. Procedures performed included the following: • Obtained an understanding of the Group's specific circumstances leading to a lack of exchangeability; • Obtained an understanding of the process by which the Group determines its estimates of spot exchange rates; • Evaluated the design and tested the implementation of relevant controls over the Group's processes for the estimation of its spot exchange rates; • Tested the completeness and accuracy of the model and inputs into the estimation of exchange rates; • Tested the accuracy of the application of exchange rates to the translation of foreign currency denominated transactions and balances; and • Reviewed the financial statements for adequacy of disclosures.

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Key audit matter	How the matter was addressed in the audit
2. Estimation of exchange rates for use in translating foreign currency balances and transactions – Compliance with IAS 21 'The Effects of Changes in Exchange Rates	
Under these circumstances, the requirements of IAS 21 prescribe that the spot exchange rates be estimated based on exchange rates arising from the actual means by which the Group is practically able to access its foreign currency requirements. The determination of the spot rate has been assessed to be key audit matter due to the judgement involved. Related disclosures are included note 2.4 of the inflation adjusted consolidated financial statements.	Overall, we concluded that the accounting treatment and disclosures made are appropriate and in accordance with the requirements of IAS 21.
3. Accounting for Legacy Debt	
The Group has an amount of ZW$5 133 181 that was deposited in the previous year as a cash cover with its bankers, in line with the Reserve Bank of Zimbabwe's ('RBZ') directives [RU 28/2019 (28 February 2019), RU 102/2019 (25 June 2019)] and circulars [Circular No. 8 of 2019 (24 July 2019)] related to the legacy debts frameworks. The Group is yet to receive the USD equivalent amount, either in whole or in part, for the cash cover deposited, and neither does it have a specific written contractual agreement with the RBZ that is legally enforceable with respect to the RBZ honouring the arrangement. The balance outstanding for the cash cover as at 30 June 2021 was ZWL$3 783 811. The accounting of the legacy debt has been considered a key audit matter. Related disclosures are included note 2.6 of the inflation adjusted consolidated financial statements.	In addressing the key audit matter, we performed the following procedures: • Reviewed the relevant Statutory Instruments and Exchange Control Directives issued by the RBZ in respect of legacy debts to establish their applicability to, and implications on the Group; • Re-assessed our understanding of the RBZ legacy debts framework to determine the extent to which reporting entities have a legally enforceable right against the RBZ for delivery of USD against the ZW$ cash cover deposits made; • Consulted with our technical experts regarding the appropriate accounting treatment for the Legacy Debt; and • Assessed the Innscor Africa Limited accounting treatment for compliance with the International Financial Reporting Standards. For the year ended 30 June 2021, the accounting of the legacy debt was assessed to be appropriate.

Other Information

The Directors are responsible for the other information. The other information includes the 'Report of the Directors', the 'Statement of Directors' Responsibility' and the historical financial information (but does not include the inflation-adjusted consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of our auditor's report. The other information also comprises the additional information included in the document titled "Innscor Africa Limited Annual Report for the year ended 30 June 2021", which we received after the date of issuing our auditor's report.

Our opinion on the inflation-adjusted consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the inflation-adjusted consolidated statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation-adjusted consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Responsibilities of the Directors for the Inflation-adjusted Consolidated Financial Statements

The Directors are responsible for the preparation and fair presentation of the inflation-adjusted consolidated financial statements in accordance with IFRSs, the Companies and Other Business Entities Act (Chapter 24:31), and for such internal control as the Directors determine is necessary to enable the preparation of inflation-adjusted financial consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the inflation-adjusted consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting processes.

Auditor's Responsibilities for the Audit of the Inflation-adjusted Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the inflation-adjusted consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the inflation-adjusted consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the inflation-adjusted consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the inflation-adjusted consolidated financial statements, including the disclosures, and whether the inflation-adjusted consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the inflation-adjusted consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INNSCOR AFRICA LIMITED

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Auditor's Responsibilities for the Audit of the Inflation-adjusted Consolidated Financial Statements

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the inflation-adjusted consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

In fulfilment of the requirements of Section 193 of the Companies and Other Business Entities Act (Chapter 24:31) ("the Act"), we report to the shareholders as follows:

Section 193(1)(a)

Except for the matters described in the Basis for Qualified Opinion section of our report, the inflation-adjusted consolidated financial statements of the Group are properly drawn up in accordance with the Act and give a true and fair view of the state of the Group's affairs as at 30 June 2021.

Section 193(2)

We have no matters to report in respect of the Section 193(2) requirements of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Brian Mabiza.

Deloitte & Touche

DELOITTE & TOUCHE
CHARTERED ACCOUNTANTS (ZIMBABWE)
Per Brian Mabiza
Partner
(PAAB Practice Certificate 0447)
Harare, Zimbabwe

Date: 30 September 2021

Group Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2021

		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
Revenue	8	66 909 149	49 467 329	56 485 603	11 159 427
Cost of sales	20.1	(42 257 951)	(29 051 364)	(31 352 790)	(4 756 675)
Gross profit		**24 651 198**	**20 415 965**	**25 132 813**	**6 402 752**
other trading income	9.1	691 160	314 360	606 727	71 892
operating expenses	10.1	(16 754 149)	(13 243 457)	(14 359 699)	(3 065 473)
Operating profit before depreciation, amortisation and fair value adjustments		**8 588 209**	**7 486 868**	**11 379 841**	**3 409 171**
financial income	9.2	777 589	801 706	645 211	397 287
depreciation & amortisation	10.4	(1 141 268)	(1 081 768)	(182 305)	(82 410)
fair value adjustments - listed equities	18.1	(708 667)	345 745	106 046	696 453
fair value adjustments - biological assets	19.4	(1 059 571)	(63 667)	396 135	282 601
Operating profit before interest and tax		**6 456 292**	**7 488 884**	**12 344 928**	**4 703 102**
interest income	11.1	150 043	73 105	131 558	12 584
interest expense	11.2	(1 614 187)	(1 031 263)	(1 415 319)	(237 453)
equity accounted earnings	16	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	12	(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					
exchange differences arising on 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 interests	26	11 749	133 069	11 749	133 069
Other comprehensive income for the year, 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	25	2 751 840	4 850 969	7 144 165	3 064 586
non-controlling interests	26	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**
Basic earnings per share (cents)	6	**486.63**	**865.06**	**1 263.36**	**546.50**
Headline earnings per share (cents)	6	**482.39**	**866.28**	**1 257.42**	**546.34**
Diluted basic earnings per share (cents)	6	**481.61**	**852.36**	**1 250.32**	**538.47**
Diluted headline earnings per share (cents)	6	**477.42**	**853.56**	**1 244.45**	**538.32**

Group Statement of Financial Position

as at 30 June 2021

		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	13	12 678 621	9 917 436	4 412 453	943 670
right-of use-assets	14	716 024	489 096	300 764	43 274
intangible assets	15	1 938 131	1 925 334	51 233	41 370
investments in associates	16	8 103 649	5 456 548	4 459 909	2 120 352
other assets	18	1 347 539	2 515 597	1 268 162	1 180 363
deferred tax assets	27	—	—	92 320	—
biological assets	19.1	242 625	215 691	225 411	104 378
		25 026 589	**20 519 702**	**10 810 252**	**4 433 407**
Current assets					
biological assets	19.2	2 022 092	2 155 704	1 672 688	561 641
inventories	20	8 477 380	8 586 963	8 331 456	3 328 048
trade and other receivables	21	8 738 326	5 596 838	8 650 159	2 555 253
cash and cash equivalents	22.5	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	23	—	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	24.2	261 121	261 052	5 699	5 648
share premium	24.2	873 785	843 631	25 892	20 358
other reserves	25.2	1 924 223	1 475 761	2 683 984	2 056 538
distributable reserves	25	17 616 451	16 309 884	9 470 981	3 575 773
attributable to equity of the parent		**20 675 580**	**18 890 328**	**12 186 556**	**5 658 317**
non-controlling interests	26	8 532 296	7 784 246	4 230 431	1 664 099
Total equity		**29 207 876**	**26 674 574**	**16 416 987**	**7 322 416**
Non-current liabilities					
deferred tax liabilities	27	2 155 269	2 576 403	146 326	215 964
lease liability	28	248 208	101 338	248 208	49 040
interest-bearing borrowings	29	585 579	90 188	585 579	43 644
		2 989 056	**2 767 929**	**980 113**	**308 648**
Current liabilities					
lease liability	28	88 760	33 091	88 760	16 014
interest-bearing borrowings	29	5 973 779	2 509 663	5 973 779	1 214 485
trade and other payables	30	8 946 349	6 849 320	8 946 349	3 477 471
provisions	31	220 309	133 305	220 309	64 510
current tax liabilities	32	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**

A B C CHINAKE
Independent, Non-Executive Chairman
Harare
27 September 2021

G GWAINDA
Executive Director
CA (Z)
Registered Public Accountant

Group Statement of Changes in Equity

for the year ended 30 June 2021

	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
		Attributable to equity holders of the parent											
				Other Reserves									
INFLATION-ADJUSTED													
Balances at 30 June 2019 - Audited: Restated		**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**
Profit for the year	**25 & 26**	—	—	—	—	—	—	—	—	4 850 969	4 850 969	2 572 090	7 423 059
Other comprehensive income	**25.1**	—	—	—	1 955 681	—	—	—	1 955 681	—	1 955 681	133 069	2 088 750
Issue of shares	**24.2**	273	13 785	—	—	—	—	(40 468)	(40 468)	—	(26 410)	—	(26 410)
Dividends paid	**7**	—	—	—	—	—	—	—	—	(532 466)	(532 466)	(354 742)	(887 208)
Transactions with owners in their capacity as owners	**26**	—	—	—	—	—	—	—	—	—	—	(199)	(199)
Share-based payment charge	**24.3**	—	—	—	—	—	—	8 862	8 862	—	8 862	—	8 862
Balances at 30 June 2020 - Audited: Restated		**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**
Profit for the year	**25 & 26**	—	—	—	—	—	—	—	—	2 751 840	2 751 840	1 645 325	4 397 165
Other comprehensive income	**25.1**	—	—	—	1 004 562	—	—	—	1 004 562	—	1 004 562	11 749	1 016 311
Issue of shares	**24.2**	69	30 154	—	—	—	—	(25 151)	(25 151)	—	5 072	—	5 072
Dividends paid	**7**	—	—	—	—	—	—	—	—	(1 445 273)	(1 445 273)	(927 871)	(2 373 144)
Transactions with owners in their capacity as owners	**26**	—	—	(403 550)	—	—	(128 853)	—	(532 403)	—	(532 403)	18 847	(513 556)
Share-based payment charge	**24.3**	—	—	—	—	—	—	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: SUPPLEMENTARY													
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**
Profit for the year	**25**	—	—	—	—	—	—	—	—	3 064 586	3 064 586	1 351 997	4 416 583
Other comprehensive income	**25.1**	—	—	—	1 955 681	—	—	—	1 955 681	—	1 955 681	133 069	2 088 750
Issue of shares	**24.2**	51	2 546	—	—	—	—	(1 084)	(1 084)	—	1 513	—	1 513
Dividends paid	**7**	—	—	—	—	—	—	—	—	(127 272)	(127 272)	(97 032)	(224 304)
Change in functional currency reserve realised	**25**	—	—	—	—	(274 695)	—	—	(274 695)	273 689	(1 006)	—	(1 006)
Transactions with owners in their capacity as owners	**25**	—	—	—	—	—	—	—	—	—	—	(96)	(96)
Share-based payment charge	**24.3**	—	—	—	—	—	—	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**
Profit for the year	**25**	—	—	—	—	—	—	—	—	7 144 165	7 144 165	3 346 328	10 490 493
Other comprehensive income	**25.1**	—	—	—	1 004 562	—	—	—	1 004 562	—	1 004 562	11 749	1 016 311
Issue of shares	**24**	51	5 534	—	—	—	—	(1 892)	(1 892)	—	3 693	—	3 693
Dividends paid	**7**	—	—	—	—	—	—	—	—	(1 248 957)	(1 248 957)	(809 249)	(2 058 206)
Transactions with owners in their capacity as owners	**26**	—	—	(264 676)	—	—	(111 730)	—	(376 406)	—	(376 406)	17 504	(358 902)
Share-based payment charge	**24.3**	—	—	—	—	—	—	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**

Group Statement of Cash Flows

for the year ended 30 June 2021

		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
Cash generated from operating activities	22.1	8 638 754	951 943	5 865 822	949 422
interest income	11.1	150 043	73 105	131 558	12 584
interest expense	11.2	(1 614 187)	(1 031 263)	(1 415 319)	(237 453)
taxes paid	32	(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	22.2	**(3 828 677)**	**(1 500 589)**	**(3 642 598)**	**(291 447)**
Net cashflows before financing		**749 487**	**(2 725 534)**	**(1 095 439)**	**171 777**
Financing activities		**3 638 660**	**2 515 181**	**2 652 845**	**813 931**
issue of shares	24.2	69	273	51	51
share premium	24.2	30 154	13 785	5 534	2 546
dividends paid by holding company	7.1	(1 445 273)	(532 466)	(1 248 957)	(127 272)
dividends paid by subsidiaries to non-controlling interests'	7.2	(927 871)	(354 742)	(809 249)	(97 032)
drawdowns on borrowings	29.2	6 887 587	6 902 677	5 409 810	1 480 125
repayment of borrowings	29.2	(699 516)	(3 447 050)	(549 430)	(428 971)
lease payments		(117 187)	(67 769)	(74 248)	(15 618)
purchase of treasury shares	25.1	(128 853)	—	(111 730)	—
cash received from non-controlling interests'	26.1	39 550	473	31 064	102
Net increase/(decrease) in cash and cash equivalents before effects of foreign currency translation on cash and cash equivalents	22.5	**4 388 147**	**(210 353)**	**1 557 406**	**985 708**
Effects of foreign currency translation to cash and cash equivalents - foreign operations	22.5	**(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	22.5	**3 303 632**	**2 400 966**	**2 125 956**	**146 106**
Cash and cash equivalents at the end of the year	22.5	**4 389 036**	**3 303 632**	**4 389 036**	**2 125 956**

Notes to the Financial Statements

for the year ended 30 June 2021

1 Corporate information

Innscor Africa Limited, ("Innscor"/"the Group") is a limited liability company incorporated and domiciled in Zimbabwe whose shares are publicly traded on the Zimbabwe Stock Exchange. The principal activities of the Group include that of the light manufacturing of fast moving and durable consumer goods.

2 Statement of compliance

The Group's consolidated annual inflation-adjusted financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) promulgated by the International Accounting Standards Board (IASB) as issued by the International Financial Reporting Interpretations Committee, ("IFRIC") and adopted by the Public Accountants and Auditors Board ("PAAB"), a Board that is constituted under the Public Accountants and Auditors Act (Chapter 27:12) and the Companies and Other Business Entities Act ("Chapter 24:31").

2.1 Going concern

The Directors have satisfied themselves that the Group is in a sound financial position and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they are satisfied that it is appropriate to adopt the going concern basis in preparing the consolidated annual inflation-adjusted financial statements.

2.2 Basis of preparation

The PAAB pronounced on 11 October 2019 that the Zimbabwean economy was now trading under hyperinflationary conditions from 1 July 2019. The Directors have applied the requirements of IAS 29 in preparing these financial statements. The Group consolidated annual 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 IAS 29 the historical 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$"); and all values are rounded to the nearest thousand except where otherwise indicated.

The principal accounting policies applied in the preparation of the Group consolidated annual 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.

2.3 IAS 21 ("Effects of Changes in Exchange Rates")

As noted in the Group's 2019 consolidated annual inflation-adjusted financial statements, the Government 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 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 arising from the change in functional currency and the distortions from the requirements to comply with statutory pronouncements and IFRS, which have carry-over effects 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 consolidated inflation-adjusted financial statements.

Following the promulgation of SI185/20 which permitted the use of foreign currencies for domestic transactions and the introduction of the foreign currency trading system ("Foreign Exchange Auction System"), 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. 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 accordance with IAS 21.

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

2 Statement of compliance (continued)

2.4 IAS 29 ("Financial Reporting in Hyperinflationary Economies")

IAS 29 requires restatement of the financial statements of an entity whose reporting and presentation currency is a currency of a hyperinflationary environment. Under this standard, financial statements prepared in a currency of a hyperinflationary economy should be stated in terms of a measuring unit current at the reporting date and the corresponding figures for the prior periods should also be stated in terms of the same measuring unit. The standard lists the characteristics of hyperinflationary economic environment as: when the population prefers to keep its wealth in non-monetary assets and regards monetary amounts in terms of a relative stable foreign currency, sales are at prices that compensate for expected loss of purchasing power; and cumulative inflation rate over three years is approaching or exceeding 100%.

In line with the PAAB announcement on 11 October 2019, that the Zimbabwean economy was now trading under hyperinflationary conditions from 1 July 2019, the Directors have applied the requirements of IAS 29 as issued by the IASB in preparing these consolidated annual inflation-adjusted financial statements. The consolidated inflation-adjusted financial statements have been drawn up using the conversion factors derived from the consumer price index "CPI" prepared and issued by the Zimbabwe Central Statistical Office. The inflation adjusted financial statements which form the primary financial statements of the Group and on which the audit opinion has been based, have been presented together with the historical numbers. The historical numbers are presented as supplementary information only and should only be used as supplementary information only.

In accordance with IAS 29 monetary assets and liabilities and non-monetary assets and liabilities carried at fair value have not been restated and are presented at the measuring unit current at the end of the reporting period. Items recognised in the income statement have been restated by applying the change in CPI 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's consolidated annual inflation-adjusted financial statements have been restated to reflect the change in the CPI to the end of the reporting period. All items in the statement of cash flows are expressed based on the restated financial information for the period.

The conversion factors used to restate the financial statements are as follows:

	Consumer Price Index	Conversion Factor
30 June 2021	2 986.44	1.000
30 June 2020	1 958.72	2.066
Average for the year ended - June 2021	2 514.23	1.207
Average for the year ended - June 2020	640.38	6.449

2.5 Comparative financial information

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 consolidated inflation-adjusted numbers is as summarised below:

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

2 Statement of compliance (continued)

2.5 Comparative financial information (continued)

	30 June 2020 Restated @ 30 June 2018 ZW$'000	Impact of change of date of application ZW$'000	30 June 2020 Restated @1 October 2018 ZW$'000
ASSETS			
property, plant and equipment	10 281 369	(363 933)	9 917 436
intangible assets	1 971 468	(46 134)	1 925 334
investments in associates	5 486 317	(29 769)	5 456 548
Total Assets	**17 739 154**	**(439 836)**	**17 299 318**
Capital and reserves			
ordinary share capital	267 301	(6 249)	261 052
share premium	863 515	(19 884)	843 631
other reserves	3 877 229	(2 401 468)	1 475 761
distributable reserves	14 091 325	2 218 560	16 309 885
non-controlling interest	7 925 076	(140 831)	7 784 245
Total equity	**27 024 446**	**(349 872)**	**26 674 574**
Non-current liabilities			
deferred tax liabilities	2 666 366	(89 964)	2 576 402
Total equity and liabilities	**29 690 812**	**(439 836)**	**29 250 976**

The Group's comparative financial information has been restated in accordance with IAS 29 and IAS 21. As highlighted in **note 2.3** above, the comparative figures should be used with caution due to the material and pervasive impact of the technicalities brought about by the change in functional and presentation currency, and the consequential impact on the usefulness of financial statements of companies reporting in Zimbabwe.

2.6 Legacy Debts

As reported in the previous year's financial statements, the Group has foreign legacy liabilities 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 at 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 liabilities have been accounted for at the closing rate of exchange at 30 June 2021 in line with IAS 21 whilst the deposits with the RBZ have been accounted for as statutory receivables at the same closing exchange rate.

The following exchange gains/(losses) and revaluation gains have been recorded in the statement of profit and loss in respect of this statutory receivable.

		INFLATION-ADJUSTED		HISTORICAL	
	Note	30 June 2021 Audited ZW$'000	30 June 2020 Audited ZW$'000	30 June 2021 Supplementary ZW$'000	30 June 2020 Supplementary ZW$'000
Gain on revaluation of statutory receivables		127 895	944 176	127 895	456 909
Impairment loss of statutory receivables		—	(244 545)	—	(118 341)
Net gain on statutory receivables	**9.2**	**127 895**	**699 631**	**127 895**	**338 568**

An amount of ZW$127 894 855 (2020: ZW$699 630 521) was recorded as an unrealised foreign exchange gain. The cash cover deposits at the RBZ have been treated as statutory receivables and restated at the closing exchange rate at year end.

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

2 Statement of compliance (continued)

2.6 Legacy Debts (continued)

The Board remains confident that the RBZ will settle the legacy debts in compliance 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 (Inflation-Adjusted:ZW$143 120 238, Historical:ZW$118 569 288) of the legacy debts and the RBZ has provided confirmation to the Group that the outstanding amounts will be settled.

3 Basis of consolidation

The consolidated inflation-adjusted financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2021. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of, during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings as appropriate

It is the Group's policy to carry investments in associates and subsidiaries at cost in Innscor Africa Limited's separate financial statements.

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

4 Changes in accounting policy and disclosures

4a New and Amended IFRSs adopted

The following new standards, issued by IASB amendments and interpretations are effective for the first time for periods beginning on or after 1 January 2020 have no material effect on the Group.

- Conceptual Framework amendments - Amendments to References to Conceptual Framework in IFRS Standards
- COVID-19 - Related Rent Concessions (Amendment to IFRS 16).

Amendments to References to Conceptual Framework in IFRS Standards

The IASB revised the Conceptual Framework because certain important issues were not covered and certain guidance was unclear or out of date. The revised Conceptual Framework, issued in March 2018, includes:

- A new chapter on measurement
- Guidance on reporting financial performance
- Improved definitions of an asset and a liability, and guidance supporting these definitions; and clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financiall reporting.

The IASB also updated references to the Conceptual Framework in IFRS Standards by issuing Amendments to References to the Conceptual Framework in IFRS Standards. This was done to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction.

COVID-19 - Related Rent Concessions (Amendment to IFRS 16)

The changes in COVID-19-Related Rent Concessions (Amendment to IFRS 16) amend IFRS 16 to:

- provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification;
- require lessees that apply the exemption to account for COVID-19-related rent concessions as if they were not lease modifications;
- require lessees that apply the exemption to disclose that fact; and
- require lessees to apply the exemption retrospectively in accordance with IAS 8, but not require them to restate prior period figures.

The main change from the proposal in the exposure draft is that the IASB had proposed that the practical expedient should only be available for lease payments originally due in 2020. However, after having considered the feedback to the exposure draft, the IASB decided to extend this period to June 2021 to also capture rent concessions granted now and lasting for 12 months.

The amendments have no material impact on the Group's financial statements.

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

4 Changes in accounting policy and disclosures (continued)

4b As at the date of these financial statements, the following standards have been issued but are not yet effective:

Description	Effective for annual periods beginning on or after	
Annual Improvements to IFRS Standards 2018 - 2020	1 January 2022	Applicable
Reference to the Conceptual Framework (Amendments to IFRS 3)	1 January 2022	Applicable
Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022	Applicable
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)	1 January 2022	Applicable
Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)	1 January 2023	Applicable
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023	Applicable
IFRS 17 - Insurance Contracts	1 January 2023	N/A
Amendments to IFRS 17	1 January 2023	N/A
Definition of Accounting Estimates (Amendments to IAS 8)	1 January 2023	Applicable
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	1 January 2023	Applicable

5 Summary of significant accounting policies

Revenue

IFRS 15 **"Revenue from Contracts with Customers"** is a principle-based model of recognizing revenue from customer contracts. It has a five-step model that requires revenue to be recognized when control over goods and services are transferred to the customer at an amount that the Group expects to be entitled for the exchange for these goods allocated to each specific perfomance obligation.

The following paragraphs describe the types of contracts when performance obligations are satisfied and the timing of revenue recognition. They also describe the normal payment terms associated with such contracts and the resulting impact on the statement of financial position over the duration of the contracts. The majority of the Group's revenue is from the sale of goods.

Sale of goods

Revenue from the sale of goods, or turnover comprises sales to customers through the Group's sales staff, direct customers at the stores and the Group's supply arrangements. All turnover is stated exclusive of Value Added Tax (VAT).

Revenue is recognised at a point in time when the Group transfers control of goods to its customer at the point of sale and is measured at the fair value of received or receivable, net of returns, trade discounts, and volume rebates. Discounts, rebates to customers are deducted from revenue. Payment of the transaction price in respect of sale of goods depends on the nature of customer. For cash customer it is due immediately when the customer purchases goods and takes delivery. For credit customers the terms differ from a range of 0-90 days from the invoice date.

Revenue recognised through deferred revenue transactions is not recognised at the time of the initial transaction, but is deferred and recognised as a contract liability (deferred revenue) when the consideration is received, and recognised as turnover over time when the Group's obligations are fulfilled.

Commission income

Commission income received or receivable under agent contracts for sale of third party goods and is recognised when the products have been sold.

Finance Income

Finance income is recognised over time as it accrues in the statement of comprehensive income, using the Effective Interest Rate method ("EIR"), by reference to the principal amounts outstanding and at the interest rate applicable.

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

5 Summary of significant accounting policies (continued)

Revenue (continued)

Dividend income

Dividend income is recognised when the shareholders' right to receive payment is established.

Customer contract related balances

Trade receivables include amounts that have been billed in accordance with customer contract terms and amounts that the Group has an unconditional right to, with only passage of time before the amounts can be billed in accordance with the customer contract terms. In accordance with IFRS 15, where significant financing is provided to the customer, revenue is adjusted to reflect the impact of the financing transaction. These transactions could arise from the customer finance credits if the contracted interest rate is below the market rate or through implied financing transactions due to payment terms of more than one year from the date of transfer of control. The Group has elected to use the practical expedient not to adjust revenue for transactions with payment terms, measured from the date of transfer of control, of one year or less.

Contract asset is unbilled sales amount relating to performance obligation that has been satisfied under customer contract but is conditional on terms other than only the passage of time before payment of the consideration is due. Under previous standards these unbilled sales balances have been included within trade receivables. Contract liability relates to amounts that are paid by customers for which performance obligations are unsatisfied or partially satisfied. Under previous standards these balances have been disclosed as deferred revenue within other current liabilities, and the Group concluded that the balances meet the definition of contract liability under IFRS 15. Advances from customers are also included in the contract liability balance.

Rental income

The Group is the lessor on lease transactions. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease terms and is included in other trading income in the statement of profit or loss due to its operating nature.

Services and management charges on the lease are recognised in the accounting period in which they are incurred.

Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Directors are reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the statement of profit or loss when the right to receive them arises.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Capitalisation commences when expenditures are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation is suspended during periods in which active development is interrupted. Capitalisation ceases when substantially all of the activities necessary to prepare the asset for its intended use or sale are complete. If only minor modifications are outstanding this indicates that substantially all of the activities are complete. All other borrowing costs are expensed as incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation on that asset is determined as the full actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

5 Summary of significant accounting policies (continued)

Employee benefits

Short-term benefits

The cost of all short-term employee benefits, such as salaries, employee entitlements to leave pay, bonuses, medical aid and other contributions are recognised during the period in which the employee renders the related service. The Group recognises the expected cost of bonuses only when the Group has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

Retirement benefit costs

Retirement benefits are provided for Group employees through the Innscor Africa Limited Pension Fund, the Catering Industry Pension Fund, National Foods Pension Fund and Colcom Pension Fund. The Group's pension schemes are defined contribution schemes and the cost of retirement benefits is determined by the level of contributions made in terms of the rules. Contributions to defined contribution retirement plans are recognised as an expense when employees have rendered service entitling them to the contributions.

All eligible employees contribute to the National Social Security Authority defined contribution pension scheme, or the equivalent in foreign subsidiaries. The cost of retirement benefits applicable to the National Social Security Authority, which commenced operations on 1 October 1994, is determined by the systematic recognition of legislated contributions.

Royalties

Royalties are calculated using terms and conditions on the franchise agreement.

Foreign currency translation

The Group's inflation-adjusted financial statements are presented in Zimbabwe Dollars, which is the Group's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All exchange rate differences are taken to profit or loss, and are recognised in other comprehensive income until the disposal of the net investment, at which time they are recognised in profit or loss. The tax charges and credits attributable to exchange differences are also recognised in other comprehensive income. Non-monetary items that are measured in terms of the historical cost basis in a foreign currency are translated using the exchange rates ruling at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the dates when the fair value was determined. The gain or loss arising on translation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item.

Foreign operations

Assets and liabilities of subsidiaries and associated companies denominated in foreign currencies are translated into Zimbabwe Dollars at the closing rate of exchange ruling at the reporting date and their statements of comprehensive income results are translated at the average rate of exchange for the period. The average exchange rate for the year is determined by adding the monthly exchange rates during the year and dividing these by twelve. Where there are drastic movements between the opening and closing rates of exchange, the other comprehensive income results are translated on a month-on-month basis using the average rate of exchange for each month and then adding these up monthly to determine full year profit or loss. Differences on exchange arising from the translation of the opening net investment in subsidiaries and associated companies and from the translation of the results of those entities at average rates, are recognised in other comprehensive income.

Business combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition-date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contract of the acquiree. If the business combination is achieved in stages, the acquisition date fair value of the Group's previously held equity interest in the acquiree is re-measured to fair value as at the acquisition date through profit or loss.

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

5 Summary of significant accounting policies (continued)

Business combinations and Goodwill (continued)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, that is a financial instrument, is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not re-measured until it is finally settled within equity.

Goodwill is initially measured at cost, being the excess of the consideration transferred over the Group's net identifiable assets acquired and liabilities assumed and the amount recognised for non-controlling interest. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss as bargain purchase gain. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Property, plant and equipment ("PPE")

Property, plant and equipment are stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the PPE. When significant parts of PPE are requiring replacement in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the PPE as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Land is carried at cost and is not depreciated whereas buildings are carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight line basis over the expected useful lives of the assets such that the cost is reduced to the residual values of the assets over the useful lives of the assets. Depreciation is charged to the statement of profit or loss as a period cost under operating expenses in th year that it is incurred.

The various rates of depreciation are listed below:

Freehold property	— 2%
Buildings and improvements	— 2.5%
Leasehold improvements	— the lesser of period of lease or 10 years
Plant, Fittings and Equipment	— 3% - 25%
Vehicles	— 10% - 30%

The carrying values of PPE are reviewed for impairment annually, or earlier where indications are that the carrying value may be irrecoverable. When the carrying amount exceeds the estimated recoverable amount, assets are written down to the recoverable amount.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in profit or loss in the year the asset is derecognised/disposed.

The residual values and depreciation methods of PPE are reviewed by the Group, and prospectively adjusted if necessary, on an annual basis. Depreciation is not charged when the carrying amount of an item of PPE becomes equal or less than the residual value.

The Group reviews and reassesses the residual values and useful lives of all items of PPE at each financial year. Due to the nature of the Group's operations only material differences in reassessments will result in a change in accounting estimate with the approval of the Board. Fully depreciated items of Property, Plant and Equipment which are considered insignificant may continue to be utilised in the Group's operations and will be kept on the Group's asset register until disposed.

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

5 Summary of significant accounting policies (continued)

Right-of-use assets and lease liability

The Group is party to lease contracts for office buildings and plant and equipment. Leases are recognised, measured and presented in compliance with IFRS 16 ("Leases").

The Group recognises assets and liabilities for all leases excluding exceptions listed in the standard. The Group applies exemptions for lease contracts with a 1 year period or where the underlying asset is of low value.

The Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. These include:
- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease payments exclude variable elements which are dependent on external factors such as e.g. sale volume in the point of sale leased. Variable lease payments that are not included in the initial measurement of the lease liability are recognized directly in the profit and loss.

The lease payments are discounted using the Group's incremental borrowing rate or the rate implicit in the lease contract.

The lease term determined by the Group comprises:
- non-cancellable period of lease contracts,
- periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option,
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

After the commencement date the Group measures the lease liability by:
- reassessing the carrying amount to reflect the changes in the discount rate on the lease liability,
- reducing the carrying amount to reflect lease payments made, and
- re-measuring the carrying amount to reflect any reassessment or lease modifications.

Extension Options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group recognizes a right-of-use asset and a lease liability at the commencement date of the contract for all leases conveying the right to control the use of any identified assets for a period of time. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

The right-of-use assets are initially measured at cost, which comprises:
- the amount of the initial measurement of the lease liability,
- any lease payments made at or before the commencement date, less any lease incentives,
- any initial direct costs incurred by the lessee,
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets or restoring the site on which the assets are located.

After the commencement date the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability.

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

5 Summary of significant accounting policies (continued)

Intangible assets

Intangible assets acquired separately are initially measured and recognised at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged to profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and are assessed for impairment whenever there is an indication that the intangible assets are impaired. The amortisation expense and impairment losses on intangible assets are recognised in profit or loss in the period in which they occur.

Computer software is amortised over a period of 4 years.

Intangible assets with an indefinite useful lives are not amortised, but are tested for impairment annually.

Gains or losses arising from de-recognition or disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised/disposed.

Impairment of non-financial assets

The Group assesses at each reporting date, or earlier where indications that impairment exists, whether an asset may be impaired. This entails estimating the asset's recoverable amount, which is the higher of the asset's fair value less costs to sell and value in use. Where the asset's carrying amount exceeds its recoverable amount the asset is considered impaired and its carrying amount is written down to its recoverable amount. In assessing the value in use the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

For other assets excluding goodwill, an assessment is made at each reporting date as to whether previously recognised impairment losses may no longer exist or have decreased. If such indication exists, the recoverable amount is estimated in order to reverse the previously recognised impairment losses. A previously recognised impairment loss is reversed only to the extent that there has been a change in the estimates used in determining the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the asset's carrying amount is increased to its recoverable amount. However, the increased carrying value of the asset is limited to the carrying value determinable, net of depreciation, had the impairment not occurred. Such reversal is taken to profit or loss. After the reversal, the depreciation charge is adjusted in future periods to allocate the revised carrying amount, less any residual value, on a systematic basis over the remaining useful life.

Investments in associates

The Group's investments in associates are accounted for using the equity method of accounting. Associates are entities in which the Group exercises significant influence and which are neither subsidiaries nor jointly controlled operations. Under the equity method, investments in associates are initially carried in the statement of financial position at cost. Subsequently, the investments in associates are carried at cost plus post-acquisition changes in the Group's share of the reserves of the associates less dividends received from the associates. Goodwill relating to an associate is included in the carrying amount of the investment. The statement of profit or loss reflects the share of the results of operations of the associates attributable to the Group.

Equity loans to associates are also included as part of net investment in associates.

Where there have been changes recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associate are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to bring the accounting policies of the Associate in conformance with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on the Group's investment in its associate.

Notes to the Financial Statements (continued)
for the year ended 30 June 2021

5 Summary of significant accounting policies (continued)

Investments in associates (continued)

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any remaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence, and the fair value of the remaining investment and proceeds from disposal is recognised in profit or loss.

Financial instruments

Financial assets

Financial assets are recognized when the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on the settlement date. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Separate assets or liabilities are recognized if any rights and obligations are created or retained in the transfer. The Group has three classes of financial assets, that is amortized cost, fair value through profit/loss and fair value through other comprehensive income. The classification depends on the cashflow characteristics of the financial asset and the business model in which it is held.

Classification

The Group's financial assets are classified as either amortized cost or fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL).

Amortised cost

Financial assets are classified at amortized cost if the contractual terms give rise to payments that are solely payments of principal and interest ("SPPI") on the principal amount outstanding and the financial asset is held in a business model whose objective is to hold financial assets in order to collect contractual cash flows. These assets are measured at amortized cost using the effective interest method, minus impairment allowances. Interest income and gains and losses from financial assets at amortized cost are recognized in statement of profit or loss as financial income.

The Group's financial assets that are measured at amortised cost include trade and other receivables, cash and cash equivalents and loans receivable. Trade and other receivables mainly comprise sale of goods receivables. Certain trade and other receivables are considered to be long term in nature and are recorded as non-current in the statement of financial position.

Fair value through profit or loss (FVTPL)

Financial instruments are classified at fair value through profit or loss if they fail the SPPI test or if it is designated at FVTPL. Financial instruments at 'fair value through profit or loss are measured at fair value, and changes therein are recognised in the statement of profit or loss.

The Group classifies the following financial assets at fair value through profit or loss (FVTPL):
- debt investments that do not qualify for measurement at either amortised cost or FVOCI
- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through other comprehensive income ("OCI").
- unit trust held at fair value through profit or loss.

Fair value through other comprehensive income (FVOCI)

A financial asset is measured at fair value through other comprehensive income (FVOCI), the objective is to:
- hold the financial asset in order to collect contractual cash flows and selling the financial asset; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the Financial Statements (continued)
for the year ended 30 June 2021

5 Summary of significant accounting policies (continued)

Financial instruments (continued)

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Group has transferred substantially all the risks and rewards of ownership.

Off-setting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. There were no financial instruments that were offset during the year nor in the comparative period.

Measurement

At initial recognition, the Group measures a financial asset classified at amortised cost at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

If the transaction price differs from fair value at initial recognition the difference is accounted for as follows;
- if fair value is evidenced by a quoted price in an active market for an identical asset or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition;
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price. After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that willing market participants would consider when pricing the asset or liability.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses ('ECL") on financial assets that are measured at amortized cost. At each reporting date, the Group measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk of financial asset has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to twelve month expected credit losses.

The Group assesses all information available, including on a forward-looking basis, the expected credit loss associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

The Group monitors all financial assets, contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information.

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

5 Summary of significant accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

Financial assets are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event.

Trade Receivables

Trade receivables are amounts due from customers for goods sold or other services rendered in the ordinary course of business. If collection was expected in one year or less, they were presented as current assets. If not, they were presented as non-current assets. Trade receivables were measured at initial recognition at fair value, and were subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts were recognised in profit or loss when there was objective evidence that the asset was impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments were considered indicators that the trade receivable was impaired. The allowance recognised was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Financial liabilities

Financial liabilities are recognized when the Group becomes bound to the contractual obligations of an instrument. Financial liabilities are derecognized when they are extinguished, i.e., when the obligation specified in the contract is discharged, cancelled or expires.

Financial liabilities at amortised cost

Financial liabilities at amortised cost mainly comprise of borrowings, trade and other payables and amounts due to related parties.

Interest-bearing borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are derecognised from the statement of financial position when the obligation specified in the contract is discharged, cancelled or has expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables were presented as current liabilities if payment was due within on year or less, If not, they were presented as non current liabilities. Trade payables were initially measured at fair value, and were subsequently measured at amortised cost, using the effective interest rate method.

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

5 Summary of significant accounting policies (continued)

Amounts due from / (to) related parties

Amounts due from and to related parties are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These were initially and subsequently recorded at fair value.

Biological assets

Biological assets are living animals that are managed by the Group. Agricultural produce is the harvested product of the biological asset. Biological assets of the Group include cattle, pigs, birds and hatching eggs. At initial recognition, biological assets are valued at fair value.

Subsequent to initial recognition, biological assets are measured at fair value less estimated point of sale costs or cost less accumulated depreciation. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Refer to **note 19.6** on determination of fair value of biological assets.

Fair value is determined with reference to the average theoretical life spans for the various categories of biological assets and available market prices. For each category, the biological assets are split in terms of their life spans at reporting date and the different saleable products derived from each biological asset. On that basis, an indicative value is computed with reference to local and international market prices.

Fair value movements on biological assets are recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. In general cost is established on the first in, first out basis. Cost represents the cost of materials and where appropriate, direct labour and manufacturing overheads related to stage of manufacture excluding depreciation charge. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Where the Group expects some or all of the provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any certain reimbursements.

If the effect of the time value of money is material, provisions are discounted using a pre-tax discount rate that reflects, where appropriate, the risks specific to those provisions. Where discounting is used, the increase in the provision due to passage of time is recognised in profit or loss as a borrowing cost.

Provision for leave pay

Leave pay for employees is provided on the basis of leave days accumulated multiplied by the current pay rate per day. The timings of the cash out-flows are by their nature uncertain.

Contingent liabilities

Contingent liabilities, which include certain financial guarantees, litigation and other letters of credit pledged as collateral security, are possible obligations that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Group's control. Contingent liabilities are not recognised in the financial statements but are disclosed in the notes to the financial statements.

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

5 Summary of significant accounting policies (continued)

Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, at the reporting date in countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or in other comprehensive income and not in profit or loss.

Deferred tax

Deferred tax is provided for using the liability method on temporary differences at reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The initial recognition exemption is applied separately to the lease asset and the lease liability with respect to deferred tax on IFRS 16. On initial recognition, the lease transaction affects neither accounting nor taxable profit, there is no deferred tax accounting throughout the entire lease term. The temporary differences related to the lease asset and the lease liability affect the effective tax rate and are disclosed as reconciling items between tax expense and accounting profit.

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

5 Summary of significant accounting policies (continued)

Taxes (continued)

Value Added Tax

Revenues, expenses and assets are recognised net of the amount of Value Added Tax (VAT) except where the VAT incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of VAT recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statement of financial position.

Non-current assets and assets of disposal group classified as held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sale. Costs to sale are the incremental costs directly attributable to the sale, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sale will be withdrawn. Management must be committed to complete the sale within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Discountinued operation

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Additional disclosures are provided in **note 23**. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

Share-based payment transactions

Equity-settled transactions

The cost of equity-settled transactions with employees for awards granted is measured by reference to the fair value at the date on which they are granted. The fair value is determined by using an appropriate pricing model, and further details of which are given in **note 24.3**.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share. Further details are given in **note 24.3**.

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

5 Summary of significant accounting policies (continued)

Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the Group's Board of Directors.

Key estimates, uncertainties and judgements

The following are the key assumptions concerning the future and other key sources of estimation and uncertainty at the reporting date that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year:

i) Useful lives and residual values of property, plant and equipment

The Group assesses useful lives and residual values of property, plant and equipment each year taking into consideration past experience, technology changes and the local operating environment. The useful lives are set out on **page 133** and no changes to those useful lives have been considered necessary during the year. Residual values are reassessed each year and adjustments for depreciation will be done in future periods if there is indication of impairment in value.

ii) Fair valuation of biological assets

Pigs

The Group estimates the slaughter weights of the pig grower head based on a 21 week profile, a process which requires significant judgement based on the age and estimated average slaughter weight. Pigs aged between 0 - 5 weeks are not stated at fair value but are stated at cost at the reporting date. The Group also estimates average slaughter weights for the breeding head, as reflected in **note 19**.

Cattle

The Group estimates the average live weight and the market value per kg of cattle in determining the fair value of cattle at the reporting date.

Birds

Breeder livestock and Broilers

Breeder livestock is valued based on the actual costs incurred in rearing the birds and is amortised in relation to the expected hatching eggs to end of lay. The valuation of broilers livestock is based on the actual costs incurred.

Layers

Layers are valued at fair market price less selling costs. Fair market price is determined from the price the company can sell point of lay and end of lay birds to the market.

Refer to **Note 19** for the carrying amount of biological assets, the estimates and assumptions used to determine fair value.

iii) Deferred tax

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the value of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer to **note 27** or the carrying amount of deferred tax assets and the evidence supporting recognition.

iv) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in arm's length transactions of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Refer to **note 15** for the assumptions applied in testing cash generating units with goodwill for impairment.

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

5 Summary of significant accounting policies (continued)

Key estimates, uncertainties and judgements (continued)

v) Impairment of financial assets

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying expected credit losses model of impairing trade receivables:

- Significant increase of credit risk - In assessing whether the credit risk of an asset has significantly increased the directors consider qualitative and quantitative reasonable and supportable forward-looking information.
- Model and assumptions used - the Group used model and assumptions in measuring fair value of financial assets as well as in estimating ECL. Directors have applied judgement in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.
- Business model assessment - the Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured.

vi) Share Based Payments

Certain employees (including senior executives) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Share options awarded to employees in terms of the rules of the 2016 Innscor Africa Limited Share Option Scheme are measured by reference to the fair value at the date on which they are granted. Estimating the fair value for share-based payments transactions requires determining the most appropriate inputs to the valuation model, which is dependent on the terms and conditions of the grant. The estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility, dividend yield and making assumptions about them. The fair value is determined by an independent external valuer using the Binomial Tree model, further details of which are provided in **note 24.3**.

The cost of equity-settled transactions is recognised, together with the corresponding increase in equity, over the period in which the services conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting date). The cumulative expense recognised reflects the extent to which the vesting period has expired and the group's best estimates of the number of equity instruments that will ultimately vest. The income statement charge for the period represents the movement in the cumulative expense at the beginning and end of that period.

vii) Treasury Shares

Shares in Innscor Africa Limited held by and within the Group are classified within total equity as treasury shares. Treasury shares are treated as a deduction from the issued share capital and weighted average number of shares for earnings per share and headline earnings per share purposes, and the cost price of the shares is reflected as a separate component of capital and reserves in the statement of financial position and statement of changes in equity.

No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of treasury shares. Consideration received or paid in respect of treasury shares is recognised in equity.

Notes to the Financial Statements (continued)
for the year ended 30 June 2021

6 Earnings per share

6.1 Basic earnings basis
The calculation of basic earnings per share is based on the profit attributable to equity holders of the parent and weighted average number of ordinary shares outstanding during the year.

6.2 Diluted earnings basis (Basic and Headline)
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 with Benvenue Investments (Private) Limited had a dilutive effect at the end of the prior financial year, in that, the Benvenue Investments (Private) Limited could exercise its options at the exercise price which was lower than the volume weighted average price of Innscor Africa Limited shares over the 60 days preceding the prior year end. Refer to **note 6.4**. In the current year, the share options no longer have a dilutive effect.

The share options arising from the 2016 Innscor Africa Limited Employee Share Option Scheme had a dilutive effect at the end of the financial year as shown in **note 6.4**.

6.3 Headline earnings basis
Headline earnings are a measurement of a company's earnings based solely on operational activities and specifically excludes any income or expenses that are of a capital nature such as, sales of assets, and/or accounting write-downs or write ups.

The Group's 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 the respective tax effects and share of non-controlling interests, as applicable.

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

Notes to the Financial Statements (continued)
for the year ended 30 June 2021

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
6 Earnings per share (continued)					
6.4 Earnings per share					
a Net profit for the year 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 capital items, gross of tax:					
(Profit)/loss on disposal of property, plant and equipment	9.2	(2 760)	12 683	(35 487)	(1 694)
Profit on assets of disposal group held for sale	9.2	(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					
Number of ordinary shares in issue at the beginning of the year	**24.2**	**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					
Weighted average number of ordinary shares for basic and headline earnings per share		**565 489**	**560 764**	**565 489**	**560 764**
Effects of dilution:					
Share option schemes	**24.3.1**	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	538.47
Diluted headline earnings per share (cents)		477.42	853.56	1 244.45	538.32

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

7 Dividends

7.1 Dividends Paid

Dividends are paid to ordinary shares and Class "A" shares in issue on the effective date of dividend payment and dividend entitlement to each class of shares. The final dividend declared with respect to FY2020 of ZW$129.75 cents per share (2019: ZW$49.66 cents per share) was paid during the current year. In the current year an interim dividend of ZW$117.18 cents per share (2020: ZW$43.03 cents per share) was declared and paid to ordinary shareholders whilst ZW$35 471 455 (2020: ZW$9 204 082) was declared and paid to Class "A" ordinary shareholders with respect to the prior year and ZW$33 022 061 (2020: ZW$16 223 178) in respect of the current year interim dividend.

No dividend was paid with respect to treasury shares.

		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
Ordinary Shareholders					
Prior year final dividend		716 785	184 219	569 848	44 032
Current year interim dividend		665 588	324 464	624 832	77 555
Less paid in respect of prior year treasury shares - final		(2 288)	(599)	(1 819)	(143)
Less paid in respect of current year treasury shares - interim		(3 305)	(1 045)	(3 104)	(250)
Net paid to IAL Shareholders		**1 376 780**	**507 039**	**1 189 757**	**121 194**
Class "A" Shareholders					
Innscor Africa Limited Employee Share Trust - prior year final dividend		35 471	9 204	28 200	2 200
Innscor Africa Limited Employee Share Trust - current year interim		33 022	16 223	31 000	3 878
Net paid to Class "A" Shareholders		**68 493**	**25 427**	**59 200**	**6 078**
Total dividend paid	25.1	**1 445 273**	**532 466**	**1 248 957**	**127 272**

On 21 September 2021, the Board declared a final dividend of ZW$180 cents per share in respect of the year 2021 (2020: ZW$129.75c ents per share) to shareholders registered in the books of the Company by close of business on 15 October 2021. This brings the total dividend in respect of the 2021 financial year to ZW$297.18 cents per share (2020: ZW$172.76 cents per share).

The Board, on the same date, also declared a final dividend totalling ZW$51 000 000 (2020: ZW$36 589 868 to Innscor Africa Employee Share Trust (Private) Limited (Class "A" Shareholders) which brings the total dividend in respect of the 2021 financial year to ZW$84 022 061 (2020: ZW$52 813 046).

		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
7.2 Dividends paid by subsidiaries to non-controlling interests					
Callcape Investments (Private) Limited		10 061	3 243	9 408	887
Associated Meat Packers (Private) Limited		63 089	45 913	50 740	12 559
Natpak Mauritius (Private) Limited		38 659	32 220	38 659	8 813
Irvine's Zimbabwe (Private) Limited	17.3	125 413	51 247	112 200	14 017
National Foods Holdings Limited	17.3	610 079	158 413	531 485	43 331
Rafferty Investments (Private) Limited t/a Providence Human Capital		4 131	2 093	3 817	572
Probottlers (Private) Limited		21 885	4 085	18 236	1 117
Natpak (Private) Limited		39 484	55 444	31 973	15 166
Pangolin (Private) Limited		9 215	—	7 635	—
Syntegra Solutions (Private) Limited		5 855	2 084	5 096	570
Total		**927 871**	**354 742**	**809 249**	**97 032**

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

		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
8 Revenue					
8.1 Revenue from contracts with customers					
The Group has recognised the following amounts relating to revenue in the statement of profit or loss:					
Revenue from contracts with customers	8.2	66 909 149	49 467 329	56 485 603	11 159 427

8.2 Disaggregation of revenue from contracts with customers

The Group's revenue was derived from the sale of consumer goods, provision of payroll and information technology services to customers.

INFLATION-ADJUSTED - AUDITED

Segments	Note	Mill-Bake ZW$'000	Protein ZW$'000	Other Light Manufacturing and Services ZW$'000	Services ZW$'000	Inter-segment elimination ZW$'000	Total ZW$'000
June 2021							
Information Technology Services	34	—	—	—	233 788	—	233 788
Other Light Manufacturing	34	—	—	10 096 787	—	—	10 096 787
Mill-Bake	34	40 617 143	—	—	—	—	40 617 143
Protein	34	—	22 097 791	—	—	—	22 097 791
Payroll Services	34	—	—	—	190 097	—	190 097
Other	34	—	—	—	165 916	—	165 916
Inter-segment revenue elimination		—	—	—	—	(6 492 373)	(6 492 373)
		40 617 143	**22 097 791**	**10 096 787**	**589 801**	**(6 492 373)**	**66 909 149**
Timing of revenue recognition							
At a point in time		**40 617 143**	**22 097 791**	**10 096 787**	**589 801**	**(6 492 373)**	**66 909 149**
June 2020: Restated							
Information Technology Services	34	—	—	—	149 744	—	149 744
Other Light Manufacturing	34	—	—	7 828 792	—	—	7 828 792
Mill-Bake	34	32 946 423	—	—	—	—	32 946 423
Protein	34	—	13 883 798	—	—	—	13 883 798
Payroll Services	34	—	—	—	107 638	—	107 638
Other	34	—	—	—	45 252	—	45 252
Inter-segment revenue elimination		—	—	—	—	(5 494 318)	(5 494 318)
		32 946 423	**13 883 798**	**7 828 792**	**302 634**	**(5 494 318)**	**49 467 329**
Timing of revenue recognition							
At a point in time		**32 946 423**	**13 883 798**	**7 828 792**	**302 634**	**(5 494 318)**	**49 467 329**

Notes to the Financial Statements (continued)
for the year ended 30 June 2021

8 Revenue (continued)

8.2 Disaggregation of revenue from contracts with customers (continued)

HISTORICAL: SUPPLEMENTARY

Segments	Note	Mill-Bake ZW$'000	Protein ZW$'000	Other Light Manufacturing and Services ZW$'000	Services ZW$'000	Inter-segment elimination ZW$'000	Total ZW$'000
June 2021							
Information Technology Services	34	—	—	—	197 364	—	197 364
Other Light Manufacturing	34	—	—	8 523 843	—	—	8 523 843
Mill-Bake	34	34 289 538	—	—	—	—	34 289 538
Protein	34	—	18 655 252	—	—	—	18 655 252
Payroll Services	34	—	—	—	160 482	—	160 482
Other	34	—	—	—	140 072	—	140 072
Inter-segment revenue elimination		—	—	—	—	(5 480 948)	(5 480 948)
		34 289 538	**18 655 252**	**8 523 843**	**497 918**	**(5 480 948)**	**56 485 603**
Timing of revenue recognition							
At a point in time		**34 289 538**	**18 655 252**	**8 523 843**	**497 918**	**(5 480 948)**	**56 485 603**
June 2020							
Information Technology Services	34	—	—	—	33 781	—	33 781
Other Light Manufacturing	34	—	—	1 766 112	—	—	1 766 112
Mill-Bake	34	7 432 445	—	—	—	—	7 432 445
Protein	34	—	3 132 072	—	—	—	3 132 072
Payroll Services	34	—	—	—	24 282	—	24 282
Other	34	—	—	—	10 208	—	10 208
Inter-segment revenue elimination		—	—	—	—	(1 239 473)	(1 239 473)
		7 432 445	**3 132 072**	**1 766 112**	**68 271**	**(1 239 473)**	**11 159 427**
Timing of revenue recognition							
At a point in time		**7 432 445**	**3 132 072**	**1 766 112**	**68 271**	**(1 239 473)**	**11 159 427**

Notes to the Financial Statements (continued)
for the year ended 30 June 2021

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
9 Other Income					
9.1 Other trading income					
Sundry income and sales		434 235	146 856	381 188	32 866
Rent received		11 458	281	10 058	63
Management fees		5 708	45 293	5 011	10 137
Insurance claim		16 128	17 756	14 158	3 974
Other *		223 631	104 174	196 312	24 852
		691 160	**314 360**	**606 727**	**71 892**
* Includes sale of empty bags, bad debts recovered and directors' fees received from associate companies and commissions from trading arrangements.					
9.2 Financial income					
Exchange gains/(losses)- realised		1 152 221	(81 352)	994 772	(17 442)
Exchange (losses)/gains - unrealised	22.1	(709 515)	111 151	(709 515)	53 789
Dividend income from foreign investments		101 163	97 044	69 799	20 809
Profit/(loss) on disposal of property, plant and equipment	22.1	2 760	(12 683)	35 487	1 694
Profit on disposal of assets for disposal group held for sale	22.1	125 786	—	144 620	—
Gain on revaluation of statutory receivables	18.1 & 22.1	127 895	699 631	127 895	338 568
Other		(22 721)	(12 085)	(17 847)	(131)
		777 589	**801 706**	**645 211**	**397 287**
10 Operating costs					
10.1 Analysis					
Conversion costs		6 056 155	4 690 441	5 177 071	1 066 012
Selling costs		3 432 326	2 338 381	2 944 420	298 929
Distribution costs		1 898 291	1 313 851	1 624 030	518 002
Marketing & Advertising costs		523 652	368 631	445 941	65 127
Human Capital costs		519 330	300 894	456 137	63 720
Finance & Administration costs		2 915 158	3 108 954	2 509 124	800 614
Information Technology costs		230 585	156 540	194 510	34 012
Head Office costs		1 178 652	965 765	1 008 466	219 057
		16 754 149	**13 243 457**	**14 359 699**	**3 065 473**

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	30 June 2020 Supplementary ZW$'000
10 Operating costs (continued)					
Included in operating costs in 10.1 above are:					
10.2 Key management's emoluments comprising:					
Independent, non-executive directors - fees		22 138	13 740	17 388	2 946
Non-independent, non-executive directors - fees		11 768	9 742	9 243	2 089
Executive and other management remuneration**		1 468 836	1 675 153	1 153 657	359 199
Total	**36.2**	**1 502 742**	**1 698 635**	**1 180 288**	**364 234**

** This constitutes the total remuneration and all other benefits to Group, Subsidiaries, Divisional executives and management shown on **pages 64 and 65**.

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	30 June 2020 Supplementary ZW$'000
10.3 Audit fees and expenses					
Current year charge		75 218	183 414	62 315	39 329
Prior year underprovision		697	848	577	182
		75 915	**184 262**	**62 892**	**39 511**
10.4 Depreciation and amortisation charge					
Depreciation on property, plant and equipment	**13**	1 036 090	984 395	142 052	73 794
Depreciation on right-of-use assets	**14**	105 021	97 373	40 132	8 616
Amortisation on intangible assets	**15**	157	—	121	—
		1 141 268	**1 081 768**	**182 305**	**82 410**
11 Interest Income and Expense					
11.1 Interest income		150 043	73 105	131 558	12 584

Interest income was earned from positive bank balances and advances to associate companies as well as interest charged on over due customer balances using the Group's effective interest rate at the point interest is charged.

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	30 June 2020 Supplementary ZW$'000
11.2 Interest expense					
Interest on borrowings		1 558 877	999 191	1 369 497	221 932
Lease finance charges	**28.2**	55 310	32 072	45 822	15 521
Total interest expense		**1 614 187**	**1 031 263**	**1 415 319**	**237 453**

Interest expense arose from lease finance charges and bank borrowings, which are in the form of overdrafts, short and long-term loans as well as letters of credit based on the effective interest rate.

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	30 June 2020 Supplementary ZW$'000
12 Tax Expense					
12.1 Tax expense					
Current income tax	**32**	3 196 818	1 715 905	2 608 916	832 576
Deferred tax	**27.2**	(421 134)	130 786	(161 958)	82 316
Withholding tax	**32**	4 287	24 117	4 287	5 172
		2 779 971	**1 870 808**	**2 451 245**	**920 064**
12.2 Tax rate reconciliation		**%**	**%**	**%**	**%**
Statutory rate of taxation, inclusive of AIDS levy		24.72	24.72	24.72	24.72
Adjusted for:					
Excess pension		0.04	0.03	0.03	0.01
Donations, fines and legal expenses		1.40	0.27	1.16	0.12
Depreciation on excess cost of passenger motor vehicles		0.07	0.02	0.01	0.01
Tax on income from associates		(7.67)	(6.49)	(3.59)	(4.06)
Fair value adjustments on listed equities		2.44	(0.91)	(0.20)	(3.23)
Dividend receivable		(0.16)	(0.34)	(0.13)	(0.15)
Effects of change in tax rate		—	(0.25)	—	(0.02)
Monetary loss/(gain)		0.15	(1.36)	—	—
Depreciation on right-of-use		0.36	0.26	0.08	0.04
Other		17.38	4.18	(3.14)	(0.20)
Effective tax rate		**38.73**	**20.13**	**18.94**	**17.24**

Notes to the Financial Statements (continued)
for the year ended 30 June 2021

	Note	Freehold property ZW$'000	Leasehold improvements ZW$'000	Plant Fittings & Equipment ZW$'000	Motor vehicles ZW$'000	Total ZW$'000
13 Property, Plant and Equipment						
INFLATION-ADJUSTED: AUDITED (RESTATED)						
Gross carrying amount						
At 1 July 2019		**3 224 681**	**316 362**	**10 540 603**	**831 820**	**14 913 466**
Additions	13.1	326 493	23 287	967 539	138 331	1 455 650
Disposals		(725)	—	(51 569)	(55 154)	(107 448)
Exchange movements	13.1	1 199	—	80 734	—	81 933
At 30 June 2020		**3 551 648**	**339 649**	**11 537 307**	**914 997**	**16 343 601**
Additions	13.1	172 403	35 638	3 242 220	468 021	3 918 282
Disposals		—	(2 335)	(201 245)	(66 678)	(270 258)
Acquisition of subsidiary	22.3	—	—	18 042	2 417	20 459
Exchange movements	13.1	453	—	—	—	453
At 30 June 2021		**3 724 504**	**372 952**	**14 596 324**	**1 318 757**	**20 012 537**
Depreciation						
At 1 July 2019		**567 589**	**51 256**	**4 332 107**	**573 508**	**5 524 460**
Charge for the year	13.1	77 773	31 960	767 093	107 569	984 395
Disposals		(54)	—	(43 692)	(38 944)	(82 690)
At 30 June 2020		**645 308**	**83 216**	**5 055 508**	**642 133**	**6 426 165**
Charge for the year	13.1	75 685	39 432	803 952	117 021	1 036 090
Disposals		—	(2 014)	(76 836)	(49 489)	(128 339)
At 30 June 2021		**720 993**	**120 634**	**5 782 624**	**709 665**	**7 333 916**
Carrying amount						
At 30 June 2021		**3 003 511**	**252 318**	**8 813 700**	**609 092**	**12 678 621**
At 30 June 2020		**2 906 340**	**256 433**	**6 481 799**	**272 864**	**9 917 436**

Notes to the Financial Statements (continued)
for the year ended 30 June 2021

	Note	Freehold property ZW$'000	Leasehold improvements ZW$'000	Plant Fittings & Equipment ZW$'000	Motor vehicles ZW$'000	Total ZW$'000
13 Property, Plant and Equipment (continued)						
HISTORICAL: SUPPLEMENTARY						
Gross carrying amount						
At 1 July 2019		**177 828**	**12 038**	**537 494**	**35 783**	**763 143**
Additions	13.1	57 681	4 162	200 663	31 286	293 792
Disposals		(16)	—	(1 470)	(1 183)	(2 669)
Exchange movements	13.1	1 200	—	80 733	—	81 933
At 30 June 2020		**236 693**	**16 200**	**817 420**	**65 886**	**1 136 199**
Additions	13.1	165 060	30 563	3 065 972	427 289	3 688 884
Disposals		—	(65)	(95 962)	(1 555)	(97 582)
Acquisition of subsidiary	22.3	—	—	13 905	1 863	15 768
Exchange movements	13.1	453	—	—	—	453
At 30 June 2021		**402 206**	**46 698**	**3 801 335**	**493 483**	**4 743 722**
Depreciation						
At 1 July 2019		**12 431**	**1 117**	**94 504**	**12 462**	**120 514**
Charge for the year	13.1	5 158	1 524	59 675	7 437	73 794
Disposals		(1)	—	(942)	(836)	(1 779)
At 30 June 2020		**17 588**	**2 641**	**153 237**	**19 063**	**192 529**
Charge for the year	13.1	8 044	4 043	108 315	21 650	142 052
Disposals		—	(9)	(2 227)	(1 076)	(3 312)
At 30 June 2021		**25 632**	**6 675**	**259 325**	**39 637**	**331 269**
Carrying amount						
At 30 June 2021 - Unaudited		**376 575**	**40 023**	**3 542 010**	**453 846**	**4 412 453**
At 30 June 2020 - Audited		**219 105**	**13 559**	**664 183**	**46 823**	**943 670**

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
13 Property, Plant and Equipment (continued)					
13.1 Reconciliation of opening and closing carrying amounts					
Opening carrying amount		**9 917 436**	**9 389 006**	**943 670**	**642 629**
Gross carrying amount	13	16 343 601	14 913 466	1 136 199	763 143
Accumulated depreciation	13	(6 426 165)	(5 524 460)	(192 529)	(120 514)
Movements in carrying amount for the year		**2 761 185**	**528 430**	**3 468 783**	**301 041**
Additions	22.2	3 918 282	1 455 650	3 688 884	293 792
Disposals	13	(141 919)	(24 758)	(94 270)	(890)
Depreciation charge for the year	10.4	(1 036 090)	(984 395)	(142 052)	(73 794)
Acquisition of subsidiary	22.3	20 459	—	15 768	—
Exchange movements	13	453	81 933	453	81 933
Closing carrying amount		**12 678 621**	**9 917 436**	**4 412 453**	**943 670**
Gross carrying amount	13	20 012 537	16 343 601	4 743 722	1 136 199
Accumulated depreciation	13	(7 333 916)	(6 426 165)	(331 269)	(192 529)

14 Right-of-use assets

	Note	Freehold Property ZW$'000	Plant Fittings & Equipment ZW$'000	Motor Vehicles ZW$'000	Total ZW$'000
INFLATION-ADJUSTED: AUDITED (RESTATED)					
14.1 Reconciliation of Right-of-use assets					
Carrying amount					
At 1 July 2019		—	—	—	—
Adoption of IFRS16 - Additions		545 829	36 924	3 716	586 469
Depreciation charge for the year	10.4	(87 270)	(8 340)	(1 763)	(97 373)
At 30 June 2020		**458 559**	**28 584**	**1 953**	**489 096**
Additions		76 831	—	—	76 831
Lease modifications		255 118	—	—	255 118
Depreciation charge for the year	10.4	(91 634)	(11 434)	(1 953)	(105 021)
At 30 June 2021		**698 874**	**17 150**	**—**	**716 024**

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

14 Right-of-use assets (continued)

	Note	Freehold Property ZW$'000	Plant Fittings & Equipment ZW$'000	Motor Vehicles ZW$'000	Total ZW$'000
HISTORICAL: SUPPLEMENTARY					
Carrying amount					
At 30 June 2019		—	—	—	—
Adoption of IFRS16 - Additions		49 046	2 583	261	51 890
Depreciation charge for the year	10.4	(7 721)	(738)	(157)	(8 616)
At 30 June 2020		**41 325**	**1 845**	**104**	**43 274**
Additions		71 561	—	—	71 561
Lease modifications		226 061	—	—	226 061
Depreciation charge for the year	10.4	(39 290)	(738)	(104)	(40 132)
At 30 June 2021		**299 657**	**1 107**	**—**	**300 764**

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
14.2 Analysis					
Opening balance		**489 096**	**—**	**43 274**	**—**
Additions		76 831	586 469	71 561	51 890
Lease modifications		255 118	—	226 061	—
Depreciation charge for the year	10.4	(105 021)	(97 373)	(40 132)	(8 616)
Carrying amount		**716 024**	**489 096**	**300 764**	**43 274**

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

	Note	INFLATION-ADJUSTED: AUDITED Goodwill on acquisition ZW$'000	Other intangible assets ZW$'000	Total ZW$'000
15 Intangible Assets				
Carrying amount 30 June 2019 & 2020 (Restated)	15.3	**1 924 635**	**699**	**1 925 334**
Gross carrying amount		1 924 635	22 951	1 947 586
Accumulated amortisation		—	(22 252)	(22 252)
Acquisition of subsidiary	22.3	12 089	865	12 954
Amortisation of intangibles	10.4	—	(157)	(157)
Carrying amount at 30 June 2021	15.3	**1 936 724**	**1 407**	**1 938 131**
Gross carrying amount		1 936 724	23 816	1 960 540
Accumulated amortisation		—	(22 409)	(22 409)
		HISTORICAL: SUPPLEMENTARY		
Carrying amount 30 June 2019 & 2020	15.3	**41 310**	**60**	**41 370**
Gross carrying amount		41 310	538	41 848
Accumulated amortisation		—	(478)	(478)
Acqusition of subsidiary	22.3	9 317	667	9 984
Amortisation of intangibles	10.4	—	(121)	(121)
Carrying amount at 30 June 2021	15.3	**50 627**	**606**	**51 233**
Gross carrying amount		50 627	1 205	51 832
Accumulated amortisation		—	(599)	(599)

15.1 Other intangible assets consist of Computer Software, Brand Rights and a Trade Mark. Computer Software and Brand Rights are deemed to have a finite useful life and are amortised over a period of up to 4 years. The Trademark is valued at ZW$698 856 (Historical: ZW$60 000), and is not amortised but tested for impairment annually. There were no indications that the Trademark and Computer Software were impaired as at 30 June 2021.

15.2 Impairment testing of Goodwill

Goodwill impairment assessment is performed every year.

The Group performed an annual impairment test as at 30 June 2021. Goodwill acquired through business combinations has been allocated to cash generating units, i.e. business units from which Goodwill arose. The recoverable amount of the cash generating units has been determined using value in use that takes into account the present value of future cash flows from the cash generating units using a pre-tax discount rate. Future cash-flows used in Goodwill assessment comprise the budgets and forecast profitability of the business units from which the Goodwill arose.

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
15 Intangible Assets (continued)					
15.3 Goodwill has been allocated to the following businesses:					
Ajax Finance (Private) Limited		13 511	13 511	291	291
Bedra Enterprises (Private) Limited		6 685	6 685	143	143
Irvine's Zimbabwe (Private) Limited		123 764	123 764	2 656	2 656
MyCash Financial Services (Private) Limited		12 089	—	9 317	—
National Foods Holdings Limited		1 670 153	1 670 153	35 848	35 848
Probottlers (Private) Limited		110 522	110 522	2 372	2 372
	15	**1 936 724**	**1 924 635**	**50 627**	**41 310**

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use is most sensitive to the discount rates.

Discount rates

The pre-tax discount rate applied to the future cash flow projections is 31% (2020: 21.33%). This assessment showed that there was no impairment required on the goodwill for the period.

Discount rates represent the current market assessment of the risks specific to the Group, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

A rise in pre-tax discount rate to 36.5% (i.e. +5.5%) would not result in an impairment.

Period of projected cash flows

The annual impairment assessment was performed by considering budget and forecast cash flows for a period of 5 years beyond the reporting date (FY2022 to FY2026).

A perpetual growth rate of 5% was assumed at the end of the 5 year period and the results indicate that the goodwill is not impaired.

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

	Note	Opening balance 1 July 2020 ZW$'000	Loans advanced/ (repaid) ZW$'000	Purchase of investment/ Additional investment in Associate ZW$'000	Restructure ZW$'000	Dividend received ZW$'000	Foreign Currency Translation Reserve ZW$'000	Equity accounted earnings ZW$'000	Closing balance 30 June 2021 ZW$'000
16 Investments in Associates									
16.1 Year Ended 30 June 2021									
INFLATION-ADJUSTED: AUDITED (RESTATED)									
Afrigrain Trading Limited	**16.3**	1 321 764	—	—	—	—	614 661	400 504	2 336 929
Bakers Inn Logistics (Private) Limited	**16.4**	218 908	1 798	—	—	—	—	163 064	383 770
Bevco Limited	**16.5**	—	—	5 975	—	—	15 831	16 096	37 902
IL Integrated Agri (Private) Limited	**16.6**	136 948	—	—	—	—	—	175 344	312 292
Innscor Appliances Manufacturing (Private) Limited	**16.7**	244 947	—	—	—	(50 003)	—	25 448	220 392
Kershelmar Dairies (Private) Limited	**16.8**	55 337	(1 983)	—	—	—	—	2 761	56 115
Mafuro Farming (Private) Limited	**16.10**	93 652	17 918	—	—	—	—	(6 663)	104 907
MyCash Financial Services (Private) Limited	**16.11**	5 743	—	—	(4 494)	—	—	(1 249)	—
National Foods Logistics (Private) Limited	**16.12**	194 015	(11 323)	—	—	(14 986)	—	84 461	252 167
Paperhole Investments (Private) Limited	**16.13**	900 039	—	—	—	(91 677)	—	756 392	1 564 754
Probrands (Private) Limited	**16.14**	405 568	—	—	—	(16 315)	—	55 905	445 158
Profeeds (Private) Limited	**16.15**	984 885	—	—	—	(45 628)	—	301 302	1 240 559
Pure Oil Industries (Private) Limited	**16.16**	894 742	—	—	—	—	—	253 962	1 148 704
Total		**5 456 548**	**6 410**	**5 975**	**(4 494)**	**(218 609)**	**630 492**	**2 227 327**	**8 103 649**
HISTORICAL: SUPPLEMENTARY									
Afrigrain Trading Limited	**16.3**	1 321 764	—	—	—	—	614 661	400 504	2 336 929
Bakers Inn Logistics (Private) Limited	**16.4**	35 917	—	—	—	—	—	141 517	177 434
Bevco Limited	**16.5**	—	—	5 975	—	—	15 831	16 096	37 902
IL Integrated Agri (Private) Limited	**16.6**	16 502	—	—	—	—	—	164 290	180 792
Innscor Appliances Manufacturing (Private) Limited	**16.7**	24 305	—	—	—	(38 342)	—	19 988	5 951
Kershelmar Dairies (Private) Limited	**16.8**	3 905	(2 122)	—	—	—	—	2 725	4 508
Mafuro Farming (Private) Limited	**16.10**	21 199	8 557	—	—	—	—	(6 057)	23 699
MyCash Financial Services (Private) Limited	**16.11**	4 349	—	—	(3 463)	—	—	(886)	—
National Foods Logistics (Private) Limited	**16.12**	13 230	(8 596)	—	—	(13 706)	—	80 928	71 856
Paperhole Investments (Private) Limited	**16.13**	380 156	—	—	—	(70 500)	—	596 562	906 218
Probrands (Private) Limited	**16.14**	52 695	—	—	—	(12 646)	—	46 944	86 993
Profeeds (Private) Limited	**16.15**	190 422	—	—	—	(36 663)	—	237 840	391 599
Pure Oil Industries (Private) Limited	**16.16**	55 908	—	—	—	—	—	180 120	236 028
Total		**2 120 352**	**(2 161)**	**5 975**	**(3 463)**	**(171 857)**	**630 492**	**1 880 571**	**4 459 909**

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

16 Investments in Associates (continued)

16.1.1 Year Ended 30 June 2020

	Note	Opening balance 1 July 2019 ZW$'000	Loans advanced/ (repaid) ZW$'000	Purchase of investment/ Additional investment in Associate ZW$'000	Restructure Reserve ZW$'000	Dividend received ZW$'000	Foreign Currency Translation Reserve ZW$'000	Equity accounted earnings ZW$'000	Closing balance 30 June 2020 ZW$'000
INFLATION-ADJUSTED: AUDITED (RESTATED)									
Afrigrain Trading Limited	**16.3**	81 706	—	—	—	—	1 082 844	157 214	1 321 764
Bakers Inn Logistics (Private) Limited	**16.4**	99 867	—	—	—	(18 141)	—	137 182	218 908
IL Integrated Agri (Private) Limited	**16.6**	—	—	123 098	—	—	—	13 850	136 948
Innscor Appliances Manufacturing (Private) Limited	**16.7**	161 980	—	—	—	(328)	—	83 295	244 947
Kershelmar Dairies (Private) Limited	**16.8**	33 827	9 894	7 257	—	—	—	4 359	55 337
Lolite Trading (Private) Limited	**16.9**	60 138	2 158	—	(65 743)	—	—	3 447	—
Mafuro Farming (Private) Limited	**16.10**	—	54 268	—	—	—	—	39 384	93 652
MyCash Financial Services (Private) Limited	**16.11**	—	—	5 896	—	—	—	(153)	5 743
National Foods Logistics (Private) Limited	**16.12**	144 682	11 499	-	—	—	—	37 834	194 015
Paperhole Investments (Private) Limited	**16.13**	185 946	—	—	—	(98 319)	—	812 412	900 039
Probrands (Private) Limited	**16.14**	177 584	—	—	—	(7 094)	—	235 078	405 568
Profeeds (Private) Limited	**16.15**	588 954	—	—	—	(65 366)	—	461 297	984 885
Pure Oil Industries (Private) Limited	**16.16**	583 061	—	—	—	—	—	311 681	894 742
Total		**2 117 745**	**77 819**	**136 251**	**(65 743)**	**(189 248)**	**1 082 844**	**2 296 880**	**5 456 548**
HISTORICAL: SUPPLEMENTARY									
Afrigrain Trading Limited	**16.3**	81 706	—	—	—	—	1 082 844	157 214	1 321 764
Bakers Inn Logistics (Private) Limited	**16.4**	9 376	—	—	—	(2 875)	—	29 416	35 917
IL Integrated Agri (Private) Limited	**16.6**	—	—	12 243	—	—	—	4 259	16 502
Innscor Appliances Manufacturing (Private) Limited	**16.7**	6 536	—	—	—	(92)	—	17 861	24 305
Kershelmar Dairies (Private) Limited	**16.8**	1 023	2 121	645	—	—	—	116	3 905
Lolite Trading (Private) Limited	**16.9**	6 005	463	—	(7 648)	—	—	1 180	—
Mafuro Farming (Private) Limited	**16.10**	299	11 637	—	—	—	—	9 263	21 199
MyCash Financial Services (Private) Limited	**16.11**	—	—	4 396	—	—	—	(47)	4 349
National Foods Logistics (Private) Limited	**16.12**	5 668	2 466	—	—	—	—	5 096	13 230
Paperhole Investments (Private) Limited	**16.13**	26 999	—	—	—	(23 100)	—	376 257	380 156
Probrands (Private) Limited	**16.14**	5 721	—	—	—	(3 433)	—	50 407	52 695
Profeeds (Private) Limited	**16.15**	33 868	—	—	—	(11 496)	—	168 050	190 422
Pure Oil Industries (Private) Limited	**16.16**	16 566	—	—	—	—	—	39 342	55 908
Total		**193 767**	**16 687**	**17 284**	**(7 648)**	**(40 996)**	**1 082 844**	**858 414**	**2 120 352**

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
16 Investments in Associates (continued)					
16.2 Reconciliation of movements in associates					
Balance at the beginning of the year	**16.1**	**5 456 548**	**2 117 745**	**2 120 352**	**193 767**
Purchases cost	**22.2**	5 975	136 251	5 975	17 284
Equity accounted earnings	**16.1**	2 227 327	2 296 880	1 880 571	858 414
Dividends received	**16.1**	(218 609)	(189 248)	(171 857)	(40 996)
Loans advanced/(repaid)	**16.1**	6 410	77 819	(2 161)	16 687
Reclassification of investment to assets of disposal group classified as held for sale	**23.1**	—	(65 743)	—	(7 648)
Exchange rate differences arising from translation of foreign associate	**16.1**	630 492	1 082 844	630 492	1 082 844
Restructure of Associate	**22.3**	(4 494)	—	(3 463)	—
Balance at the end of the year		**8 103 649**	**5 456 548**	**4 459 909**	**2 120 352**

16.3 Afrigrain Trading Limited

Afrigrain Trading Limited is a foreign entity involved in the procurement of grain. The Group holds the 49.89% directly.

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
Reconciliation of the investment in associate:					
Balance at the beginning of the year	**16.1.1**	**1 321 764**	**81 706**	**1 321 764**	**81 706**
Equity accounted earnings	**16.1 & 16.1.1**	400 504	157 214	400 504	157 214
Exchange differences arising from translation of foreign operation	**16.1 & 16.1.1**	614 661	1 082 844	614 661	1 082 844
Balance at the end of the year	**16.1 & 16.2**	**2 336 929**	**1 321 764**	**2 336 929**	**1 321 764**
Reconciliation of share of net assets to carrying amount of the investment					
Net Assets	**16.17**	4 684 163	2 649 357	4 684 163	2 649 357
49.89% Share of net assets		**2 336 929**	**1 321 764**	**2 336 929**	**1 321 764**
Carrying amount of investment		**2 336 929**	**1 321 764**	**2 336 929**	**1 321 764 162**

16.4 Bakers Inn Logistics (Private) Limited

Bakers Inn Logistics (Private) Limited is a logistics company which handles distribution for the Group's Bakery Operations and other third parties. The Group has an effective 50% in Bakers Inn Logistics (Private) Limited.

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
Reconciliation of the investment in associate:					
Balance at the beginning of the year	**16.1 & 16.1.1**	**218 908**	**99 867**	**35 917**	**9 376**
Equity accounted earnings	**16.1 & 16.1.1**	163 064	137 182	141 517	29 416
Dividend received	**16.1 & 16.1.1**	—	(18 141)	—	(2 875)
Loan advanced	**16.1.1**	1 798	—	—	—
Balance at the end of the year	**16.1 & 16.2**	**383 770**	**218 908**	**177 434**	**35 917**

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
16 Investments in Associates (continued)					
16.4 Bakers Inn Logistics (Private) Limited (continued)					
Reconciliation of share of net assets to carrying amount of the investment					
Net Assets	**16.17**	763 944	437 816	354 867	71 833
50% Share of net assets		**381 972**	**218 908**	**177 434**	**35 917**
Outstanding loan balance		1 798	—	—	—
Carrying amount of investment		**383 770**	**218 908**	**177 434**	**35 917**

16.5 Bevco Limited

Bevco Limited, ("Bevco") is an entity that provides beverage intellectual property. The Group has an effective 50% shareholding in Bevco.

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
Reconciliation of the investment in associate:					
Balance at the beginning of the year	**16.1.1**	—	—	—	—
Purchases at cost		5 975	—	5 975	—
Equity accounted earnings		16 096	—	16 096	—
Exchange differences arising from translation of foreign operations		15 831	—	15 831	—
Balance at the end of the year	**16.2**	**37 902**	**—**	**37 902**	**—**
Reconciliation of share of net assets to carrying amount of the investment					
Net Assets	**16.4**	75 805	—	75 805	—
50% share of net assets		**37 902**	**—**	**37 902**	**—**
Carrying amount of investment		**37 902**	**—**	**37 902**	**—**

16.6 IL Integrated Agri (Private) Limited

IL Integrated Agri (Private) Limited, ("IL") is an entity involved in farming. The Group has an effective 50% shareholding in IL.

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
Reconciliation of the investment in associate:					
Balance at the beginning of the year		**136 948**	**—**	**16 502**	**—**
50% equity injection	**16.1**	—	123 098	—	12 243
Equity accounted earnings	**16.1**	175 344	13 850	164 290	4 259
Balance at the end of the year	**16.1 & 16.2**	**312 292**	**136 948**	**180 792**	**16 502**
Reconciliation of share of net assets to carrying amount of the investment					
Net Assets	**16.17**	624 583	273 896	361 583	33 005
50% Share of net assets		**312 292**	**136 948**	**180 792**	**16 502**
Carrying amount of investment		**312 292**	**136 948**	**180 792**	**16 502**

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
16 Investments in Associates (continued)					
16.7 Innscor Appliances Manufacturing (Private) Limited					
Innscor Appliances Manufacturing (Private) Limited t/a Capri is involved in the manufacturing and retail of home refridgerators and freezers. The Company also retails home appliances, under licence.					
Reconciliation of the investment in associate:					
Balance at the beginning of the year	16.1.1	244 947	161 980	24 305	6 536
Equity accounted earnings	16.1 & 16.1.1	25 448	83 295	19 988	17 861
Dividend received	16.1	(50 003)	(328)	(38 342)	(92)
Balance at the end of the year		**220 392**	**244 947**	**5 951**	**24 305**
Reconciliation of share of net assets to carrying amount of the investment					
Net Assets		879 808	977 834	23 755	97 026
25.05% Share of net assets		**220 392**	**244 947**	**5 951**	**24 305**
Carrying amount of investment		**220 392**	**244 947**	**5 951**	**24 305**
16.8 Kershelmar Dairies (Private) Limited					
Kershelmar Dairies (Private) Limited, ("Kershelmar") is an entity involved in dairy farming. The Group equity accounts for a 50% shareholding in Kershelmar through Prodairy (Private) Limited. Effectively the Group holds 25.05% shareholding in Kershelmar as a result of its 50.1% shareholding in Prodairy.					
Reconciliation of the investment in associate:					
Balance at the beginning of the year	16.1.1	**55 337**	**33 827**	**3 905**	**1 023**
Acquisition of 50% equity	16.1 & 16.1.1	—	7 257	—	645
Equity accounted earnings	16.1	2 761	4 359	2 725	116
Loans advanced	16.1	(1 983)	9 894	(2 122)	2 121
Balance at the end of the year	16.1 & 16.2	**56 115**	**55 337**	**4 508**	**3 905**
Reconciliation of share of net assets to carrying amount of the investment					
Net Assets	16.17	96 408	90 886	9 016	3 569
50% Share of net assets		**48 204**	**45 443**	**4 508**	**1 785**
Outstanding loan balance		7 911	9 894	—	2 121
Carrying amount of investment		**56 115**	**55 337**	**4 508**	**3 906**

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
16 Investments in Associates (continued)					
16.9 Lolite Trading (Private) Limited					
Lolite Trading (Private) Limited is a property company. In 2020 the Group reclassified its investment of 18.91% held through National Foods Holdings Limited to assets of disposal group held for sale as the investment no longer aligned with the Group's investment strategy. The entity was subsequently disposed of in the current financial year, **note 23**.					
Reconciliation of the investment in associate:					
Balance at the beginning of the year	16.1.1	**—**	**60 138**	**—**	**6 005**
Equity accounted earnings	16.1 & 16.1.1	—	3 447	—	1 180
Loan advanced	16.1	—	2 158	—	463
Reclassification of investment to assets of disposal group classified held for sale	23.1	—	(65 743)	—	(7 648)
Balance at the end of the year	16.1&16.2	**—**	**—**	**—**	**—**
16.10 Mafuro Farming (Private) Limited					
Mafuro Farming (Private) Limited, ("Mafuro") is an entity involved in dairy farming. The Group acquired an effective 22.55% in Mafuro on 1 January 2018 through its subsidiary Prodairy (Private) Limited which holds 45% in the company.					
Reconciliation of the investment in associate:					
Balance at the beginning of the year	16.1.1	**93 652**	**—**	**21 199**	**299**
Equity accounted earnings	16.1 & 16.1.1	(6 663)	39 384	(6 057)	9 263
Loans advanced	16.1	17 918	54 268	8 557	11 637
Balance at the end of the year	16.1 & 16.2	**104 907**	**93 652**	**23 699**	**21 199**
Reconciliation of share of net assets to carrying amount of the investment					
Net Assets	16.17	72 711	87 520	7 789	21 249
45% Share of net assets		**32 720**	**39 384**	**3 505**	**9 562**
Outstanding loan balance		72 187	54 268	20 194	11 637
Carrying amount of investment		**104 907**	**93 652**	**23 699**	**21 199**

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
16 Investments in Associates (continued)					
16.11 MyCash Financial Services (Private) Limited					
MyCash Financial Services (Private) Limited, ("MyCash") is an entity involved in mobile money transfer services. The Group equity accounted for its 30% shareholding in MyCash through Syntegra Solutions (Private) Limited, ("Syntegra") up to 1 October 2020, when the Group acquired an additional 40% direct interest and obtained control of the company **(note 22.3)**.					
Reconciliation of the investment in associate:					
Balance at the beginning of the year	16.1	5 743	—	4 349	—
Acquisition of 30% equity	16.1	—	5 896	—	4 396
Equity accounted earnings	16.1	(1 249)	(153)	(886)	(47)
Restructure		(4 494)	—	(3 463)	—
Balance at the end of the year	16.1	—	5 743	—	4 349
Reconciliation of share of net assets to carrying amount of the investment					
Net Assets	16.17	—	9 110	—	9 642
30% Share of net assets		—	2 733	—	2 893
Goodwill		—	3 010	—	1 456
Carrying amount of investment		—	5 743	—	4 349
16.12 National Foods Logistics (Private) Limited					
National Foods Logistics (Private) Limited, ("Natlog") is a logistics company which handles distribution for National Foods Holdings Limited, ("NFHL") and other third parties. The Group acquired an effective 18.91% in Natlog on 1 April 2018 through NFHL which holds 50% in the company.					
Reconciliation of the investment in associate:					
Balance at the beginning of the year	16.1 & 16.1.1	194 015	144 682	13 230	5 668
Equity accounted earnings	16.1 & 16.1.1	84 461	37 834	80 928	5 096
Loan advanced	16.1 & 16.1.1	(11 323)	11 499	(8 596)	2 466
Dividend received	16.1.1	(14 986)	—	(13 706)	—
Balance at the end of the year	16.1 & 16.2	252 167	194 015	71 856	13 230
Reconciliation of share of net assets to carrying amount of the investment					
Net Assets	16.17	362 630	223 680	151 984	17 540
50% Share of net assets		181 315	111 840	75 992	8 770
Outstanding loan balance		13 306	24 629	(5 371)	3 225
Goodwill		57 546	57 546	1 235	1 235
Carrying amount of investment		252 167	194 015	71 856	13 230

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
16 Investments in Associates (continued)					
16.13 Paperhole Investments (Private) Limited					
Paperhole Investments (Private) Limited is an entity involved in the procurement of grain and facilitation of contract farming. The Group holds an effective 50% shareholding in Paperhole Investments (Private) Limited.					
Reconciliation of the investment in associate:					
Balance at the beginning of the year	16.1.1	900 039	185 946	380 156	26 999
Equity accounted earnings	16.1 & 16.1.1	756 392	812 412	596 562	376 257
Dividends received	22.2	(91 677)	(98 319)	(70 500)	(23 100)
Balance at the end of the year	16.1 & 16.2	1 564 754	900 039	906 218	380 156
Reconciliation of share of net assets to carrying amount of the investment					
Net Assets	16.17	3 129 508	1 800 078	1 812 436	760 312
50% Share of net assets		1 564 754	900 039	906 218	380 156
Carrying amount of investment		1 564 754	900 039	906 218	380 156
16.14 Probrands (Private) Limited					
Probrands (Private) Limited is an entity involved in down-packing manufacture and retail of a number of grocery products such as rice, candles and beverages. The Group holds an effective 39.20% in Probrands (Private) Limited.					
Reconciliation of the investment in associate:					
Balance at the beginning of the year	16.1.1	405 568	177 584	52 695	5 721
Equity accounted earnings	16.1 & 16.1.1	55 905	235 078	46 944	50 407
Dividend received	16.1	(16 315)	(7 094)	(12 646)	(3 433)
Balance at the end of the year	16.1 & 16.2	445 158	405 568	86 993	52 695
Reconciliation of share of net assets to carrying amount of the investment					
Net Assets	16.17	868 954	767 959	216 198	128 704
39.2% Share of net assets		340 630	301 040	84 750	50 452
Goodwill		104 528	104 528	2 243	2 243
Carrying amount of investment		445 158	405 568	86 993	52 695

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
16 Investments in Associates (continued)					
16.15 Profeeds (Private) Limited					
Profeeds (Private) Limited is an entity involved in the manufacture and retail of stock feeds and the retail of day-old chicks. The Group has an effective 49% shareholding in Profeeds (Private) Limited.					
Reconciliation of the investment in associate:					
Balance at the beginning of the year	16.1.1	984 885	558 954	190 422	33 868
Equity accounted earnings	16.1 & 16.1.1	301 302	461 297	237 840	168 050
Dividend received	22.2	(45 628)	(65 366)	(36 663)	(11 496)
Balance at the end of the year	16.1 & 16.2	**1 240 559**	**984 885**	**391 599**	**190 422**
Reconciliation of share of net assets to carrying amount of the investment					
Net Assets	16.17	2 234 139	1 712 356	792 793	382 229
49% Share of net assets		**1 094 728**	**839 054**	**388 469**	**187 292**
Goodwill		145 831	145 831	3 130	3 130
Carrying amount of investment		**1 240 559**	**984 885**	**391 599**	**190 422**
16.16 Pure Oil Industries (Private) Limited					
Pure Oil Industries (Private) Limited is an entity involved in manufacture of cooking oil as well as protein oil cakes which are used in the production of animal feed. The Group has an effective 15.13% in Pure Oil Industries (Private) Limited (National Foods Limited holds 40% in the company which is the portion that the Group equity accounts).					
Reconciliation of the investment in associate:					
Balance at the beginning of the year	16.1.1	894 742	583 061	55 908	16 566
Equity accounted earnings	16.1 & 16.1.1	253 962	311 681	180 120	39 342
Balance at the end of the year	16.1 & 16.2	**1 148 704**	**894 742**	**236 028**	**55 908**
Reconciliation of share of net assets to carrying amount of the investment					
Net Assets	16.17	2 871 760	2 236 855	590 071	139 770
40% Share of net assets		**1 148 704**	**894 742**	**236 028**	**55 908**
Carrying amount of investment		**1 148 704**	**894 742**	**236 028**	**55 908**

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

16 Investments in Associates (continued)

16.17 Summarised financial information of associates

	Note	Revenue ZW$'000	Profit after tax ZW$'000	Non-current assets ZW$'000	Current assets ZW$'000	Non-current liabilities ZW$'000	Current liabilities ZW$'000	Equity ZW$'000
INFLATION-ADJUSTED: AUDITED (RESTATED)								
Afrigrain Trading Limited	16.3							
30 June 2021		17 361 681	802 774	97 801	8 017 132	—	3 430 770	4 684 163
30 June 2020		6 630 343	315 121	1 445	5 893 129	—	3 245 217	2 649 357
Bakers Inn Logistics (Private) Limited	16.4							
30 June 2021		1 377 059	326 128	553 692	433 531	25 154	198 125	763 944
30 June 2020		909 774	274 364	115 944	532 661	45 829	164 960	437 816
Bevco Limited	16.5							
30 June 2021		21 072	32 192	—	197 973	—	122 168	75 805
30 June 2020		—	—	—	—	—	—	—
IL Integrated Agri (Private) Limited	16.6							
30 June 2021		373 869	350 688	331 236	689 899	137 480	259 072	624 583
30 June 2020		110 005	27 700	451 911	501 540	—	679 555	273 896
Kershelmar Dairies (Private) Limited	16.8							
30 June 2021		336 230	5 522	209 737	74 200	13 217	174 312	96 408
30 June 2020		290 836	8 718	93 560	338 449	17 003	324 120	90 886
Lolite Trading (Private) Limited	16.9							
30 June 2021		—	—	—	—	—	—	—
30 June 2020		37 684	6 894	—	—	—	—	—
Mafuro Farming (Private) Limited	16.10							
30 June 2021		90 728	(14 807)	276 312	76 688	144 113	136 176	72 711
30 June 2020		59 512	87 520	718 677	249 461	389 476	491 142	87 520

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

16 Investments in Associates (continued)

16.17 Summarised financial information of associates (continued)

	Note	Revenue ZW$'000	Profit after tax ZW$'000	Non-current assets ZW$'000	Current assets ZW$'000	Non-current liabilities ZW$'000	Current liabilities ZW$'000	Equity ZW$'000
INFLATION-ADJUSTED: AUDITED (RESTATED)								
MyCash Financial Services (Private) Limited	**16.11**							
30 June 2021		22 280	(4 163)	—	—	—	—	—
30 June 2020		5 294	(510)	7 497	61 517	—	59 904	9 110
National Foods Logistics (Private) Limited	**16.12**							
30 June 2021		1 430 226	168 922	246 483	231 250	11 735	103 368	362 630
30 June 2020		979 611	75 668	321 578	527 145	43 634	581 409	223 680
Paperhole Investments (Private) Limited	**16.13**							
30 June 2021		5 046 610	1 512 784	2 088 599	2 322 949	54 906	1 227 134	3 129 508
30 June 2020		11 686 420	1 624 824	822 060	3 194 941	623 084	1 593 839	1 800 078
Probrands (Private) Limited	**16.14**							
30 June 2021		2 339 150	142 615	757 230	986 082	33 613	840 745	868 954
30 June 2020		2 260 453	599 689	127 092	2 054 744	189 550	1 224 331	767 959
Profeeds (Private) Limited	**16.15**							
30 June 2021		11 308 288	614 902	1 927 462	3 438 139	30 609	3 100 853	2 234 139
30 June 2020		7 083 131	941 422	321 034	4 685 483	16 224	3 277 937	1 712 356
Pure Oil Industries (Private) Limited	**16.16**							
30 June 2021		12 249 885	634 905	2 615 571	3 030 712	847 487	1 927 036	2 871 760
30 June 2020		6 075 359	779 203	15 821 940	10 991 348	9 723 248	14 853 185	2 236 855

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

16 Investments in Associates (continued)

16.17 Summarised financial information of associates (continued)

	Note	Revenue ZW$'000	Profit after tax ZW$'000	Non-current assets ZW$'000	Current assets ZW$'000	Non-current liabilities ZW$'000	Current liabilities ZW$'000	Equity ZW$'000
HISTORICAL: SUPPLEMENTARY								
Afrigrain Trading Limited	**16.3**							
30 June 2021		17 361 681	802 774	97 801	8 017 132	—	3 430 770	4 684 163
30 June 2020		6 630 343	315 121	1 445	5 893 129	—	3 245 217	2 649 357
Bakers Inn Logistics (Private) Limited	**16.4**							
30 June 2021		1 140 838	283 034	56 373	381 303	2 025	80 784	354 867
30 June 2020		195 081	58 832	18 959	87 099	7 494	26 730	71 833
Bevco Limited	**16.4**							
30 June 2021		21 072	32 192	—	197 973	—	122 168	75 805
30 June 2020		—	—	—	—	—	—	—
IL Integrated Agri (Private) Limited	**16.6**							
30 June 2021		309 735	328 580	68 236	689 899	137 480	259 072	361 583
30 June 2020		53 234	8 519	46 689	51 816	—	65 500	33 005
Kershelmar Dairies (Private) Limited	**16.8**							
30 June 2021		278 553	5 450	122 345	74 200	13 217	174 312	9 016
30 June 2020		62 363	232	3 682	14 294	718	13 689	3 569
Lolite Trading (Private) Limited	**16.9**							
30 June 2021		—	—	—	—	—	—	—
30 June 2020		8 080	2 360	—	—	—	—	—
Mafuro Farming (Private) Limited	**16.10**							
30 June 2021		75 165	(13 460)	211 390	76 688	144 113	136 176	7 789
30 June 2020		12 761	20 584	73 194	25 381	39 626	37 700	21 249

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

16 Investments in Associates (continued)

16.17 Summarised financial information of associates (continued)

	Note	Revenue ZW$'000	Profit after tax ZW$'000	Non-current assets ZW$'000	Current assets ZW$'000	Non-current liabilities ZW$'000	Current liabilities ZW$'000	Equity ZW$'000
HISTORICAL: SUPPLEMENTARY								
MyCash Financial Services (Private) Limited	**16.11**							
30 June 2021		18 458	(2 953)	—	—	—	—	—
30 June 2020		2 562	(157)	3 662	30 050	—	24 070	9 642
National Foods Logistics (Private) Limited	**16.12**							
30 June 2021		1 184 844	161 856	35 839	231 250	11 735	103 368	151 984
30 June 2020		210 056	10 192	18 387	30 141	2 495	28 492	17 540
Paperhole Investments (Private) Limited	**16.13**							
30 June 2021		4 180 912	1 193 124	771 527	2 322 949	54 906	1 227 134	1 812 436
30 June 2020		2 505 891	752 515	345 080	1 341 156	261 555	662 545	760 312
Probrands (Private) Limited	**16.14**							
30 June 2021		1 937 890	119 755	104 474	986 082	33 613	840 745	216 198
30 June 2020		484 704	128 590	20 890	345 672	31 888	205 970	128 704
Profeeds (Private) Limited	**16.15**							
30 June 2021		9 368 457	485 388	486 116	3 438 139	30 609	3 100 853	792 793
30 June 2020		1 518 819	342 959	75 265	1 037 415	3 592	725 770	382 229
Pure Oil Industries (Private) Limited	**16.16**							
30 June 2021		10 148 532	450 300	333 882	3 030 712	847 487	1 927 036	590 071
30 June 2020		1 302 725	98 355	985 071	683 912	605 007	924 206	139 770

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

17 Group investments

Listed below are the Group's effective ordinary shareholding in each of the companies excluding dormant companies.

	2021	2020
Mill-Bake Segment		
National Foods Holdings Limited	37.82%	37.82%
Bakery Division:		
Lennard Manufacturing (Private) Limited t/a Innscor Bread Bulawayo	100.00%	100.00%
Innscor Africa Bread Company Zimbabwe (Private) Limited t/a Innscor Bread Harare	100.00%	100.00%
LSS Investments (Private) Limited	100.00%	100.00%
Pure Oil Industries (Private) Limited **	15.13%	15.13%
Breathaway Food Caterers (Private) Limited t/a Innscor Snacks Manufacturing #	37.82%	37.82%
Bakers Inn Logistics (Private) Limited	50.00%	50.00%
National Foods Logistics (Private) Limited **	18.91%	18.91%
Profeeds (Private) Limited *	49.00%	49.00%
Aquafeeds (Private) Limited	32.66%	32.66%
Produtrade (Private) Limited* (reported under Profeeds)	49.00%	49.00%
Lolite Trading (Private) Limited	—	50.00%
Protein Segment		
Colcom Holdings Limited	100.00%	100.00%
Associated Meat Packers (Private) Limited	51.00%	51.00%
Great Rift Delight (Private) Limited	100.00%	100.00%
Intercane (Private) Limited	50.02%	50.02%
Silkchin Trading (Private) Limited #	25.55%	25.55%
Irvine's Zimbabwe (Private) Limited	49.00%	49.00%
IL Integrated Agri (Private) Limited *	50.00%	50.00%
Other Light Manufacturing and Services		
Innscor Appliance Manufacturing (Private) Limited t/a Capri*	25.05%	25.05%
Skitap (Private) Limited	50.00%	50.00%
Natpak (Private) Limited	58.33%	58.33%
Alpha Packaging (Private) Limited # **(note 26.3)**	45.69%	20.42%
Natpak Mauritius (Private) Limited #	58.33%	58.33%
Bedra Enterprises (Private) Limited	100.00%	100.00%
Probrands (Private) Limited *	39.20%	39.20%
Prodairy (Private) Limited	50.10%	50.10%
Pangolin (Private) Limited	50.10%	50.10%
Mafuro Farming (Private) Limited **	22.55%	22.55%
Paperhole Investments (Private) Limited *	50.00%	50.00%
Afrigrain Trading Limited *	49.89%	49.89%
Probottlers (Private) Limited	50.64%	50.64%
Kershelmar Dairies (Private) Limited **	25.05%	25.05%
Bevco Limited**	50%	—

Subsidiaries of subsidiaries *Associate
** Associate of a subsidiary # Subsidary of subsidary

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

17 Group investments (continued)

Listed below are the Group's effective ordinary shareholding in each of the companies excluding dormant companies.

	2021	2020
Head Office Services		
Innscor (Private) Limited	100.00%	100.00%
Innscor International Limited	100.00%	100.00%
Innscor South Africa (Proprietary) Limited	100.00%	100.00%
Callcape Investments (Private) Limited	50.00%	50.00%
Yeldam Investments (Private) Limited #	35.00%	35.00%
Botanegra (Private) Limited #	35.00%	35.00%
Investline (Private) Limited	70.00%	70.00%
Rafferty Investments (Private) Limited t/a Providence Human Capital	60.00%	60.00%
Syntegra Solutions (Private) Limited	50.00%	50.00%
MyCash Financial Services (Private) Limited **(note 22.3 & 16.11)**	55%	15.00%

Subsidary of subsidary

17.2 Country of incorporation

All Group companies are incorporated in Zimbabwe, except for the following operating companies:

Company	Country of incorporation
Innscor International Limited	Mauritius
Innscor South Africa (Proprietary) Limited	South Africa
Afrigrain Trading Limited	Mauritius
Natpak Mauritius Limited	Mauritius
Bevco Limited	Mauritius

		INFLATION-ADJUSTED		HISTORICAL	
		National Foods Holdings Limited	**Irvine's Zimbabwe (Private) Limited**	**National Foods Holdings Limited**	**Irvine's Zimbabwe (Private) Limited**
17.3 Non-controlling interests in significant subsidiaries					
The Group has the following subsidiaries that have significant non-controlling interests:					
Principal place of business		Zimbabwe	Zimbabwe	Zimbabwe	Zimbabwe
Proportion of ownership interests held by non-controlling interests before intragroup and consolidation adjustments		62.18%	51.00%	62.18%	51.00%
Profit allocated to non-controlling interests for the year ended:	30-Jun-21	45 036	1 032 980	1 624 387	855 782
	30-Jun-20	2 039 561	874 743	898 411	153 529

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

	Note	INFLATION-ADJUSTED		HISTORICAL	
		National Foods Holdings Limited ZW$'000	**Irvine's Zimbabwe (Private) Limited ZW$'000**	**National Foods Holdings Limited ZW$'000**	**Irvine's Zimbabwe (Private) Limited ZW$'000**
17 Group investments (continued)					
17.3 Non-controlling interests in significant subsidiaries (continued)					
Reconciliation of non-controlling interests					
Accumulated non-controlling interests of the subsidiary as at 30 June 2020		**5 386 702**	**1 895 225**	**1 103 921**	**192 050**
Profit allocated to non-controlling interest		45 036	1 032 980	1 624 387	855 782
Other comprehensive income allocated to non-controlling interest		39 253	—	39 253	—
Dividend paid to non-controlling interests	7.2	(610 079)	(125 413)	(531 485)	(112 200)
Accumulated non-controlling interests of the subsidiary as at 30 June 2021		**4 860 912**	**2 802 792**	**2 236 076**	**935 632**

The summarised financial information of these subsidiaries is based on amounts before inter-company eliminations and is provided below:

17.3 Non-controlling interests in significant subsidiaries

	Note	INFLATION-ADJUSTED: AUDITED		HISTORICAL: SUPPLEMENTARY	
		National Foods Holdings Limited ZW$'000	**Irvine's Zimbabwe (Private) Limited ZW$'000**	**National Foods Holdings Limited ZW$'000**	**Irvine's Zimbabwe (Private) Limited ZW$'000**
Year ended 30 June 2021:					
Revenue		33 177 372	14 000 669	28 074 417	11 598 985
Profit after tax		72 429	2 025 452	2 612 395	1 678 004
Current assets		11 183	3 971 464	9 759 091	3 971 464
Non-current assets		4 298 929	1 512 841	1 409 183	1 253 327
Current liabilities		(8 152 140)	(2 999 129)	(7 515 065)	(2 999 129)
Non-current liabilities		(585 404)	(391 771)	(56 232)	(391 771)
Cash flows from operating activities		868 846	266 564	3 474 957	220 838
Cash flows from investing activities		(674 396)	(1 090 145)	(671 363)	(903 141)
Cash flows from financing activities		374 100	2 173 458	847 845	1 800 622
Dividends paid to non controlling interests	7.2	(610 079)	(125 413)	(531 485)	(112 200)
Year ended 30 June 2020:					
Revenue		26 431 659	9 804 015	6 340 085	2 102 252
Profit after tax		2 190 736	1 715 182	1 444 856	301 037
Current assets		9 220 501	1 854 438	3 517 776	897 406
Non-current assets		3 633 386	548 674	388 074	117 651
Current liabilities		2 200 666	(151 811)	2 064 245	551 343
Non-current liabilities		(654 518)	(30 187)	65 848	20 525
Cash flows from operating activities		(448 855)	2 541	90 380	(78 611)
Cash flows from investing activities		(302 932)	(25 771)	(57 106)	(24 125)
Cash flows from financing activities		784 271	42 155	168 172	175 380
Dividends paid to non controlling interests	7.2	(158 413)	(51 247)	(43 331)	(14 017)

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

		Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
18	**Other Assets**					
	Other assets consist of investments in listed equities, unit trusts, term deposits and long-term interest bearing receivables:					
18.1	**Analysis**					
	Property unit trust		82 127	82 127	2 750	2 750
	Quoted equity investments		870 000	1 578 668	870 000	763 954
	Non-current trade and other receivables		395 412	854 802	395 412	413 659
	Total non-current other assets	37.4	**1 347 539**	**2 515 597**	**1 268 162**	**1 180 363**
	Reconciled as follows					
	Balance at the beginning of the year		**2 515 597**	**1 323 862**	**1 180 363**	**74 515**
	Purchases at cost	22.2	59 006	—	46 346	—
	Acquisition of subsidiary	22.3	9 364	—	7 217	—
	Proceeds on statutory receivable	2.6	(143 120)	—	(118 569)	—
	Fair value adjustments through profit or loss	22.1	(708 667)	345 745	106 046	696 453
	Loan and debenture repayments	22.2	—	(642)	—	(311)
	Exchange gain	18.2	—	137 370	—	66 477
	Cash cover deposits	2.6	—	10 609	—	5 134
	Reclassified to trade receivables		(167 663)	(978)	(81 136)	(473)
	Gain on revaluation of statutory receivables	9.2 & 2.6	127 895	699 631	127 895	338 568
	Monetary loss		(344 873)	—	—	—
	Balance at the end of the year	37.4	**1 347 539**	**2 515 597**	**1 268 162**	**1 180 363**

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

INFLATION-ADJUSTED: AUDITED

		Note	Fair value through profit or loss ZW$'000	Other financial assets at amortised cost ZW$'000	Total ZW$'000
18.2	**Other financial assets are analysed as follows:**				
	Opening balance - 30 June 2019		**1 095 003**	**228 859**	**1 323 862**
	Reclassified to trade receivables	18.1	—	(978)	(978)
	Exchange gain/(loss)	18.1	137 919	(549)	137 370
	Fair value adjustments through profit or loss	22.1	345 745	—	345 745
	Debenture settlement	18.1	—	(642)	(642)
	Cash cover deposits		—	10 609	10 609
	Gain on revaluation of statutory receivables	22.1 & 9.2	—	699 631	699 631
	Closing balance - 30 June 2020		**1 578 667**	**936 930**	**2 515 597**
	Proceeds on statutory receivable	18.1	—	(143 120)	(143 120)
	Purchases at cost	18.1	—	59 006	59 006
	Fair value adjustments through profit or loss	22.1	(708 667)	—	(708 667)
	Acquisition of subsidiary	22.2	—	9 364	9 364
	Gain on revaluation of statutory receivables	22.1 & 9.2	—	127 895	127 895
	Reclassified to trade receivables	18.1	—	(167 663)	(167 663)
	Monetary loss		—	(344 873)	(344 873)
	Closing balance - 30 June 2021		**870 000**	**477 539**	**1 347 539**

HISTORICAL: SUPPLEMENTARY

	Note	Fair value through profit or loss ZW$'000	Other financial assets at amortised cost ZW$'000	Total ZW$'000
Opening balance - 30 June 2019		**68 324**	**6 191**	**74 515**
Reclassified to trade receivables	18.1	—	(473)	(473)
Exchange (loss)/gain		(823)	67 300	66 477
Fair value adjustments through profit or loss	22.1	696 453	—	696 453
Debenture settlement	18.1	—	(311)	(311)
Cash cover deposits	2.6	—	5 134	5 134
Gain on revaluation of statutory receivables	22.1 & 9.2	—	338 568	338 568
Closing balance - 30 June 2020		**763 954**	**416 409**	**1 180 363**
Proceeds on statutory receivable	18.1	—	(118 569)	(118 569)
Purchases at cost	18.1	—	46 346	46 346
Fair value adjustments through profit or loss	22.1	106 046	—	106 046
Gain on revaluation of statutory receivables	22.1 & 9.2	—	127 895	127 895
Reclassified to trade receivables	18.1	—	(81 136)	(81 136)
Acquisition of subsidiary	22.3	—	7 217	7 217
Closing balance - 30 June 2021		**870 000**	**398 162**	**1 268 162**

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

18 Other Financial Assets (continued)

18.3 Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial assets:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs that have a significant effect on the recorded fair value and are not based on observable market data.

	INFLATION-ADJUSTED Level 1 ZW$'000	HISTORICAL Level 1 ZW$'000
Fair value through profit or loss:		
30 June 2021		
Long-term other financial assets	870 000	870 000
30 June 2020		
Long-term other financial assets	1 578 668	763 954

The Group did not have any financial assets under Level 2 and Level 3 in the current and prior financial years, in addition, the Group did not have any transfers betweeen levels.

The carrying amount of the Group's trade and other receivables and loans and debentures under other financial assets as at 30 June 2021 approximate their fair values as at the same date.

	Note	INFLATION-ADJUSTED		HISTORICAL	
		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
19 Biological Assets					
19.1 Non-current					
Opening balance		215 691	161 292	104 378	9 322
Purchases	22.2	44 982	33 299	50 051	7 574
Reclassified from current biological assets	19.2	6 521	9 307	5 365	1 711
Fair value (loss)/gain	19.4	(24 569)	11 793	65 617	85 771
Closing balance	19.3	242 625	215 691	225 411	104 378
19.2 Current					
Opening balance		2 155 704	1 272 423	561 641	42 679
Purchases		826 797	1 805 246	703 688	420 406
Feed costs		4 831 202	2 313 985	4 148 880	612 888
Sales		(2 687 662)	(983 537)	(3 209 839)	(219 946)
Slaughter/consumption	20	(2 062 426)	(2 167 645)	(856 835)	(489 505)
Reclassified to non-current biological assets	19.1	(6 521)	(9 307)	(5 365)	(1 711)
Fair value (loss)/gain	19.4	(1 035 002)	(75 461)	330 518	196 830
Closing balance	19.3	2 022 092	2 155 704	1 672 688	561 641

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

	Note	Birds ZW$'000	Hatching Eggs ZW$'000	Cattle ZW$'000	Pigs ZW$'000	Total ZW$'000
19 Biological Assets (continued)						
19.3 Current biological assets movements						
INFLATION-ADJUSTED: AUDITED						
At 1 July 2019 (Restated)		1 026 324	2 838	37 236	206 025	1 272 423
Purchases		151 302	26 885	347 805	1 279 254	1 805 246
Feed costs		2 313 985	—	—	—	2 313 985
Sales		(251 124)	—	—	(732 413)	(983 537)
Slaughter/consumption	20.1	(1 811 026)	(7 689)	(348 930)	—	(2 167 645)
Transfer to non-current biological assets	19.1	—	—	—	(9 307)	(9 307)
Fair value (loss)/gain	19.4	(449 122)	—	(9 023)	382 684	(75 461)
At 30 June 2020 (Restated)		980 339	22 034	27 088	1 126 243	2 155 704
Purchases		204 192	94 606	527 999	—	826 797
Feed costs		3 734 438	—	—	1 096 764	4 831 202
Sales		(1 815 632)	—	—	(872 030)	(2 687 662)
Slaughter/consumption	20	(756 025)	(97 870)	(1 044 819)	(163 712)	(2 062 426)
Transfer to non-current biological assets	19.1	—	—	—	(6 521)	(6 521)
Fair value (loss)/gain	19.4	(1 710 491)	—	615 485	60 004	(1 035 002)
At 30 June 2021		636 821	18 770	125 753	1 240 748	2 022 092
HISTORICAL: SUPPLEMENTARY						
At 1 July 2019		28 456	164	2 152	11 907	42 679
Purchases		35 236	6 261	80 997	297 912	420 406
Feed costs		612 888	—	—	—	612 888
Sales		(56 158)	—	—	(163 788)	(219 946)
Slaughter/consumption	20	(408 972)	(1 737)	(78 796)	—	(489 505)
Transfer to non-current biological assets	19.1	—	—	—	(1 711)	(1 711)
Fair value gain	19.4	24 343	—	8 756	163 731	196 830
At 30 June 2020		235 793	4 688	13 109	308 051	561 641
Purchases		173 788	80 520	449 380	—	703 688
Feed costs		3 207 015	—	—	941 865	4 148 880
Sales		(2 168 385)	—	—	(1 041 454)	(3 209 839)
Slaughter/consumption	20	(285 070)	(69 681)	(434 070)	(68 014)	(856 835)
Transfer to non-current biological assets	19.1	—	—	—	(5 365)	(5 365)
Fair value gain	19.4	25 497	—	4 842	300 179	330 518
At 30 June 2021		1 188 638	15 527	33 261	435 262	1 672 688

	Note	INFLATION-ADJUSTED		HISTORICAL	
		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
19.4 Fair value (loss)/gain on biological assets					
On non current biological assets	19.1	(24 569)	11 793	65 617	85 771
On current biological assets	19.2	(1 035 002)	(75 461)	330 518	196 830
Total fair value (loss)/gain	19.7	(1 059 571)	(63 668)	396 135	282 601

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

19 Biological Assets (continued)

19.5 Non-current and Current Biological Assets Volumes

As at 30 June 2021 the Group had the following number of living animals within current biological assets:

	Non-current	Current			
30 June 2021	**Pigs**	**Birds**	**Hatching Eggs (each)**	**Cattle (each)**	**Pigs (each)**
Number of living animals	6 328	1 277 697	30 623	527	52 424
Live weight estimates (kg)	590 906	n/a	n/a	649 508	6 643 528
30 June 2020	**Pigs**	**Birds**	**Hatching Eggs (each)**	**Cattle (each)**	**Pigs (each)**
Number of living animals	6 351	1 286 703	206 047	439	42 451
Live weight estimates (kg)	593 054	n/a	n/a	541 051	5 379 681

No biological assets have been pledged as collateral for borrowings.

19.6 Valuation Process

1. The Group engages independent consultants to determine the estimated cold dressed mass (CDM) of live pigs at each age. The fair value of pigs is calculated by applying the market price per kg to the CDM.
2. The value of cattle is determined by the fair market prices of cattle at the nearest active market.
3. The valuation of bird breeder livestock is based on the actual costs incurred in rearing the birds and is amortised in relation to the expected hatching eggs to end of lay. The valuation of broiler livestock is based on the actual costs incurred in rearing the birds.
4. Layers are valued at fair market price less selling costs. Fair market price is the price the Group sells point of lay and end of lay birds to the market.

Valuation Technique

				INFLATION-ADJUSTED		HISTORICAL	
				2021	**2020**	**2021**	**2020**
Type		**Valuation Technique**	**Significant Unobservable Inputs**	**Significant Unobservable Inputs Range**	**Significant Unobservable Inputs Range**	**Significant Unobservable Inputs Range**	**Significant Unobservable Inputs Range**
Birds -	Breeders - Grandparents	Cost Approach	Rearing Mortality Production Mortality Age of birds Hen House Average Average replacement cost per pullet Average egg laying days	10% 12% 65 weeks to slaughter 129 ZW$8 091.90 per pullet 280days	10% 12% 65 weeks to slaughter 129 ZW$584.58 per pullet 280days	10% 12% 65 weeks to slaughter 129 ZW$8 091.90 per pullet 280days	10% 12% 65 weeks to slaughter 129 ZW$282.90 per pullet 280days
	Breeders - Parents	Cost Approach	Rearing Mortality Production Mortality Age of birds Hen House Average Average replacement cost per pullet Average egg laying days	10% 12% 65 weeks to slaughter 170 ZW$253.66 280days	10% 12% 65 weeks to slaughter 170 ZW$54.37 280days	10% 12% 65 weeks to slaughter 170 ZW$253.66 280days	10% 12% 65 weeks to slaughter 170 ZW$26.31 280days

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

19 Biological Assets (continued)

19.6 Valuation Process (continued)

Valuation Technique

				INFLATION-ADJUSTED		HISTORICAL	
				2021	**2020**	**2021**	**2020**
Type		**Valuation Technique**	**Significant Unobservable Inputs**	**Significant Unobservable Inputs Range**	**Significant Unobservable Inputs Range**	**Significant Unobservable Inputs Range**	**Significant Unobservable Inputs Range**
Birds -	Layer Breeders	Cost Approach	Rearing Mortality Production Mortality Age of birds Hen House Average Average replacement cost per pullet Average egg laying days	10% 20% 70 weeks to slaughter 200 ZW$941.23 336days	10% 20% 70 weeks to slaughter 200 ZW$346.37 300days	10% 20% 70 weeks to slaughter 200 ZW$941.23 336days	10% 20% 70 weeks to slaughter 200 ZW$167.62 300days
	Layers	Fair Market Price	Rearing Mortality Production Mortality Age of birds Hen House Average Average replacement cost per pullet	6% 10% 80 weeks 340 ZW$65.95	6% 10% 80 weeks 340 ZW$9.42	6% 10% 80 weeks 340 ZW$65.95	6% 10% 80 weeks 340 ZW$4.56
	Broilers	Cost Approach	Mortality Kill Age	5% 35 days	5% 35 days	5% 35 days	5% 35 days
Cattle - Comprising of bulls, cows, weaner heifers, weaner steers, bulling heifers, steers and calves		Market Approach	—	—	—	—	—
Pigs - Comprising of piglets, weaners, growers, gilts, sows and boars		Income approach. The valuation model is based on the price per kg of pork multiplied by the Cold Dressed Mass (CDM).	Price per kg, CDM discounting factor Age of pigs 2 weeks Weight of pigs	ZW$184.51 - ZW$266.18 62% - 76% 4 weeks - 22 weeks 7kgs - 150kgs	ZW$22.93 - ZW$335.81 62% - 76% 4 weeks - 22 weeks 7kgs - 150kgs	ZW$184.51 - ZW$266.18 62% - 76% 4 weeks - 22 weeks 7kgs - 150kgs	ZW$11.11 - ZW$162.51 62% - 76% 4 weeks - 22 weeks 7kgs - 150kgs
Pigs - Comprising imported breeders		Replacement cost of the G41	Cost of a breeder of similar type	ZW$100 724.19 per breeder	ZW$158 847.62 per breeder	ZW$100 724.19 per breeder	ZW$76 871.67 per breeder

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

19 Biological Assets (continued)

19.7 Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of biological assets:

Level 1: quoted (unadjusted) prices in active markets for identical assets (the Group does not have any biological assets whose fair values are determined under this level).
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

INFLATION-ADJUSTED: AUDITED 30 June 2021	Note	Level 1 ZW$'000	Level 2 ZW$'000	Total ZW$'000	Fair value loss ZW$'000
Pigs (Non-Current and Current)	19.1 & 19.3	—	1 483 373	1 483 373	35 435
Cattle	19.3	125 753	—	125 753	615 485
Birds	19.3	—	636 821	636 821	(1 710 491)
Total		**125 753**	**2 120 194**	**2 245 947**	**(1 059 571)**
30 June 2020 (Restated)					
Pigs (Non-Current and Current)	19.1 & 19.3	—	1 341 934	1 341 934	394 477
Cattle	19.3	27 088	—	27 088	(9 023)
Birds	19.3	—	980 339	980 339	(449 122)
Total		**27 088**	**2 322 273**	**2 349 361**	**(63 668)**

HISTORICAL: SUPPLEMENTARY 30 June 2021	Note	Level 1 ZW$'000	Level 2 ZW$'000	Total ZW$'000	Fair value gain ZW$'000
Pigs (Non-Current and Current)	19.1 & 19.3	—	660 673	660 673	365 796
Cattle	19.3	33 261	—	33 261	4 842
Birds	19.3	—	1 188 638	1 188 638	25 497
Total		**33 261**	**1 849 311**	**1 882 572**	**396 135**
30 June 2020					
Pigs (Non-Current and Current)	19.1 & 19.3	—	412 429	412 429	249 502
Cattle		13 109	—	13 109	8 756
Birds		—	235 793	235 793	24 343
Total		**13 109**	**648 222**	**661 331**	**282 601**

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

19 Biological Assets (continued)

19.7 Fair Value Hierarchy (continued)

The table below presents the sensitivity of profit or loss before tax due to changes in weight (pigs and cattle) and market price (layer birds). The sensitivities presented are favourable movements. If the sensitivity variables were unfavourable, the negative impact on profit would be of a similar magnitude.

		INFLATION-ADJUSTED	HISTORICAL
2021	**% Change**	**Effect on profit before tax ZW$'000**	**Effect on profit before tax ZW$'000**
Pigs			
Fair value less costs to sell - meat	3%	44 501	19 820
Cattle			
Fair value less costs to sell - meat	5%	6 288	1 663
Layers			
Fair value less costs to sell - birds	10%	63 682	118 864
2020			
Pigs			
Fair value less costs to sell - meat	3%	40 258	12 373
Cattle			
Fair value less costs to sell - meat	5%	1 354	655
Layers			
Fair value less costs to sell - birds	10%	98 034	23 579

Significant increases/(decreases) in price per kg, weight of pigs and replacement cost per breeder in isolation would result in a significantly higher or lower fair value measurement of each of the biological assets. .

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

19 Biological Assets (continued)

19.7 Fair Value Hierarchy (continued)

Biological assets risk management policies

Biological assets are living animals that are managed by the Group. Agricultural produce is the harvested product of the biological asset. Biological assets of the Group include cattle, pigs, birds and hatching eggs.

These biological assets are exposed to various risks, which include disease/infection outbreaks, theft and price fluctuations. The Group has put in place measures and controls to safeguard losses due to the above risks. These measures and controls, include among other things bio-security monitoring, vaccination to prevent infections, regular and routine disease tests and regular evaluation of market prices.

		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
20 Inventories					
Consumables		821 990	556 220	797 125	207 727
Finished products, net of allowance for obsolesence		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	102 302	46 423
		8 477 380	**8 586 963**	**8 331 456**	**3 328 048**
The amount of inventories written down in respect of obsolescence expense is ZW$79 852 087 (2020: ZW$58 695 340), Historical ZW$62 719 293 (2020: ZW$12 585 902).					
20.1 Inventories consumed in cost of sales		40 195 525	26 883 719	30 495 955	4 267 170
Biological assets consumed	**19.2**	2 062 426	2 167 645	856 835	489 505
Total cost of sales		**42 257 951**	**29 051 364**	**31 352 790**	**4 756 675**
21 Trade and other receivables					
Trade receivables	**37.3**	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	**21.2**	(67 726)	(82 858)	(67 726)	(40 097)
		8 738 326	**5 596 838**	**8 650 159**	**2 555 253**

* Included in other receivables are amounts due from employees, and upfront payments to the Zimbabwe Revenue Authority ("ZIMRA").

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

		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
21 Trade and other receivables (continued)					
21.1 Credit quality of trade receivables					
As at 30 June 2021, trade and other receivables of ZW$3 567 319 673 (2020: ZW$2 096 226 968) were fully performing and the ageing of these trade and other receivables is as follows:					
Current (ordinarily up to 30 days)		3 567 320	2 096 227	3 567 320	1 014 414
Expected credit losses		(18 160)	(53 076)	(18 160)	(25 685)
		3 549 160	**2 043 151**	**3 549 160**	**988 729**
As at 30 June 2021, trade and other receivables of ZW$879 017 451 (2020: ZW$512 512 335) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade and other receivables is as follows:					
30 to 90 days		617 075	413 056	617 075	199 887
Over 90 days		261 942	99 456	261 942	48 130
		879 017	512 512	879 017	248 017
Expected credit losses		(49 566)	(29 782)	(49 566)	(14 412)
		829 451	**482 730**	**829 451**	**233 605**
21.2 Expected credit loss - trade and other receivables					
Movements on the Group's allowance for expected credit losses are as follows:					
As at 1 July		**82 859**	**158 365**	**40 097**	**9 153**
Current year movements		(15 133)	(75 507)	27 629	30 944
Allowance for expected credit losses	**22.1**	29 910	152 337	29 910	30 876
Receivables (recovered)/written off	**22.1**	(2 904)	321	(2 281)	68
Monetary gain		(42 139)	(228 165)	—	—
As at 30 June		**67 726**	**82 858**	**67 726**	**40 097**

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

		Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
22	**Cash flow information**					
22.1	**Cash generated from operating activities**					
	Profit before interest and tax		**6 456 292**	**7 488 884**	**12 344 928**	**4 703 102**
	Adjustments for non-cash items:					
	Depreciation & amortisation	10.4	1 141 268	1 081 768	182 305	82 410
	Increase in allowance for credit losses	21.2	29 910	152 337	29 910	30 876
	Inventory written off and provisions charged to profit or loss	20	79 852	58 695	62 719	12 586
	Unrealised exchange (gains)/losses	9.2	709 515	(111 151)	709 515	(53 789)
	Bad debts (written off)/recovered	21.2	2 904	(321)	2 281	(68)
	Increase in provision for leave pay	30.1	185 079	294 969	185 079	63 249
	Fair value (loss)/gain on listed equities	18.1	708 667	(345 745)	(106 046)	(696 453)
	Fair value loss/(gain) on biological assets	19.4	1 059 571	63 668	(396 135)	(282 601)
	Share-based payment charge		1 454	8 862	1 182	1 900
	Profit on disposal of assets of disposal group held for sale	9.2 & 23.2	(125 786)	—	(144 620)	—
	Gain on revaluation of statutory receivables	9.2 & 18.2	(127 895)	(699 631)	(127 895)	(338 568)
	(Profit)/loss on disposal of fixed assets	9.2	(2 760)	12 683	(35 487)	(1 694)
			10 118 071	**8 005 018**	**12 707 736**	**3 520 950**
	Changes in working capital					
	Decrease/(increase) in current biological assets		133 612	(1 020 594)	(780 528)	(323 845)
	Decrease/(increase) in inventories		29 730	(11 484 516)	(5 926 813)	(3 106 047)
	Increase in trade and other receivables		(3 118 186)	(8 409 012)	(6 077 618)	(2 113 296)
	Increase in trade and other payables		1 515 410	13 866 855	5 972 325	2 973 437
	Decrease in provisions and other liabilities	30.1	(39 883)	(5 808)	(29 280)	(1 777)
			(1 479 317)	**(7 053 075)**	**(6 841 914)**	**(2 571 528)**
			8 638 754	**951 943**	**5 865 822**	**949 422**

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

		Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
22	**Cash flow information** (continued)					
22.2	**Investing activities**					
	Expenditure of property, plant and equipment	13&13.1	**(3 918 282)**	**(1 455 650)**	**(3 688 884)**	**(293 792)**
	Expenditure on property, plant and equipment to maintain operations		(1 397 017)	(430 586)	(1 315 229)	(86 904)
	Expenditure on property, plant and equipment to expand operations		(2 521 265)	(1 025 064)	(2 373 655)	(206 888)
	Proceeds on disposal of fixed assets	22.3	262 270	12 540	129 516	2 583
	Purchase of quoted investments	18.1	(59 006)	—	(46 346)	—
	Purchase of non-current biological assets	19.1	(44 982)	(33 299)	(50 051)	(7 574)
	Net cash flow on acquisition of Subsidiary	22.3	6 289	—	4 847	—
	Investment in Associates	16.2	(5 975)	(136 251)	(5 975)	(17 284)
	Net loans (advanced to)/repaid by by Associates	16.2	(6 410)	(77 819)	2 161	(16 687)
	Purchase of additional interest in Subsidiary	26.3	(424 310)	—	(278 292)	—
	Proceeds on statutory receivables	18.1	143 120	—	118 569	—
	Proceeds on debentures	18.1	—	642	—	311
	Dividends received from Associates	16.2	218 609	189 248	171 857	40 996
	Total cash utilised in investing activities		**(3 828 677)**	**(1 500 589)**	**(3 642 598)**	**(291 447)**

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

22 Cash flow information (continued)

22.3 Net cash flow from acquisition of additional interest in MyCash Financial Services (Private) Limited

On 1 October 2020, the Group acquired an additional 40% direct interest in MyCash Financial Services (Private) Limited, in addition to a 30% interest in the same company held by Syntegra Solutions (Private) Limited, giving the Group a 55% effective shareholding. The identifiable assets and liabilities as at the date of acquisition were as follows:

	Note	INFLATION-ADJUSTED 2021 ZW$'000	HISTORICAL: SUPPLEMENTARY 2021 ZW$'000
Property, plant and equipment	13	20 459	15 768
Intangible assets	15	865	667
Inventories		2 879	2 219
Other assets	15 & 18.2	9 364	7 217
Trade and other receivables		10 314	7 949
Cash and cash equivalents		13 895	10 709
Trade and other payables		(22 905)	(17 653)
Other liabilities		(34 851)	(26 861)
Fair value of net assets at date of transaction		**20**	**15**
Less total non-controlling interest		(9)	(7)
Attributable fair value of net assets acquired		**11**	**8**
Total consideration		12 100	9 325
Fair value of investment in Associate	16.2	4 494	3 463
Cash paid		7 606	5 862
Goodwill on acquisition	**15**	**12 089**	**9 317**
Cash consideration paid into the company		(7 606)	(5 862)
Add cash and cash equivalents		13 895	10 709
Net cash inflow	**22.2**	**6 289**	**4 847**

22.4 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.

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
22 Cash flow information (continued)					
22.5 Cash and cash equivalents at the end of the year					
Opening cash and bank balances		3 303 632	2 400 966	2 125 956	146 106
Increase in cash and cash equivalents		4 388 147	(210 353)	1 557 406	985 708
Effects of currency translation on foreign operations		(3 302 743)	1 113 019	705 674	994 142
Closing cash and cash equivalents	**36.4**	**4 389 036**	**3 303 632**	**4 389 036**	**2 125 956**
Included in cash and cash equivalents are the following foreign denominated balances:					
USD		2 429 133	2 994 515	2 429 132	1 568 263
ZAR		28 416	165 025	28 416	79 859
EURO		438	—	438	—
		2 457 986	**3 159 540**	**2 457 986**	**1 648 122**

23 Assets of disposal group classified as held for sale

The Group disposed Lolite Trading (Private) Limited following the classification of the properties as assets of disposal group classified as held for sale.

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
23.1 Reconciliation of assets of disposal group classified as held for sale					
At the beginning of the year		**65 743**	**—**	**7 648**	**—**
Disposals		(65 743)	—	(7 648)	—
Reclassified from investments in Associates to assets of disposal group classifies as held for sale	**16.1**	—	65 743	—	7 648
At the end of the year		**—**	**65 743**	**—**	**7 648**
23.2 Profit on disposal of assets of disposal group held for sale					
Selling price		191 529	—	152 268	—
Carrying amount	**23.1**	(65 743)	—	(7 648)	—
Profit on disposal	**9.2**	**125 786**	**—**	**144 620**	**—**

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
24 Ordinary share capital					
24.1 Authorised					
800 000 000 ordinary shares of 1 cent each		8 000	8 000	8 000	8 000
1 000 Non-Voting Class "A" ordinary shares of ZW$1 cent each		—	—	—	—
		8 000	**8 000**	**8 000**	**8 000**
24.2 Issued and fully paid					
Ordinary Share Capital					
Opening balance		261 052	260 779	5 648	5 597
Issued during the year		69	273	51	51
569 876 450 (2020: 564 776 450) ordinary shares		**261 121**	**261 052**	**5 699**	**5 648**
Share premium					
Opening balance		843 631	829 846	20 358	17 812
Issued during the year 5 100 000 (2020: 5 050 000)		30 154	13 785	5 534	2 546
		873 785	**843 631**	**25 892**	**20 358**
Class "A" Ordinary Shares					
1 000 Non-Voting Class "A" ordinary shares		—	—	—	—

There were no changes in the Company's authorised share capital during the year, and the unissued shares are under the control of the Directors.

24.3 Share options

As at 30 June 2021, Innscor Africa Limited had the following Share Option agreements:

a) Benvenue Investments (Private) Limited.

This is an option held by an indigenous partner in terms of the Indigenisation and Economic Empowerment Act (Chapter 14:33). The terms of the Indigenisation Share Option Scheme are as follows:

Commencement date:	January 2014
Number of shares:	Fifty Million (50 000 000)
Tenure:	10 years
Pricing:	The higher of 75% of the volume weighted average price of Innscor Africa Limited shares over the previous 60 trading days or for the first five years ZW$0.70 per share and for the second five years, ZW$1.03 per share.

At the end of the year, the scheme had a remaining contractual life of two and a half years.

The share options arising from the Benvenue Investments (Private) Limited share option scheme had no dilutive effect at the end of the financial year.

As at 30 June 2021, these options were exercisable.

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

24 Ordinary share capital (continued)

24.3 Share options (continued)

b) Innscor Africa Limited Employee Share Trust (Private) Limited

This is an option held by Innscor Africa Limited Employee Share Trust (Private) Limited in terms of the Indigenisation and Economic Empowerment Act (Chapter 14:33). The terms of the Innscor Africa Limited Employee Share Trust Option Scheme are as follows:

Commencement date:	January 2014
Number of shares:	Thirty Million (30 000 000)
Tenure:	10 years
Pricing:	The volume weighted average price of Innscor Africa Limited shares over the previous 60 trading days.

At the end of the year, the scheme had a remaining contractual life of two and a half years.

The share options arising from Innscor Employee Share Trust (Private) Limited had no dilutive effect at the end of the financial year.

As at 30 June 2021, these options were exercisable.

c) 2016 Innscor Africa Limited Share Option Scheme

As part of the Group's staff retention and remuneration policy certain employees of the Group are offerred share options that are exercisable for a period of three years from the vesting date. The Directors are empowered to grant share options to qualifying employees of the Group. Each employee share option converts into one ordinary share of this company on the date it is exercised and paid for. The number of option approved by the Shareholders is 54 159 344 and other terms and conditions for these options are as follows:

Maximum Number of shares available under the scheme:	54 159 344
Vesting Period:	3 years from grant date
Exercise Price:	The Higher of: 45-day volume weighted average price of Innscor Africa Limited shares immediately preceding the grant date and the nominal value of the shares.
Other Conditions:	The employee must be in continuous employment by the Group from grant date throughout the vesting period. The options are exercisable starting three years after the grant date. The Group achieving a set growth in headline earnings per share over the three year period. The Group has no legal or constructive obligation to repurchase or settle the options in cash. The options are performance based and are awarded by the Remuneration Committee.

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

24 Ordinary share capital (continued)

24.3 Share options (continued)

c) 2016 Innscor Africa Limited Share Option Scheme (continued)

The movements in the number of outstanding Share Options in respect of the 2016 Innscor Africa Limited Share Option Scheme are as follows:

	June 2021 '000	June 2020 '000
Opening balance	11 150	16 200
Excercised during the year	(5 100)	(5 050)
Closing balance	**6 050**	**11 150**

Details of outstanding share options are as follows:

Grant Date:	Number of share options	Financial year of option grant	Financial year in which options vest	Exercise price in ZW$ cents per share option	Option fair value at grant date in ZW$ cents per share option
6-Dec-16	350 000	June 2017	June 2020	29.94	21.48
5-Sep-17	5 400 000	June 2018	June 2021	72.43	37.09
13-Sep-18	5 400 000	June 2019	June 2022	141.00	58.86

	Awarded 2019 Option	Awarded 2018 Option	Awarded 2017 Option
Fair value of the share options was determined as follows:			
Valuation model	Binomial Tree Model	Binomial Tree Model	Binomial Tree Model
Volatility	50%	50%	50%
Basis of volatility	Historical volatility of the Innscor Africa Limited share price	Historical volatility of the Innscor Africa Limited share price	Historical volatility of the Innscor Africa Limited share price
Dividend Yield	2%	2%	2%
Annual Risk Free Rate	1.68%	1.68%	1.71%

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

24 Ordinary share capital (continued)

24.3 Share options (continued)

24.3.1 Dilutive impact of share options

		Number of shares available under the option	Diluted Number of shares paid for under the option	Dilutive impact
2021				
Issued January 2014	Indigenisation scheme	50 000 000	53 779 777	—
Issued 6 December 2016	Management scheme	350 000	2 027	347 973
Issued 5 September 2017	Management scheme	300 000	4 204	295 796
Issued 13 September 2018	Management scheme	5 400 000	147 314	5 252 686
				5 896 455
2020				
Issued January 2014	Indigenisation scheme	50 000 000	115 880 137	—
Issued 5 September 2017	Management scheme	5 400 000	827 871	4 572 129
Issued 13 September 2018	Management scheme	5 400 000	1 611 624	3 788 376
				8 360 505

24.4 Directors' shareholdings

The company Directors held directly and indirectly the following number of shares:

	At Report Date	2021	2020
Z Koudounaris	114 517 346	114 517 346	113 789 955
M J Fowler	108 229 327	108 566 827	108 566 827
J P Schonken	4 151 487	4 151 487	2 943 587
G Gwainda	991 759	991 759	858 659
A B C Chinake	957 545	957 545	507 545
T N Sibanda	650 000	650 000	350 000
D K Shinya	2 200	2 200	—
	229 499 664	**229 837 164**	**227 016 573**

		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
25 Reserves					
25.1 Distributable reserves					
Opening balance		**16 309 884**	**11 991 381**	**3 575 773**	**364 770**
Profit for the year		2 751 840	4 850 969	7 144 165	3 064 586
Dividends paid	7.1	(1 445 273)	(532 466)	(1 248 957)	(127 272)
Realisation of the change in functional currency reserve		—	—	—	273 689
Closing balance		**17 616 451**	**16 309 884**	**9 470 981**	**3 575 773**

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

25 Reserves (continued)

25.2 Nature and purpose of other reserves

Reconciliation of other reserves

	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
INFLATION-ADJUSTED: AUDITED (RESTATED)						
Balances at 30 June 2019	(611 947)	111 601	—	(32 044)	84 076	(448 314)
Other comprehensive income	—	1 955 681	—	—	—	1 955 681
Issue of shares	—	—	—	—	(40 468)	(40 468)
Share-based payment charge	—	—	—	—	8 862	8 862
Balances at 30 June 2020	**(611 947)**	**2 067 282**	**—**	**(32 044)**	**52 470**	**1 475 761**
Other comprehensive income	—	1 004 562	—	—	—	1 004 562
Issue of shares	—	—	—	—	(25 151)	(25 151)
Transactions with owners in their capacity as owners	(403 550)	—	—	(128 853)	—	(532 403)
Purchase of Treasury Shares	—	—	—	(128 853)	—	(128 853)
Acquisition of additional interest in Alpha Packaging (Private) Limited	(403 550)	—	—	—	—	(403 550)
Share-based payment charge	—	—	—	—	1 454	1 454
Balances at 30 June 2021	**(1 015 497)**	**3 071 844**	**—**	**(160 897)**	**28 773**	**1 924 223**
HISTORICAL: SUPPLEMENTARY						
Balances at 30 June 2019	(13 135)	111 601	274 695	(688)	2 263	374 736
Other comprehensive income	—	1 955 681	—	—	—	1 955 681
Issue of shares	—	—	—	—	(1 084)	(1 084)
Realisation of change in functional currency reserve	—	—	(274 695)	—	—	(274 695)
Share-based payment charge	—	—	—	—	1 900	1 900
Balances at 30 June 2020	**(13 135)**	**2 067 282**	**—**	**(688)**	**3 079**	**2 056 538**
Other comprehensive income	—	1 004 562	—	—	—	1 004 562
Issue of shares	—	—	—	—	(1 892)	(1 892)
Transactions with owners in their capacity as owners	(264 676)	—	—	(111 730)	—	(376 406)
Purchase of Treasury Shares	—	—	—	(111 730)	—	(111 730)
Acquisition of additional interest in Alpha Packaging (Private) Limited	(264 676)	—	—	—	—	(264 676)
Share-based payment charge	—	—	—	—	1 182	1 182
Balances at 30 June 2021	**(277 811)**	**3 071 844**	**—**	**(112 418)**	**2 369**	**2 683 984**

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

25 Reserves (continued)

25.2 Nature and purpose of other reserves (continued)

25.2.1 Restructure Reserve

The restructure reserve is used to record restructure transactions, and during the year, the Group restructured its interest in Alpha Packaging (Private) Limited, by increasing its effective shareholding from 20.42% to 45.69% as shown on **note 26.3**

25.2.2 Foreign Currency Translation Reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of foreign subsidiaries.

25.2.3 Share-Based Payment Reserve

The reserve is in respect ofshare-based payments, and the 2016 Innscor Africa Limited Share Scheme whose changes are included in this reserve. Refer to **note 24.3**.

25.2.4 Treasury Shares Reserve

This reserve records Innscor Africa Limited ordinary shares held by the holding company and its subsidiaries. The shares are recorded at the cost at which they were acquired. As at 30 June 2021 the Group held 4 639 901 (2020: 1 818 912) of its own shares. The additional 2 820 989 shares were acquired for ZW$111 729 950 (Historical: ZW$128 852 675) during the year.

25.2.5 Change in Functional Currency Reserve

The reserve was used to record the effect of change in functional currency within the Group's balance sheet in February 2019, when the Government of Zimbabwe promulgated a change in functional currency as explained under **note 2**. The reserve was released into distributable reserves in 2020.

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
26 Non-controlling interests					
26.1 Reconciliation					
Opening balance		**7 784 246**	**5 434 028**	**1 664 099**	**276 161**
Profit for the year		1 645 325	2 572 090	3 346 328	1 351 997
Dividends paid	7.2	(927 871)	(354 742)	(809 249)	(97 032)
Other comprehensive income for the year		11 749	133 069	11 749	133 069
Other transactions with non-controlling interests		18 847	(199)	17 504	(96)
Transactions with cash consideration	26.2	39 550	473	31 064	102
Acquisition of additional interest in Alpha Packaging (Private) Limited	26.2	(20 761)	—	(13 616)	—
Non-cash consideration transactions		58	(672)	56	(198)
Closing balance		**8 532 296**	**7 784 246**	**4 230 431**	**1 664 099**
26.2 Cash received from non-controlling interests					
Contributions were received from non-controlling interests in the following businesses.					
Alpha Packaging (Private) Limited		(1 768)	473	(1 389)	102
MyCash Financial Services (Private) Limited		10 472	—	8 225	—
The Buffalo Brewing Company (Private) Limited		30 846	—	24 228	—
Contributions from non-controlling interests		**39 550**	**473**	**31 064**	**102**

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

26 Non-controlling interests (continued)

26.3 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	
	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
Carrying amount of non-controlling interests acquired	**26.1**	20 761	—	13 616	—
Consideration paid to non-controlling interests	**22.2**	(424 310)	—	(278 292)	—
Excess of consideration paid recognised in the Restructure Reserve within equity		(403 549)	—	(264 676)	—
27 Deferred Taxation					
27.1 Analysis					
Deferred tax assets		—	—	(92 320)	—
Deferred tax liabilities		2 155 269	2 576 403	146 326	215 964
		2 155 269	**2 576 403**	**54 006**	**215 964**
27.2 Reconciliation					
Opening balance		**2 576 403**	**2 445 617**	**215 964**	**133 738**
(Credit)/charge to profit or loss	**12.1**	(421 134)	130 786	(161 958)	82 316
Other		—	—	—	(90)
Closing balance		**2 155 269**	**2 576 403**	**54 006**	**215 964**
27.3 Analysis of net deferred tax liabilities					
Accelerated depreciation for tax purposes		2 609 329	2 665 505	148 215	98 359
Fair value adjustments on biological assets		(261 926)	(15 738)	97 924	113 221
Unrealised exchange rate (gains)/losses		(175 392)	27 477	(175 392)	13 297
Allowance for credit losses		(16 742)	(7 362)	(16 741)	(3 563)
Effects of change in tax rate		—	(93 479)	—	(5 350)
		2 155 269	**2 576 403**	**54 006**	**215 964**

The Group recognises deferred tax assets arising from tax losses where there is a reasonable expectation that sufficient taxable profit will be available in the foreseeable future to utilise those losses. As at 30 June 2021, the Group did not have any unrecognised tax losses from its subsidiaries.

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

		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
28 Lease liability					
28.1 Lease liabilities included in the statement of financial position					
Non-current		248 208	101 338	248 208	49 040
Current		88 760	33 091	88 760	16 014
Balance at 30 June		**336 968**	**134 429**	**336 968**	**65 054**
Lease Liabilities					
Maturity analysis - contractual undiscounted cash flows					
Less than one year		347 592	69 693	347 592	33 726
One to five years		1 540 163	161 612	1 540 163	78 208
More than five years		1 885 917	56 583	1 885 917	27 382
Total undiscounted contractual cash flows at 30 June	**37.4**	**3 773 672**	**287 888**	**3 773 672**	**139 316**
Less total future finance costs		(3 436 704)	(153 459)	(3 436 704)	(74 262)
		336 968	**134 429**	**336 968**	**65 054**
28.2 Amounts recognised in the statement of profit or loss					
Depreciation charge for the year	**10.4**	105 021	97 373	40 132	8 616
Finance charges	**11.1**	55 310	32 072	45 822	15 521
Exchange losses		8 053	28 171	8 053	13 632
Total recognised in the statement of profit or loss		**168 384**	**157 616**	**94 007**	**37 769**

28.3 The Group has entered into commercial leases on certain properties, plant and equipment, and motor vehicles. These leases have varying terms with renewable options included in some of the contracts. There are no restrictions placed upon the Group by entering into these lease contracts.

28.4 The Group used an incremental borrowing rate of 31% (34.05%) to discount the future lease payments in respect of **IFRS 16 (Leases)**.

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
29 Interest-bearing borrowings					
29.1 Interest-bearing borrowings					
Rate of interest / Years repayable					
Long-term financing					
Secured					
Zimbabwe Operations — 4.5 - 50% — 2021-2022		585 579	90 188	585 579	43 644
Total long-term financing		**585 579**	**90 188**	**585 579**	**43 644**
Short-term financing					
Zimbabwe Operations — 4.5 - 50% — up to 365 days		4 531 521	1 970 134	4 531 521	953 395
Overdraft - Zimbabwe Operations — 4.5 - 50% — On demand		1 442 258	539 529	1 442 258	261 090
Total short-term financing		**5 973 779**	**2 509 663**	**5 973 779**	**1 214 485**
Total interest-bearing borrowings		**6 559 358**	**2 599 851**	**6 559 358**	**1 258 129**

As at 30 June 2021, the Board of Directors had authorised aggregate borrowing limits of ZW$16 billion (2020: ZW$14 billion)

Short-term borrowings expire at different dates during the year and are reviewed on maturity with the relevant financial institutions.

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
29.2 Interest-bearing borrowings - reconciliation					
The movements in interest bearing borrowings which are included in financing activities are as follows:					
Opening balance		**2 599 851**	**3 612 646**	**1 258 129**	**208 790**
Drawdowns		6 887 587	6 902 677	5 409 810	1 480 125
Repayments		(699 516)	(3 447 050)	(549 430)	(428 971)
Exchange movements		440 849	(3 751)	440 849	(1 815)
Monetary loss		(2 669 413)	(4 464 671)	—	—
Closing balance	39	**6 559 358**	**2 599 851**	**6 559 358**	**1 258 129**

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
30 Trade and other payables					
Trade payables		2 694 404	3 736 312	2 694 404	1 808 089
Accruals		1 135 442	1 113 925	1 135 442	539 055
Other payables		5 116 503	1 999 083	5 116 503	1 130 327
	37.4	**8 946 349**	**6 849 320**	**8 946 349**	**3 477 471**
Trade payables are non-interest bearing and are normally settled within 7 to 45 days.					
Other payables include interest-bearing loans from transactions with Directors as highlighted in **note 36.3** and have varying settlement terms.					
31 Provisions					
Leave pay provision		**220 309**	**133 305**	**220 309**	**64 510**

	Note	PROVISION FOR LEAVE PAY Inflation-Adjusted ZW$'000	PROVISION FOR LEAVE PAY Historical ZW$'000
31.1 Reconciliation of leave pay provision			
At 1 July 2019		**52 553**	**3 038**
Charge for the year	22.1	294 969	63 249
Less paid	22.1	(5 808)	(1 777)
Monetray gain	22.1	(208 409)	—
At 30 June 2020		**133 305**	**64 510**
Charge for the year	22.1	185 079	185 079
Less paid	22.1	(39 883)	(29 280)
Monetary gain		(58 192)	—
At 30 June 2021		**220 309**	**220 309**

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
32 Current tax liabilities					
32.1 Reconciliation					
Opening balance		**1 260 700**	**532 771**	**608 409**	**30 790**
Current tax charged to profit or loss	**12.1**	3 196 818	1 715 905	2 608 916	832 576
Withholding tax charged to profit or loss	**12.1**	4 287	24 117	4 287	5 172
Taxes paid		(2 596 446)	(1 218 730)	(2 034 902)	(261 329)
Other		40 583	2 480	40 584	1 200
Monetary loss		(678 648)	204 157	—	—
Closing balance		**1 227 294**	**1 260 700**	**1 227 294**	**608 409**

32.2 Pending tax matters

As reported in the prior year, the Zimbabwe Revenue Authority ("ZIMRA") has raised tax assessments of ZW$828 075 in respect of Innscor Bread Company (Private) Limited ("IB") based on disallowing expenditure on canteen meals provided to staff and management fees services provided by Innscor Africa Limited. The matter is still with the Courts to determine ZIMRA's claim which includes interest and penalties of ZW$803 260. The Board has sought legal advice and is of the view that the Group acted within the confines of the existing statutes. No provision has been made in the Group financial statements pending the resolution of the matter.

32.3 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.

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
33 Capital expenditure commitments					
Authorised and contracted		2 642 520	2 165 573	2 642 520	1 047 972
Authorised but not yet contracted		949 339	661 543	949 339	320 136
		3 591 859	**2 827 116**	**3 591 859**	**1 368 108**

The capital expenditure will be financed from the Group's own resources and from existing borrowing facilities if need be.

34 Segmental analysis

The Group's operating segments are based on the information reviewed by the Board for the purposes of allocating resources and assessing performance. The revenue, operating profit, assets and liabilities reported to the Board are measured consistently and are in accordance with what has been reported in the consolidated inflation-adjusted financial statements in respect of the segments listed below.

Business Segments

The Group's operations comprise of Mill-Bake, Protein, Other Light Manufacturing and Services and the Head Office Services.

Significant Customers

The Group does not have any significant customers to which it derives more than 10% of its total revenue.

34 Segmental analysis (continued)

Mill-Bake

This segment reports the Group's interests in National Foods Holdings Limited, the Bakeries Division and the non-controlling interest in Profeeds (Private) Limited.

National Foods Holdings Limited is involved in the milling of flour and maize, the manufacture of stockfeeds, soft snacks, and downpacking of grocery products, as well as ownership and rental of properties.

The Group's Bakery Division operates bread lines in Harare and Bulawayo. The bread is distributed across the country through Bakers Inn Logistics (Private) Limited, an associate company of the Group.

Profeeds (Private) Limited is involved in the manufacture of stock feeds and the retail of day-old chicks, stockfeeds and farming accessories. The manufacturing plant is housed on land and buildings owned by Produtrade (Private) Limited, an associate of the Group.

Protein

This segment reports the Group's interests in the Colcom Division, Irvine's Zimbabwe (Private) Limited, Associated Meat Packers (Private) Limited, ("AMP") and Intercane Investments (Private) Limited (Texas Chicken).

Irvine's Zimbabwe (Private) Limited is involved in the production of frozen chicken, chicken feeds, table eggs and day-old chicks.

Colcom is involved in the production, processing and marketing of pork and related food products.

AMP is involved in feed lotting and slaughter of cattle, retailing and wholesaling of beef and beef products whilst Texas Chicken is involved in the retail of poultry products.

Other Light Manufacturing and Services

The main operations in this reporting segment are the Group's controlling interests in Natpak (Private) Limited, Probottlers (Private) Limited and Prodairy (Private) Limited and associated interests in Probrands (Private) Limited, Innscor Appliance Manufacturing (Private) Limited t/a Capri, Paperhole (Private) Limited and Afrigrain (Private) Limited.

Natpak (Private) Limited produces a variety of bags for packaging such as open mouth bags general purpose bags, carrier bags, corrugated packaging and BOPP bags.

Prodairy (Private) Limited is involved in manufacture and sale of dairy based products which include fresh milk and dairy juice products.

Probottlers (Private) Limited is involved in manufacture and sale of carbonated soft drinks and cordials.

Probrands (Private) Limited is involved in the down-packing and manufacture of a number of grocery products such as rice, sugar, small grains, candles.

Capri manufactures and retails household goods and appliances.

Head Office Services

This segment reports the Group's shared services functions namely treasury, legal, information technology, company secretarial services and human capital and wellness. MyCash Financial Services (Private) Limited is reported under this segment and is involved in the provision of mobile wallet services.

Geographical Segments

The Group is also organised into parcels of businesses incorporated in Zimbabwe, and those incorporated in countries outside Zimbabwe (**Note 17.1**).

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

	Note	Mill-Bake ZW$'000	Protein ZW$'000	Other Light Manufacturing ZW$'000	Head Office Services ZW$'000	Inter-segment Adjustments ZW$'000	Total Operations ZW$'000
34 Segmental analysis (continued)							
INFLATION-ADJUSTED: AUDITED (RESTATED)							
Revenue							
30 June 2021	**8.2**	40 617 143	22 097 791	10 096 787	589 801	(6 492 373)	66 909 149
30 June 2020	**8.2**	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	**13**	1 082 993	1 545 355	1 183 733	106 201	—	3 918 282
30 June 2020	**13**	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

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

	Note	Mill-Bake ZW$'000	Protein ZW$'000	Other Light Manufacturing ZW$'000	Head Office Services ZW$'000	Inter-segment Adjustments ZW$'000	Total Operations ZW$'000
34 Segmental analysis (continued)							
HISTORICAL: SUPPLEMENTARY							
Revenue							
30 June 2021	**8.2**	34 289 538	18 655 252	8 523 843	497 918	(5 480 948)	56 485 603
30 June 2020	**8.2**	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	**13**	1 019 589	1 454 880	1 114 431	99 984	—	3 688 884
30 June 2020	**13**	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

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

	Revenue ZW$'000	Profit before tax ZW$'000	Total assets ZW$'000	Total liabilities ZW$'000
34 Segmental analysis (continued)				
34.1 Geographical segments				
INFLATION-ADJUSTED: AUDITED (RESTATED)				
Zimbabwe Operations				
30 June 2021	66 909 149	7 057 715	47 893 159	22 507 655
30 June 2020	49 467 329	9 072 098	37 607 432	13 322 346
Regional Operations				
30 June 2021	—	119 420	4 444 628	622 257
30 June 2020	—	221 770	2 621 150	231 662
HISTORICAL: SUPPLEMENTARY				
Zimbabwe Operations				
30 June 2021	56 485 603	12 822 618	29 408 963	16 814 348
30 June 2020	11 159 427	5 114 878	10 390 802	649 324
Regional Operations				
30 June 2021	—	119 420	4 444 628	622 257
30 June 2020	—	221 770	2 621 150	231 662

35 Pension funds

National Social Security Authority Scheme (NSSA)

The scheme was established and is administered in terms of Statutory Instrument 393 of 1993. The Pension and Other Benefits Scheme is a defined contribution plan based on a 50/50 contribution from the employers and employees and limited to specific contributions legislated from time to time. With effect from 1 June 2021 the effective contribution rate was reviewed from ZW$5 000 to 75% of the previous month's total consumption poverty line published by the Zimbabwe National Statistics Agency, ("ZIMSTAT") for both the employee and employer.

Innscor Africa Limited Pension Fund

This is a self-administered, defined contribution fund. The Fund has been operational since 2000. Membership is compulsory for employees of the Group who are not members of other occupational pension funds. Contributions are at the rate of 14% of pensionable emoluments after NSSA and members pay 7% and the employer 7%.

National Foods Pension Fund

This is a defined contribution fund, administered by an insurance company which covers eligible employees of National Foods Limited and Natpak (Private) Limited. Contributions are at the rate of 17.5% of pensionable emoluments of which members pay 7% after NSSA.

Colcom Pension Fund

This is a self administered, defined contribution fund, where all permanent employees are eligible to become members. Contributions are at the rate of 22.5% of pensionable emoluments less NSSA contributions of which members contribute 7.5% for all those who joined the fund prior to 1 June 2012. Contributions for new entrants after 1 June 2012 are at the rate of 15% with members contributing 7.5%. As a result of Colcom Foods Limited divisionalisation, with effect from 1 January 2019, the Colcom Pension Fund was merged with Innscor Africa Limited Pension Fund, effective 1 July 2019, resulting in employees joining Colcom from this date assuming the benefit detailed under the Innscor Africa Limited Pension Fund whilst those employees on the Colcom Pension Fund at 30 June 2019, retaining the benefits and contributions under the Colcom Pension Fund.

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
35 Pension funds (continued)					
Pension costs recognised as an expense for the year:					
Innscor Africa Limited Pension Fund		56 239	52 307	46 591	4 782
National Social Security Authority Scheme & Workers' Compensation Insurance Fund		24 367	41 944	20 187	2 208
National Foods Pension Fund		31 458	29 305	26 061	2 135
Colcom Pension Fund		14 404	24 219	11 933	2 080
		126 468	**147 775**	**104 772**	**11 205**

36 Related party transactions

36.1 Trading transactions

Related party activities consist of transactions between Innscor Africa Limited's subsidiaries and its associates.

The table below shows transactions and balances from the perspective of the related party summarised as follows:

	Sales ZW$'000	Purchases ZW$'000	Rent received/ (paid) ZW$'000	Interest (received)/ paid ZW$'000	Trade & other accounts receivables ZW$'000	Trade & other accounts payables ZW$'000
INFLATION-ADJUSTED: AUDITED (RESTATED)						
Name of related party						
Profeeds (Private) Limited						
30 June 2021	1 079 280	(106 936)	1 723	—	46 430	(3 341)
30 June 2020	407 021	(149 306)	154	—	61 676	(291)
Paperhole Investments (Private) Limited						
30 June 2021	—	(919 677)	—	—	75 191	(350 872)
30 June 2020	—	(401 411)	—	98	7 310	(727 772)
Probrands (Private) Limited						
30 June 2021	10 575	(79)	—	(59)	—	—
30 June 2020	165 560	(296)	—	—	2	—
National Foods Logistics (Private) Limited						
30 June 2021	40 585	(1 540 302)	—	—	182	(25 161)
30 June 2020	—	(1 054 623)	—	—	—	(27 939)
Afrigrain Trading Limited						
30 June 2021	—	(4 290 904)	—	10 261	—	(2 515 812)
30 June 2020	—	(8 670 249)	—	—	172	(657 159)
Bakers Inn Logistics (Private) Limited						
30 June 2021	—	(10 515)	—	—	—	(184)
30 June 2020	—	(909 774)	(1 561)	—	—	(79 996)
Pure Oil Industries (Private) Limited						
30 June 2021	—	(1 982 625)	—	—	—	(67 429)
30 June 2020	—	(146 794)	—	—	61 445	—

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

36 Related party transactions (continued)

36.1 Trading transactions (continued)

	Sales ZW$'000	Purchases ZW$'000	Rent received/ (paid) ZW$'000	Interest (received)/ paid ZW4'000	Trade & other accounts receivables ZW$'000	Trade & other accounts payables ZW$'000
HISTORICAL: SUPPLEMENTARY						
Name of related party						
Profeeds (Private) Limited						
30 June 2021	894 139	(88 592)	1 428	—	46 430	(3 341)
30 June 2020	87 276	(32 015)	33	—	29 847	(141)
Paperhole Investments (Private) Limited						
30 June 2021	—	(761 915)	4 688	—	75 191	(350 872)
30 June 2020	—	(86 074)	—	21	3 537	(352 186)
Probrands (Private) Limited						
30 June 2021	8 761	(66)	—	(49)	—	—
30 June 2020	35 501	(63)	—	—	—	—
National Foods Logistics (Private) Limited						
30 June 2021	33 623	(1 276 077)	—	—	182	(25 161)
30 June 2020	—	(226 140)	—	—	—	(13 520)
Afrigrain Trading Limited						
30 June 2021	—	(3 554 839)	—	8 501	—	(2 515 812)
30 June 2020	—	(1 859 141)	—	—	83	(318 015)
Bakers Inn Logistics (Private) Limited						
30 June 2021	—	(8 711)	—	—	—	(184)
30 June 2020	—	(195 081)	(335)	—	—	(38 712)
Pure Oil Industries (Private) Limited						
30 June 2021	—	(1 642 524)	—	—	—	(67 429)
30 June 2020	—	(31 477)	—	—	29 735	—

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
36 Related party transactions (continued)					
36.2 Compensation of key personnel to the Group					
Short-term employee benefits	10.2	1 502 742	1 698 635	1 180 288	364 234
Fees for other services paid directly or indirectly to non-independent, non-executive directors		185 338	354 153	153 553	75 942
Total		**1 688 080**	**2 052 788**	**1 333 841**	**440 176**
36.3 Transactions with Directors					
From time to time the Group receives loans at arms length terms from Directors and/or entities where Directors have a direct or beneficial interest. The loans are short-term and bear interest at the Group's average borrowing rate which varies from time to time.					
Loans from Director related entities		**159 018**	**44 016**	**159 018**	**21 301**
36.4 Other Related Party Balances					
Other related party balances as at 30 June 2021 are as follows:					
Amount payable to:					
Innscor Africa Limited Employee Share Trust (Private) Limited		3 242	5 127	3 242	2 481

The amounts shown above are long-term in nature and interest accrues above the Group's average borrowing rate which varies from time to time.

37 Financial risk management objectives and policies

The Group's principal financial instruments comprise interest-bearing borrowings, overdrafts, financial assets, cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations or to achieve a return on surplus short-term funds. The Group has various other financial assets and financial liabilities such as trade receivables and trade payables which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk and equity price risk. The Board reviews and agrees policies for managing each of these risks and the Group's management of these are summarised below:

37.1 Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to variable short-term overdraft rates. The Group's policy is to manage its interest cost by limiting exposure to overdrafts and where borrowings are required, to borrow at favourable and fixed rates of interest.

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

37 Financial risk management objectives and policies (continued)

37.1 Interest rate risk (continued)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on short-term overdrafts. There is an immaterial impact on the Group's equity.

		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
Effect on profit before tax					
Increase of 3%		(43 268)	(16 186)	(43 268)	(7 833)
Decrease of 3%		43 268	16 186	43 268	7 833

37.2 Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As a result of significant imports, the Group's statement of financial position can be affected significantly by movements in foreign currency exchange rates. The Group also has transactional currency exposures. Such exposure arises from the sale or purchase by the Group in currencies other than the Group's functional currency. The Group limits exposure to exchange rate fluctuations by either pre-paying for purchases or retaining stock until the foreign currency to settle the related liability has been secured.

The inflation-adjusted carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

30 June 2021	Liabilities ZW$'000 Equivalent	Assets ZW$'000 Equivalent	Net position ZW$'000 Equivalent
Currency			
South African Rand	(244 622)	30 810	(213 812)
Great Britain Pound	—	438	438
Euro	(12 482)	18 438	5 956
USD	(4 225 985)	3 271 870	(954 115)
30 June 2020			
Currency			
South African Rand	(197 972)	402 462	204 490
Great Britain Pound	—	577	577
Botswana Pula	(4 730)	—	(4 730)
Euro	(40 583)	—	(40 583)
USD	(719 885)	2 735 525	2 015 640

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

37 Financial risk management objectives and policies (continued)

37.2 Foreign currency risk (continued)

30 June 2021	Liabilities ZW$'000 Equivalent	Assets ZW$'000 Equivalent	Net position ZW$'000 Equivalent
HISTORICAL			
Currency			
South African Rand	(244 622)	30 810	(213 812)
Great Britain Pound	—	438	438
Euro	(12 482)	18 438	5 956
USD	(4 225 985)	3 271 870	(954 115)
30 June 2020			
Currency			
South African Rand	(95 803)	194 761	98 958
Great Britain Pound	—	279	279
Botswana Pula	(2 289)	—	(2 289)
Euro	(19 639)	—	(19 639)
USD	(348 369)	1 323 785	975 416

The following table demonstrates the sensitivity of the Group's results to a reasonably possible change in the ZW$ closing exchange rate against the following currencies, with all other variables held constant.

	INFLATION-ADJUSTED		
30 June 2021	Change in rate	Effect on profit before tax ZW$'000	Effect on equity ZW$'000
South African Rand	+10%	(21 381)	(16 096)
	-10%	21 381	16 096
Great Britain Pound	+10%	44	33
	-10%	(44)	(33)
Euro	+10%	596	448
	-10%	(596)	(448)
USD	+10%	95 411	71 825
	-10%	(95 411)	(71 825)

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

37 Financial risk management objectives and policies (continued)

37.2 Foreign currency risk (continued)

	INFLATION-ADJUSTED		
30 June 2020	**Change in rate**	**Effect on profit before tax ZW$'000**	**Effect on equity ZW$'000**
South African Rand	+10%	20 449	15 394
	-10%	(20 449)	(15 394)
Great Britain Pound	+10%	57	43
	-10%	(57)	(43)
Botswana Pula	+10%	(473)	(356)
	-10%	473	356
Euro	+10%	(40 583)	(30 551)
	-10%	40 583	30 551
USD	+10%	201 563	151 737
	-10%	(201 563)	(151 737)

37.3 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss.

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to debt impairment is managed within acceptable levels. For transactions that are not denominated in the functional currency of the relevant operating unit, credit terms are specified contractually within the regulations laid down by the Reserve Bank of Zimbabwe.

There is no concentration risk as the Group trades with a wide range of customers with different risk profiles. Credit limits are set by the Group to avoid exposure to a single customer.

Where it sees fit, the Group can from time to time ask for collateral security from debtors. This is done after assessing the customers' ability to honour their obligations and the level of exposure. Collateral can be in the form of bank guarantees, holding company guarantee, properties, listed shares or other assets.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents and held for trading financial assets, the Group's Finance and Investment Committee approves all counterparties, sets and monitors exposure limits and terms of engagement.

Trade receivables and contract assets

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits defined in accordance with this assessment.

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

37 Financial risk management objectives and policies (continued)

37.3 Credit risk (continued)

Trade receivables and contract assets (continued)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customers with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are granted short term credit terms.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

30 June 2021	Note	<30 days ZW$'000	30-90 days ZW$'000	>91 days ZW$'000	Total ZW$'000
Estimated total gross carrying amount	21	3 567 320	617 075	261 942	4 446 337
Expected credit loss	21.2	18 160	2 028	47 538	67 726
Expected credit loss rate		0.51%	0.3%	18%	2%

The maximum exposure arising from default equals the carrying amount.

37.4 Liquidity risk

The Group's objective is to maintain a balance between continuity of funding through a well managed portfolio of short-term investments and/or flexibility through the use of bank overdrafts and interest-bearing borrowings.

The table below summarises the maturity profile of the Group's financial assets and liabilities (the maturity profile for interest bearing borrowings is stated at face value).

30 June 2021	Note	Within 3 months ZW$'000	Between 4 -12 months ZW$'000	More than 12 months ZW$'000	Total ZW$'000
INFLATION-ADJUSTED: AUDITED					
Liabilities					
Interest-bearing borrowings		(2 390 265)	(3 583 514)	(585 579)	(6 559 358)
Lease liabilities	28.1	(86 897)	(260 694)	(3 426 081)	(3 773 672)
Trade and other payables	30	(6 305 405)	(2 640 944)	—	(8 946 349)
Total		**(8 782 567)**	**(6 485 152)**	**(4 011 660)**	**(19 279 379)**
Assets					
Cash and cash equivalents	22.5	4 389 036	—	—	4 389 036
Trade and other receivables excluding prepayments	21	4 857 470	754 604	—	5 612 074
Other assets	18	—	—	1 347 539	1 347 539
Total		**9 246 506**	**754 604**	**1 347 539**	**11 348 649**

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

37 Financial risk management objectives and policies (continued)

	Note	Within 3 months ZW$'000	Between 4 -12 months ZW$'000	More than 12 months ZW$'000	Total ZW$'000
37.4 Liquidity risk (continued)					
30 June 2020					
INFLATION-ADJUSTED: AUDITED (RESTATED)					
Liabilities					
Interest-bearing borrowings		(962 701)	(1 546 962)	(90 188)	(2 599 851)
Lease liabilities	14.3	(17 423)	(52 270)	(218 195)	(287 888)
Trade and other payables	30	(6 843 622)	(5 698)	—	(6 849 320)
Total		**(7 823 746)**	**(1 604 930)**	**(308 383)**	**(9 737 059)**
Assets					
Cash and cash equivalents	22.5	3 303 632	—	—	3 303 632
Trade and other receivables excluding prepayments	21	2 695 250	418 704	—	3 113 954
Other assets	18	—	—	2 515 597	2 515 597
Total		**5 998 882**	**418 704**	**2 515 597**	**8 933 183**
HISTORICAL: SUPPLEMENTARY					
30 June 2021					
Liabilities					
Interest-bearing borrowings		(2 390 265)	(3 583 514)	(585 579)	(6 559 354)
Lease Liabilities	28.1	(86 897)	(260 694)	(3 426 081)	(3 773 672)
Trade and other payables	30	(6 305 405)	(2 640 944)	—	(8 946 349)
Total		**(8 782 567)**	**(6 485 152)**	**(4 011 660)**	**(19 279 379)**
Assets					
Cash and cash equivalents	22.5	4 389 036	—	—	4 389 036
Trade and other receivables excluding prepayments	21	4 857 470	754 604	—	5 612 074
Other assets	18	—	—	1 347 539	1 347 539
Total		**9 246 506**	**754 604**	**1 347 539**	**11 348 649**
30 June 2020					
Liabilities					
Interest-bearing borrowings		(465 874)	(748 611)	(43 644)	(1 258 129)
Lease liability	28.1	(8 431)	(25 295)	(105 590)	(139 316)
Trade and other payables	30	(3 474 578)	(2 893)	—	(3 477 471)
Total		**(3 948 883)**	**(776 799)**	**(149 234)**	**(4 874 916)**
Assets					
Cash and cash equivalents	22.5	2 125 956	—	—	2 125 956
Trade and other receivables excluding prepayments	21	1 673 232	771	—	1 674 003
Financial assets	18	—	—	1 217 357	1 217 357
Total		**3 799 188**	**771**	**1 217 357**	**5 017 316**

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

37 Financial risk management objectives and policies (continued)

37.5 Commodity price risk

As with any other entity operating in Zimbabwe, the Group is continuously exposed to commodity price risks resulting from hyperinflation. The Board and management have put in place strategies and policies to address this risk on a day-to-day basis.

37.6 Equity price risk

The Group is exposed to movement in fair value of quoted equities. Investments in quoted equities are valued at fair value and are therefore susceptible to market fluctuations. Comprehensive measures and limits are in place to control the exposure of the Group's equity investments to fair value risk. The carrying value of such quoted equities at reporting date was not material.

The Group's Finance and Investment Committee is tasked with the responsibility of performing research into potential opportunities in order to provide suggestions for investment to the Board of Directors. This Committee monitors the performance of the current investment portfolio and reports to the Board of Directors.

The following table demonstrates the sensitivity to a reasonably possible change in the share price of quoted investments.

	INFLATION-ADJUSTED		HISTORICAL	
	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
Effect on period profit before tax				
Increase of 3%	26 100	47 360	26 100	22 919
Decrease of 3%	(26 100)	(47 360)	(26 100)	(22 919)
Effect on equity				
Increase of 3%	19 648	35 653	19 648	17 253
Decrease of 3%	(19 648)	(35 653)	(19 648)	17 253

38 Fair value of financial instruments

The estimated net fair values of all financial instruments, approximate the carrying amounts shown in the financial statements.

39 Capital management

The primary objective of the Group's capital management is to ensure that all its companies maintain healthy capital ratios in order to support the business and maximise shareholder value.

The Group manages its capital (total equity) and makes adjustment to it in light of changes in the economic environment. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return on capital to shareholders, or issue new shares. No changes were made to the objective, policies or processes during the years ended 30 June 2021 and 30 June 2020. The Group manages capital using gross gearing and net gearing ratios. The gross gearing ratio is calculated as total borrowings divided by the total of borrowings and total shareholders' equity. The net gearing ratio adjusts the borrowings in this formula for cash and cash equivalents.

Notes to the Financial Statements (continued)

for the year ended 30 June 2021

		Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
39	**Capital management** (continued)					
	Total borrowings	**29.1**	6 559 358	2 599 851	6 559 358	1 258 129
	Total equity		29 207 876	26 674 574	16 416 987	7 322 416
	Total cash and cash equivalents	**22.5**	4 389 036	3 303 632	4 389 036	2 125 956
	Gross debt - equity ratio		18%	9%	29%	17%
	Net debt - equity ratio		7%	(3%)	12%	(12%)
40	**Contingent liabilities**					
	Guarantees		2 968 322	1 881 444	2 968 322	910 475

The contingent liabilities relate to bank guarantees provided in respect of the Group's associate companies and subsidary companies as at 30 June 2021.

41 Impact of COVID-19

The duration and severity of the COVID-19 pandemic remain unclear at this time. It is not possible to reliably estimate the financial consequences of COVID-19 on the financial position and results of the Group for future periods at this stage. The Board of Directors will continue to support the managed entities and monitor the impact COVID-19 has on them and reflect the consequences as appropriate in the accounting and financial reporting disclosures.

42 Events after reporting date

42.1 Final Dividend Declaration

The Board is pleased to declare a final dividend of ZW$180 cents per share payable in respect of all ordinary shares of the Company. The dividend is in respect of the financial year ended 30 June 2021 and will be payable in full to all the shareholders of the Company registered at the close of business on Friday 15 October 2021. The payment of this dividend will take place on or about 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 as from the 13 October 2021.

On the same date, the Board also declared a final dividend totalling ZW$51 000 000 to Innscor Africa Employee Share Trust (Private) Limited.

Company Statement of Financial Position

as at 30 June 2021

	Note	INFLATION-ADJUSTED 30 June 2021 Audited ZW$'000	INFLATION-ADJUSTED 30 June 2020 Audited: Restated ZW$'000	HISTORICAL 30 June 2021 Supplementary ZW$'000	HISTORICAL 30 June 2020 Supplementary ZW$'000
ASSETS					
Non-current assets					
property, plant and equipment		4 499 289	4 270 911	693 544	238 421
right-of-use assets		166 162	129 388	62 759	7 478
investments in subsidiaries and associates		5 030 046	4 872 953	237 060	114 192
loans to related parties		256 285	173 941	256 285	84 174
other financial assets		1 019 458	1 757 981	940 081	813 485
biological assets		242 625	215 691	225 411	104 378
		11 213 865	**11 420 865**	**2 415 140**	**1 362 128**
Current assets					
biological assets		1 240 748	643 756	435 262	311 529
inventories		2 076 732	1 403 008	2 072 678	582 184
trade and other receivables		1 436 415	1 196 447	1 419 915	578 989
cash and cash equivalents		1 010 994	826 291	1 010 994	399 862
		5 764 889	**4 069 502**	**4 938 849**	**1 872 564**
Total assets		**16 978 754**	**15 490 367**	**7 353 989**	**3 234 692**
EQUITY AND LIABILITIES					
Capital and reserves					
ordinary share capital	**24.2**	261 121	261 052	5 699	5 648
share premium	**24.2**	873 785	843 631	25 892	20 358
other reserves		(132 124)	20 426	(110 049)	2 391
distributable reserves		11 584 627	10 499 284	3 988 490	1 680 089
Total equity		**12 587 409**	**11 624 393**	**3 910 032**	**1 708 486**
Non-current liabilities					
deferred taxation		1 047 068	886 402	99 680	84 321
lease liability		58 340	2 402	58 340	1 162
interest-bearing borrowings		97 840	89 943	97 840	43 526
		1 203 248	**978 747**	**255 860**	**129 009**
Current liabilities					
lease liability		7 477	14 653	7 477	7 091
interest-bearing borrowings		842 700	979 461	842 700	473 984
trade and other payables		1 765 097	1 544 253	1 765 097	747 301
provisions		77 267	60 680	77 267	29 364
current taxation		495 556	288 180	495 556	139 457
		3 188 097	**2 887 227**	**3 188 097**	**1 397 197**
Total liabilities		**4 391 345**	**3 865 974**	**3 443 957**	**1 526 206**
Total equity and liabilities		**16 978 754**	**15 490 367**	**7 353 989**	**3 234 692**

A B C CHINAKE
Independent, Non-Executive Chairman
Harare
27 September 2021

G GWAINDA
Executive Director
CA (Z)
Registered Public Accountant

Glossary of Terms

- **Business Theme** – Subject of business action.
- **GRI Standards** – New formulated sustainability reporting standards effective 1 July 2018.
- **Government** – Government of the Republic of Zimbabwe.
- **IFRS** – International Financial Reporting Standards.
- **Inclusivity** – taking into account material concerns of stakeholders.
- **Operations** – strategic business units of Innscor Africa Limited.
- **Proxy** – person appointed to act on behalf of a shareholder or rights holder.
- **Responsiveness** – taking action or response to material issues raised by stakeholders.
- **SDGs** – United Nations supported Sustainable Development Goals.
- **Shareholder** – A holder of equity in the company or Group.
- **Stakeholders** – Persons whom we can impact or who can impact of us.
- **Sustainable Development** – development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It is about integrating the goals of a high quality of life, health and prosperity with social justice and maintaining the earth's capacity to support life in all its diversity. The social, economic and environmental goals are interdependent and mutually reinforcing.
- **The Group** – Innscor Africa Limited divisions, subsidiaries and associates units.
- **ZIMCODE** – The National Code on Corporate Governance Zimbabwe.

ISO 26000 and **GRI Comparison Table**

ISO 26000 AND GRI COMPARISON TABLE

The international standard ISO 26000 Guidance on Social Responsibility is the framework used to integrate social responsibility (SR) into our values and practices and communicates the commitment, performance and other information related to social responsibility. SR is a key component of the sustainability report.

ISO 26000 was the international standard for SR adopted for use in Zimbabwe in 2010. In mid-2019 the Zimbabwe Stock Exchange issued Statutory Instrument 134 of 2019, Part XXI Sustainability Information & Disclosure of the Securities & Exchange (ZSE Listing Requirements) Rules, 2019, whereby the ZSE encourages the adoption of internationally accepted reporting frameworks, such as the Global Reporting Initiatives (GRI) Sustainability Reporting Standards, in disclosing a company's sustainability performance. The Zimbabwe National Standardisation Strategy (ZNSS) requires the referencing of standards in all regulatory frameworks.

To comply with both the ZNSS requirements and ZSE preference for GRI, ISO 26000 is interoperable for use with GRI and the following comparison table may be used to help evaluate the report for the GRI protocol.

GRI STANDARDS 2016		ISO 26000		PAGE NO
GRI 102: GENERAL DISCLOSURES				
ORGANISATIONAL PROFILE				
102-1	Name of the organisation		Introduction to the Annual Report	1 - 7
102-2	Activities, brands, products, and services			
102-3	Location of headquarters			
102-4	Location of operations			
102-5	Ownership and legal form			
102-6	Markets served			
102-7	Scale of the organisation			
102-8	Information on employees and other workers	6.3.7	**Human Rights:** Discrimination and vulnerable groups	72
		6.4.3	**Labour practices:** Employment and employment relationships	73
102-9	Supply chain	6.6.6	**Fair operating practices:** Promoting social responsibility in the value chain	68, 86 - 87
102-10	Significant changes to the organisation and its supply chain			
102-11	Precautionary principle or approach	6.2	Organisational governance	68
102-12	External initiatives			Inside flap
102-13	Membership of associations			108
Strategy		6.2	Organisational governance	
102-14	Statement from senior decision-maker			12
102-15	Key impacts, risks, and opportunities			70 - 71

ISO 26000 and **GRI Comparison Table** (continued)

GRI STANDARDS 2016		ISO 26000		PAGE NO
GRI 102: GENERAL DISCLOSURES				
ETHICS & INTEGRITY				
102-16	Values, principles, standards, and norms of behaviour		Introduction to the Annual Report	Inside flap , 58
102-17	Mechanisms for advice and concerns about ethics	6.2	Organisational governance	
GOVERNANCE				
102-18	Governance structure			
102-19	Delegating authority			
102-20	Executive-level responsibility for economic, environmental and social topics	6.2	Organisational Governance	2; 11 - 15 57 - 65
102-21	Consulting stakeholders on economic, environmental, and social topics			
102-22	Composition of the highest governance body and its committees			
102-23	Chair of the highest governance body			
102-24	Nominating and selecting the highest governance body			
102-25	Conflicts of interest			
102-26	Role of highest governance body in setting purpose, values, and strategy	6.2	Organisational governance	57 - 65 68
102-27	Collective knowledge of highest governance body			
102-28	Evaluating the highest governance body's performance			
102-29	Identifying and managing economic, environmental and social impacts			
102-30	Effectiveness of risk management processes			
102-31	Review of economic, environmental, and social topics			
102-32	Highest governance body's role in sustainability reporting			
102-33	Communicating critical concerns			
102-34	Nature and total number of critical concerns			
102-35	Remuneration policies			
102-36	Process for determining remuneration			
102-37	Stakeholders' involvement in remuneration			
102-38	Annual total compensation ratio			
102-39	Percentage increase in annual total compensation ratio			

ISO 26000 and **GRI Comparison Table** (continued)

GRI STANDARDS 2016		ISO 26000		PAGE NO
GRI 102: GENERAL DISCLOSURES				
STAKEHOLDER ENGAGEMENT				
102-40	List of stakeholder groups	6.2	**Organisational governance:**	
102-41	Collective bargaining agreements	6.4.5	**Labour practices:** Social dialogue	
102-42	Identifying and selecting stakeholders	6.2	**Organisational governance:** Stakeholder Engagement Plan	68, 107
102-43	Approach to stakeholder engagement	6.2	**Organisational governance:** Management of Social Impacts	
102-44	Key topics and concerns raised			
103-3	Evaluation of the management approach		—	
REPORTING PRACTICE				
102-45	Entities included in the consolidated financial statements			
102-46	Defining report content and topic Boundaries			
102-47	List of material topics			
102-48	Restatements of information			
102-49	Changes in reporting		Introduction to the Annual Report	inside flap
102-50	Reporting period			
102-51	Date of most recent report			
102-52	Reporting cycle			
102-53	Contact point for questions regarding the report			
MANAGEMENT APPROACH FOR EACH MATERIAL TOPIC				
103-1	Explanation of the material topic and its boundary		—	
103-2	The management approach and its components		—	

GRI 200: ECONOMIC STANDARDS				
GRI 201: ECONOMIC PERFORMANCE				
201-1	Direct economic value generated and distributed	6.8.3	**Community involvement and development:** Wealth and income creation	93 - 94, 107
201-2	Financial implications and other risks and opportunities due to climate change	6.5.5	**The environment:** Climate change mitigation and adaptation	66
201-3	Defined benefit plan obligations and other retirement plans		—	93
201-4	Financial assistance received from government		—	

ISO 26000 and **GRI Comparison Table** (continued)

GRI STANDARDS 2016		ISO 26000		PAGE NO
GRI 200: ECONOMIC STANDARDS				
GRI 202: MARKET PRESENCE				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	6.4.4	**Labour Practices:** Conditions of work and social protection	73
		6.8	Community involvement and development	88
202-2	Proportion of senior management hired from the local community	6.4.3	**Labour Practices:** Employment and employment relationships	73
		6.8.5	**Community involvement and development:** Employment creation and skills development	88
GRI 203: INDIRECT ECONOMIC IMPACTS				
203-1	Infrastructure investments and services supported	6.3.9	**Human Rights:** Economic, social and cultural rights	72
		6.8.7	**Community involvement and development:** Wealth and income creation	93 - 94
		6.8.9	**Community involvement and development:** Social investment	88
203-2	Significant indirect economic impacts	6.3.9	**Human Rights:** Economic, social and cultural rights	72
		6.6.6	**Fair Operating Practices:** Promoting social responsibility in the value chain	86
		6.6.7	**Fair Operating Practices:** Respect for property rights	86
		6.7.8	**Consumer Issues:** Access to essential services	87
		6.8.5	**Community involvement and development:** Employment creation and skills development	88
		6.8.7	**Community involvement and development:** Wealth and income creation	93 - 94
		6.8.9	**Community involvement and development:** Social investment	88
GRI 204: PROCUREMENT PRACTICES				
204-1	Proportion of spending on local suppliers	6.4.3	**Labour Practices:** Employment and employment relationships	73
		6.6.6	**Fair Operating Practices:** Promoting social responsibility in the value chain	86 - 87, 107
GRI 205: ANTI-CORRUPTION				
205-1	Operations assessed for risks related to corruption	6.6.3	**Fair Operating Practices:** Anti-corruption	86 - 87
205-2	Communication and training about anti-corruption policies and procedures	6.6.3	**Fair Operating Practices:** Anti-corruption	
205-3	Confirmed incidents of corruption and actions taken	6.6.6	**Fair Operating Practices:** Promoting social responsibility in the value chain	

ISO 26000 and **GRI Comparison Table** (continued)

GRI STANDARDS 2016		ISO 26000		PAGE NO
GRI 200: ECONOMIC STANDARDS				
GRI 206: ANTI-COMPETITIVE BEHAVIOUR				
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	6.6.5	**Fair Operating Practices:** Fair competition	86
		6.6.7	**Fair Operating Practices:** Respect for property rights	
GRI 300: ENVIRONMENTAL STANDARDS				
GRI 301: MATERIALS				
301-1	Materials used by weight or volume	6.5.4	**The Environment:** Sustainable resource use	81 - 83
301-2	Recycled input materials used			
301-3	Reclaimed products and their packaging materials			
GRI 302: ENERGY				
302-1	Energy consumption within the organisation	6.5.4	**The Environment:** Sustainable resource use	81 - 83, 107
302-2	Energy consumption outside of the organisation			
302-3	Energy intensity			
302-4	Reduction of energy consumption	6.5.4	**The Environment:** Sustainable resource use	81 - 82, 107
302-5	Reductions in energy requirements of products and services	6.5.5	**The Environment:** Climate change mitigation and adaptation	84 - 85, 107
GRI 303: WATER				
303-1	Water withdrawal by source	6.5.4	**The Environment:** Sustainable resource use	82 - 83, 107
303-2	Water sources significantly affected by withdrawal of water			
303-3	Water recycled and reused			
GRI 304: BIODIVERSITY				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	6.5.6	**The Environment:** Protection of the environment, biodiversity and restoration of natural habitats	18, 68, 86 & 107
304-2	Significant impacts of activities, products, and services on biodiversity			
304-3	Habitats protected or restored			
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations			

ISO 26000 and **GRI Comparison Table** (continued)

GRI STANDARDS 2016		ISO 26000		PAGE NO
GRI 300: ENVIRONMENTAL STANDARDS				
GRI 305: EMISSIONS				
305-1	Direct (Scope 1) GHG emissions	6.5.5	**The Environment:** Climate change mitigation and adaptation	84 - 85
305-2	Energy indirect (Scope 2) GHG emissions			
305-3	Other indirect (Scope 3) GHG emissions			
305-4	GHG emissions intensity			
305-5	Reduction of GHG emissions			
GRI 306: EFFLUENTS AND WASTE				
306-2	Waste by type and disposal method	6.5.3	**The Environment:** Prevention of pollution	80
GRI 307: ENVIRONMENTAL COMPLIANCE				
307-1	Non-compliance with environmental laws and regulations	6.2 6.5.3	Organisational Governance **The Environment:** Prevention of Pollution	66 80
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT				
308-1	New suppliers that were screened using environmental criteria	6.3.3 6.3.5	**Human Rights:** Due diligence **Human Rights:** Avoidance of complicity	57, 68 & 72
308-2	Negative environmental impacts in the supply chain and actions taken	6.5.4 6.6.6	**The Environment:** Sustainable resource use **Fair Operating Practices:** Promoting social responsibility in the value chain	66, 81 - 83 86 - 87, 107

GRI STANDARDS 2016		ISO 26000		PAGE NO
GRI 400: SOCIAL STANDARDS				
GRI 401: EMPLOYMENT				
401-1	New employee hires and employee turnover	6.4.3	**Labour Practices:** Employment and employment relationships	73
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.4.3	**Labour Practices:** Employment and employment relationships	56

ISO 26000 and **GRI Comparison Table** (continued)

GRI STANDARDS 2016		ISO 26000		PAGE NO
GRI 400: SOCIAL STANDARDS				
GRI 402: LABOUR/ MANAGEMENT RELATIONS				
402-1	Minimum notice periods regarding operational changes	6.4.3 6.4.4 6.4.5	**Labour Practices:** Employment and employment relationships **Labour Practices:** Conditions of work and social protection **Labour Practices:** Social dialogue	68 & 73
GRI 403: OCCUPATIONAL HEALTH & SAFETY				
403-1	Workers representation in formal joint management–worker health and safety committees	6.4.6	**Labour Practices:** Health and safety at work	76 - 78
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities			
403-3	Workers with high incidence or high risk of diseases related to their occupation			
403-4	Health and safety topics covered in formal agreements with trade unions			
GRI 404: TRAINING AND EDUCATION				
404-1	Average hours of training per year per employee	6.4.7	**Labour Practices:** Human development and training in the workplace	79 & 107
404-2	Programs for upgrading employee skills and transition assistance programs			
404-3	Percentage of employees receiving regular performance and career development reviews			
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY				
405-1	Diversity of governance bodies and employees	6.2.3 6.3.7 6.3.10 6.4.3	**Organisational Governance:** Decision-making processes and structures **Human Rights:** Discrimination and vulnerable groups **Human Rights:** Fundamental principles and rights at work **Labour Practices:** Employment and employment relationships	56, 58, 73 & 107
405-2	Ratio of basic salary and remuneration of women to men	6.3.7 6.3.10 6.4.3 6.4.4	**Human Rights:** Discrimination and vulnerable groups **Human Rights:** Fundamental principles and rights at work **Labour Practices:** Employment and employment relationships **Labour Practices:** Conditions of work and social protection	56, 58, 73 & 107
GRI 406: NON-DISCRIMINATION				
406-1	Incidents of discrimination and corrective actions taken	6.3.6 6.3.7 6.3.10 6.4.3	**Human Rights:** Resolving grievances **Human Rights:** Discrimination and vulnerable groups **Human Rights:** Fundamental principles and rights at work **Labour Practices:** Employment and employment relationships	56, 58, 73 & 107

ISO 26000 and **GRI Comparison Table** (continued)

GRI STANDARDS 2016		ISO 26000		PAGE NO
GRI 400: SOCIAL STANDARDS				
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	6.3.3 6.3.4 6.3.5 6.3.8 6.3.10 6.4.5 6.6.6	**Human Rights:** Due diligence **Human Rights:** Human rights risk situations **Human Rights:** Avoidance of complicity **Human Rights:** Civil and political rights **Human Rights:** Fundamental principles and rights at work **Labour Practices:** Social dialogue **Fair Operating Practices:** Promoting social responsibility in the value chain	72, 73 & 86
GRI 412: HUMAN RIGHTS ASSESSMENT				
412-1	Operations that have been subject to human rights reviews or impact assessments	6.3.3 6.3.4 6.3.5	**Human Rights:** Due diligence **Human Rights:** Human rights risk situations **Human Rights:** Avoidance of complicity	72
412-2	Employee training on human rights policies or procedures	6.3.5	**Human Rights:** Avoidance of complicity	72
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	6.3.3 6.3.4 6.3.5	**Human Rights:** Due diligence **Human Rights:** Human rights risk situations **Human Rights:** Avoidance of complicity	72
GRI 413: LOCAL COMMUNITIES				
413-1	Operations with local community engagement, impact assessments, and development programs	6.3.9 6.6.7 6.8.5	**Human Rights:** Economic, social and cultural rights **Fair Operating Practices:** Respect for property rights **Community involvement and development:** Employment creation and skills development	72 86 16 - 19, 88
413-2	Operations with significant actual and potential negative impacts on local communities	6.8.7 6.8.9	**Community involvement and development:** Wealth and income creation **Community involvement and development:** Social investment	93 - 94, 107 88 - 92, 107
GRI 414: SUPPLIER SOCIAL ASSESSMENT				
414-1	New suppliers that were screened using social criteria	6.6.6	**Fair Operating Practices:** Promoting social responsibility in the value chain	86
414-2	Negative social impacts in the supply chain and actions taken			
GRI 415: PUBLIC POLICY				
415-1	Political contributions	6.6.4	**Fair Operating Practices:** Responsible political involvement	86

ISO 26000 and **GRI Comparison Table** (continued)

GRI STANDARDS 2016		ISO 26000		PAGE NO
GRI 400: SOCIAL STANDARDS				
GRI 416: CUSTOMER HEALTH AND SAFETY				
416-1	Assessment of the health and safety impacts of product and service categories	6.6.7 6.7.4	**Fair Operating Practices:** Respect for property rights **Consumer Issues:** Protecting consumers' health and safety	86 87
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	6.7.4 6.7.6 6.7.7 6.7.8	**Consumer Issues:** Protecting consumers' health and safety **Consumer Issues:** Consumer service, support and complaint and dispute resolution **Consumer Issues:** Access to essential services **Consumer Issues:** Education and awareness	66 & 87
GRI 417: MARKETING AND LABELLING				
417-1	Requirements for product and service information and labeling	6.7.3	**Consumer Issues:** Fair marketing, factual, and unbiased information and fair contractual practices	68 & 87
417-2	Incidents of non-compliance concerning product and service information and labeling	6.7.4	**Consumer Issues:** Protecting consumers' health and safety	68 & 87
417-3	Incidents of non-compliance concerning marketing communications	6.7.5 6.7.9	**Consumer Issues:** Sustainable consumption **Consumer Issues:** Education and awareness	68 & 87
GRI 418: CUSTOMER PRIVACY				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	6.7.7	**Consumer Issues:** Consumer data protection and privacy	68 & 87
GRI 419: SOCIOECONOMIC COMPLIANCE				
419-1	Non-compliance with laws and regulations in the social and economic area	6.7.6	**Consumer Issues:** Consumer service, support, and complaint and dispute resolution	68 & 87

Shareholders' **Analysis**

INNSCOR AFRICA LIMITED: ANALYSIS BY VOLUME AS AT: 30-June-2021

Size of Shareholding	Shares	Shares %	Shareholders	Shareholders %
1-5000	3 790 667	0.67	5 395	82.47
5001-10000	2 166 884	0.38	295	4.51
10001-25000	4 224 056	0.74	260	3.97
25001-50000	4 800 240	0.84	137	2.09
50001-100000	10 372 572	1.82	149	2.28
100001-200000	13 936 913	2.45	95	1.45
200001-500000	29 526 657	5.18	97	1.48
500001-1000000	34 134 844	6.02	50	0.76
1000001 and Above	466 743 617	81.90	60	0.98
Totals	**569 876 450**	**100.00**	**6 542**	**100.00**

INNSCOR AFRICA LIMITED: ANALYSIS BY INDUSTRY AS AT: 30-June-2021

Trade Classification	Shares	Shares%	Shareholders	Shareholders%
Local Companies	297 066 582	52.13	808	12.35
Pension Funds	109 222 436	19.17	362	5.53
Non-Residents	76 592 967	13.44	178	2.72
Insurance Companies	36 842 699	6.47	45	0.69
Private Individuals	23 921 774	4.20	4 488	68.60
Local Nominees	19 281 241	3.38	134	2.05
Trusts	3 502 345	0.61	294	4.49
Charitable	1 767 354	0.31	89	1.36
Other	1 679 052	0.29	144	2.21
Totals	**569 876 450**	**100.00**	**6 542**	**100.00**

INNSCOR AFRICA LIMITED TOP 20: SCHEDULE AS AT: 30-June-2021

Top Ten Shareholders	Shares	Percentage
Z.M.D Investments (Private) Limited	107 373 356	18.54
H M Barbour (Private) Limited	100 024 000	17.55
Stanbic Nominees (Private) Limited	87 576 630	15.37
Old Mutual Life Assurance Co Zim Limited	33 026 996	5.80
Sarcor Investments (Private) Limited	22 484 058	3.95
Standard Chartered Bank Nominees	14 777 188	2.59
Pharaoh Limited	14 608 070	2.56
Mining Industry Pension Fund	8 271 217	1.45
Music Ventures (Private) Limited	7 465 382	1.31
General Electronics (Private) Limited	7 008 642	1.23
Selected Shares	**402 615 539**	**70.65**
Non - Selected Shares	**167 260 911**	**29.35**
Issued Shares	**569 876 450**	**100.00**

Notice to **Members**

NOTICE IS HEREBY GIVEN that the Twenty-Fifth Annual General Meeting of members will be held at the Royal Harare Golf Club, 5th Street extension, Harare, on Friday 10 December 2021 at 08h15, for the purpose of transacting the following business:-

Ordinary Business

1. To receive, consider and adopt the audited financial statements for the financial year ended 30 June 2021 together with the reports of the Directors and Auditors thereon.

2. To re-elect the following Director, Mr A.B.C. Chinake, who retires by rotation in terms of the Articles of Association of the Company, and being eligible, offers himself for re-election.

   Mr Chinake is a highly respected registered legal practitioner of long-standing, specialising in corporate and commercial law and he is currently the Senior Partner of Kantor and Immerman Legal Practitioners.

3. To re-elect the following Director, Mr Z. Koudounaris, who retires by rotation in terms of the Articles of Association of the Company, and being eligible, offers himself for re-election.

   Mr Koudounaris is a founder shareholder of Innscor and was the driving force behind the initial creation and success of the Group's core fast-food brands. Mr Koudounaris specialises in pursuing strategic growth opportunities for the Group and providing guidance to its management team

4. To approve Directors' fees for the financial year ended 30 June 2021

   (Note: In terms of Section 3 of ZSE Practice Note 4, issued on 17 January 2020, the Innscor Directors' Remuneration Report shall be available for inspection by shareholders at the registered office of the company).

5. To approve the remuneration of the Auditors, Deloitte & Touche Chartered Accountants (Zimbabwe), for the past audit.

6. To re-appoint Messrs Deloitte & Touche as the Auditors of the Company until the conclusion of the next Annual General Meeting.

   (Note: Deloitte & Touche Chartered Accountants (Zimbabwe) were appointed as Auditors of the Company for the first time at the last Company AGM held on 1 December 2020).

7. To confirm the final dividend of ZW$180 cents per share declared on 21 September 2021 together with a dividend payment of ZW$51 million to Innscor Africa Employee Share Trust (Private) Limited, and to confirm the interim dividend of ZW$110 cents cents per share declared on 5 March 2021 together with a dividend payment of ZW$31 million to Innscor Africa Employee Share Trust (Private) Limited.

Special Business

8. Share Buy-Back

To consider and, if deemed fit, to pass with or without modification, the following special resolution: "That the Company authorises in advance, in terms of Section 129 of the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange (ZSE) Listing Requirements, the purchase by the Company of its own shares upon such terms and conditions and in such amounts as the Directors of the Company may from time to time determine and such authority hereby specifies that:-

i) the authority in terms of this resolution shall expire on the date of the Company's next Annual General Meeting; and

ii) acquisitions shall be of ordinary shares which, in the aggregate in any one financial year, shall not exceed 10% (ten percent) of the Company's issued ordinary share capital; and

iii) the maximum and minimum prices, respectively, at which such ordinary shares may be acquired will be not more than 5% (five percent) above and 5% (five percent) below the weighted average of the market price at which such ordinary shares are traded on the ZSE, as determined over the 5 (five) business days immediately preceding the date of purchase of such ordinary shares by the Company; and

iv) a press announcement will be published as soon as the Company has acquired ordinary shares constituting, on a cumulative basis in the period between annual general meetings, 3% (three percent) of the number of ordinary shares in issue prior to the acquisition; and

Notice to **Members** (continued)

Special Business (continued)

8. Share Buy-Back (continued)

v) if during the subsistence of this resolution the Company is unable to declare and pay a cash dividend then this resolution shall be of no force and effect."

(Note:- In terms of this special resolution, the Directors are seeking authority to allow use of the Company's available cash resources to purchase its own shares in the market in terms of the Companies Act and the regulations of the ZSE. The Directors will only exercise the authority if they believe that to do so would be in the best interests of shareholders generally. In exercising this authority, the Directors will duly take into account following such repurchase, the ability of the Company to pay its debts in the ordinary course of business, the maintenance of an excess of assets over liabilities, and for the Company and Group, the adequacy of ordinary capital and reserves as well as working capital).

9. Loans to Executive Directors

To resolve as an ordinary resolution, with or without amendments: "That the Company be and is hereby authorised to make any loan to any Executive Director or to enter into any guarantee or provide any security in connection with a loan to such Executive Director for the purpose of enabling him to properly perform his duty as an officer of the Company, as may be determined by the Remuneration Committee of the Board of Directors, provided that the amount of the loan or the extent of the guarantee or security shall not exceed the annual remuneration of that Director.

Any Other Business

10. To transact any other business competent to be dealt with at the Annual General Meeting.

Proxies

Members are entitled to appoint one or more proxies to act in the alternative and to attend and vote and speak in their place. A proxy need not be a member of the Company.

Proxy forms must reach the Company's registered office not less than 48 hours before the meeting.

The Innscor Africa Limited Annual Report for 2021 and the Proxy Form are available for download at http://www.innscorafrica.com/investor/financial-reporting/

COVID-19 Measures

Due to the public health measures adopted by Government to combat the spread of the COVID-19 virus, all requisite steps will be taken to protect the health and safety of shareholders and attendees at the Annual General meeting, including the following:-

i. Entry to the venue will be restricted to the number permissible by law, and seating will be arranged appropriately.
ii. Registration will commence 30 minutes before the meeting starts, and shareholders are encouraged to register early to avoid congestion at the registration desk.
iii. Temperature checks will be conducted at points of entry to the venue.
iv. No-one will be permitted entry without a face mask.
v. Alcohol-based hand sanitisers will be placed in strategic locations to ensure attendees properly sanitise their hands as they arrive and leave the venue.
vi. Contact details of attendees will be collected to assist in contact tracing in the unlikely event of infections.
vii. Attendees are encouraged to ask questions formally during the meeting and to ensure minimal interactions before and after the formal proceedings.
viii. In order to reduce social contact, it is regretted that no refreshments will be provided before and after the meeting.

By order of the Board
INNSCOR AFRICA LIMITED

A. D. Lorimer
Company Secretary
Harare
19 November 2021

Company **Calendar**

Shareholders' Calendar

Twenty-Fifth Annual General Meeting	10 December 2021
Financial Year End	30 June
Interim Reports	
30 September 2021 - Trading Update	October 2021
6 months to 31 December 2021	March 2022
31 March 2022 - Trading Update	May 2022
12 months to 30 June 2022	September 2022
Annual Report Published	November 2022
Twenty-Sixth Annual General Meeting	December 2022

Registered Office
Innscor Africa Limited
Edward Building, Corner 1st Street/Nelson Mandela Ave Harare, Zimbabwe

Transfer Secretaries
Corpserve Transfer Secretaries (Private) Limited
2nd Floor, ZB Centre, 1st Street/Kwame Nkrumah Avenue
Harare, Zimbabwe
email: corpserve@escrowgroup.org

Corporate Information

Domicile
The Company is incorporated and domiciled in Zimbabwe.

Core Business
Light Manufacturer of Fast Moving Consumer Goods

Registered Office
Edward Building
1st Street/Nelson Mandela Avenue
Harare, Zimbabwe

Postal Address
1 Ranelagh Road
Highlands
P O Box A88 Avondale
Harare, Zimbabwe

Contact Details
Telephone: +263 242 496886 / 496790
Fax: +263 242 496845
email: admin@innscorafrica.com

Company Secretary
A D Lorimer

Auditors
Deloitte & Touche
Chartered Accountants (Zimbabwe)

Legal Advisors
Dube, Manikai and Hwacha;
Gill, Godlonton & Gerrans;
Kantor and Immerman

Principal Bankers
Banc ABC
CABS
CBZ Bank
Ecobank Zimbabwe
FBC Bank Zimbabwe
First Capital Bank Zimbabwe
Nedbank Zimbabwe
NMB Bank Limited
Stanbic Bank Zimbabwe
Standard Chartered Bank Zimbabwe

Transfer Secretaries
Corpserve Transfer Secretaries (Private) Limited
2nd Floor, ZB Centre
1st Street/Kwame Nkrumah Avenue
Harare, Zimbabwe
email: corpserve@escrowgroup.org

Sustainability Advisors
Black Crystal Consulting (Private) Limited
33 Bayswater Road
Highlands
Harare, Zimbabwe
email: infor@blackcrystal.co.zw

INNSCOR Africa Limited

FORM OF PROXY
25th ANNUAL GENERAL MEETING

I /We,____________________ (full names) ____________________

of ____________________ (full address) ____________________

being the registered holder/s of ____________________ ordinary shares in INNSCOR AFRICA LIMITED, do hereby appoint:

____________________ (full names) ____________________

of ____________________ (full address) ____________________

or failing him/her, do hereby appoint: ____________________ (full names) ____________________

of ____________________ (full address) ____________________

as my/our proxy to vote for me/us on my/our behalf at the TWENTY-FIFTH ANNUAL GENERAL MEETING of the Company to be held on **10 December 2021** at 08.15 am and at any adjournment thereof.

I/We instruct my/our proxy or proxies to vote in the following way: ***(Please mark the appropriate box with an "X" next to each resolution)***

	ORDINARY BUSINESS	For	Against	Abstain
1	THAT the Audited Financial Statements and Reports of the Directors and Auditors for the financial year ended 30 June 2021 be adopted.			
2	THAT Mr A.B.C Chinake be re-elected as a Director of the Company in terms of the Articles of Association.			
3	THAT Mr Z. Koudounaris be re-elected as a Director of the Company in terms of the Articles of Association.			
4	THAT the remuneration of the Directors be confirmed.			
5	THAT the remuneration of the Auditors, Messrs Deloitte & Touche for the past audit be confirmed.			
6	THAT Messrs Deloitte and Touche Chartered Accountants (Zimbabwe) be re-appointed as Auditors of the Company until the conclusion of the next Annual General Meeting.			
7	THAT the final dividend of ZW$180 cents per share declared on 21 September 2021 together with a dividend payment of ZW$31 million to Innscor Africa Employee Share Trust (Private) Limited, and the interim dividend of ZW$110 cents per share declared on 5 March 2021 together with a dividend payment of ZW$31 million to Innscor Africa Employee Share Trust (Private) Limited be and are hereby confirmed.			
	SPECIAL BUSINESS			
8	As a Special Resolution THAT the Company be authorised in terms of Section 129 of the Companies and Other Business Entities Act (Chapter 24:31) to purchase its own shares, subject to certain conditions.			
9	THAT the Company be authorised to make loans to Executive Directors in terms of Section 208 of the Companies and Other Business Entities Act (Chapter 24:31), subject to certain conditions.			

Details of the above resolutions are set out in the Notice of the Annual General Meeting.

Signed this ________ day of __________ 2021

____

SIGNATURE OF SHAREHOLDER

NOTES:

1. In terms of Section 171 of the Companies and Other Business Entities Act (Chapter 24:31), a member of the Company is entitled to appoint one or more persons to act in the alternative as his proxy, to attend and vote and speak in his stead. A proxy need not be a shareholder of the Company.
2. Unless otherwise instructed, the proxy will vote as he/she thinks fit.
3. This proxy form must be deposited at the Registered Office of the Company so as to be received by the Company Secretary not less than 48 hours before the meeting.
4. The proxy form must be signed and dated for it to be valid. Any alterations or corrections to this form must be initialled.
5. Anyone signing this proxy form in a representative capacity must be authorised to do so. Please stamp this form with your company or organisation's stamp and enclose proof of authorisation.
6. The return of this proxy form will not prevent you from attending the meeting and voting in person. However, should this happen, the proxy will be revoked.

INNSCOR
Africa Limited

National Foods Ltd

Baker's Inn
Better taste, more value

Irvine's
Trust earned.

Colcom

amp Meats

NatPak
The Future's In The Bag

Capri

PROfeeds
The Performance Feed

PRObrands

PROdairy

PRObottlers

nutrimaster

PHI Commodities

Providence Human Capital

Syntegra

MyCash