INNSCOR
Africa Limited

Annual Report 2013

OUR PASSION FOR VALUE CREATION

Vision

To create, own and operate world-class and dominant intellectual property and where possible to extend this intellectual property through backward or forward integration into manufacture or retail.

The Group will provide strong distribution and marketing solutions to ensure that it takes advantage of the value add process in each part of the Fast Moving Consumer Goods Chain in which it operates, resulting in the availability of high quality products at affordable prices.


THE CARD
THAT KEEPS ON GIVING
Come instore now
for more information
GET IT ON
REVOLVING CREDIT
6 MONTHS
GUARANTEED QUALITY
TV

Contents

Corporate Information

Domicile

The Company is incorporated and domiciled in Zimbabwe.

Core Business

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 4 496886 / 496790

Fax: +263 4 496845

Email: admin@innscorafrica.com

Company Secretary

A D Lorimer

Auditors

Ernst & Young

Chartered Accountants (Zimbabwe)

Legal Advisors

Coghlan, Welsh and Guest

Principal Bankers

Barclays Bank of Zimbabwe Limited

CABS

CBZ Bank Limited

Kingdom Bank Limited

Standard Chartered Bank Zimbabwe Limited

Transfer Secretaries

Innscor Africa Limited

Group Structure and Activities

BAKERIES & FAST FOODS

INNSCOR BREAD

Simon Mazorodze - Harare	
Shepperton - Harare	
Lytton Bread - Harare	
Lennard Bread - Bulawayo	
In-store Bakeries	2

FAST FOODS

ZIMBABWE

In-store Bakeries	13
Bakers Inn & Mr Baker	43
Chicken Inn	45
Creamy Inn	33
Nando's	13
Pizza Inn	28
Fish Inn	2
Steers	7
Convenience Stores	4
Haefeli's	2
Inns Express	4

REGIONAL FAST FOODS

Bakers Inn	14
Chicken Inn	31
Creamy Inn	60
Pizza Inn	51
Steers	1
Convenience Stores	26
Rhapsody's	1
Galitos	24
Vasili's	1
Fontana (Associate company)	1

DISTRIBUTION GROUP AFRICA

DISTRIBUTION ZIMBABWE

Innscor Distribution
Comox Trading
Eagle Agencies
Snack Sales and Distribution

DISTRIBUTION ZAMBIA

Innscor Distribution
Comox Trading

DISTRIBUTION MALAWI

Innscor Distribution
Comox Trading

SPAR

ZIMBABWE

SPAR FRANCHISED OUTLETS

SPAR stores	51
SAVEMOR stores	12
SPAR Express	5
TOPS bottle stores	4

SPAR CORPORATE STORES

Letombo Park SPAR Megasave
Arundel Village SPAR
Groombridge SPAR
Borrowdale Village SPAR
Mutare SPAR
Golden Stairs SPAR

SPAR DISTRIBUTION

SPAR Distribution Centre
Freshpro

SPAR ZAMBIA

SPAR FRANCHISED OUTLETS

SPAR stores	7

SPAR CORPORATE STORES

Arcades SPAR
Downtown SPAR
Soweto SPAR
Crossroads SPAR
Northrise SPAR
Foxdale SPAR

Group Structure and Activities

COLCOM

COLCOM HOLDINGS LTD
Triple C Pigs
Colcom Foods Ltd
Greatrift Delight (Pvt) Ltd
Associated Meat Packers (Pvt) Ltd
Intercane (Pvt) Ltd
Freddy Hirsch Group (Pvt) Ltd
(Associate company)

HOUSEHOLD GOODS

APPLIANCE MANUFACTURING
Capri
WRS (World Radio Systems)

TV SALES & HOME

TV Sales & Home	22
Your Space	2
Sony concept store	1
Samsung concept store	1
Kunzwana Mart	1

ASSOCIATE AND OTHER BUSINESSES

NATIONAL FOODS HOLDINGS LTD
(Associate company)

IRVINE'S ZIMBABWE (PVT) LTD
(Associate company)

NATPAK (PVT) LTD

BREATHAWAY FOOD CATERERS (PVT) LTD
(Associate company)

SHEARWATER ADVENTURES (PVT) LTD
(Associate company)

THE RIVER CLUB - Livingstone Zambia


FOLDOVER PIE AND COKE
$1.50
$2.50
DAILY BREAD
OVEN BAKED
ALWAYS FRESH
FRESHLY BAKED FOR
BAKER'S INN
FANCY SLICE 1.00
0.50
CREAM DOUGHNUT 0.50
CHELSEA BUN 0.50
0.50
FRESHLY BAKED

Financial Highlights

	2013 USD	2012 USD
Group Summary		
Revenue	656 332 118	627 077 424
Operating profit before impairment, depreciation, amortisation and fair value adjustments	67 396 541	68 527 996
Profit before tax	59 369 440	61 131 636
Profit for the year attributable to equity holders of the parent	38 953 790	38 709 881
Cash generated by operations	54 161 610	48 795 104
Net assets	192 806 096	160 479 195
Share Performance (cents)		
Basic earnings per share	7.19	7.15
Headline earnings per share	6.36	6.29
Dividends declared and paid during the year:		
Interim dividend per share	0.80	0.75
Final dividend per share (prior year)	1.00	0.60
Dividends recognised during the year	1.80	1.35
Dividends declared and paid since reporting date	1.00	1.00
Market price per share - 30 June (cents)	91.02	54.40
Number of shares in issue at 30 June	541 593 440	541 593 440
Market capitalisation	492 958 349	294 626 831

Percentage Contribution to Revenue

Bakeries and Fast Foods (6 455 employees) 41%

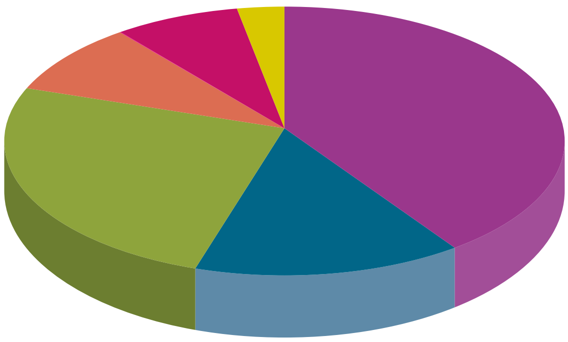
Distribution Group Africa (573 employees) 14%

SPAR (1 389 employees) 25%

Colcom (1 196 employees) 9%

Household Goods (509 employees) 8%

Associate and Other Businesses & Corporate Services (422 employees) 3%




KING KURLS
chicken
flavour
FOIL FRESH

Directorate and Management

BOARD OF DIRECTORS

Independent, Non-Executive Directors	Non-Independent, Non-Executive Directors	Executive Directors
● * David Morgan (Chairman)	◆ Zenon (Zed) Koudounaris	◆ ● * John Koumides
● * Thembinkosi Sibanda	* Michael Fowler	◆ Julian Schonken
		◆ Basil Dionisio

● Members of the Audit Committee
* Members of the Remuneration Committee
◆ Members of the Finance and Investment Committee

Chairman of the Audit Committee	-	Thembinkosi Sibanda
Chairman of the Remuneration Committee	-	David Morgan
Chairman of the Finance and Investment Committee	-	John Koumides

GROUP EXECUTIVES

John Koumides	Group Chief Executive Officer
Julian Schonken	Group Financial Director
Basil Dionisio	Chief Executive Officer-Bakeries and Fast Foods
Musi Kumbula	Group Corporate Affairs Executive
Raymond Nyamuziwa ◆	Group Treasurer
Andrew Lorimer	Group Company Secretary

DIVISIONAL MANAGEMENT

Corporate

Ray Rambanapasi	Group Financial Manager
Priti Da Silva	Corporate Executive
Joshua Mhike	Group Internal Audit Manager
Ronald Gumbo	Group Tax Officer
Kundai Murau	Financial Manager

Treasury

Tanya Chitaukire	Divisional Financial Manager

Salary Services

Adele Friend	Managing Director
Chipo Ndudzo	Financial Director

BAKERIES AND FAST FOODS

Innscor Bread

Marcus Athitakis	Managing Director
Owen Murumbi	Financial Director
Crispen Vundla	Procurement Director
Mark Swan	Technical Director

Fast Foods Harare

Givemore Munyanyi	Managing Director
Mandla Nkosi	Financial Director
Aaron Murapa	Procurement Director
Mary Ndawona	Human Resources Director

Fast Foods Matabeleland and Midlands

Warren Meares	Managing Director
Onias Moyo	Financial Director
Misheck Muleya	Human Resources Director

Fast Foods Mutare

Teo Yatras	Managing Director
Emmanuel Zvinoitavanhu	Financial Director

Innscor Franchising

Manoli Vardas	Chief Executive Officer
Takawira Tawengwa	General Manager
Fortunate Masendeke	Financial Manager

Regional Fast Foods

Leighton Shaw	Operations Director
Hendrik Louw	Financial Manager

Directorate and Management

DISTRIBUTION GROUP AFRICA

Distribution Group Africa

Craig Hodgson	Chief Executive Officer
Victor Kuchocha	Financial Director
Paul Filer	Operations Director
Leonard Kuyimba	Financial Manager

Innscor Distribution Zimbabwe

Craig Hodgson	Managing Director
Kennedy Muchenga	Sales Director
Noel Shangwa	Financial Manager

Comox Trading

Archie Meth	Managing Director
Alec Gahadzikwa	Financial Director

Eagle Agencies

Neil Varrie	Managing Director
Elizabeth Gambe	Financial Manager

Snacks Sales & Distribution

Albert Oberholzer	Sales Director
Freeman Kuodza	Financial Manager

Distribution - Zambia

Vincent Hogg	Managing Director
Collen Alumando	Financial Manager

Distribution - Malawi

Andrew Bester	Country Manager
Rob Brown	Managing Director
Skallas Smit	Operations Manager

SPAR

SPAR Retail

Andrew Divaris	Group Chief Executive Officer
Tineyi Mandengu	Group Financial Director
Masimba Mutsai	Group Human Resources Manager
Phil Chadwick	Group IT Manager
Paulo Caverna	Group Merchandising Manager
Francis Muchuchu	Group Financial Manager
Andrew Dobson	GM - Borrowdale Village SPAR
Josephine Mutsekwa	GM - Arundel Village SPAR
Robbie Spencer	GM - Groombridge SPAR
Alfred Choga	GM - Letombo SPAR
Cuthbert Tsikira	GM - Golden Stairs SPAR
Dion Yatras	MD - Mutare SPAR

SPAR Distribution

Evan Christophides	Chief Executive Officer
John Economou	Marketing Director
Arvine Takadii	Retail Operations Director
Aurthur Gwaku	Warehouse Operations Director
Marceline Mugari	Financial Manager

FreshPro

Mani Lane	General Manager
Charles Nyamuba	Financial Manager

SPAR Zambia

Mark O'Donnell	Executive Chairman
Michael Yeatman	Chief Executive Officer
Kate Kellari	Chief Financial Officer
Wellington Gumunyu	Management Accountant

COLCOM

Theophillus Kumalo	Chief Executive Officer
Dino Tumazos	Financial Director
Norita Adams	Sales & Marketing Director
Jan Van As	Operations Director
Zvitendo Matsika	Human Resources Executive
Mandy Mutiro	Financial Manager
Ian Kennaird	Chief Executive - Triple C Pigs
Lester Jones	Chief Executive - AMP

HOUSEHOLD GOODS

TV Sales & Home

Sean Gorringe	Chief Executive Officer
Joseph Kamasho	Financial Director

Appliance Manufacturing

Gary Watson	Chief Executive Officer
Kevin Tiran	Production Director
Simba Muchatukwa	Financial Director
Jan Van Der Westhuizen	Research & Development Director
Tony Simoes	Marketing Director
Simba Munondo	Human Resources Manager

Directorate and Management

ASSOCIATE AND OTHER BUSINESSES

National Foods Holdings Limited

Jeremy Brooke	Group Managing Director
Liberty Murimwa	Group Financial Director
Michael Lashbrook	Group Operations Director
Johnson Gapu	Group Sales, Marketing & Distribution Director
Rosseweater Usayi	Group Human Resources Executive
Ruvimbo Chikwava	Group Treasurer
Tendai Maphosa	Group Financial Manager
Craig Spong	Group IT Executive
Leigh Blakeway	Group Legal Executive
Mutali Chawanda	Managing Executive - Flour Milling
Chipo Nheta	Managing Executive - Maize Milling
Daniel Maregedze	Managing Executive - FMCG
Leon Gunter	Managing Executive - Stockfeeds

Irvine's Zimbabwe (Private) Limited

David Irvine	Managing Director
George Economou	Commercial Director
Godfrey Gwainda	Financial Director
Rutendo Dzangai	Financial Manager

Shearwater Adventures (Private) Limited

Mike Davis	Chairman
Butholezwe Mlilo	Financial Director
Allen Roberts	Operations Director

Natpak (Private) Limited

Guy Martell	Managing Director
Tamuka Kunaka	Operations Director
Herbert Mapuranga	Financial Director
Risina Mandivenga	Sales & Marketing Director
Laraine Mseredza	Human Resources Director

The River Club

Peter Jones	Chief Executive Officer
Eugene Marais	General Manager
Dalene Vincent	Financial Manager

Breathaway Food Caterers (Private) Limited

Dean Spagnuolo	Managing Director

The Group continued to show strong cash generating ability, with cash generated from operating activities amounting to USD 54.16 million for the year under review.

Chairman's Statement and Review of Operations

FINANCIAL

During the year under review, the Group recorded revenue of USD 656.33 million, an operating profit of USD 67.40 million and a profit before tax of USD 59.40 million.

Consolidated operating profit was marginally lower than that recorded in the prior year and was affected by a combination of lower gross margins in certain businesses, as well as a number of cost provisions and re-structure charges emanating mainly from Colcom as advised in the interim report. These charges were somewhat negated by a profit on disposal of USD 5.25 million which resulted from the disposal of unquoted investments. A fixed asset impairment and de-recognition charge of USD 2.23 million was also processed within the Group's Statement of Comprehensive Income, again the main portion arising from the business re-engineering processes being undertaken at Colcom. Both the profit on disposal of investment and the impairment charges have been excluded from Headline earnings. Basic earnings per share totalled 7.19 US cents, whilst Headline earnings per share amounted to 6.36 US cents.

The Group continued to show strong cash generating ability, with cash generated from operating activities amounting to USD 54.16 million for the year under review, and this was after accounting for an increase of USD 3.924 million in the instalment debtors' book at TV Sales & Home. This cash profit, together with the increased borrowing position, was utilised to fund the numerous capital expansion and maintenance projects undertaken across the Group during the course of the year, which totalled more than USD 50 million.

OPERATIONS

Bakeries & Fast Foods

This reporting division comprises the Group's Bakery operations which are based in Zimbabwe as well as all the Fast Food operations across the African continent.

Bread volumes recorded in the Bakery operations increased by 12% as compared to the prior year. During February 2013, two additional bread lines, each with a capacity of 80,000 loaves per day were commissioned at the new, state of the art facility in Graniteside, and installed national capacity amounted to 450,000 loaves per day by June 2013. A new bread roll line and small confectionery line were also commissioned at Graniteside towards the latter part of the current financial year. A further two new bread lines, again each with a capacity of 80,000 loaves per day, are due to be installed towards the end of the first half of the 2014 financial year at the Graniteside site, whilst the Simon Mazorodze Road site will shortly see the commissioning of a new pie plant.

In the Zimbabwe Fast Foods operations, revised product and pricing strategies implemented within the Chicken Inn and Pizza Inn brands yielded improved customer counts of 31% and 13% respectively over the prior year. These strategies are being cascaded to the other brands within the business and management is confident that the overall operations will achieve an improved trading performance in the new financial year. A total of 21 counters were added to the Zimbabwe network during the financial year under review, with 10 in Harare, 4 in Zvishavane, 3 in each of Mutare and Chivhu, and 1 in Kwekwe; whilst a further 6 counters were closed. The new Fish Inn brand was launched in Harare during the fourth quarter, and results to date have been well above target. The refurbishment program also continued during the year and this saw a total of 10 counters being upgraded to the latest brand specifications. Both the expansion and refurbishment programs will continue into the new financial year, with a number of sites in Harare, Chegutu and Mutare already at varying stages of completion. With effect from 1 April 2013, the Group acquired the minority shareholding in the Fast Foods Northern Region operations.

Regionally, the Fast Foods operations recorded pleasing revenue growth of 10% over the prior year. The expansion programme saw 16 additional counters being opened during the year under review; with 14 counters in Kenya and 2 in Zambia. Inclusive of the franchised territories, a total of 210 regional counters were in operation at year-end. An additional 31 counters are planned for the store network in the 2014 financial year, including 7 counters in the Democratic

Volumes in the Distribution business operating in Zambia grew by 10% over the prior year, as formal retail and wholesale trade continued to grow.

Chairman's Statement and Review of Operations

Republic of Congo. The franchise arrangement in Nigeria is currently under review and management is considering various options for improving the performance in this market.

Distribution Group Africa

This reporting division consists of the Distribution Group Africa operations which operate in Zimbabwe, Zambia and Malawi.

The Distribution Group Africa Zimbabwe operations house a number of leading brands such as Colgate, Kellogg's, Johnson & Johnson, Tiger Brands and Pepsi. The business reported a 17% growth in volumes over prior year, although a changing product mix, with a lower average selling price per unit, resulted in lower revenue growth. Improved gross margins continued to be achieved and this together with good cost control enhanced profitability levels.

Volumes in the Distribution business operating in Zambia grew by 10% over the prior year, as formal retail and wholesale trade continued to grow. In Malawi, volumes showed a decline of 7% over the prior year, although trading was much improved in the second half of the financial year, and accessibility to foreign currency eased slightly.

SPAR

This reporting division consists of the SPAR Corporate Store retail operations in Zimbabwe, the SPAR Distribution Centre in Harare and the SPAR Corporate Store retail operations in Zambia.

Whilst the SPAR Corporate Store retail operations were still in a loss position, significant improvements were made at store-level during the year under review in order to return the business to profitability. A programme is now also underway to amalgamate the head office function of the retail operations with that of the SPAR Distribution Centre, and this will further enhance the overall operations' profit-generating ability. Towards the end of March 2013, the SPAR Letombo outlet was successfully re-launched under the Megasave SPAR brand and initial results for this new low-cost offering have been very encouraging. The Group continues to see growth potential in this sector of the market and is currently investigating the addition of a number of Corporate Stores in this regard.

The SPAR Distribution Centre recorded marginal volume growth over the prior year. This, together with a number of restructuring cost provisions which were required to allow for the amalgamation of the head office function with that of the Corporate Store retail operations, resulted in reduced profitability over the prior year. Towards the end of the financial year, the operation was able to consolidate the SPAR franchise rights for the entire country by acquiring the rights for the Western region which currently consists of 23 franchised stores. The ability to service these additional stores from the existing infrastructure should allow for improved efficiency levels to be extracted from the business. Including the Western region stores, the SPAR Distribution Centre was servicing a total of 72 SPAR Stores, KwikSPAR Stores, SPAR Express Stores, Savemor Stores and TOPS Bottle Stores as at June 2013.

The SPAR Corporate Store retail operations in Zambia produced revenue growth of 6% over the prior year, and this together with an improved control environment resulted in a pleasing profit being posted for the year. In addition to the 6 Corporate stores, the network also included 7 franchised stores at 30 June 2013.

The development and expansion of the Texas low-cost protein retail outlets under this unit continued and 8 of these outlets were operational by year-end, with a further 4 units currently being developed.

Chairman's Statement and Review of Operations

Colcom

Colcom recorded a disappointing result for the year. As advised in the interim report, a number of processes were embarked upon during the year in response to both a compromised control and governance environment as well as a number of equipment failures that occurred within the core pork operation. In addition to the provisions of USD 1.3 million reported at the half-year, the Company processed further cost provisions of USD 1.1 million in the second half of the year, emanating mainly from stock and retrenchment charges; whilst a critical review of the Company's fixed assets resulted in an impairment and de-recognition charge of USD 1.6 million.

The Company's down-packing unit, Associated Meat Packers, continued to perform exceptionally well with strong volume and profit growth being recorded. The development and expansion of the Texas low-cost protein retail outlets under this unit continued, and 8 of these outlets were operational by year-end, with a further 4 units currently being developed.

Management is confident that having now completed a critical business analysis, as well as a number of restructuring and product re-engineering processes, that a considerable improvement in overall performance will be achieved in the 2014 financial year. Investment in the coming year will be focused on providing adequate capacity and improved quality in emulsification, cooking, cooling and packaging.

Household Goods

This reporting division consists of TV Sales & Home and Capri.

After a slow start to the current year, TV Sales & Home recorded an overall volume growth of 11% against the prior year translating to improved profitability. The store network continued to be expanded with an additional 9 outlets opening across Harare, Karoi, Kadoma, Marondera, Chinhoyi and Hwange. During the second half of the financial year a new revolving-credit scheme was introduced to augment the existing core credit scheme and was well received by the market. The quality of the instalment debtors' book remained good throughout the year.

Capri produced another positive set of results recording a 19% volume growth for the financial year under review and work continued on improving product aesthetics as well as achieving cost and production efficiencies. The new refrigeration plant is scheduled for commissioning towards the end of the first half of the new financial year and will provide further ability to lower product cost, resulting in the ability to provide extremely competitive pricing for consumers in both the local and regional markets.

National Foods produced a strong set of results, recording volume growth of 21% over the prior year to 489,000 metric tonnes.

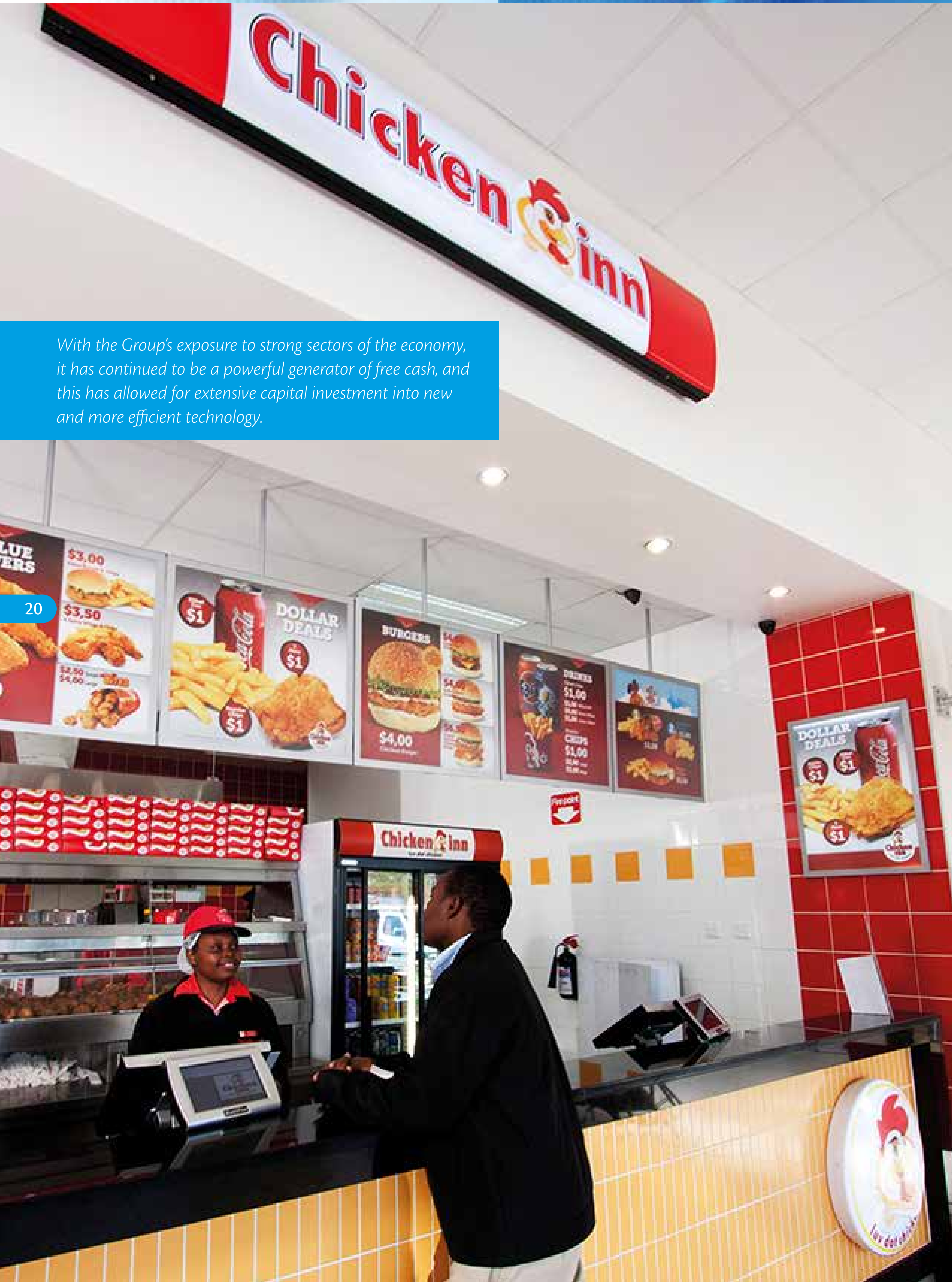
Chairman's Statement and Review of Operations

Associate and Other Businesses

National Foods produced a strong set of results, recording volume growth of 21% over the prior year to 489,000 metric tonnes. The increase in profitability of this business was largely achieved through volume-related efficiencies, throughput and the effective strategic sourcing of raw materials in a rising world market environment. Profits were also enhanced through the disposal of non-core property and plant. Throughout the year, the business was well positioned in its strategic raw material procurement that led to the offering of well-established branded products at competitive prices in the market. Operating cash profit and increased borrowings were utilised in funding increased stock positions of key raw materials at year-end.

Irvine's continued to contribute strongly to the Group's results with good growth being recorded in both revenue and profitability. The results were driven largely by an 11% volume growth in processed chicken sales whilst day-old chick sales grew 16% over the prior year. Production efficiencies at both farm and factory levels continued to improve, resulting from further investment in new technology.

As advised in the interim report, the Group consolidated NatPak into its results with effect from 1 July 2012. The business recorded a significant improvement in its overall performance as compared to the prior year, with strong demand for its core polypropylene woven packaging products. Investment into new plant that will allow for the production of bread bags for the baking industry has recently been made, with commissioning and production set to commence in the second quarter of the new financial year; this will provide further growth potential to the business.



With the Group's exposure to strong sectors of the economy, it has continued to be a powerful generator of free cash, and this has allowed for extensive capital investment into new and more efficient technology.

Chairman's Statement and Review of Operations

PROSPECTS

Management will continue to analyse critically its various business models and processes in order to improve business performance. Where necessary, organisational restructures which allow for improved cost efficiency and the eradication of duplication of function will be implemented. Other ongoing focus areas include utilising the numerous synergies in the Group, both from a trade and cost perspective.

With the Group's exposure to strong sectors of the economy, it has continued to be a powerful generator of free cash, and this has allowed for extensive capital investment into new and more efficient technology to be made over the past year across many of the businesses. Management will continue to ensure that the appropriate returns are extracted from these investments in the coming year, as well as examine investment into additional synergistic or complimentary businesses which can create further value addition for the Group.

DIVIDEND

The Board has declared a final dividend of 1.00 US cent per share (bringing the total dividend for the year to 1.80 US cents per share) payable on or about 4th October 2013 to shareholders registered in the books of the Company by noon on 20th September 2013. The transfer books and register of members will be closed on 21st and 22nd September 2013.

APPRECIATION

I record my appreciation to the executive directors, management and staff for their considerable endeavours on behalf of the Group, to which I add also my appreciation for the contribution of the Group's non-executive directors and for the loyalty and support of the Group's customers, suppliers and other stakeholders.

D L L MORGAN
Chairman
1 October 2013


FRESHNESS
GUARANTEED,
ALWAYS!
freshPRO

Report of the Directors

The Directors have pleasure in presenting their report together with the audited financial statements of the Group for the year ended 30 June 2013.

Share Capital

At 30 June 2013 the authorised and issued share capital of the Company remained unchanged at 800 000 000 ordinary shares and 541 593 440 ordinary shares respectively.

Group Results	USD
Profit before tax	59 369 440
Tax	(10 770 549)
Profit for the year	48 598 891
Non-controlling interests	(9 645 101)
Profit for the year attributable to equity holders of the parent	38 953 790

Dividends

The Board declared an interim dividend of 0.80 US cents per share and a final dividend of 1.00 US cent per share. This brings the total dividend in respect of the 2013 financial year to 1.80 US cents per share.

Reserves

The movement in the reserves of the Group and the Company are shown in the notes to the Group financial statements.

Directors and their Interests

In terms of the articles of association Mr. D.L.L. Morgan and Mr. J.P. Schonken retire by rotation at the Annual General Meeting and being eligible offer themselves for re-election. Mr T.W. Brown retired from the Group as Chief Executive Officer and as a Director of the Company with effect from 31 December 2012. At a Board meeting held on 23 November 2012, Mr B.S. Dionisio was appointed as a Director of the Company with effect from that date. In terms of the articles of association he is required to retire from the Board at the Annual General Meeting and being eligible, offers himself for re-election. No Directors had, during or at the end of the year, any material interest in any contract of significance in relation to the Group's businesses. The beneficial interests of the Directors in the shares of the Company are given in note 19.3 of the financial statements.

Directors' Fees

Members will be asked to approve the payments of the Directors' fees in respect of the year ended 30 June 2013.

Auditors

Members will be asked to approve the remuneration of the auditors for the financial year ended 30 June 2013 and to reappoint Ernst & Young as auditors of the Group to hold office for the ensuing year.

For and on behalf of the Board.

D L L MORGAN
Chairman
1 October 2013

A D LORIMER
Company Secretary


Dry Beans / Fish
Cooking Oil
Condiments
SPAR MEGASTORE
RICE
SAVEMOR RICE
1.89

Corporate Governance

Introduction

Innscor Africa Limited is committed to a Code of Corporate Practices and Conduct based on the principles laid down in the King Report and the Principles for Corporate Governance in Zimbabwe as laid out in the Manual of Best Practice. The Directors recognise the need to conduct the affairs of the Group with principles of transparency, integrity, accountability and in accordance with generally accepted corporate practices, in the interests of its shareholders, employees and other stakeholders. This process enables the Group's shareholders to derive the assurance that, in protecting and adding value to Innscor Africa Limited's financial and human resource investment, the Group is being managed ethically, according to prudently determined risk parameters and in compliance with the best international practices.

Board of Directors

The Board of Innscor currently comprises three executive Directors and four non-executive Directors. The Chairman and the non-executive Directors bring a significant amount of experience and intuition to guide a young and ambitious executive management team. The Board meets quarterly to monitor the performance of management and to ensure proper control over the strategic direction of the Group. The Group operates a decentralised silo structure. Each business has a formal Board with clearly defined responsibilities and objectives, which is responsible for the day-to-day running of its businesses. A comprehensive financial reporting system ensures that each silo is brought to account.

Audit Committee

Innscor has an audit committee that assists the Board in the fulfillment of their duties. The audit committee of the Board deals, inter alia, with compliance, internal control and risk management. The committee currently comprises one executive Director and two non-executive Directors. A non-executive Director chairs the committee. 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 committee to ensure their independence and the objectivity of their reports.

Remuneration Committee

The remuneration committee comprises three non-executive Directors and one 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 will contribute substantially to the growth and success of each of the silos in which the Group operates. Packages include basic salaries, benefits and performance related bonuses.

Finance and Investment Committee

The finance and investment committee is mandated by the Board to set, approve and monitor overall borrowing limits for the Innscor Africa Limited 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 prior to considering approval. The committee comprises one non-executive Director, three executive Directors and one senior manager of the Group. The committee meets on a fortnightly basis to consider bank facilities, borrowing positions, capital expenditure, investment opportunities and such other business as may be directed by the Board.


PROCESSING
PROCESSING
PROCESSING

Employee Welfare

INNSCOR AFRICA WELLNESS

The safety and well-being of employees is an essential part of the business and the Group's Wellness programmes are an investment into this highly important resource. The Group is committed to providing a safe workplace for its employees, and improving their health through better work practices and lifestyles.

The Group continuously focuses on improving safety through its relationships with other stakeholders such as the National Social Security Authority (NSSA) and the Ministry of Health who, amongst other things, provide training and referral facilities for employees. The Group is also currently working with the City of Harare in developing additional programmes aimed at preventing the spread of communicable diseases and work-related illnesses.

A healthy and successful organisation relies upon the mental and physical well-being of its employees and their families. The Group provides resources and programmes to support managers and employees in achieving a healthy and highly functional workplace through:

- Co-ordinating services and programmes to facilitate work-life balance
- Tracking and bench-marking key indicators of health and wellness satisfaction
- Developing programmes, policies and guidelines to help employees to achieve a sustainable healthy life
- Celebrating with employees through our Annual Wellness Day which is held in conjunction with the Group's annual soccer tournament

Successful Health, Safety and Wellness programmes developed include the following:

Bringing Wellness to the employees

A number of on-site clinics have been opened across the Group's business units and these clinics have given employees and their families the opportunity to schedule convenient clinic visits for routine medicals required by various authorities and for normal check-ups. Results of this initiative show a decrease in absenteeism and reduced medical costs.

Promotion of preventive care

Through the on-site clinic network, the Group runs a number of preventative care initiatives such as vaccination programmes.

Wellness through education

Where possible the Group arranges for experts to speak at and lead sessions on HIV and AIDS, balanced nutrition, stress management and other wellness-related topics.

Behavioural resources

The Group works closely with the Ministry of Health and the Connect Counselling Centre to provide and train staff on counselling, coaching and disease management programmes.

Matabeleland Inns Football Team, proud winners of the "Innscor Soccer Trophy". This hugely popular tournament is now in its third year.

Corporate Social Investment

The Group continues to broaden its Corporate Social Investment (CSI) programme, reaching out to an ever-widening group of needy and vulnerable people in different communities. The programme is also aimed at supporting environmental, cultural, academic, sporting and animal welfare initiatives.

Key corporate social initiatives undertaken at Group level during this financial year include the following:

- Donations to the Cancer Society of Zimbabwe
- Donations to Kidzcan
- Donations to the Society for the Prevention of Cruelty to Animals (SPCA)
- An ongoing partnership with Friends of the Environment aimed at mitigating the effects of deforestation
- Contributions to the Save the Rhino campaign
- Donations of computers to the most outstanding high school students as part of the Harare Provincial Education Merit Awards
- In association with the City of Harare, the Group has adopted the Pomona shopping centre in Harare in order to enhance its maintenance and upkeep
- Continued sponsorship of the arts through an ongoing association with the Harare International Festival of the Arts (HIFA)
- Donations of bicycles and computers to the Zimbabwe Republic Police in support of efforts to reduce crime in the community

In addition to these Group initiatives, many of the Group's subsidiary and associate companies also have individual CSI programmes, and the following summarises some of the main initiatives which were supported during the 2013 financial year:

Bakeries and Fast Foods

The bakery operations continue to support a number of hospitals, prisons, schools, orphanages and old age homes through the donation of bread. In addition to this, the business continues to maintain a key role in the identification and nurturing of sporting talent at grassroots level, especially in schools. Through this programme, Bakers Inn sponsors the Chipembere Primary School cricket team, which has become a formidable force in the schools league. The Company also sponsors the Bakers Inn Rugby Legacy, the Bakers Inn schools soccer festival and the Bakers Inn Young Cyclists programme.

The Group, through the Chicken Inn brand, sponsors the Sunshine Project which is a vocational training programme for school leavers from special needs schools. The business also donated funds for the rebuilding of Liebenburg High School in Chivhu which experienced extensive damage from fire during the course of the year.

Through the Pizza Inn brand, the Group sponsored the Zimbabwe national Under 17 schoolboy rugby team which participated in the annual Craven Week tournament in South Africa.

TV Sales and Home

TV Sales & Home ran a major campaign during the year collecting old television sets which were donated to Jairos Jiri centres nationwide as well as to a number of hospitals. Another area of intervention was the sinking of boreholes for the Chikomba schools.

SPAR

SPAR has focused heavily in assisting vulnerable and destitute communities, particularly children. In addition to its core sponsorship of Childline, SPAR also donates foodstuffs, toys, books, arts and crafts to Chinyaradzo Children's Home and a number of other orphanages. The popular annual SPAR Family Fun Run helps raise funds for counselling and assisting children in troubled circumstances.

From a sporting perspective, SPAR also sponsored the Zimbabwe national 7's rugby team which qualified to participate in the 2013 Rugby 7's World Cup. It has also been a supporter of the local TAG Rugby programme which focuses on the introduction and development of rugby at grassroots level.

Corporate Social Investment

National Foods

National Foods donates food hampers on a monthly basis to a number of vulnerable charities and schools. Amongst the beneficiaries are Kambuzuma Orphanage, Ruvimbo Special School, Good Shepherd Home in Chinhoyi, Felly Orphanage in Harare, Nazareth House, Jairos Jiri Association, Zimcare Trust, Emerald Hill Children's Home, the Salvation Army, Braeside, and Homefields Care Centre.

The Company has also funded the construction of a fowl run at Mutemwa Leprosy Centre, enabling the centre to generate income through the sale of eggs and broiler chickens; whilst Mukuvisi Woodlands, Imire Game Park, and Henderson Research are some of the beneficiaries of game feed donated by National Foods.

Irvine's

The CSI programme at Irvine's is underscored by the construction of demonstration chicken houses set up by the Company in Mt. Darwin and Tsholotsho, where communities are equipped with skills and expertise in chicken farming. Additional demonstration houses are planned for the future in other parts of the country.

Irvine's also donates chickens and eggs to needy organisations such as Jairos Jiri, Zimbabwe Down Syndrome Association and the Waterfalls Old People's Home. Ad hoc donations are also made to numerous other organisations.

The 2013 Zimbabwe Seven's Rugby Team, sponsored by SPAR Zimbabwe

The Baker's Inn sponsored Chipembere Cricket Team.

Irvine's benefitting the community through education in chicken rearing.


fishinn
fishinn
fishinn

Directors' Responsibility for Financial Reporting

The Directors of the Company are required by the Companies Act (Chapter 24:03) to maintain adequate accounting records and to prepare 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, and 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).

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 committee has met the external auditors to discuss their reports on the results of their work, which include 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 committee and the Board.

The financial statements for the year ended 30 June 2013, which appear on pages 33 to 83, have been approved by the Board of Directors and are signed on its behalf by:

D L L MORGAN
Chairman
Harare
1 October 2013

J P SCHONKEN
Executive Director

Report of the Independent Auditors

EY
Building a better working world

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Angwa City
Cnr Julius Nyerere Way
Kwame Nkrumah Avenue
P.O. Box 62 or 702
Harare
Zimbabwe

Tel: +263 4 750905 - 14 or 750979 - 83
Fax: +263 4 750707 or 773842
Email: admin@zw.ey.com
www.ey.com

TO THE MEMBERS OF INNSCOR AFRICA LIMITED

Report on the financial statements

We have audited the accompanying consolidated financial statements of Innscor Africa Limited set out on pages 33 to 83, which comprise the Group Statement of Financial position as at 30 June 2013, the Group Statement of Comprehensive Income, the Group Statement of Changes in Equity and the Group Statement of Cash Flows for the year then ended, the notes to the financial statements which include a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The Company's Directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act (Chapter 24:03), and for such internal controls as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Innscor Africa Limited as at 30 June 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

In our opinion, the consolidated financial statements have, in all material respects, been properly prepared in compliance with the disclosure requirements of the Companies Act (Chapter 24:03) and the relevant Statutory Instruments (SI 33/99 and SI 62/96).

Ernst & Young

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors
HARARE
1 October 2013

Group Statement of Comprehensive Income

for the year ended 30 June 2013

	Notes	2013 USD	2012 USD
Revenue	8	656 332 118	627 077 424
Cost of sales		(418 456 898)	(402 678 862)
Gross profit		237 875 220	224 398 562
other income		18 522 992	16 487 168
operating expenses		(189 001 671)	(172 357 734)
Operating profit before impairment, depreciation, amortisation and fair value adjustments	9	67 396 541	68 527 996
impairment and derecognition of plant and equipment		(2 232 728)	-
depreciation and amortisation		(14 842 013)	(11 561 977)
fair value adjustments on listed equities		(14 713)	(232 377)
fair value adjustments on biological assets		384 384	(50 120)
Profit before interest, equity accounted earnings and tax		50 691 471	56 683 522
interest income		1 630 624	1 258 321
interest expense		(4 699 274)	(4 372 885)
equity accounted earnings	14	11 746 619	7 562 678
Profit before tax		59 369 440	61 131 636
tax	10	(10 770 549)	(12 616 905)
Profit for the year		48 598 891	48 514 731
Other comprehensive income - to be recycled to profit or loss			
exchange differences arising on the translation of foreign operations		(520 379)	(989 695)
Other comprehensive income for the year, net of tax		(520 379)	(989 695)
Total comprehensive income for the year		48 078 512	47 525 036
Profit for the year attributable to:			
equity holders of the parent		38 953 790	38 709 881
non-controlling interests		9 645 101	9 804 850
		48 598 891	48 514 731
Total comprehensive income for the year attributable to:			
equity holders of the parent		38 536 687	37 920 204
non-controlling interests		9 541 825	9 604 832
		48 078 512	47 525 036
Earnings per share (cents)			
Basic earnings per share	6	7.19	7.15
Headline earnings per share	6	6.36	6.29
Diluted basic earnings per share	6	7.19	7.15
Diluted headline earnings per share	6	6.36	6.29

Group Statement of Financial Position

as at 30 June 2013

	Notes	2013 USD	2012 USD
ASSETS			
Non-current assets			
property, plant and equipment	12	139 615 506	104 655 139
intangible assets	13	3 256 491	1 335 644
investments in associates	14	50 191 580	40 932 019
financial assets	15	1 505 551	5 224 778
biological assets	16	1 258 838	1 236 713
deferred tax assets	22	7 926 277	6 314 666
		203 754 243	159 698 959
Current assets			
financial assets	15	2 891 981	4 690 968
biological assets	16	1 626 843	1 212 183
inventories	17	54 670 380	51 202 582
trade and other accounts receivable	18	62 448 385	47 293 486
cash and cash equivalents		23 183 804	22 455 567
		144 821 393	126 854 786
Total assets		348 575 636	286 553 745
EQUITY AND LIABILITIES			
Capital and reserves			
ordinary share capital	19	5 415 934	5 415 934
non-distributable reserves	20	28 618 065	29 035 168
distributable reserves	21	123 393 018	97 965 286
		157 427 017	132 416 388
non-controlling interests		35 379 079	28 062 807
Total equity		192 806 096	160 479 195
Non-current liabilities			
deferred tax liabilities	22	16 642 460	12 106 382
interest-bearing borrowings	23	2 965 392	4 083 834
		19 607 852	16 190 216
Current liabilities			
interest-bearing borrowings	23	51 440 923	34 508 129
trade and other accounts payable	24	79 090 682	68 257 681
provisions	25	5 058 199	4 271 638
current tax liability		571 884	2 846 886
		136 161 688	109 884 334
Total liabilities		155 769 540	126 074 550
Total equity and liabilities		348 575 636	286 553 745

D L L MORGAN
Chairman
Harare
1 October 2013

J P SCHONKEN
Executive Director

Group Statement of Changes in Equity

for the year ended 30 June 2013

	attributable to equity holders of the parent					
	Share Capital USD	Non-Distributable Reserves USD	Distributable Reserves USD	Total USD	Non-controlling Interests USD	Total USD
Balance at 30 June 2011	5 415 934	29 742 338	66 566 916	101 725 188	22 763 611	124 488 799
Profit for the year	-	-	38 709 881	38 709 881	9 804 850	48 514 731
Other comprehensive income	-	(789 677)	-	(789 677)	(200 018)	(989 695)
Total comprehensive income	-	(789 677)	38 709 881	37 920 204	9 604 832	47 525 036
Dividends	-	-	(7 311 511)	(7 311 511)	(2 760 530)	(10 072 041)
Transactions with owners in their capacity as owners*	-	82 507	-	82 507	(1 545 106)	(1 462 599)
Balance at 30 June 2012	5 415 934	29 035 168	97 965 286	132 416 388	28 062 807	160 479 195
Profit for the year	-	-	38 953 790	38 953 790	9 645 101	48 598 891
Other comprehensive income	-	(417 103)	-	(417 103)	(103 276)	(520 379)
Total comprehensive income	-	(417 103)	38 953 790	38 536 687	9 541 825	48 078 512
Dividends	-	-	(9 748 682)	(9 748 682)	(2 025 583)	(11 774 265)
Transactions with owners in their capacity as owners*	-	-	(3 777 376)	(3 777 376)	(199 970)	(3 977 346)
Balance at 30 June 2013	5 415 934	28 618 065	123 393 018	157 427 017	35 379 079	192 806 096

* Transactions with owners in their capacity as owners are explained as follows:

i Amounts included under "attributable to equity holders of the parent" relate to the difference between the purchase price and carrying amount of non-controlling interests on acquisitions of non-controlling interests' share in subsidiaries of the Group.

ii Amounts included under "non-controlling interests" relate to carrying amounts of non-controlling interests' share being acquired as well as capital injections by non-controlling interests.

Group Statement of Cash Flows

for the year ended 30 June 2013

	Notes	2013 USD	2012 USD
Cash generated from operating activities	11.1	54 161 610	48 795 104
interest income		1 630 624	1 258 321
interest expense		(4 699 274)	(4 372 885)
tax paid	11.2	(10 109 626)	(9 877 951)
Total cash available from operations		40 983 334	35 802 589
Investing activities	11.3	(43 286 425)	(19 666 997)
Net cash flow before financing activities		(2 303 091)	16 135 592
Financing activities		3 031 328	(11 468 655)
dividends paid by holding company		(9 748 682)	(7 311 511)
dividends paid by subsidiaries to non-controlling interests		(2 025 583)	(2 760 530)
proceeds from borrowings		94 255 569	84 845 029
repayment of borrowings		(81 068 990)	(85 789 452)
cash received from/(paid to) non-controlling interests		1 619 014	(452 191)
Net increase in cash and cash equivalents		728 237	4 666 937
Cash and cash equivalents at the beginning of the year		22 455 567	17 788 630
Cash and cash equivalents at the end of the year		23 183 804	22 455 567

Notes To The Financial Statements

1 Corporate Information

The consolidated financial statements of Innscor Africa Limited for the year ended 30 June 2013 were authorised for issue in accordance with a resolution of the Directors on 1 October 2013. Innscor Africa Limited 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 the provision of fast foods services and the manufacture, distribution and retailing of household commodities and fresh produce.

2 Statement of compliance

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB). The consolidated financial statements have been prepared in compliance with the Zimbabwe Companies Act (Chapter 24:03).

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 financial statements.

2.2 Basis of preparation

The consolidated financial statements are based on statutory records that are maintained under the historical cost convention except for biological assets and certain financial instruments that have been measured at fair value. The consolidated financial statements are presented in United States Dollars (USD) and are rounded of to the nearest USD.

3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2013. 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.

All intra-group balances, income and expenses, unrealised gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Losses are attributed to the non-controlling interest even if that results in a deficit balance. 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

4 Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except as follows:

4.1 New and amended IFRSs adopted

The Group has adopted the following new and amended IFRSs as of 1 July 2012:

IAS 1 Financial Statement Presentation (Amendment)

The amendment became effective for the Group beginning 1 July 2012 and requires that items of other comprehensive income be grouped in items that would be reclassified to profit or loss at a future point and items that will never be reclassified. This amendment only affects the presentation in the financial statements.

Notes To The Financial Statements

IAS 12 Income Taxes (Amendment)

The amendment became effective for the Group beginning 1 July 2012 and introduces a rebuttable presumption that deferred tax on investment properties measured at fair value will be recognised on a sale basis by applying the capital gains tax rate, unless an entity has a business model that would indicate the investment property will be consumed in the business. If consumed, a use basis should be adopted and the income tax rate applied. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 always be measured on a sale basis of the asset. This amendment has had no impact on the Group results on initial application.

4.2 Standards and interpretations in issue not yet effective

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing is of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt these standards when they become effective.

IAS 19 Employee Benefits (Revised)

IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The more significant changes include the following:

- For defined benefit plans, the ability to defer recognition of actuarial gains and losses (i.e. the corridor approach) has been removed. As revised, actuarial gains and losses are recognised in Other Comprehensive Income (OCI) when they occur. Amounts recorded in profit or loss are limited to current and past service costs, gains or losses on settlements, and net interest income (expense). All other changes in the net defined benefit asset (liability) are recognised in OCI with no subsequent recycling to profit or loss.

- Objectives for disclosures of defined benefit plans are explicitly stated in the revised standard, along with new or revised disclosure requirements. These new disclosures include quantitative information of the sensitivity of the defined benefit obligation to a reasonably possible change in each significant actuarial assumption.

- Termination benefits will be recognised at the earlier of when the offer of termination cannot be withdrawn, or when the related restructuring costs are recognised under IAS 37.

- The distinction between short-term and other long-term employee benefits will be based on expected timing of settlement rather than the employee's entitlement to the benefits.

- The Company is currently assessing the full impact of the remaining amendments (termination benefits and definitions of short-term and long-term employee benefits).

The amendment is effective for annual periods beginning on or after 1 January 2013.

IAS 27 Separate Financial Statements (Revised 2011)

As a consequence of the new IFRS 10 and 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements. This will have no impact on the Group financial statements, as the Group does not present separate financial statements.

IAS 28 Investments in Associates and Joint Ventures (Revised 2011)

As a consequence of the new IFRS 11 and 12, IAS 28 has been renamed Investments in Associates and Joint Ventures. It describes the application of the equity method to investments in joint ventures in addition to associates. This will not have an impact on the Group as it does not have any investments in joint ventures accounted for using the proportionate consolidation method.

IAS 32 Financial Instruments: Presentation (Amendment)

The amendments clarify the meaning of 'currently has a legally enforceable right of set-off'; and that some gross settlement systems may be considered equivalent to net settlement. The amendments are required to be applied retrospectively. The Group is currently assessing the impact of these amendments on adoption.

The amendment is effective for annual periods beginning on or after 1 July 2014.

Notes To The Financial Statements

IAS 36 Impairment of Assets (Amendment)

The amendments clarify the disclosure requirements about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The amendments clarify the IASB's original intention: that the scope of these disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.

These improvements are effective for annual periods beginning on or after 1 January 2014.

IFRS 7 Financial Instruments Disclosures (Amendment)

These amendments require an entity to disclose information about rights of set-off and related arrangements e.g. collateral agreements. The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. Disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation, and any recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. The Group is still determining the impact of these amendments on adoption.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2015. In subsequent phases, the Board will address impairment, derecognition and hedge accounting. The completion of this project is expected during 2013. The adoption of the first phase of IFRS 9 will primarily have an effect on the classification and measurement of the Group's financial assets. The Group is currently assessing the impact of adopting IFRS 9, however, the impact of adoption depends on the assets held by the Group at the date of adoption, therefore it is not practical to quantify the effect.

IFRS 10 Consolidated Financial Statements

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC 12 Consolidation - Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities. The changes will require management to make significant judgement to determine which entities are controlled and therefore required to be consolidated by the parent. Therefore, IFRS 10 may change which entities are consolidated within the Group.

IFRS 11 Joint Arrangements

IFRS 11 replaces IAS 31 Interest in Joint Ventures and SIC 13 Jointly Controlled Entities - Non-Monetary Contributions by Ventures. IFRS 11 uses some of the terms that were used in IAS 31 but with different meanings. IFRS 11 focusses on the nature of the rights and obligations arising from the arrangement compared to the legal form in IAS 31. IFRS 11 uses the principle of control in IFRS 10 to determine joint control which may change whether joint control exists. IFRS 11 addresses only two forms of joint arrangements; joint operations where the entity recognises its assets, liabilities, revenues and expenses and/or its relative share of those items and joint ventures which are accounted for using the equity method.

This standard is not likely to have any impact on the Group.

IFRS 12 Disclosure of Interest in Other Entities

IFRS 12 includes all the disclosures that were previously required relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities as well as a number of new disclosures. An entity is now required to disclose the judgements made to determine whether it controls another entity. The Group will need to consider the new definition of control to determine which entities are controlled or jointly controlled and then to account for them under the new standards.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single framework for all fair value measurements when fair value is required or permitted by IFRS. IFRS 13 does not change when an entity is required to use fair value but rather describes how to measure fair value under IFRS when it is permitted or required by IFRS. There are also consequential amendments to other standards to delete specific requirements for determining fair value. The Group will need to consider the new requirements to determine fair values going forward.

Notes To The Financial Statements

IFRS 10, 11, 12 and 13, the revised IAS 27 and 28 and the amendments to IFRS 7 will be effective for the Group in the financial year beginning 1 July 2013.

IFRIC 21 Levies

This standard becomes effective for annual periods beginning on or after 1 January 2014 and will have no impact on the consolidated financial statements of the Group. IFRIC 21 provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain.

The interpretation clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognised before the specified minimum threshold is reached.

5 Summary of significant accounting policies

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payments and excluding discounts, rebates, and value added tax. Instalment sales are accounted for when the risks and rewards of ownership are passed to the buyer. However, finance charges related to hire purchase sales are credited to revenue over the period of the settlement. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon delivery and when the entity retains neither continual managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Interest income

Revenue is recognised as interest accrues using the effective interest method (that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Dividends

Revenue is recognised when the Group's right to receive the payment is established.

Rental income

Rental income arising from operating leases on properties is accounted for on a straight line basis over the lease terms.

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. 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 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

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, the SPAR Harare Pension Fund and other pension funds in foreign subsidiaries. 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.

Leases

The determination of whether an arrangement contains a lease depends on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys a right to use the assets.

Leases where all the risks and benefits of ownership of the asset are not transferred to the Group are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease period.

Royalties

Royalties are calculated as per agreed contracts and are expensed on an accrual basis.

Foreign currency translation

The Group's financial statements are presented in United States 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 differences are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These 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 on those borrowings 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 retranslation 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 United States dollars at rates 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 rate of exchange is calculated by dividing the summation of the opening rate to the closing rate by two. Where there are drastic movements between the opening and closing rates of exchange, the statement of comprehensive income results are translated on a month on-month basis using the average rate of exchange for each month. Differences on exchange arising from re-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. Upon divestment from a foreign operation, translation differences related to that entity are taken to profit or loss.

Notes To The Financial Statements

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 contracts by 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.

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 IAS 39 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

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 plant and equipment. When significant parts of plant and equipment 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 plant and equipment 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 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.

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 plant and equipment 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.

Notes To The Financial Statements

An item of property, plant and equipment 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.

The residual values, useful lives and depreciation methods of property, plant and equipment 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 property, plant and equipment becomes equal or less than the residual value.

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.

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

Gains or losses arising from de-recognition 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.

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 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 joint ventures. 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 comprehensive income reflects the share of the results of operations of the associates attributable to the Group.

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.

Notes To The Financial Statements

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 in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate. 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 retaining 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 retaining investment and proceeds from disposal is recognised in profit or loss.

Financial assets

Financial assets include trade and other accounts receivable, cash and cash equivalents and investments. Financial assets in the scope of IAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets on initial recognition.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace. The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments or a financial guarantee contract. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognised in profit or loss.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial assets may be designated at initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; or (ii) the assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial asset contains an embedded derivative that would need to be separately recorded.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets which carry fixed or determinable payments and fixed maturities and which the Group has the positive intention and ability to hold to maturity. These are initially measured at fair value. After initial measurement held-to-maturity investments are measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount, less allowance for impairment. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. Gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

Notes To The Financial Statements

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for-sale or are not classified in any of the three preceding categories. After initial recognition, available-for-sale financial assets are measured at fair value with gains or losses being recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models.

Trade and other accounts receivable

Trade and other accounts receivable are subsequently carried at amortised cost after taking into account fair value less an allowance for any uncollectible amounts. Provision for bad debts is made when there is objective evidence that the Group will most probably not recover the debts. Bad debts are impaired when identified.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less and are measured at amortised cost.

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profir or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance

Notes To The Financial Statements

income in profit or loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occuring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in profit or loss.

Available-for-sale financial investments

For available for sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or group of investments is impaired.

In the case of an equity investment classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss - is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial asssets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occuring after the impairment loss was recognised in profit or loss, the impairment is reversed through profit or loss.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when:

- The rights to receive cash flows from the asset have expired.
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

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 are cattle and pigs. At initial recognition, biological assets are valued at cost or 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.

Notes To The Financial Statements

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 estimated 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. 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.

Financial liabilities

Financial liabilities include trade and other accounts payable, bank overdrafts and interest bearing loans, and these are initially measured at fair value including transaction costs and subsequently amortised costs. Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

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 at an expected rate of payment. The timings of the cash out-flows are by their nature uncertain.

Provision for warranty claims

In respect of provision for warranty claims, the Group warrants its refrigeration products, television products and certain component parts. The provision is made on the basis of previous experience of the incidence of such claims.

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.

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 the countries where the Group operates and generates taxable income.

Notes To The Financial Statements

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 income tax

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

- where the deferred income tax liability arises from the initial recognition of goodwill or 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 income 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 income 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 income 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 income 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 income tax asset to be utilised. Unrecognised deferred income 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 income 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 income 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 income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Value Added Tax

Revenues, expenses and assets are recognised net of the amount of Value Added Tax except where the Value Added Tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the Value Added Tax 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 Value Added Tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statement of financial position.

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 Management

Key management include executive directors and divisional management as outlined on pages 9 to 11 of the annual report.

Notes To The Financial Statements

Key estimates, uncertainties and judgements

The following are the key assumptions concerning the future and other key sources of estimation 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:

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 42 and no changes to those useful lives have been considered necessary during the year. Residual values will be reassessed each year and adjustments for depreciation will be done in future periods if there is indication of impairment in value.

Fair valuation of biological assets

Pigs and Cattle

The Group estimates the slaughter weights of the pig grower herd based on a 21 week profile. Pigs aged between 0 - 5 weeks are not fair valued and are stated at nil value at the reporting date. The Group also estimates average slaughter weights for the breeding herd. The average live weight of cattle is used in determining fair value. Biological assets are valued at a price determined on the local market.

Deferred tax

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that 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.

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.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Notes To The Financial Statements

6 Earnings per share

Basic earnings basis

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

Fully diluted earnings basis

The calculation is based on the profit attributable to equity holders of the parent and the weighted average number of shares in issue after adjusting to assume conversion of share options not yet exercised and convertible instruments.

There were no instruments with a dilutive effect at the end of the financial year.

Headline earnings basis

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

	2013 USD	2012 USD
Reconciliation of basic earnings to headline earnings:		
Profit for the year attributable to equity holders of the parent	38 953 790	38 709 881
Adjustment for capital items (gross of tax):		
Profit on disposal of subsidiaries and associates	-	(5 190 796)
Profit on disposal of unquoted investments	(5 248 494)	-
Impairment and derecognition of plant and equipment	2 232 728	-
(Profit)/loss on disposal of property, plant and equipment	(20 621)	559 919
Gain on bargain purchase of subsidiary	(381 047)	-
Tax effect on adjustments	(568 952)	(25 138)
Non-controlling interests' share of adjustments	(524 637)	16 153
Headline earnings attributable to equity holders of the parent	34 442 767	34 070 019
Number of shares in issue		
Number of ordinary shares in issue	541 593 440	541 593 440
Weighted average number of ordinary shares in issue	541 593 440	541 593 440
Basic earnings per share (cents)	7.19	7.15
Headline earnings per share (cents)	6.36	6.29
Diluted basic earnings per share (cents)	7.19	7.15
Diluted headline earnings per share (cents)	6.36	6.29

7 Dividends paid

Dividends declared and paid per share are based on the number of shares in issue on the effective date of declaration and entitlement of the shares to the dividend. The final dividend declared in prior year of 1.00 US cent per share was paid during the current year. In addition, a current year interim dividend of 0.80 US cents per share was declared and paid.

	2013 USD	2012 USD
Prior year final dividends	5 415 934	3 249 561
Current year interim dividends	4 332 748	4 061 950
Total dividends declared and paid	9 748 682	7 311 511

On 23 August 2013, the Board declared a final dividend of 1.00 US cent per share to shareholders registered in the books of the Company by noon on 20 September 2013. This brings the total dividend in respect of the 2013 financial year to 1.80 US cents per share. There are no tax consequences arising from the dividend payment.

Notes To The Financial Statements

		2013 USD	2012 USD
8	**Revenue**		
	Sale of goods	656 332 118	627 077 424
9	**Operating profit before impairment, depreciation, amortisation and fair value adjustments is shown after (crediting)/charging the following:**		
	Other income	(18 522 992)	(16 487 168)
	Operating expenses	189 001 671	172 354 734
	Other income and operating expenses include the following:		
9.1	**Exchange gains**		
	Realised	(1 511 442)	(1 084 649)
	Unrealised	(405 698)	(487 756)
		(1 917 140)	(1 572 405)
9.2	**(Profit)/loss on disposal of property, plant and equipment**	(20 621)	559 919
9.3	**Profit on partial disposal of associate**	-	(5 077 916)
9.4	**Profit on disposal of subsidiaries**	-	(112 880)
9.5	**Profit on disposal of unquoted and other investments**	(5 264 615)	(16 259)
9.6	**Staff costs**	96 489 038	88 056 548
9.7	**Audit fees and expenses**		
	Current year	1 105 126	1 029 598
	Prior year under-provision	12 792	65 418
	Fees for other services	20 015	15 630
		1 137 933	1 110 646
9.8	**Key management's emoluments**		
	Independent, non-executive directors - fees	280 967	143 616
	Non-independent, non-executive directors - fees	548 806	638 268
	Executive directors - total emoluments	1 185 909	1 190 306
	Other management remuneration	5 518 035	5 649 862
		7 533 717	7 622 052
9.9	**Operating lease charges**	6 156 070	5 611 652
9.10	**Royalties**	728 413	712 182
9.11	**Inventories written off**	2 980 004	2 132 512

Notes To The Financial Statements

		2013 USD	2012 USD
10	**Taxation**		
10.1	**Income tax charge**		
	Current income tax charge	8 050 897	12 003 669
	Capital gains tax	-	117 278
	Witholding tax	1 832	4 822
	Deferred tax	2 717 820	491 136
		10 770 549	12 616 905
10.2	**Tax rate reconciliation**		
		%	%
	Statutory rate of tax, inclusive of AIDS levy	25.75	25.75
	adjusted for:		
	Tax on associates income	(5.09)	(3.19)
	Non-taxable/non-deductible items/regional rates/witholding and capital gains rates	(2.52)	(1.92)
	Effective rate	18.14	20.64

Notes To The Financial Statements

		Notes	2013 USD	2012 USD
11	**Cash flow information**			
11.1	**Cash generated from operations**			
	Profit before interest, equity accounted earnings and tax		50 691 471	56 683 522
	Depreciation		14 730 862	11 456 360
	Amortisation of intangible assets		111 151	105 617
	Depreciation of biological assets		76 817	55 995
	Loss on exchange in financing and investing activities		12 691	131 966
	Fair value adjustments on equity investments		14 713	232 377
	Fair value adjustments on forward exchange contracts		(41 739)	-
	Inventories written off		2 980 004	2 132 512
	Provision for doubtful debts		303 417	1 561 814
	Provisions charged to profit or loss		2 072 426	2 666 507
	Fair value adjustments on biological assets		(384 384)	50 120
	Impairment and derecognition of plant and equipment		2 232 728	-
	(Profit)/loss on disposal of property, plant and equipment		(20 621)	559 919
	Profit on partial disposal of associate		-	(5 077 916)
	Profit on disposal of subsidiaries		-	(112 880)
	Profit on disposal of unquoted and other investments		(5 264 615)	(16 259)
	Gain on bargain purchase of subsidiary		(381 047)	-
	Increase in inventories		(5 507 972)	(13 034 793)
	Increase in biological assets		-	(251 961)
	Increase in receivables		(13 630 937)	(8 059 990)
	Increase in payables		7 570 287	1 272 525
	Provisions paid		(1 403 642)	(1 560 331)
			54 161 610	48 795 104
11.2	**Tax paid**			
	Opening balance		(2 846 886)	(418 203)
	Charged to profit or loss		(8 052 729)	(12 125 769)
	Disposal of subsidiaries	11.5	-	(22 396)
	Acquisition of subsidiaries	11.4	210 291	-
	Exchange and other non-cash movements		7 814	(158 469)
	Closing balance		571 884	2 846 886
			(10 109 626)	(9 877 951)

Notes To The Financial Statements

		Notes	2013 USD	2012 USD
11.3	Investing activities			
	Expenditure on property, plant and equipment to maintain operations		(7 561 588)	(8 104 510)
	Expenditure on property, plant and equipment to expand operations		(43 161 251)	(21 969 577)
	Proceeds on disposal of property, plant and equipment		925 542	2 149 133
	Purchase of intangible assets		(304 110)	(49 361)
	Purchase of associates and investments		(281 037)	(2 183 561)
	Loans (advanced to)/repaid by associates		(166 837)	572 350
	Dividends from associates		2 142 407	759 026
	Movement in non-current biological assets		(129 218)	-
	Proceeds on disposal of associates and investments		11 090 892	14 268 457
	Acquisition of subsidiaries	11.4	17 289	(5 800 000)
	Disposal of subsidiaries	11.5	-	691 046
	Purchase of non-controlling interests		(5 858 514)	-
			(43 286 425)	(19 666 997)

11.4 Net cash flow arising on the acquisition of subsidiary companies

On 1 July 2012, the Group increased its shareholding in Natpak (Private) Limited from 40% to 66.67%. The gain on bargain purchase recognised amounted to USD 381 047, and represents the fair value of the net assets in excess of the purchase consideration. The Group acquired this business as part of its strategy to expand its packaging business. The aquisition in the prior year was in Ajax Finance (Private) Limited, a property owning business.

	Notes	2013 USD	2012 USD
Property, plant and equipment		(2 641 937)	(5 800 000)
Intangible assets		(5 974)	-
Inventories		(1 000 739)	-
Trade and other accounts receivable		(1 947 100)	-
Cash and cash equivalents		(17 289)	-
Trade and other accounts payable		1 485 099	-
Provisions		127 020	-
Interest-bearing borrowings		2 767 087	-
Deferred tax liability		160 383	290 000
Current tax asset		(210 291)	-
Gross assets of subsidiary at date of acquisition		(1 283 741)	(5 510 000)
Less non-controlling interests share therein		391 206	-
Net assets acquired		(892 535)	(5 510 000)
Fair value of equity interest before business combination	14.7	511 488	-
Gain on bargain purchase/(goodwill)		381 047	(290 000)
Cash consideration		-	(5 800 000)
Add cash and cash equivalents acquired		17 289	-
Net cash inflow/(outflow)		17 289	(5 800 000)

Notes To The Financial Statements

11.5 Net cash flow from the disposal of subsidiary companies

During the financial year ended 30 June 2012, the Group reduced its investment in Breathaway Food Caterers (Private) Limited from 51% to 37,5% and disposed of its investments in Stockmix (Private) Limited t/a Greencroft SPAR; Bedra (Private) Limited and Medilink (Private) Limited.

	Notes	2013 USD	2012 USD
Property, plant and equipment		-	785 635
Inventories		-	678 569
Trade and other accounts receivable		-	2 195 767
Cash and cash equivalents		-	(267 627)
Trade and other accounts payable		-	(2 588 403)
Provisions		-	(50 755)
Deferred tax asset		-	141 871
Current tax asset		-	22 396
Gross assets of subsidiary at date of disposal		-	917 453
Non-controlling interests share therein		-	(454 141)
Net assets disposed		-	463 312
Reserves retained in associate	14.9	-	(152 773)
Profit on disposal		-	112 880
Cash consideration		-	423 419
Add cash and cash equivalents disposed		-	267 627
Net cash inflow		-	691 046

Notes To The Financial Statements

12 Property, plant and equipment

	Freehold property USD	Leasehold improvements USD	Plant, Fittings & Equipment USD	Motor vehicles USD	Total USD
Cost					
At 1 July 2011	13 198 228	20 175 830	73 434 332	14 410 384	121 218 774
Additions	24 300	5 998 532	18 928 769	5 122 486	30 074 087
Disposals	(707 036)	(722 086)	(2 154 484)	(695 573)	(4 279 179)
Acquisition of subsidiaries (note 11.4)	5 800 000	-	-	-	5 800 000
Disposal of subsidiaries (note 11.5)	-	(158 200)	(2 001 433)	(205 453)	(2 365 086)
Exchange movements	-	(196 369)	(629 632)	(294 621)	(1 120 622)
At 30 June 2012	18 315 492	25 097 707	87 577 552	18 337 223	149 327 974
Additions	245 818	5 974 189	36 485 338	8 017 494	50 722 839
Disposals	(129 974)	(59 758)	(2 838 329)	(1 617 611)	(4 645 672)
Impairment and derecognition	-	-	(3 855 368)	(205 000)	(4 060 368)
Acquisition of subsidiaries (note 11.4)	-	-	3 464 394	156 822	3 621 216
Exchange movements	-	(249 059)	(633 237)	(141 596)	(1 023 892)
At 30 June 2013	18 431 336	30 763 079	120 200 350	24 547 332	193 942 097
Depreciation					
At 1 July 2011	1 079 284	3 444 080	25 962 339	6 295 985	36 781 688
Disposals	(363 501)	(165 841)	(567 142)	(473 643)	(1 570 127)
Charge for the year	362 131	1 444 265	6 586 727	3 063 237	11 456 360
Disposal of subsidiaries (note 11.5)	-	(73 827)	(1 378 636)	(126 988)	(1 579 451)
Exchange movements	-	(13 043)	(270 157)	(132 435)	(415 635)
At 30 June 2012	1 077 914	4 635 634	30 333 131	8 626 156	44 672 835
Disposals	-	(50 340)	(2 623 034)	(1 067 377)	(3 740 751)
Charge for the year	456 427	1 551 013	8 815 230	3 908 192	14 730 862
Impairment and derecognition	-	-	(1 653 388)	(174 252)	(1 827 640)
Acquisition of subsidiaries (note 11.4)	-	-	865 030	114 249	979 279
Exchange movements	-	(109 873)	(301 085)	(77 036)	(487 994)
At 30 June 2013	1 534 341	6 026 434	35 435 884	11 329 932	54 326 591
Net carrying amount					
At 30 June 2013	16 896 995	24 736 645	84 764 466	13 217 400	139 615 506
At 30 June 2012	17 237 578	20 462 073	57 244 421	9 711 067	104 655 139

Certain properties, plant, equipment and motor vehicles are encumbered as indicated in note 12.2

Notes To The Financial Statements

12.1 Reconciliation of opening and closing carrying amounts

	2013 USD	2012 USD
Net carrying amount 1 July	104 655 139	84 437 086
Cost	149 327 974	121 218 774
Accumulated depreciation and impairment losses	(44 672 835)	(36 781 688)
Movement for the year:		
Additions at cost	50 722 839	30 074 087
Net carrying amount of disposals	(904 921)	(2 709 052)
Depreciation charge for the year	(14 730 862)	(11 456 360)
Disposal of subsidiaries (note 11.5)	-	(785 635)
Impairment and derecognition	(2 232 728)	-
Acquisition of subsidiaries (note 11.4)	2 641 937	5 800 000
Exchange movements	(535 898)	(704 987)
Net carrying amount 30 June	139 615 506	104 655 139
Cost	193 942 097	149 327 974
Accumulated depreciation and impairment losses	(54 326 591)	(44 672 835)

The impairment and derecognition loss of USD 2 232 728 (2012: nil) represented the write-down of certain plant and equipment to the recoverable amount. This was recognised in the Statement of Comprehensive Income as an expense. The derecognised plant and equipment is idle and the Group is not expecting to realise any value from the use or sale of the assets. The recoverable amount of the impaired assets was based on fair value less cost to sale, which was determined by reference to market prices for identical assets.

12.2 Security

	2013 USD	2012 USD
Net book value of property, plant, equipment and motor vehicles pledged as security for borrowings	4 850 000	3 882 890

Details of the borrowings are shown in note 23.

Notes To The Financial Statements

13 Intangible assets

	Goodwill on acquisition USD	Other intangible assets USD	Total USD
Net carrying amount 1 July 2011	758 277	348 125	1 106 402
Gross carrying amount	758 277	418 322	1 176 599
Accumulated amortisation and impairment losses	-	(70 197)	(70 197)
Purchase of intangible assets	-	49 361	49 361
Acquisition of subsidiaries	290 000	-	290 000
Amortisation	-	(105 617)	(105 617)
Exchange movements	(4 502)	-	(4 502)
Net carrying amount 30 June 2012	1 043 775	291 869	1 335 644
Gross carrying amount	1 043 775	467 683	1 511 458
Accumulated amortisation and impairment losses	-	(175 814)	(175 814)
Purchase of intangible assets	-	2 044 110	2 044 110
Acquisition of subsidiaries	-	5 974	5 974
Amortisation	-	(111 151)	(111 151)
Exchange movements	(18 086)	-	(18 086)
Net carrying amount 30 June 2013	1 025 689	2 230 802	3 256 491
Gross carrying amount	1 025 689	2 517 767	3 543 456
Accumulated amortisation and impairment losses	-	(286 965)	(286 965)

Other intangible assets consist of computer software. These are deemed to have a finite useful life and amortisation periods range from 4-12 years.

The Group performed its annual impairment tests as at 30 June 2013. For goodwill, the Group considers the relationship between the net assets of the subsidiary in which goodwill exists and the carrying amounts of the goodwill. For computer software, the Group considers the usage and the remaining useful life. As at 30 June 2013, there were no indications of impairment in computer software. The net assets of the subsidiaries in which goodwill has been recognised exceeded the carrying amounts of goodwill.

Notes To The Financial Statements

	2013 USD	2012 USD
14 Investments in associates		
14.1 Reconciliation of movements in associates		
Balance at the beginning of the year	40 932 019	41 039 414
Additional purchases at cost	-	700
Equity accounted earnings	11 746 619	7 562 678
Dividends received from associates	(2 142 407)	(759 026)
Loans advanced to/(repaid by) associates	166 837	(572 350)
Exchange differences	-	1 753
Profit on partial disposal of associate	-	5 077 916
Proceeds on partial disposal of associate	-	(11 571 839)
Transfer from investments in subsidiaries (note 11.5)	-	152 773
Transfer to investments in subsidiaries (note 11.4)	(511 488)	-
Balance at the end of the year	50 191 580	40 932 019

The Group has the following investments in associates:

14.2 National Foods Holdings Limited

The Group holds a 37.82% interest in National Foods Holdings Limited, which is involved in the milling of flour and maize, manufacture of stock feeds, edible oils, bakers' fats and sale of other general household products. National Foods Holdings Limited is an entity listed on the Zimbabwe Stock Exchange.

	2013 USD	2012 USD
Reconciliation of the investment in associate;		
Balance at the beginning of the year	22 699 391	26 646 220
Equity accounted earnings	5 271 775	3 145 620
Dividends received from associate	(1 177 097)	(598 526)
Profit on partial disposal	-	5 077 916
Proceeds on partial disposal	-	(11 571 839)
Balance at the end of the year	26 794 069	22 699 391
The market capitalisation of the associate at 30 June is:	167 587 000	76 607 000

14.3 Shearwater Adventures (Private) Limited

The Group holds a 50% interest in Shearwater Adventures (Private) Limited. Shearwater Adventures (Private) Limited is involved in the provision of leisure facilities such as helicopter flights, bungi jumping, water rafting and site-seeing.

	2013 USD	2012 USD
Reconciliation of the investment in associate;		
Balance at the beginning of the year	1 305 686	1 101 684
Equity accounted earnings	551 410	204 002
Balance at the end of the year	1 857 096	1 305 686

Notes To The Financial Statements

14.4 Freddy Hirsch Group (Private) Limited

Freddy Hirsch Group (Private) Limited is an entity involved in the manufacture and selling of spices and packaging. The Group holds an effective 39.02% shareholding in Freddy Hirsch Group (Private) Ltd.

	2013 USD	2012 USD
Reconciliation of the investment in associate;		
Balance at the beginning of the year	961 529	627 926
Equity accounted earnings	232 898	382 603
Dividends received from associate	(82 810)	(49 000)
Balance at the end of the year	1 111 617	961 529

14.5 Irvine's Zimbabwe (Private) Limited

Irvine's Zimbabwe (Private) Limited is an entity involved in the production of chicken, table eggs and day-old chicks. The Group holds an effective 49% shareholding in Irvine's Zimbabwe (Private) Limited.

	2013 USD	2012 USD
Reconciliation of the investment in associate;		
Balance at the beginning of the year	11 958 082	9 745 180
Equity accounted earnings	3 293 426	2 814 657
Loans repaid	(550 000)	(601 755)
Balance at the end of the year	14 701 508	11 958 082

14.6 Paperhole Investments (Private) Limited

Paperhole Investments (Private) Limited is an entity involved in the procurement of grain. The Group holds an effective 50% shareholding in Paperhole Investments (Private) Limited.

	2013 USD	2012 USD
Reconciliation of the investment in associate;		
Balance at the beginning of the year	307 424	284 977
Equity accounted earnings	317 511	(6 958)
Loans advanced	716 837	29 405
Balance at the end of the year	1 341 772	307 424

14.7 Natpak (Private) Limited

The Group increased its interest in Natpak (Private) Limited from 40% to 66.67% in July 2012. Natpak (Private) Limited is an entity involved in the manufacture of polywoven bags and packaging.

	2013 USD	2012 USD
Reconciliation of the investment in associate;		
Balance at the beginning of the year	511 488	636 759
Equity accounted earnings	-	(125 271)
Transfer to investments in subsidiaries (note 11.4)	(511 488)	-
Balance at the end of the year	-	511 488

Notes To The Financial Statements

14.8 Fast Foods - Regional Operations

The Group holds an effective 50% shareholding in Nungu Trading 49 (Pty) Limited and an effective 50% shareholding in Harlock Management Services Limited. Both these entities are involved in the provision of fast foods services in the Group's regional operating territories.

	2013 USD	2012 USD
Reconciliation of the investment in associate;		
Balance at the beginning of the year	285 865	294 129
Equity accounted earnings	143 844	101 483
Dividends received from associate	(145 000)	(111 500)
Exchange differences	-	1 753
Balance at the end of the year	284 709	285 865

14.9 Breathaway Food Caterers (Private) Limited

Breathaway Food Caterers (Private) Limited is an entity involved in the manufacture of snacks and biscuits. The Group holds an effective 37.5% in Breathaway Food Caterers (Private) Limited.

	2013 USD	2012 USD
Reconciliation of the investment in associate;		
Balance at the beginning of the year	164 790	-
Equity accounted earnings	172 528	12 017
Transfer from investments in subsidiaries (note 11.5)	-	152 773
Balance at the end of the year	337 318	164 790

14.10 Afrigrain Trading Limited

Afrigrain Trading Limited is an entity involved in the procurement of grain. The Group holds an effective 40% shareholding in Afrigrain Trading Limited.

	2013 USD	2012 USD
Reconciliation of the investment in associate;		
Balance at the beginning of the year	2 737 764	1 702 539
Equity accounted earnings	1 763 227	1 034 525
Additional purchases at cost	-	700
Dividends received from associate	(737 500)	-
Balance at the end of the year	3 763 491	2 737 764

Notes To The Financial Statements

14.11 Summarised financial information of associates

	Revenue USD	Profit/(loss) after tax USD	Total assets USD	Total liabilities USD
National Foods Holdings Limited				
30 June 2013	295 925 743	13 939 120	114 144 617	53 316 988
30 June 2012	233 998 200	7 903 660	88 517 021	38 505 732
Shearwater Adventures (Private) Limited				
30 June 2013	7 481 423	1 188 243	5 896 347	1 335 175
30 June 2012	6 218 420	408 004	4 386 176	1 461 246
Freddy Hirsch Group (Private) Limited				
30 June 2013	6 606 307	475 302	2 738 486	456 071
30 June 2012	7 823 666	780 822	2 968 275	1 011 774
Irvine's Zimbabwe (Private) Limited				
30 June 2013	91 780 282	6 721 277	44 655 886	24 699 939
30 June 2012	82 968 667	5 744 198	39 203 955	25 994 096
Paperhole Investments (Private) Limited				
30 June 2013	62 877 947	635 022	21 736 262	20 932 330
30 June 2012	17 443 159	(13 916)	6 364 807	6 378 643
Natpak (Private) Limited				
30 June 2013	-	-	-	-
30 June 2012	11 100 688	(313 178)	5 613 037	4 439 302
Nungu Trading 49 (Pty) Limited				
30 June 2013	-	-	722 550	863 077
30 June 2012	-	-	722 550	863 077
Harlock Management Services Limited				
30 June 2013	364 418	287 688	90 707	12 277
30 June 2012	281 676	202 966	101 964	21 218
Breathaway Food Caterers (Private) Limited				
30 June 2013	8 504 265	460 075	3 347 657	2 448 020
30 June 2012	7 721 269	32 045	2 419 496	1 979 934
Afrigrain Trading Limited				
30 June 2013	112 219 775	3 233 186	21 025 529	17 782 343
30 June 2012	92 994 957	1 557 685	20 303 906	18 736 221

Notes To The Financial Statements

14.12 Group investments

This structure shows the Group's effective ordinary shareholding and excludes dormant companies.

Bakeries and Fast Foods	
Lennard Manufacturing (Pvt) Ltd t/a Innscor Bread Bulawayo	100.00%◆
Innscor Africa Bread Company Zimbabwe (Pvt) Ltd t/a Innscor Bread Harare	100.00%◆
LSS Investments (Pvt) Ltd	100.00%
Matabeleland Inns (Pvt) Ltd	68.50%
Mutare Inns (Pvt) Ltd	50.00%
Axeaq Investments (Pvt) Ltd t/a Fast Foods Harare	100.00%
Hardwhite Trading (Pvt) Ltd t/a Fast Foods Southern Region	51.38%
Innscor Retail Africa Ltd	80.00%
Innscor Senegal SA #	40.08%
Foods Inn Ghana Ltd #	40.08%
Innscor Investments Kenya Ltd	100.00%
Innscor Kenya Ltd	80.00%
Innscor International Franchising Ltd	100.00%
Nungu Trading 49 (Pty) Ltd t/a Fontana Famous Roastery *	50.00%
Innscor Foods Zambia Ltd	80.00%
Innscor Africa (Zambia) Ltd	100.00%
Harlock Management Services Ltd *	50.00%
Distribution Group Africa	
Innscor Retail & Distribution Ltd t/a DGA	50.01%
Innscor Distribution (Pvt) Ltd	50.01%
Comox Trading (Pvt) Ltd	50.01%
Eagle Agencies (Pvt) Ltd #	37.50%
Biscuit Company (Pvt) Ltd t/a Iris Biscuits #	37.50%
Innscor Distribution Africa Ltd	50.00%
Innscor Distribution (Malawi) Ltd	50.00%
Photo Marketing (Malawi) Ltd	50.00%
Innscor Distribution (Zambia) Ltd	50.00%
Comox Trading (Zambia) Ltd	50.00%
SPAR	
Spar Harare (Pvt) Ltd t/a SPAR DC #	54.57%
Camelbags (Pvt) Ltd	83.96%
Tevason Investments (Pvt) Ltd t/a FreshPro	66.67%
Rockards Investments (Pvt) Ltd t/a Letombo Park SPAR Megasave	100.00%
Unibax Investments (Pvt) Ltd t/a Arundel Village SPAR	100.00%
Scopeserve Investments (Pvt) Ltd t/a Groombridge SPAR	100.00%
Spearhead Sales (Pvt) Ltd t/a Mutare SPAR	50.00%
Swissmart Investments (Pvt) Ltd t/a Borrowdale Village SPAR	95.00%
Welltree (Pvt) Ltd t/a Golden Stairs SPAR	100.00%
Innscor Zambia Holdings Ltd	100.00%
SPAR Zambia Ltd	50.00%
Colcom	
Colcom Holdings Limited	79.64%
Associated Meat Packers (Pvt) Ltd #	39.90%
Freddy Hirsch Group (Pvt) Ltd *	39.02%
Greatrift Delight (Pvt) Ltd	79.64%
Intercane (Pvt) Ltd #	20.35%
Household Goods	
Innscor Credit Retail (Pvt) Ltd t/a TV Sales & Home	66.67%
Innscor Appliance Manufacturing (Pvt) Ltd t/a Capri	50.10%
Goodshow Manufacturing (Pvt) Ltd t/a WRS #	33.40%
Associates and Other Businesses	
National Foods Holdings Ltd *	37.82%
Irvine's Zimbabwe (Pvt) Ltd *	49.00%
Natpak (Pvt) Limited	66.67%
Shearwater Adventures (Pvt) Limited *	50.00%
Breathaway Food Caterers (Pvt) Ltd t/a Innscor Snacks Manufacturing *	37.50%
Atuleo Amanzi (Zambia) (Pvt) Ltd t/a The River Club Zambia	66.67%
Corporate Services	
Innscor (Pvt) Ltd	100.00%
Innscor International Ltd	100.00%
Tormark Services Ltd	100.00%
Innscor South Africa (Pty) Ltd	100.00%
Callcape Investments (Pvt) Ltd	50.00%
Capri Signs (Pvt) Ltd	100.00%
Yeldam Investments (Pvt) Ltd #	35.00%
Botanegra (Pvt) Ltd #	35.00%
Capri Corporation (Pvt) Ltd	100.00%
Paperhole Investments (Pvt) Ltd *	50.00%
Ajax Finance (Pvt) Ltd	100.00%
Afrigrain Trading Limited*	40.00%

* Associates # Subsidiaries of subsidiaries

◆ The Group owns 75% of the issued Preference Share Capital

Notes To The Financial Statements

14.13 Country of incorporation

All Group companies are incorporated in Zimbabwe, except for the following operating companies:

Company	Country of incorporation
Innscor International Ltd	Mauritius
Tormark Services Ltd	Jersey
Innscor South Africa (Pty) Ltd	South Africa
Innscor Retail Africa Ltd	Jersey
Innscor Senegal SA	Senegal
Foods Inn Ghana Ltd	Ghana
Innscor Kenya Ltd	Kenya
Innscor Investments Kenya Ltd	Kenya
Innscor International Franchising Ltd	Jersey
Nungu Trading 49 (Pty) Ltd	South Africa
Innscor Foods (Zambia) Ltd	Zambia
Harlock Management Services Ltd	Jersey
Innscor Africa (Zambia) Ltd	Zambia
Innscor Zambia Holdings Ltd	Zambia
SPAR Zambia Ltd	Zambia
Innscor Distribution Africa Ltd	Mauritius
Innscor Distribution (Malawi) Ltd	Malawi
Photo Marketing (Malawi) Ltd	Malawi
Innscor Distribution (Zambia) Ltd	Zambia
Comox Trading (Zambia) Ltd	Zambia
Atuleo Amanzi (Zambia) (Pvt) Ltd	Zambia
Afrigrain Trading Ltd	Mauritius

	2013 USD	2012 USD
15 Investments - Financial Assets		
Financial assets consist of investments in equity in quoted and unquoted entities		
Unquoted investments	-	834 952
Quoted investments	384 672	654 552
Property unit trust	687 500	687 500
Other	433 379	3 047 774
Total long-term financial assets	1 505 551	5 224 778
Short-term financial assets	2 891 981	4 690 968
Total financial assets	4 397 532	9 915 746
Reconciled as follows:		
Balance at the beginning of the year	9 915 746	10 645 621
Additional purchases at cost	281 037	2 182 861
Profit on disposal of investments	5 264 615	16 259
Proceeds on disposal of investments	(11 090 892)	(2 696 618)
Fair value adjustments through profit or loss	(14 713)	(232 377)
Forward exchange contract arising on fair valuation	41 739	-
Balance at the end of the year	4 397 532	9 915 746

Notes To The Financial Statements

Financial assets are analysed as follows:

	Fair value through profit or loss USD	Financial assets at cost USD	Total USD
Opening balance -1 July 2011	910 784	9 734 837	10 645 621
Additional purchases at cost	157 181	2 025 680	2 182 861
Profit on disposal of investments	16 259	-	16 259
Proceeds on disposal of investments	(112 726)	(2 583 892)	(2 696 618)
Fair value adjustments through profit or loss	(232 377)	-	(232 377)
Closing balance - 30 June 2012	739 121	9 176 625	9 915 746
Additional purchases at cost	206 378	74 659	281 037
Profit on disposal of investments	34 800	5 229 815	5 264 615
Proceeds on disposal of investments	(538 300)	(10 552 592)	(11 090 892)
Fair value adjustments through profit or loss	(14 713)	-	(14 713)
Forward exchange contract arising on fair valuation	41 739	-	41 739
Closing balance - 30 June 2013	469 025	3 928 507	4 397 532

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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 which have a significant effect on the recorded fair value that are not based on observable market data.

Fair value through profit or loss	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
30 June 2013				
Short-term financial assets	84 353	-	-	84 353
Long-term financial assets	384 672	-	-	384 672
	469 025	-	-	469 025
30 June 2012				
Short-term financial assets	84 569	-	-	84 569
Long-term financial assets	654 552	-	-	654 552
	739 121	-	-	739 121

Notes To The Financial Statements

16 Non-current biological assets

	Pigs USD	Total USD
At 1 July 2011	1 019 582	1 019 582
Purchases	251 961	251 961
Depreciation	(55 995)	(55 995)
Fair value adjustment	21 165	21 165
At 30 June 2012	1 236 713	1 236 713
Purchases	129 218	129 218
Depreciation	(76 817)	(76 817)
Fair value adjustment	(30 276)	(30 276)
At 30 June 2013	1 258 838	1 258 838

At 30 June 2013, the Group had the following number of living animals within non-current biological assets:

	Pigs
Number of living animals	3 448
Live weight estimates (kg)	546 442

During the year ended 30 June 2013, breeder pigs which were previously classified as current assets were reclassified to non-current assets. The reclassification did not have an effect on the carrying amount of these biological assets.

Current biological assets

	Cattle USD	Pigs USD	Total USD
At 1 July 2011	43 318	1 240 150	1 283 468
Fair value adjustment	(8 303)	(62 982)	(71 285)
At 30 June 2012	35 015	1 177 168	1 212 183
Fair value adjustment	5 244	409 416	414 660
At 30 June 2013	40 259	1 586 584	1 626 843

At 30 June 2013, the Group had the following number of living animals within current biological assets:

	Cattle	Pigs
Number of living animals	122	25 459
Live weight estimates (kg)	28 945	932 078

No biological assets have been pledged as collateral for borrowings.

Notes To The Financial Statements

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 and pigs.

These biological assets are exposed to various risks, which include disease/infection outbreaks, theft of livestock 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, vaccination to prevent infections and regular evaluation of prices.

The fair value of biological assets has been determined on the fair value less costs to sell basis in accordance with IAS 41. In arriving at their estimates of fair value, the Directors have used their market knowledge, professional judgement and historical transactional comparables.

The table below presents the sensitivity of profit or loss before tax due to changes in the live weight. The sensitivities presented are favourable movements. If the sensitivity variables were unfavourable, the negative impact on profit would be of a similar magnitude.

	% Change	Effect on profit before tax USD
Pigs		
Fair value less costs to sell - meat	3%	65 540
Cattle		
Fair value less costs to sell - meat	5%	2 013

16.1 Commitments for the development or acquisition of biological assets

The Group had not committed itself to acquiring any biological assets at 30 June 2013.

	2013 USD	2012 USD
17 Inventories		
Consumable stores	6 448 988	11 332 965
Finished products, net of allowance for obsolescence	36 886 307	31 143 615
Raw materials and packaging	9 309 059	8 162 735
Goods in transit	1 530 728	538 510
Work in progress	495 298	24 757
	54 670 380	51 202 582

The amount of write-down of inventories recognised as an expense is USD 2 980 004 (2012: USD 2 132 512).
USD 2 430 387 of inventories is pledged as security for borrowings in SPAR Zambia.

Notes To The Financial Statements

		2013 USD	2012 USD
18	**Trade and other accounts receivable**		
	Trade receivables	35 041 737	26 418 821
	Instalment sales receivables	12 846 819	9 003 349
	Prepayments	5 537 382	4 405 453
	Other receivables	12 114 838	10 254 837
		65 540 776	50 082 460
	Provision for doubtful debts	(3 092 391)	(2 788 974)
		62 448 385	47 293 486
	Reconciliation of provision for doubtful debts is as follows:		
	Opening balance	2 788 974	1 227 160
	Charge for the year	303 417	1 561 814
	Closing balance	3 092 391	2 788 974

There were no collectively impaired trade receivables in the current year. Credit terms vary per business unit, but do not exceed 60 days. Interest is charged on overdue accounts at varying rates depending on the business.

As at 30 June 2013, the ageing analysis of trade receivables was as follows:

			Past due before impairment	
	Total USD	Neither past due nor impaired USD	60-90 days USD	More than 90 days USD
30 June 2013	35 041 737	28 297 168	2 884 031	3 860 538
30 June 2012	26 418 821	23 916 353	983 562	1 518 906

See note 31 on credit risk of trade receivables to understand how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

		2013 USD	2012 USD
19	**Ordinary share capital**		
19.1	**Authorised**		
	800 000 000 ordinary shares of 1 cent each	8 000 000	8 000 000
19.2	**Issued and fully paid**		
	541 593 440 ordinary shares of 1 cent each	5 415 934	5 415 934

There were no changes in Authorised and Issued share capital during the current year.

Notes To The Financial Statements

19.3 Directors' shareholdings

At 30 June 2013, the Directors held directly and indirectly the following number of shares:

	2013	2012
M J Fowler	103 995 735	104 495 735
Z Koudounaris	102 841 988	102 841 988
T W Brown	-	22 720 880
J Koumides	720 000	720 000
J P Schonken	1 528 820	1 528 820
B S Dionisio	22 484 058	-
D L L Morgan	75 254	75 254
	231 645 855	232 382 677

There has been no material change in the Directors' interests subsequent to 30 June 2013 to the date of this report.

20 Non-distributable reserves

	2013 USD	2012 USD
Opening balance	29 035 168	29 742 338
Changes in non-distributable reserves	(417 103)	(707 170)
Exchange differences arising on translation of foreign subsidiaries	(417 103)	(789 677)
Arising on the restructure of the Group	-	82 507
Closing balance	28 618 065	29 035 168
Comprising:		
Restructure reserve	(4 064 912)	(4 064 912)
Foreign currency translation reserve	(638 968)	(221 865)
Foreign currency conversion reserve	33 321 945	33 321 945
	28 618 065	29 035 168

Nature and purpose of reserves

Restructure reserve

The restructure reserve is used to record changes in the ownership interest of a subsidiary, which do not result in a change of control.

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.

Foreign currency conversion reserve

The foreign currency conversion reserve arose as a result of the change in functional currency from the Zimbabwean dollar to the United States dollar. It represents the residual equity in existence as at the change-over period and has been designated as a non-distributable reserve.

Notes To The Financial Statements

21 Distributable reserves

	2013 USD	2012 USD
Opening balance	97 965 286	66 566 916
Retained for the year	38 953 790	38 709 881
Dividends paid (note 7)	(9 748 682)	(7 311 511)
Transactions with owners in their capacity as owners*	(3 777 376)	-
Closing balance	123 393 018	97 965 286
Retained in:		
Holding company	22 357 733	24 984 188
Subsidiary companies	73 192 545	54 231 082
Associate companies	27 842 740	18 750 016
	123 393 018	97 965 286

* This relates to the difference between the purchase price and carrying amount of non-controlling interests on acquisitions of non-controlling interests' share in subsidiaries of the Group.

22 Net deferred tax liabilities

22.1 Reconciliation

	2013 USD	2012 USD
Opening balance	5 791 716	4 780 590
Charged to profit or loss	2 717 820	491 136
Acquisition of subsidiaries (note 11.4)	160 383	290 000
Disposal of subsidiaries (note 11.5)	-	141 871
Exchange movements	46 264	88 119
Closing balance	8 716 183	5 791 716

22.2 Analysis of net deferred tax liabilities

	2013 USD	2012 USD
Accelerated depreciation for tax purposes	14 799 399	10 849 264
Fair value adjustments on biological assets	92 935	15 524
Tax losses	(6 775 350)	(5 493 891)
Unrealised gain on exchange	104 467	125 597
Prepayments	1 425 875	1 134 404
Provision for bad debts	(796 291)	(718 161)
Provision for warranties	(134 852)	(121 021)
	8 716 183	5 791 716
The net deferred tax liabilities are made up as follows:		
Deferred tax assets	(7 926 277)	(6 314 666)
Deferred tax liabilities	16 642 460	12 106 382
	8 716 183	5 791 716

The Group recognises deferred tax assets arising from tax losses where there is a reasonable expectation that sufficient taxable profit will be available in future to utilise these losses.

Notes To The Financial Statements

				2013 USD	2012 USD
23	Interest-bearing borrowings				
		Rate of interest	Year Repayable		
	Long-term financing				
	Secured				
	Regional Operations	13-15%	2014-2017	1 963 779	1 353 627
	Zimbabwe Operations	10.25%	2015	417 199	435 020
	Unsecured				
	Regional Operations	-	-	-	45 174
	Zimbabwe Operations	12%	2014	584 414	2 250 013
	Total long-term financing			2 965 392	4 083 834
	Short-term financing				
	Secured				
	Regional Operations	14-15%	2013	44 933	129 252
	Zimbabwe Operations	13%	2013	52 985	635 824
	Unsecured				
	Regional Operations	12%	up to 365 days	1 169 868	718 238
	Zimbabwe Operations	7-8%	up to 120 days	31 578 476	18 453 080
	Short-term portion of long-term financing			3 174 487	2 433 075
	Overdraft	7.5-10%	On demand	15 420 174	12 138 660
	Total short-term financing			51 440 923	34 508 129
	Total interest-bearing borrowings			54 406 315	38 591 963

As at 30 June 2013, the Board of Directors had authorised aggregate borrowing limits of USD 127 million.

Short-term borrowings form part of the Group's core borrowings and are renewed in terms of ongoing facilities negotiated with the relevant financial institutions.

		2013 USD	2012 USD
24	Trade and other accounts payable		
	Trade payables	45 564 897	41 308 584
	Other payables	33 525 785	26 949 097
		79 090 682	68 257 681

Trade payables are non-interest bearing and are normally settled within 30 days.
Other payables are non-interest bearing and have varying settlement terms.

Notes To The Financial Statements

		2013 USD	2012 USD
25	**Provisions**		
	Leave pay provision	4 534 503	3 801 656
	Provision for warranty	523 696	469 982
		5 058 199	4 271 638

Reconciliation of provisions	Provision for leave pay USD	Provision for warranties USD	Total USD
At 1 July 2011	2 875 404	324 568	3 199 972
Charge for the year	2 181 922	484 585	2 666 507
Exchange differences	16 245	-	16 245
Disposal of subsidiaries (note 11.5)	(50 755)	-	(50 755)
Less paid	(1 221 160)	(339 171)	(1 560 331)
At 30 June 2012	3 801 656	469 982	4 271 638
Charge for the year	1 834 002	238 424	2 072 426
Exchange differences	(9 243)	-	(9 243)
Acquisition of subsidiaries (note 11.4)	127 020	-	127 020
Less paid	(1 218 932)	(184 710)	(1 403 642)
At 30 June 2013	4 534 503	523 696	5 058 199

		2013 USD	2012 USD
26	**Capital expenditure commitments**		
	Authorised and contracted	15 918 435	8 210 470
	Authorised but not yet contracted	17 836 777	39 480 291
		33 755 212	47 690 761

The capital expenditure will be financed from the Group's own resources and existing borrowing facilities.

27 Future lease commitments - Group as lessee

The Group has entered into commercial leases on certain properties. These leases have varying terms with renewal options included in some of the contracts. There are no restrictions placed upon the Group by entering into these leases. Future minimum rentals payable under non-cancellable operating leases at 30 June are as follows:

	2013 USD	2012 USD
Payable within one year	13 706 654	7 327 566
Payable between two and five years	40 821 536	22 101 315
Payable after five years	29 736 483	17 616 055
	84 264 673	47 044 936

Notes To The Financial Statements

28 Segmental analysis

Management has determined the Group's operating segments based on the information reviewed by the Board for the purposes of allocating resources and assessing performance. Sales between segments are carried at arm's length in a manner similar to transactions with third parties. The revenue, operating profit, assets and liabilities reported to the Board are measured consistently with that in the reported consolidated financial statements.

Business Segments

The reporting structure is summarised as follows:

Bakeries and Fast Foods

This operating segment comprises the Group's Bakery operations which are based in Zimbabwe as well as all the Fast Food operations across the African Continent.

Distribution Group Africa

This segment consists of the Distribution Group Africa operations which operate in Zimbabwe, Zambia and Malawi. Business units in this segment represent principals who own brands of fast moving consumer goods and these units distribute the principals' products to the retail and wholesale market across these countries.

SPAR

This reporting segment consists of the SPAR Corporate Store retail operations in Zimbabwe and Zambia, as well as the SPAR Distribution Centre in Harare. The SPAR Corporate Store retail operations consist of a number of corporate supermarkets operating under the SPAR brand in both Zimbabwe and Zambia; whilst the SPAR Distribution Centre facilitates the purchase, warehousing and distribution of goods to both corporate and independent SPAR supermarkets in Zimbabwe.

Colcom

The business of Colcom involves the production, processing and marketing of pork and related food products in Zimbabwe.

Household Goods

This operating segment consists of TV Sales & Home and Capri. Business operations in this segment manufacture and/or retail household goods and appliances.

Associate and Other Businesses

This segment consists of business operations from associate companies and other smaller business units. It comprises of National Foods, Irvine's, Shearwater, Natpak, Breathaway and The River Club.

Corporate Services

This segment contains businesses which provide support functions such as treasury, internal audit and company secretarial services to the Group's operations.

Geographical Segments

The Group is also organised into parcels of businesses incorporated in Zimbabwe, and those incorporated in countries outside Zimbabwe (Note 14.13).

Notes To The Financial Statements

28.1 Business segments - continued

	Bakeries and Fast Foods USD	Distribution Group Africa USD	SPAR USD	Colcom USD
Revenue				
30 June 2013	269 056 704	93 629 104	167 003 848	60 782 481
30 June 2012	246 303 751	92 035 982	188 197 031	52 847 772
Operating profit before depreciation and amortisation				
30 June 2013	33 269 171	8 946 633	2 596 500	4 807 631
30 June 2012	36 950 067	8 285 474	2 823 140	7 223 793
Depreciation and amortisation				
30 June 2013	8 519 220	864 729	2 506 486	1 603 612
30 June 2012	6 094 003	732 958	2 703 406	1 205 211
Equity accounted earnings				
30 June 2013	143 842	-	-	232 898
30 June 2012	101 483	-	-	382 603
Profit/(loss) before tax				
30 June 2013	23 492 228	7 832 898	(547 486)	2 249 054
30 June 2012	29 652 072	7 077 918	(1 698 367)	6 439 098
Segment assets				
30 June 2013	102 190 684	35 988 919	46 377 736	37 258 306
30 June 2012	81 574 482	33 427 154	40 397 721	35 796 501
Segment liabilities				
30 June 2013	52 005 029	19 042 302	28 981 743	10 525 927
30 June 2012	45 429 707	20 517 354	28 615 885	9 810 318
Capital expenditure				
30 June 2013	40 640 120	1 536 859	1 788 328	2 825 596
30 June 2012	22 109 022	833 179	3 193 972	3 158 111

Notes To The Financial Statements

Household Goods USD	Associate and Other Businesses USD	Corporate Services USD	Intersegment Adjustments USD	Total USD
51 888 736	12 215 963	1 755 282	-	656 332 118
45 875 181	1 178 122	639 585	-	627 077 424
11 480 326	1 688 590	4 607 690	-	67 396 541
10 188 882	155 290	2 901 350	-	68 527 996
483 025	542 211	322 730	-	14 842 013
382 326	85 883	358 190	-	11 561 977
-	9 289 139	2 080 740	-	11 746 619
-	6 051 026	1 027 566	-	7 562 678
10 282 523	9 922 807	6 137 416	-	59 369 440
9 046 263	6 102 207	4 512 445	-	61 131 636
39 768 087	49 755 402	71 287 003	(34 050 501)	348 575 636
30 184 165	38 994 044	59 431 490	(33 251 812)	286 553 745
19 072 691	3 380 503	56 811 846	(34 050 501)	155 769 540
16 122 857	1 219 704	37 610 537	(33 251 812)	126 074 550
3 373 812	491 998	66 126	-	50 722 839
547 633	77 748	154 422	-	30 074 087

Notes To The Financial Statements

28.2 Geographical segments

	Revenue USD	Profit before tax USD	Total assets USD	Total liabilities USD
Zimbabwe				
30 June 2013	533 379 483	51 617 248	297 692 550	131 027 829
30 June 2012	510 029 715	54 881 760	241 922 901	102 439 441
Regional				
30 June 2013	122 952 635	7 752 192	50 883 086	24 741 711
30 June 2012	117 047 709	6 249 876	44 630 844	23 635 109

29 Pension funds

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 less NSSA of which members pay 7% .

SPAR Harare Pension Fund

This is a defined contribution fund, administered by an insurance company which covers eligible employees of SPAR Harare (Pvt) Ltd. Contributions are at the rate of 21% of pensionable emoluments of which members pay 6%.

Catering Industry Pension Fund

This is a defined contribution fund which covers employees in specified occupations of the catering industry. The majority of employees in the Group's fast food and certain employees in Innscor Bread are members of this fund. Contributions are at the rate of 10% of pensionable emoluments of which members pay 5%.

National Social Security Authority Scheme

The scheme was established, and is administered, in terms of statutory Instrument 393 of 1993. Introduced in 1994, the Pension and Other Benefits Scheme is based on a 50/50 contribution from the employers and employees and are limited to specific contributions legislated from time to time. These are presently 7% of pensionable emoluments of which the maximum monthly pensionable salary is USD 700. A total monthly contribution of USD 49 is therefore the maximum per employee.

Other Schemes

The Group also contributes to the relevant social security authorities in the various regional countries in which the Group operates, as required by local legislation.

Pension costs recognised as an expense for the year:

	2013 USD	2012 USD
Innscor Africa Limited Pension Fund	1 530 197	1 262 710
SPAR Harare Pension Fund	249 841	175 176
National Social Security Authority Scheme & Workers' Compensation Insurance Fund	1 040 060	767 082
Catering Industry Pension Fund	185 995	155 654
Other Schemes	598 747	565 357
	3 604 840	2 925 979

Notes To The Financial Statements

30 Related party transactions

30.1 Trading transactions

Related party activities consist of transactions between Innscor Africa Limited's consolidated entities and its associates.

Related party transactions are summarised as follows:

Name of related party	sales USD	purchases USD	rent received USD	interest (received)/ paid USD	trade & other accounts receivable USD	trade & other accounts payable USD
National Foods Holdings Limited						
30 June 2013	43 263 602	4 905 489	153 660	97 961	2 545 584	217 951
30 June 2012	29 743 677	155 452	35 635	(241 345)	5 419 884	-
Irvine's Zimbabwe (Private) Limited						
30 June 2013	13 566 588	278 386	-	-	906 937	5 779
30 June 2012	12 501 437	139 099	-	36 873	946 419	12 958
Breathaway Food Caterers (Private) Limited						
30 June 2013	8 504 265	-	-	-	1 556 073	-
30 June 2012	7 721 269	-	-	-	1 082 956	-

30.2 Compensation of key personnel to the Group

	2013 USD	2012 USD
Short-term employee benefits (note 9.8)	7 533 717	7 622 052

30.3 Transactions with Directors

The Group has leased properties from various companies in which some of the Directors have either a financial or custodial interest. The leases are undertaken at an arm's length basis. The Group also receives loans from Directors from time to time.

	2013 USD	2012 USD
Lease payments	1 850 521	1 428 710
Loans from Directors	6 380 396	2 783 428

Notes To The Financial Statements

31 Financial risk management objectives and policies

The Group's principal financial instruments comprise interest-bearing borrowings, overdrafts, 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 they are summarised below:

Interest rate risk

The Group's exposure to the risk for 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.

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.

	2013	2012
Effect on profit before tax	USD	USD
Increase of 3%	(413 383)	(421 553)
Decrease of 3%	413 383	421 553

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 investment operations in countries outside Zimbabwe, 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 an operating unit in currencies other than the unit'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 carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

30 June 2013 Currency	Liabilities	Assets	Net position
South African Rand	(253 454)	5 901 163	5 647 709
Kenya Shilling	(399 571 235)	662 461 833	262 890 598
Ghanaian Cedi	(2 107 741)	4 272 914	2 165 173
Senegalese Franc	(415 795 751)	291 172 631	(124 623 120)
Malawian Kwacha	(1 410 630 569)	1 579 997 476	169 366 907
Zambian Kwacha	(81 250 997)	96 653 918	15 402 921

30 June 2012 Currency	Liabilities	Assets	Net position
South African Rand	(240 356)	5 866 006	5 625 650
Kenya Shilling	(374 239 445)	568 509 667	194 270 222
Ghanaian Cedi	(2 518 033)	4 021 635	1 503 602
Senegalese Franc	(485 803 129)	341 355 376	(144 447 753)
Malawian Kwacha	(1 081 635 138)	1 226 084 504	144 449 366
Zambian Kwacha	(81 061 106 677)	82 889 884 268	1 828 777 591

Notes To The Financial Statements

The following table demonstrates the sensitivity of the Group's results to a reasonably possible change in the US Dollar (USD) exchange rate against the following currencies, with all other variables held constant.

30 June 2013	Change in rate	Effect on profit before tax USD	Effect on equity USD
South African Rand	+10%	(133)	(52 003)
	-10%	133	52 003
Kenyan Shilling	+10%	(114 944)	(278 545)
	-10%	114 944	278 545
Ghanaian Cedi	+10%	(30 485)	(96 042)
	-10%	30 485	96 042
Senegalese Franc	+10%	(3 550)	22 470
	-10%	3 550	(22 470)
Malawian Kwacha	+10%	(7 357)	(44 484)
	-10%	7 357	44 484
Zambian Kwacha	+10%	(145 661)	(255 892)
	-10%	145 661	255 892

30 June 2012	Change in rate	Effect on profit before tax USD	Effect on equity USD
South African Rand	+10%	(857)	(63 027)
	-10%	857	63 027
Kenyan Shilling	+10%	(66 872)	(209 999)
	-10%	66 872	209 999
Ghanaian Cedi	+10%	(25 530)	(70 278)
	-10%	25 530	70 278
Senegalese Franc	+10%	(8 978)	24 387
	-10%	8 978	(24 387)
Malawian Kwacha	+10%	8 491	(46 658)
	-10%	(8 491)	46 658
Zambian Kwacha	+10%	(65 705)	(32 254)
	-10%	65 705	32 254

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 not significant. 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 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.

The maximum exposure arising from default equals the carrying amount less the market value of any security held.

Notes To The Financial Statements

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 groups financial assets and liabilities:

30 June 2013	Within 3 months USD	Between 4-12 months USD	More than 12 months USD	Total USD
Liabilities				
Interest-bearing borrowings	(40 216 454)	(12 518 969)	(3 893 553)	(56 628 976)
Trade and other accounts payable	(73 493 689)	(5 596 993)	-	(79 090 682)
Total	(113 710 143)	(18 115 962)	(3 893 553)	(135 719 658)
Assets				
Cash and cash equivalents	23 183 804	-	-	23 183 804
Trade and other accounts receivable excluding prepayments	52 099 584	4 811 419	-	56 911 003
Investments in associates and financial assets	469 025	2 422 956	51 697 131	54 589 112
Total	75 752 413	7 234 375	51 697 131	134 683 919

30 June 2012	Within 3 months USD	Between 4-12 months USD	More than 12 months USD	Total USD
Liabilities				
Interest-bearing borrowings	(25 739 854)	(8 768 275)	(4 083 834)	(38 591 963)
Trade and other accounts payable	(60 313 612)	(4 649 405)	(3 294 664)	(68 257 681)
Total	(86 053 466)	(13 417 680)	(7 378 498)	(106 849 644)
Assets				
Cash and cash equivalents	22 455 567	-	-	22 455 567
Trade and other accounts receivable excluding prepayments	33 573 094	7 716 353	1 598 586	42 888 033
Investments in associates and financial assets	739 121	3 951 847	46 156 797	50 847 765
Total	56 767 782	11 668 200	47 755 383	116 191 365

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.

Notes To The Financial Statements

32 Fair value of financial instruments

The estimated net fair values of all financial instruments, including instalment debtors, approximate the carrying amounts shown in the financial statements. Set out below is a comparison of carrying amounts and fair values of all the Group's financial instruments at 30 June 2013.

	Carrying amount 2013 USD	Fair value 2013 USD
Financial assets		
Cash and cash equivalents	23 183 804	23 183 804
Trade and accounts receivable excluding prepayments	56 911 003	56 911 003
Held for trading investments	4 397 532	4 397 532
	84 492 339	84 492 339
Financial liabilities		
Interest-bearing borrowings	54 406 315	54 406 315
Trade and accounts payable	79 090 682	79 090 682
	133 496 997	133 496 997

	Carrying amount 2012 USD	Fair value 2012 USD
Financial assets		
Cash and cash equivalents	22 455 567	22 455 567
Trade and accounts receivable excluding prepayments	42 888 033	42 888 033
Held for trading investments	9 915 746	9 915 746
	75 259 346	75 259 346
Financial liabilities		
Interest-bearing borrowings	38 591 963	38 591 963
Trade and accounts payable	68 257 681	68 257 681
	106 849 644	106 849 644

Market values have been used to determine the fair values of quoted investments.

Notes To The Financial Statements

33 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 objectives, policies or processes during the years ended 30 June 2013 and 30 June 2012. The Group manages capital using a gearing ratio, which is calculated as total liabilities divided by total liabilities plus equity. The Group's target is that total liabilities should not exceed total equity, plus total liabilities.

	2013 USD	2012 USD
Total Liabilities	155 769 540	126 074 550
Total Equity	192 806 096	160 479 195
Gearing ratio	0.45	0.44

34 Translation rates

The table below provides the translation rates used for the purpose of consolidating foreign investments' financial statements to the functional currency for reporting purposes:

	2013 FX : USD 1	2012 FX : USD 1
South African Rand	9.87	8.11
Kenya Shilling	85.80	84.10
Ghanaian Cedi	2.05	1.95
Senegalese Franc	504.202	538.46
Malawian Kwacha	346.12	281.45
Zambian Kwacha	5.47*	5 154.54

*Re-based with effect from 1 January 2013.

35 Contingent liabilities

	2013 USD	2012 USD
Guarantees	10 200 000	-

The contingent liabilities relate to bank guarantees provided in respect of associate companies as at 30 June 2013.

36 Events after reporting date

There have been no significant events after the reporting date.

INNSCOR

Company Statement of Financial Position

as at 30 June 2013

	Notes	COMPANY 2013 USD	COMPANY 2012 USD
ASSETS			
Non-current assets			
property, plant and equipment		1 162 269	680 371
intangible assets		20 256	40 681
investments	A	120 211 119	102 791 409
deferred tax asset		2 145 435	1 749 227
		123 539 079	105 261 688
Current assets			
inventories		954 894	2 358
trade and other accounts receivable		2 676 528	2 491 319
cash and cash equivalents		2 680 169	1 963 315
		6 311 591	4 456 992
Total assets		129 850 670	109 718 680
EQUITY AND LIABILITIES			
Capital and reserves			
ordinary share capital	19	5 415 934	5 415 934
non-distributable reserves		45 835 667	45 835 667
distributable reserves	21	22 357 733	24 984 188
Total equity		73 609 334	76 235 789
Current liabilities			
interest-bearing borrowings		42 789 937	25 070 005
trade and other accounts payable		13 128 946	8 134 868
provisions		322 453	278 018
		56 241 336	33 482 891
Total liabilities		56 241 336	33 482 891
Total equity and liabilities		129 850 670	109 718 680

D L L MORGAN
Chairman
Harare
1 October 2013

J P SCHONKEN
Executive Director

A. Investments

Investments in associates		20 780 779	21 873 920
Unquoted investments		-	834 952
Quoted investments		290 750	579 941
Property unit trusts		687 500	687 500
Investments in subsidiaries (refer to note 14.12)		39 567 555	29 301 849
Other		3 031 370	7 446 795
Amounts due from group companies		55 853 165	42 066 452
		120 211 119	102 791 409

Shareholders' Analysis and Calendar

Size of Shareholding			Number of Shareholders	Shareholders %	Issued Shares	Shares %
1	-	10 000	3 679	85.49	4 086 624	0.75
10 001	-	25 000	209	4.86	3 430 625	0.63
25 001	-	50 000	108	2.51	3 872 420	0.72
50 001	-	100 000	80	1.86	5 811 937	1.07
100 001	-	200 000	68	1.58	9 561 077	1.77
200 001	-	500 000	73	1.70	22 407 583	4.14
500 001	-	and over	86	2.00	492 423 174	90.92
			4 303	100.00	541 593 440	100.00

Trade Classification	Number of Shareholders	Shareholders %	Issued Shares	Shares %
Companies	403	9.37	154 732 962	28.57
Insurance Companies	71	1.65	41 710 836	7.70
Investment Companies	198	4.60	142 549 208	26.32
Trust Nominees	269	6.25	30 635 977	5.66
Pension Funds	277	6.44	46 118 578	8.52
Private Individuals	2 906	67.53	10 463 427	1.93
New Non- Residents	179	4.16	115 382 452	21.30
	4 303	100.00	541 593 440	100.00

Top Ten Shareholders	Issued Shares	Shares %
ZMD Investments (Pvt) Ltd	102 817 353	18.98
HM Barbour (Pvt) Ltd	100 000 000	18.46
Stanbic Nominees (Pvt) Ltd	33 946 815	6.27
Old Mutual Group	33 719 139	6.23
Sarcor Investments (Pvt) Ltd	22 484 058	4.15
FED Nominees (Pvt) Ltd	16 714 021	3.09
Pharaoh Limited	12 939 921	2.39
Muzika Rubi Holdings (Pvt) Ltd	11 295 944	2.09
City & General Holdings (Pvt) Ltd	9 822 598	1.81
Other	197 853 591	36.53
	541 593 440	100.00

Shareholders' Calendar

Seventeenth Annual General Meeting	22 November 2013
Financial Year End	30 June
Interim Reports	
6 months to 31 December 2013	March 2014
12 months to 30 June 2014	September 2014
Annual Report Published	November 2014
Eighteenth Annual General Meeting	November 2014

Registered Office & Transfer Secretaries

Innscor Africa Limited
Edward Building
Corner 1st Street/Nelson Mandela Ave
Harare, Zimbabwe

Postal Address
P O Box A88, Avondale
Harare, Zimbabwe
ialshares@innscorafrica.com

Notice to Members

NOTICE IS HEREBY GIVEN that the seventeenth Annual General Meeting of members will be held at the Royal Harare Golf Club, 5th Street extension, Harare, on Friday 22 November 2013 at 08h15, for the purpose of transacting the following business:

Ordinary Business

1. To receive and consider the financial statements for the year ended 30 June 2013 together with the reports of the Directors and Auditors thereon.
2. To re-elect retiring Directors: Mr. D.L.L. Morgan and Mr. J.P. Schonken who retire by rotation and being eligible offer themselves for re-election.
3. To approve the appointment of Mr B.S. Dionisio who was appointed as a Director of the Company with effect from 23 November 2012, and who in terms of the Articles of Association of the Company is required to retire from the Board at the Annual General Meeting and being eligible, offers himself for re-election.
4. To approve Directors' fees for the financial year ended 30 June 2013.
5. To approve the remuneration of the auditors for the financial year ended 30 June 2013 and re-appoint Ernst & Young of Harare as auditors of the Company until the conclusion of the next Annual General Meeting.

Special Business

6. Share Buy-back.

To consider and, if deemed fit, to pass with or without modification, the following ordinary resolution: "That the Company authorises in advance, in terms of section 79 of the Companies Act (Chapter 24:03) 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 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

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 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, for treasury purposes. 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.

Notice to Members

7. 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."

8. 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.

By order of the Board

INNSCOR AFRICA LIMITED

A D Lorimer
Company Secretary
Harare
1 October 2013

Form of Proxy

(Incorporated in Zimbabwe)
Registered Office:
Edward Building,
1st St/Nelson Mandela Ave
P O Box A88, Avondale,
Harare, Zimbabwe

I / We (Block Letters) ______________________________

of ______________________________
being a member of Innscor Africa Limited, hereby appoint

____

of ______________________________

or failing him ______________________________

of ______________________________
or failing him the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Seventeenth Annual General Meeting of the Company to be held on Friday 22 November 2013 at 08.15 hours and at any adjournment thereof.

Signed this __________ day of ______________ 2013.

Signature of member ______________________________

NOTE
1. In terms of Section 129 of the Companies Act (Chapter 24:03) 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 also be a member of the Company.
2. Regulation 74 of the Company's Articles of Association provides that the instrument appointing a proxy shall be deposited at the office of the Company not less than 48 hours before the time appointed for holding the meeting.

FOR OFFICIAL USE
NUMBER OF SHARES HELD ______________________________

Change of Address

The attention of shareholders is drawn to the necessity of keeping the transfer secretaries advised of any change in name and/or address.

Shareholder's name in full (Block Letters) ______________________________

____

New address (Block Letters) ______________________________

____

____

Shareholder's signature ______________________________

INNSCOR

OUR PASSION FOR **VALUE CREATION**

The Company Secretary
Innscor Africa Limited
P O Box A88
Avondale
Harare
Zimbabwe

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