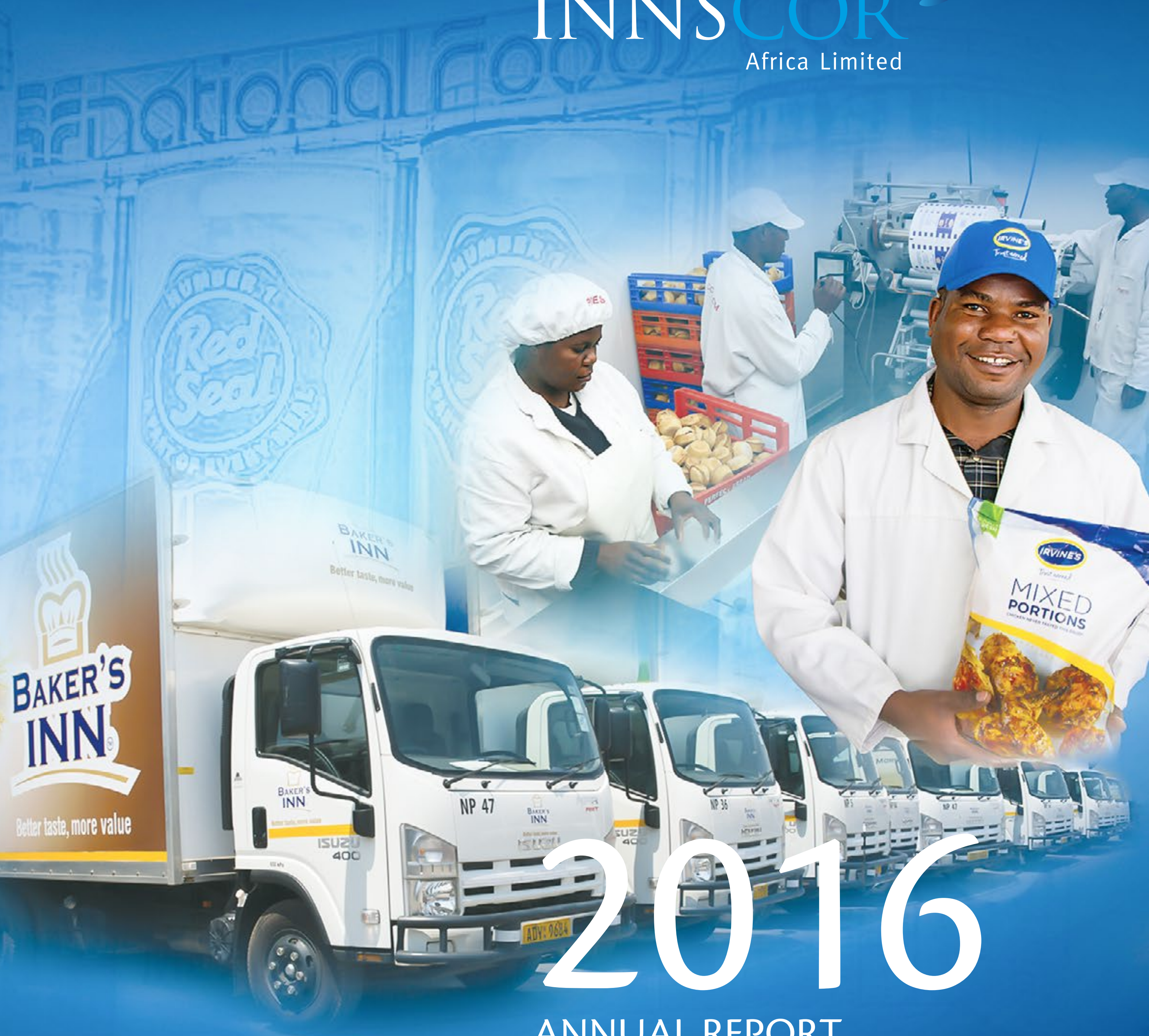
INNSCOR
Africa Limited



2016
ANNUAL REPORT

OUR PASSION
FOR VALUE CREATION

VISION

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

MISSION

Innscor Africa Limited is a focused group of light manufacturing businesses which produce a number of Zimbabwe's iconic brands in the consumer staple and durable product space.

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

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

The Group operates under the direction and management of an active, experienced team who add value through their industry expertise, deep market knowledge, professional management and entrepreneurial creativity.

VALUES

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

SCOPE OF THIS REPORT

WE ARE PLEASED TO PRESENT THE ANNUAL REPORT FOR INNSCOR AFRICA LIMITED, A COMPANY LISTED ON THE ZIMBABWE STOCK EXCHANGE (ZSE), FOR THE YEAR ENDED 30 JUNE 2016.

This report is targeted at a broad range of our stakeholders with the aim of presenting a balanced review of material issues and performance from our operations. This report outlines the implementation of the Group's vision and ambition towards sustainable business values, accountability, transparency and international best practices after adopting the Global Reporting Initiatives (GRI) Sustainability Reporting Guidelines.

This is our second annual report prepared according to GRI G4 Guidelines (Core) with an integration of sustainability and financial information. This report has been aligned with the company's contribution to Sustainable Development Goals (SDGs). Our financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and audited by Ernst & Young Chartered Accountants (Zimbabwe) in accordance with International Standards of Auditing (ISA). An independent auditors' report on the financial statements is contained on Page **44**.

FORWARD LOOKING STATEMENTS

Certain statements in this report constitute 'forward looking statements'. Such statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performances, objectives or achievements of Innscor Africa Limited to be materially different from future results, performance, objectives or achievements expressed or implied in forward looking statements.

The performance of Innscor Africa Limited is subject to the effects of changes in the operating environment and other factors. Innscor Africa Limited undertake no obligation to update publicly or to release any revision of these forward looking statements to reflect the events or circumstances after the date of publication of these pages or to reflect the occurrence of unanticipated events.

We would welcome your feedback on our reporting and any suggestions you have in terms of what you would like to see incorporated in our report for 2017. To do so, please contact: Tracey Stephens on email tracey.stephens@innscorafrica.com or +263 4 496 790/ 496 886.

Addington Chinake
Chairman

Antonio Fourie
Group Chief Executive Officer

OUR PASSION FOR VALUE CREATION

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

GROUP STRUCTURE

DURING THE YEAR, MUCH FOCUS WAS PLACED ON EFFECTIVE MARGIN MANAGEMENT, COST REDUCTION AND BUSINESS OPTIMISATION TO FIRSTLY MINIMISE THE IMPACT OF DECLINES IN REVENUE AND SECONDLY TO ESTABLISH A NEW BASE AND SOLID PLATFORM FOR THE FUTURE.

INNSCOR Africa Limited

LIGHT MANUFACTURING

Subsidiaries with significant non-controlling interests

- National Foods Holdings Ltd 37.82%
  - National Foods Limited 100%
  - National Foods Properties Ltd 100%
  - Breathaway Food Caterers (Pty) Ltd 100%
  - Botswana Milling and Produce Company (Pty) Ltd 100%
  - Red Seal Manufacturers (Pty) Ltd 100%
  - Pure Oil Industries (Pvt) Ltd 40% (Associate Company)
- Irvine's Zimbabwe (Pvt) Ltd 49%
  - Feedmill (Division)
  - Commercial Hatchery (Division)
  - Breeders (Division)
  - Layers (Division)
  - Broilers and Abattoir (Division)

Subsidiaries

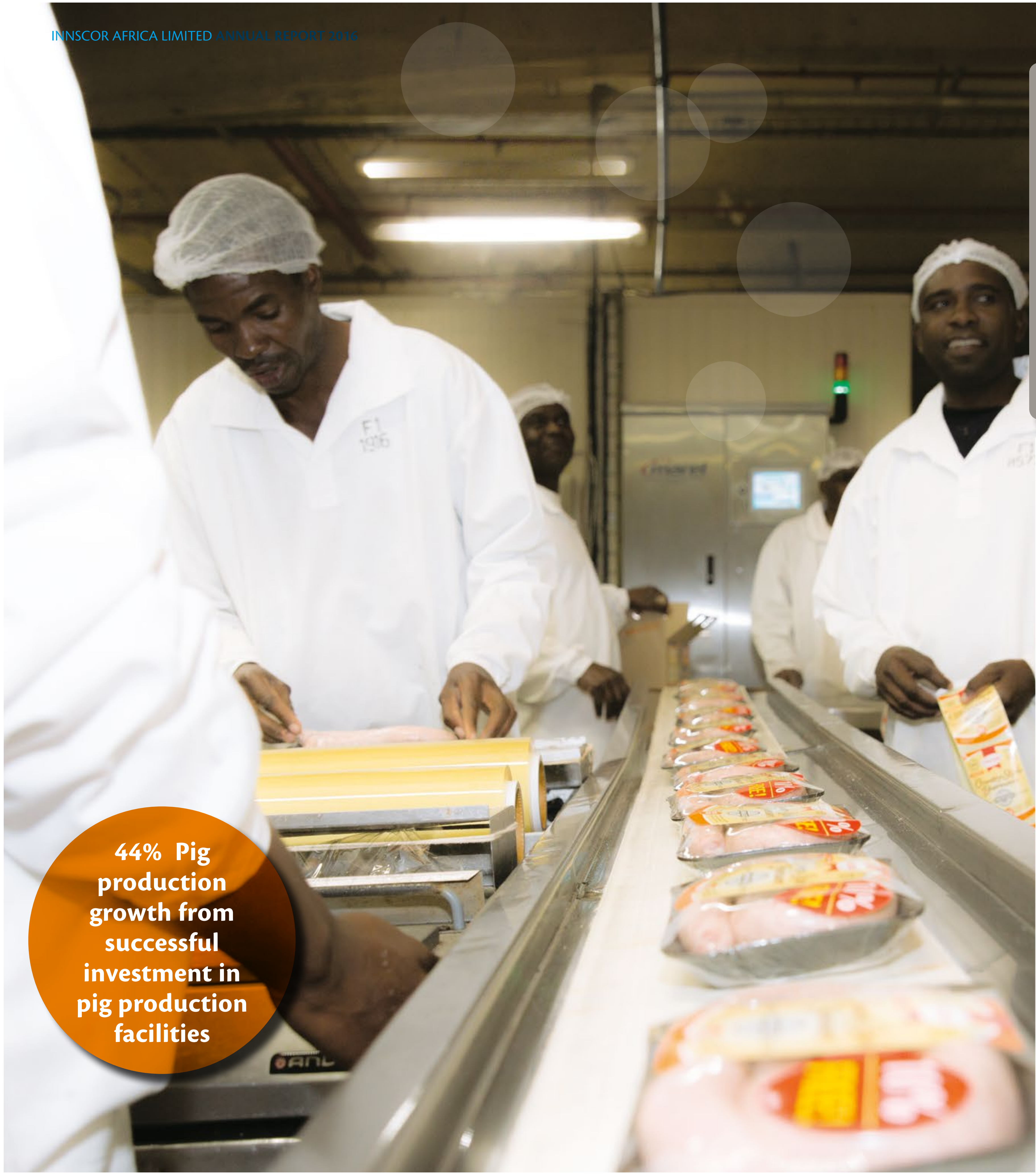
- Colcom Holdings Limited 79.64%
  - Triple C Pigs 100%
  - Colcom Foods Ltd 100%
  - Associated Meat Packers (Pvt) Ltd 50.1%
  - Freddy Hirsh Group (Pvt) Ltd (Associate Company)
  - Intercane (Pvt) Ltd
- Innscor Africa Bread Company Zimbabwe (Pvt) Ltd 100%
  - Lytton Road Plant Harare 100%
  - Shepperton Road Plant Harare 100%
  - Lennard Bread Bulawayo 100%
  - Bakers Inn Logistics (Pvt) Ltd (Associate Company)
- Innscor Appliance Manufacturing (Pvt) Ltd 50.10%
  - Capri 100%
  - Goodshow Manufacturing (Pvt) Ltd t/a WRS 66.67%
- Natpak (Pvt) Ltd 66.67%
- Bedra Enterprises (Pvt) Ltd 50.10%
- Innscor International Limited 100%

Associates

- Profeeds (Pvt) Ltd 49%
- Probrands (Pvt) Ltd 39.02%

OTHER BUSINESSES

- Atuelo Amanzi Zambia Limited t/a The River Club 66.67%
- Spar Zambia Limited 50%
  - 6 x Corporate Stores
  - 8 x Franchised Stores



Financial Highlights

	2016 USD	2015 USD
Group Summary		
Revenue	586 910 708	554 288 478
Operating profit before impairment, depreciation, amortisation and fair value adjustments - continuing operations	55 026 751	43 550 254
Profit before tax - continuing operations	39 001 068	31 178 345
Profit for the year attributable to equity holders of the parent	15 699 939	18 260 076
Cash generated from operating activities	53 053 564	66 849 325
Net assets	264 282 029	331 938 137
Share Performance (cents)		
Basic earnings per share (cents) - continuing operations	3.20	1.59
Headline earnings per share (cents) - continuing operations	3.40	1.64
Ordinary Share dividends declared and paid during the year:		
Interim dividend per share (cents)	0.30	0.55
Final dividend per share (prior year) (cents)	0.55	0.70
Ordinary Share dividends per share recognised during the year (cents)	0.85	1.25
In-Specie-Dividend in respect of Simbisa Brands Limited (cents)	5.44	—
In-Specie-Dividend in respect of Axia Corporation Limited (cents)	5.12	—
Ordinary Share dividends per share declared and paid since reporting date	0.60	0.55
Class "A" ordinary share dividends recognised and paid since reporting date	148 000	148 000
Market price per share - 30 June (cents)	17.30	60.00
Number of shares in issue at 30 June	541 593 440	541 593 440
Market capitalisation at 30 June	93 695 665	324 956 064

Chairman's Statement and Review of Operations

HEADLINE EARNINGS PER SHARE

3.40 US cents

A more balanced profit contribution by each business as compared to the prior year was the main reason for the Group's headline earnings per share increasing by 107% from 1.64 US cents to 3.40 US cents. This was a very pleasing result and management is to be commended.

OVERVIEW

The year under review was characterised by weak consumer demand, a rapidly deteriorating economic environment and substantial strategic change for the Group.

In the year to June 2016 the Group completed the strategic re-configuration programme embarked on in the previous financial year.

The re-configuration program helped mitigate the environmental complexities and has significantly simplified the Group and created a foundation on which it can build a substantial light manufacturing business into the future.

The programme manifested in the acquisition of Transerv to scale up the retail and distribution segment, the acquisition of a non-controlling stake in Profeeds and the unbundling through a dividend in specie and ultimately listing of both Simbisa Brands Limited (Simbisa) (SIM.zw), the Quick Service Restaurant business, and Axia Corporation Limited (Axia) (AXIA.zw), the Speciality Retail and Distribution business comprising Distribution Group Africa (DGA), Transerv and TV Sales & Home. In the latter part of the year under review the Group acquired a non-controlling share in Probrands for an amount of US$0.784m.

In addition to the above, the Group disposed of its interests in the SPAR Retail stores and Shearwater, closed the SPAR Distribution Centre and entered into negotiations to dispose of its interest in SPAR Zambia and The River Club.

Given all the changes, interpretation of the results can be complex making like for like comparisons very difficult.

In order to better understand the results and to comply with International Financial Reporting Standards (IFRS) the results have been presented as "continuing operations", "discontinued" and "discontinuing" operations in line with IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations.

When reviewing the results, "continuing operations" are the key focus for the Group and its stakeholders as these represent the core of the new and future operations.

FINANCIAL PERFORMANCE

On a continuing operations' basis the Group's revenue grew by 6% against the prior year. Improved efficiencies at both the margin and operating profit levels resulted in operating profit increasing by 26% and profit before tax increasing by 25% over the same period.

Chairman's Statement and Review of Operations

A more balanced profit contribution by each business as compared to the prior year was the main reason for the Group's headline earnings per share increasing by 107% from 1.64 US cents to 3.40 US cents. This was a very pleasing result and management is to be commended.

Of note below the operating profit line, within the continuing operations, a fixed asset impairment charge of US$ 1.708m was processed, the bulk of which related to a write-down in the carrying value of the Bakery operation's old distribution fleet. The fleet was replaced in its entirety during the year under review and in preparation for the disposal of the old fleet, a reduction in its carrying value was deemed prudent. This charge was however off-set by an increase in equity accounted earnings, which was due mainly to a full year's profit of Profeeds being posted together with the additional income arising from the investment in Pure Oil Industries (held by National Foods).

Profit after tax from discontinued and discontinuing operations reduced from US$ 14.498m in the prior year to US$ 0.964m for the current year under review. This decline was due to the fact that the current year profits include only 3 months of activity from Simbisa and 9 months from Axia; in addition a number of closure and impairment charges were processed in respect of the SPAR operations in Zimbabwe.

In accordance with IFRS, the Group's Statement of Financial Position at the end of June 2016 has been split to show the consolidated balances of the core continuing operations, whilst assets and liabilities which relate to businesses that are to be discontinued have been shown separately. The considerable changes in working capital balances are largely due to the effect of the unbundling processes undertaken during the course of the year under review.

Despite the migration to a portfolio of light manufacturing businesses, the Group's cash generation remained strong, with US$ 53.054m being generated from operating activities. The decline from the prior year, was in part related to the reduced profit from discontinued operations and in addition, the Group has taken strategic positions of key raw materials in order to counter regional shortages caused by the prevailing El Nino phenomenon. Net gearing for the continuing operations remained stable at 11.65% based on continuing equity.

The Group's capital expenditure on all businesses was reduced from US$ 38.012m in the prior year to US$ 23.466m, with US$ 16.599m of this related to continuing operations.

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

SUSTAINABILITY REPORTING

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

OPERATIONS REVIEW

CONTINUING OPERATIONS: LIGHT MANUFACTURING

This reporting segment comprises the future of the Group and consists of its Bakery operations, National Foods, Colcom, Irvine's, Capri, Natpak and its non-controlling interests in Profeeds and Probrands.

The Group's **Bakery Operations** produced a much improved set of results recording a 30% growth in bread volumes. This volume growth was driven by a management structure re-alignment, improved product quality and improved market coverage and service. The business recorded a 265% growth in operating profit, although this was off a low base in the comparative year. Below the operating profit line, an impairment charge of US$ 1.476m was processed.

Chairman's Statement and Review of Operations

The impairment charge was in respect of an adjustment in carrying value of the old distribution fleet which was replaced during the course of the financial year and which will be disposed of during the forthcoming financial year.

The new fleet which is housed in a separate logistics entity will bring with it improved service delivery and lower route to market costs. The market remains highly competitive and further cost reduction and containment initiatives are underway to ensure a continuation of the momentum achieved over the past year.

Spare bread capacity still exists in the operation, and management will continue to improve plant configuration and utilisation. The re-launch of the operation's pie products took place shortly after the financial year-end and initial results have been extremely encouraging.

National Foods delivered a strong set of results for the year under review. The business recorded a 13% growth in total volumes over the comparative year, with strong performances in the Maize and Flour divisions. The strategic decision to drive volume growth through reducing prices to the consumer and improving national coverage continued to propel business performance. A reduction in cost of sales due to procurement and production efficiencies led to an overall increase in gross margin notwithstanding the lower average price to the final consumer. Overall revenue growth of 5% was achieved against the comparative year, with operating profit increasing by 12% over the same period. The business completed the acquisition of a 40% non-controlling stake in Pure Oils during the year. Pure Oils produces cooking oil as well as protein oil cakes which are used in the production of animal feed. National Foods also acquired the entire shareholding of Breathaway Food Caterers, a snack and biscuit business, from Distribution Group

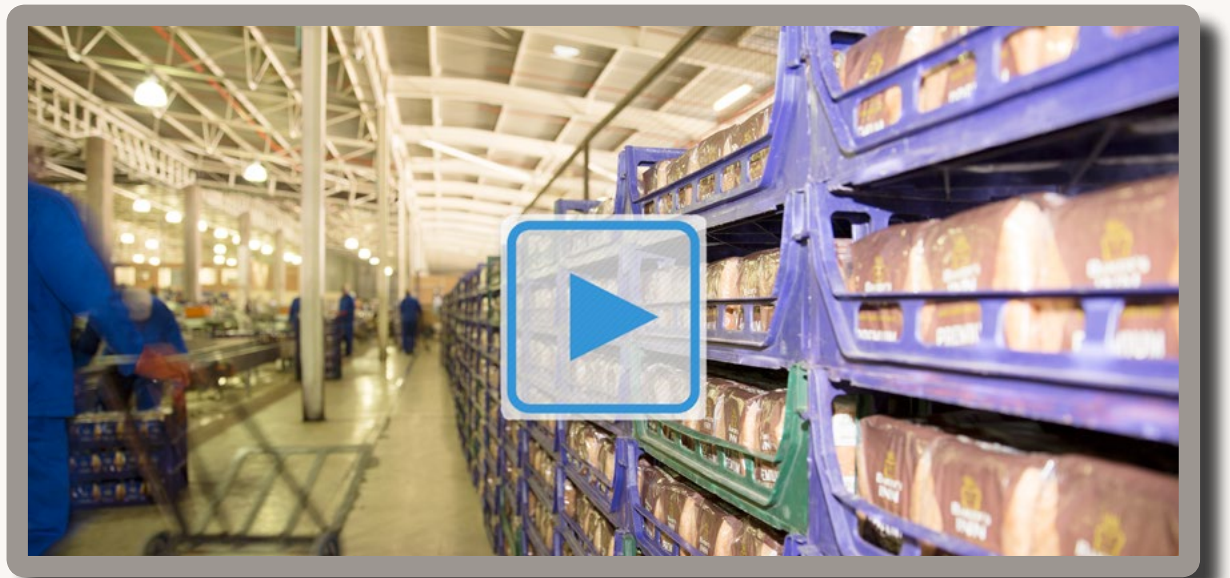
Africa during the period to complement its light manufacturing efficiencies. National Foods continues to actively pursue organic and acquisitive growth opportunities and the optimisation of its cost base remains a key and on-going theme for management in the year ahead.

Colcom recorded a 14% growth in pork volumes buoyed by an excellent performance at Triple C as well as an increase in pig supply from auxiliary piggeries that have been brought on line over the past 18 months. A change in the sales mix, which had a higher proportion of fresh product and whole carcasses, together with strategic pricing decisions, resulted in an overall revenue decline of 7% for the year. Favourable maize positions and an excellent cost containment programme ensured that a similar level of operating profit was achieved in the current financial year as compared to the prior year.

The new pie facility which was commissioned in August 2015 continues to produce excellent results, and has now moved to a double shift to meet demand. The operation's beef down-packing business, Associated Meat Packers (AMP) had a difficult year with reduced revenue and profitability but still contributed positively to the overall operation.

Irvine's experienced a challenging year and whilst low volume growth was experienced across its three core products of day old chicks, frozen poultry and table eggs leading to an annual revenue growth of 6%, this was at the expense of margin. Strategic pricing decisions, and a highly competitive market saw average selling prices reducing considerably from the prior year and despite a reduction in operating expenditure, operating profit reduced by 22% over the prior year.

Investments in the layers business unit and the new feed mill continued to improve efficiencies and reduce production costs. The business will continue to deploy capital into improving efficiencies in its layers operations over the coming year, whilst the investment in hatching egg production and hatching facilities over the last few years is expected to contribute positively to ongoing profitability.



The Group's Bakery Operations produced a much improved performance in the year under review

Chairman's Statement and Review of Operations

Capri commissioned its new refrigerator line during the first quarter of the year under review but experienced an exceptionally difficult period thereafter. Local demand remained depressed, exacerbated by continuing grey imports, whilst a week South African Rand and the ability of South African manufacturers to earn substantial export incentives affected markets both locally and regionally. Overall volumes declined by around 7% over the comparative year whilst revenue reduced by 17% over the same period. Whilst overheads were well controlled, the reduction in dollar margin resulted in a 67% decline in operating profit.

The new refrigerator line is now producing a full range of newly updated products and progress is being made in the regional markets. Reasonable profitability has been achieved in the first two months of the new financial year, with exports now accounting for around 25% of total volumes.

Natpak had an extremely successful year, with the new flexible packaging line contributing heavily to a 57% growth in volumes and a 46% growth in revenue over the prior year. Operating profit increased by 235% over the same period, but this was off a low base.

The new flexible packaging capabilities and capacities which were commissioned at the end of the prior year were fully utilised in the current year thus extracting full production efficiencies. The business anticipates further investment in new flexible packaging capabilities and additional capacities, which it aims to commission towards the end of the new financial year.

ProFeeds, an associate company of the Group, recorded a 10% growth in feed volumes over the comparative year, but lower selling prices resulted in revenue remaining at similar levels. Operating costs were marginally ahead of those recorded in the previous financial year and as a result, operating profit declined by 9% over the same period. The business continues to investigate additional product lines and opportunities to extract further efficiencies.

The Group acquired a non-controlling share in **Probrands** at the beginning of the second half of the year under review. ProBrands is involved in the down-packing and manufacture of a number of grocery products such as rice, dairy, candles and beverages. The business is currently in an expansion phase and accordingly only a small contribution was made to the Group's results. The business is concluding the installation of a UHT milk plant which is expected to be commissioned in November 2016, adding requisite scale to the operation.

DISCONTINUED OPERATIONS UNBUNDLED: SPECIALITY RETAIL & DISTRIBUTION (SRD)

The Group concluded the unbundling of its SRD businesses into a separate entity, Axia, effective 1 April 2016 and distributed the equity in this business to shareholders via a dividend-in-specie on 10 May 2016; a listing of the business on the ZSE followed on 17 May 2016. The business units that fall into Axia are TV Sales & Home, Transerv and DGA.

The Group's results for the year under review include those of Axia for nine months to 31 March 2016, during which period and on a like-for-like basis, revenue was 1% down and operating profit down 2% compared to the comparative period nine months.

TV Sales & Home had a disappointing nine months compared to the corresponding period last year, with revenue dropping by 17%, units sold dropping 15% and average selling prices declining by 3%. Given the environmental uncertainty, customers appear to be holding back on credit, resulting in credit sales dropping from 37% of total sales to 29% over the comparative period and a debtor's book which reduced by 18%. Five additional stores were added to the network, one each in Chegutu, Chipinge, Zvishavane, and two in Harare that included a new Bedding format "Bedtime" in Msasa.

Transerv was added to the Group's portfolio at the beginning of the financial year under review. Transerv is involved in the retail, wholesale and distribution of automotive spares and accessories plus onsite vehicle fitment centres across a countrywide network of 21 stores, 14 fitment centres, a diesel pump room (ADCO)

New-look frezeer and refridgerator models launched by Capri

and a Clutch and Brake Specialists (CBS). The business reported a 10% drop on comparative period revenue. Improved buying efficiencies, however, ensured that the drop in operating profits was limited to 2% on the comparative period. Since joining the Group, Transerv increased its footprint by opening four fitment centres, one in each of Masvingo and Bulawayo, two in Harare, ADCO Southerton and an additional retail outlet in Kwekwe. Management continues to focus on improving efficiencies in the retailing of automotive spares and accessories whilst tightly controlling overheads.

The **DGA Zimbabwe** operations posted a very pleasing set of results, characterised by a 28% volume growth resulting in a 14% revenue growth and a 30% growth in operating profit on the comparative period.

Chairman's Statement and Review of Operations

Pure Oil volumes trading ahead of investment forecast

CAPITAL EXPENDITURE

US$23.466m

The Group's capital expenditure on all businesses was reduced from US$ 38.012m in the prior year to US$ 23.466m, with US$ 16.599m of this related to continuing operations.

The growth in both revenue and profits was largely attributable to the acquisition of new agencies during the period under review. Whilst margins in the business were lower than those achieved in the comparative period in response to the highly price sensitive consumer, profit growth was driven by cost restructuring initiatives and an increased revenue on a nearly fixed overhead base. The creation of Vital Logistics, in the previous year has resulted in administrative, warehousing and distribution cost efficiencies.

Regionally, DGA posted modest results with revenue declining by 6% and volumes 4% lower than the comparative period. The operations remained profitable in local currencies, however operating profit was 24% below that of comparative period, and was impacted significantly by local currency depreciation in both Zambia and Malawi.

DISCONTINUED OPERATIONS UNBUNDLED: QUICK SERVICE RESTAURANTS (QSR)

As previously reported, the Group concluded the unbundling of its **QSR** businesses into a separate entity, Simbisa, effective 1 October 2015 and distributed the equity in this business to shareholders via a dividend-in-specie on 30 October 2015. Simbisa listed on the ZSE on the 6th of November 2015. The Group's results for the year under review include those of Simbisa for the three months to 30 September 2015. During that period and on a like-for-like basis revenue was flat on prior year and operating profit up 4%.

DISCONTINUED OPERATIONS DISPOSED OF AND TO BE DISPOSED OF

Following an extended period of operational challenges and a lack of long-term strategic fit the Group disposed of the **SPAR Retail Stores** in Zimbabwe with effect from 1 January 2016 to a consortium led by a Spar Franchisee. A number of closure and impairment costs were processed through the income statement as part of this process.

The **SPAR Distribution Centre** which had previously supported the SPAR Retail store network was closed during the second half of the financial year under review. The business model had been built on a large franchise store platform and the decline in franchise members resulted in the operation becoming unviable. Appropriate closure costs have been processed through the income statement for the year under review.

Chairman's Statement and Review of Operations

The Group has entered into negotiations to dispose of its interests in both SPAR Zambia and The River Club. These entities did not contribute to the Group's profitability in the current year.

BOARD CHANGES

Mr Basil Dionisio who had previously been responsible for the Group's QSR operations resigned from the Board with effect from 30 September 2015 to take up the role of Chief Executive Officer of the unbundled Simbisa operation. Basil had formed part of the founding shareholding and management structure of the Group, and played a key part in its growth and success over the years. The Board wishes Basil every success in his new role.

As previously advised Messrs Antonio (Toni) Fourie and John Koumides resigned from the Board with effect from 21 August 2016 and 1 July 2016 respectively.

Under Toni's leadership the Group undertook a significant strategic change agenda including various integrations, acquisitions, disposals and two separate listings. The Board wishes to thank Toni for all his efforts and wishes him well in his new endeavours.

John had been with the Group for 13 years and has now taken on the position as Chief Executive Officer of the newly listed Axia. The Board thanks John for his efforts and wishes him continued success in his new role.

As further advised, Mr Julian Schonken was appointed Chief Executive Officer of the Group with effect from 1 September 2016. Julian, who is Zimbabwean, is a long-standing employee of the Group, having held numerous financial and managerial roles within the business, and more recently having held the role of Chief Financial Officer where he distinguished himself over seven years. Eighteen months ago Julian transferred to the position of Director for the light manufacturing business segment. This new role provided Julian with the opportunity to develop his leadership skills and business acumen and to assimilate detailed knowledge of the light manufacturing businesses. The Board wishes Julian the very best in his new role and assures him of its unequivocal support.

PROSPECTS

The Board expects the environment to continue to be challenging in the medium term, but nonetheless, the Group will continue with its strategy commenced in 2014 of building a leading, focused light manufacturer of FMCG and related products, and will pursue the objective of being the lowest cost producer in these product categories. The two key thrusts being growth, both organic and acquisitive, and business optimisation, will also continue.

DIVIDEND

The Board is pleased to declare a final dividend of 0.60 US cents per share payable in respect of all ordinary shares of the Company. This dividend is in respect of the financial year ending 30th June 2016 and will be payable in full to all the shareholders of the Company registered at the close of business on 14th October 2016. The payment of this dividend will take place on or about 28th October 2016. The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange up to the market day of 7th October 2016 and ex-dividend as from the 10th October 2016.

The Board has also declared a final dividend totalling US$ 148,000 to Innscor Africa Employee Share Trust (Private) Limited.

The Group's final cash dividend of 0.60 US cents per share together with the interim cash dividend of 0.30 cents per share and the dividend-in-specie payments in respect Simbisa (5.44 US cents per share) and Axia (5.12 US cents per share), brings the total dividend paid for the year under review to 11.46 US cents per share.

APPRECIATION

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

A.B.C. CHINAKE
Chairman
27 October 2016

Corporate Governance and Approaches

The Group's website contains a vast array of updated operational and financial information which can be easily accessed by all stakeholders.

Group Governance and Management Approach

Innscor Africa Limited is committed to a Code of Corporate Practices and Conduct based on the principles laid out in the King Reports and the Principles of Corporate Governance in Zimbabwe as laid out in the Manual of Best Practice. The Group is looking forward to aligning the existing Code with the new National Code of Corporate Governance in Zimbabwe and other such recognised international best practices in corporate governance.

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 and stakeholders to derive the assurance that, in protecting and adding value to Innscor Africa Limited's financial and human capital investment, the Group is being managed ethically, according to prudently determined parameters and in compliance with the best international practices.

Sustainability Reporting enables the Group to drive and monitor specific outcomes which constitute the Group's focus for long-term value creation and sustainability.

Mechanisms for Communication with Stakeholders

The Group provides various platforms for its stakeholders to communicate with its Board of Directors and senior management. Such platforms include the Annual General Meeting, press release announcements of interim and year-end results, investor briefings, annual reporting to shareholders and exercise of shareholders' voting rights through proxy forms. The Group's website contains a vast array of updated operational and financial information which can be easily accessed by all stakeholders.

Board and Management Ethics

The Group believes that it is the responsibility of the Board and Management to lead by following ethical business practices. Therefore, all Directors and Management are required to declare interests which might be deemed in conflict with their roles and responsibilities within the Group.

Corporate Governance and Approaches

Declaration of Directors' Interests

During the year under review, no Directors had any material interests which could cause significant conflict of interest with the Group's objectives. The beneficial interests of Directors and their families in the shares of the Group are given in note **23.4.**

Share Dealings

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

- The period from the end of the interim or annual reporting periods to the announcement of the interim and annual results.
- Any period when they are aware of any negotiations or details which may affect the share price.

Professional Advice

It is the Group's Policy that where justifiable, Directors shall be entitled to seek independent professional advice at the Group's expense on matters in the furtherance of their duties or to advance the Group and its Companies' value creation.

Board Structure

The Group has been going through strategic unbundling during the year. Existing Directors took up leadership roles in newly unbundled business units (Simbisa Brands and Axia) in line with the strategic vision of unlocking value for our shareholders and other stakeholders. As such, the Group will align the Board composition with governance policy. At the end of the year, the Board of Innscor Africa Limited consisted of 4 executive Directors, 2 independent non-executive Directors and 2 non-independent, non-executive Directors.

The Chairman and the non-executive Directors bring a significant amount of experience and intuition to guide an active and ambitious executive management team. The Board meets quarterly to monitor the performance of management and to ensure proper control over the strategic direction and governance of the Group. Short biographies of each of the Directors are disclosed on pages **16** and **17.**

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

Directors' Remuneration

Remuneration packages for Directors are determined by the Group's Remuneration Committee. These packages include a guaranteed salary as well as a performance-related incentive linked to the achievement of pre-set profit targets and levels of free cash flow. As at 30 June 2016 there were no loans from the Company to any Directors. In addition, no share options were issued to any Directors during the year under review and there were no unexercised share options outstanding to the Directors at 30 June 2016.

Natpak had an extremely successful year, with the new flexible packaging line contributing heavily to a 57% growth in volumes and a 46% growth in revenue over the prior year. Operating profit increased by 235% over the same period.

Corporate Governance and Approaches

SUB – COMMITTEES:

COMMITTEE	MEMBERS	SUMMARY ROLES & RESPONSIBILITIES
Executive	J.P. Schonken (Chairman - appointed 21.8.2016) G. Gwainda A. Fourie (resigned 21.8.2016) J. Koumides (resigned 1.7.2016) B. Dionisio (resigned 30.9.2015)	The Executive Committee is responsible for formulating, directing and implementing strategic decisions. The Committee meets monthly. The Committee is composed of five directors and following the resignation of three Executive directors during the year and reconfiguring of the Group, the committee will be reconstituted to incorporate divisional executive management.
Audit	T.N. Sibanda (Chairman) A.B.C. Chinake J. Koumides (resigned 1.7.2016)	The Group has an audit committee that assists the Board in the fulfilment of its duties. The audit committee deals, inter alia, with compliance, internal control and risk management. The committee currently comprise two independent, 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 objectivity of their findings and scope of work.
Remuneration	A.B.C. Chinake (Chairman) M.J. Fowler T.N. Sibanda	The remuneration committee comprises three non-executive Directors 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 to the growth and success of each of the Group's businesses in which the Group operates. Packages primarily include basic salaries, benefits and performance benefits and performance related bonuses.
Finance & Investment	G. Gwainda (Chairman) J.P. Schonken R. Nyamuziwa A. Fourie (resigned 21.8.2016) J. Koumides (resigned 1.7.2016) B. Dionisio (resigned 30.9.2015)	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 acquisitions or disposals prior to considering approval. The committee comprises two executive Directors (five prior to resignations) and a senior manager of the Group. The committee meets on a monthly basis to consider banking facilities, borrowing positions, capital expenditure, investment opportunities and such other business as may be directed by the Board.
Nominations	A.B.C. Chinake (Chairman) M.J. Fowler T.N. Sibanda	The nominations committee considers the composites of the Board and its Committees, and makes appropriate recommendations to the Board regarding the retirement, appointment and replacement of Directors. It comprises of an independent non-executive Chairman and two non-executive Directors.

Corporate Governance and Approaches

ATTENDANCE OF MEETINGS DURING THE FINANCIAL YEAR 2016

DIRECTOR	YEAR OF APPOINTMENT	MAIN BOARD (5 MEETINGS)	EXECUTIVE (12 MEETINGS)	AUDIT (3 MEETINGS)	REMUNERATION (3 MEETINGS)	FINANCE & INVESTMENT (12 MEETINGS)	NOMINATIONS (1 MEETING)
Mr. A.B.C. Chinake	2015	5	n/a	3	3	n/a	1
Mr. T.N. Sibanda	2005	4	n/a	3	3	n/a	1
Mr. M.J. Fowler	1994	4	n/a	1	1	n/a	1
Mr. Z. Koudounaris	1996	5	n/a	n/a	n/a	n/a	n/a
Mr. J.P. Schonken	2007	5	11	n/a	n/a	11	n/a
Mr. G. Gwainda	2015	5	12	n/a	n/a	12	n/a
Mr. J. Koumides (resigned 1.7.2016)	2003	5	12	3	n/a	12	n/a
Mr. B. Dionisio (resigned 30.9.2015)	2012	2	3	n/a	n/a	3	n/a
Mr. A. Fourie (resigned 21.8.2016)	2014	4	12	n/a	n/a	12	n/a

Corporate Governance and Approaches

Board of Directors

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

Addington is a legal practitioner by profession, with more than twenty-one years of experience in legal services in Zimbabwe. He has extensive experience in all manner of legal practice in Zimbabwe. Over the past thirteen years, his area of specialisation has been corporate and commercial law including mining law, competition law, mergers and acquisitions, Leveraged Buy Outs (LBO's) and capital raising. Addington has been involved in a number of significant FDI transactions and a number of other multi-million dollar acquisitions and disposals by foreign companies of equity on Zimbabwe Stock Exchange listed entities and major Greenfield mining projects. He has acted for a number of public companies on the Zimbabwe Stock Exchange and he has also been a Non-Executive Director of five Zimbabwe Stock Exchange listed companies including Art Corporation, Phoenix Consolidated Industries and Murray and Roberts Zimbabwe Limited (Deputy Chairman). Addington is currently the Chairman of Astra Industries Limited. He is a member of the Group's Audit, Nomination and Remuneration Committees.

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

Julian completed his tertiary education at Rhodes University in South Africa, where he attained a Bachelor of Commerce degree. In 1999 and shortly after completing his articles of clerkship and qualifying as a Chartered Accountant (Zimbabwe) with Deloitte, Julian joined Innscor where he has held a number of financial and managerial positions. In October 2007, Julian was appointed to the main Board of Innscor as Group Financial Director. He also sits on the boards of Colcom Holdings Limited and National Foods Holdings Limited and is a member of the Group's Executive and Finance and Investment Committees. In January 2015, Julian accepted appointment as Executive Director for Light Manufacturing and in September 2016, was appointed as Chief Executive Officer for the Group.

Godfrey Gwainda - Group Financial Director (Appointed January 2015)

Godfrey is a Chartered Accountant with more than seventeen years of accounting and financial experience in the accounting profession and the business sector in Zimbabwe. Godfrey completed articles of clerkship with KPMG and qualified as a Chartered Accountant (Zimbabwe) in 2000. In September 2001 he joined Innscor, where he has held a number of financial and managerial positions. In January 2015, Godfrey was appointed to the main Board of Innscor as Group Financial Director. Godfrey is a member of the Group's Executive Committee and chairs the Finance and Investment Committee. He also sits on the boards of Colcom Holdings Limited and National Foods Holdings Limited.

Corporate Governance and Approaches

Michael Fowler - Non-Executive Director (Appointed July 1994)

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

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

Themba completed his tertiary education at the University of Zimbabwe with a Bachelor of Accounting Honours degree. Shortly after completing his articles of clerkship and qualifying as a Chartered Accountant (Zimbabwe), Themba was admitted into partnership and now has over 30 years experience in compliance and audit services at Schmulian & Sibanda. Themba currently chairs the Group's Audit Committee and is also a member of the Remuneration and Nomination Committees. Themba also sits on the boards of a number of other listed entities in Zimbabwe including Delta Corporation Limited, Edgars Stores Limited, Padenga Holdings Limited, Axia Corporation Limited and Pretoria Portland Cement Limited.

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

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

Directorate and Management

BOARD OF DIRECTORS

Independent, Non-Executive Directors
- ✲ ◻ ● Addington Chinake (Chairman)
- ✲ ◻ ● Thembinkosi Sibanda

Non-Independent, Non-Executive Directors
- ◻ ✲ Michael Fowler
- Zinona (Zed) Koudounaris

Executive Directors
- ○ ❖ Julian Schonken
- ○ ❖ Godfrey Gwainda
- ○ ❖ Antonio Fourie (Resigned 21.8.2016)
- ○ ❖ ● John Koumides (Resigned 1.7.2016)
- ○ ❖ Basil Dionisio (Resigned 30.9.2015)

● Member of the Audit Committee
✲ Member of the Remuneration Committee
◻ Member of the Nomination Committee
○ Member of the Executive Committee
❖ Member of the Finance and Investment Committee

Chairman of the Audit Committee	-	Thembinkosi Sibanda
Chairman of the Remuneration Committee	-	Addington Chinake
Chairman of the Nomination Committee	-	Addington Chinake
Chairman of the Executive Committee	-	Julian Schonken (Appointed 21.8.2016)
Chairman of the Finance and Investment Committee	-	Godfrey Gwainda

GROUP EXECUTIVES

Antonio Fourie	Group Chief Executive Officer (Resigned 21.8.2016)
Julian Schonken	Group Chief Executive Officer (Appointed 1.9.2016)
Godfrey Gwainda	Group Financial Director
Raymond Nyamuziwa ❖	Group Treasurer
Andrew Lorimer	Group Company Secretary
Tony O'Gorman	Executive - Retail and Wholesale (Resigned 31.8.2016)
Dr Louis Carstens	Executive - Strategy and Business Optimisation (Resigned 1.7.2016)

DIVISIONAL MANAGEMENT

CORPORATE SERVICES

Corporate

Priti Da Silva	Group Services Executive
Farai Machodo	Group Financial Manager
Ronald Gumbo	Group Tax Officer

Treasury

Tanya Chitaukire	Divisional Financial Manager

Providence Human Capital

Chipo Ndudzo	Managing Director

Directorate and Management

LIGHT MANUFACTURING

National Foods Holdings Limited

Michael Lashbrook	Group Managing Director
Liberty Murimwa	Group Financial Director
Richard Mann	Group Operations Executive
Johnson Gapu	Group Sales and Distribution Executive
Rosseweater Usayi	Group Human Resources Executive
Leigh Howes	Group Legal Executive
Workmore Chimweta	Group Marketing Executive
Lovejoy Nyandoro	Group Financial Executive
Chipo Nheta	Managing Executive - Maize Milling
Mutali Chawanda	Managing Executive - Flour Milling
Lewis Ngwenya	Managing Executive - Stockfeeds
Nigel Weller	Managing Executive - MCG
Godwill Nyakwende	Managing Executive - Depots

Colcom Holdings Limited

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

Irvine's Zimbabwe (Private) Limited

David Irvine	Managing Director
George Economou	Commercial Director
Zita Matonda	Finance Director
Rutendo Dzangai	Finance Manager

Innscor Africa Bread Company Zimbabwe (Private) Limited

Ngoni Mazango	Chief Executive Officer
Mandla Nkosi	Financial Director
Ngoni Chamanga	Human Resources Executive

Innscor Appliance Manufacturing (Private) Limited

Gary Watson	Chief Executive Officer
Simba Muchatukwa	Financial Director
Jan Van Der Westhuizen	Research & Development Director
Tony Simoes	Marketing Director

Natpak (Private) Limited

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

Bedra Enterprises (Private) Limited

Mark Masekesa	Managing Director
Kennedy Mhakayakora	General Manager - Factory
Edward Jakarasi	General Manager - Vending Operations

Profeeds (Private) Limited

Nigel Philp	Chief Executive Officer
Tidings Chimphondah	Executive Director
Sean Reid	Head of Factory Operations
Herbert Ratisai	Finance Executive
John Mtelela	HR Executive

Probrands (Private) Limited

Calum Philp	Chief Executive Officer
Nqobani Mthethwa	Chief Financial Officer

OTHER BUSINESSES

SPAR Zambia (To be disposed)

Mark O'Donnell	Chairman
Theola Barclay	Chief Executive Officer
Peter Phiri	Chief Financial Officer

The River Club (To be disposed)

Peter Jones	Chief Executive Officer
Ingrid Nielson	General Manager
Dalene Vincent	Financial Manager

Colcom recorded a 14% growth in pork volumes buoyed by an excellent performance at Triple C

Sustainability Strategy & Governance

**35 Days!
The number of days to slaughter a broiler grown on NFL feed at over 2kg live weight**

Group Strategic Approach

The Group proactively adopted Sustainability Reporting as an integral part of the business strategy which recognises and embeds environmental and social issues into how we operate. The Group believes that identifying, measuring and being accountable to our stakeholders through sustainability reporting (Economic, Environmental, Social and Governance) has potential for long term value creation and business success.

The Group applied the Global Reporting Initiatives (GRI)'s G4 - Sustainability Reporting Guidelines for identifying and managing material sustainability issues. The guidelines facilitate the way we engage with our stakeholders, identify material issues, respond to matters and being accountable to our broad range stakeholders.

The a long term business strategy is to build a business that is driven by inclusivity, responsiveness and sustainable business practices, while contributing to sustainable development in the places we operate. The Group's sustainability disclosure approach is to ensure sustainability reporting performance indicators are matched with specific Sustainable Development Goals to which the Group would have contributed.

Governance

As part of this vision, the Group established Sustainability Teams in all the major companies. These teams are responsible for assisting management with the identification, evaluation and management of material issues pertaining to economic, environmental and social impacts and opportunities arising from our business operations. In addition, the teams are responsible for monitoring and evaluating systems of data collection, measurement criteria and quality of data collected. These teams report to the Group Sustainability Management Team leader under the oversight of Senior Group Management. The Sustainability Teams were instrumental in building and contributing to this sustainability report for the Group.

Inclusivity and Responsiveness

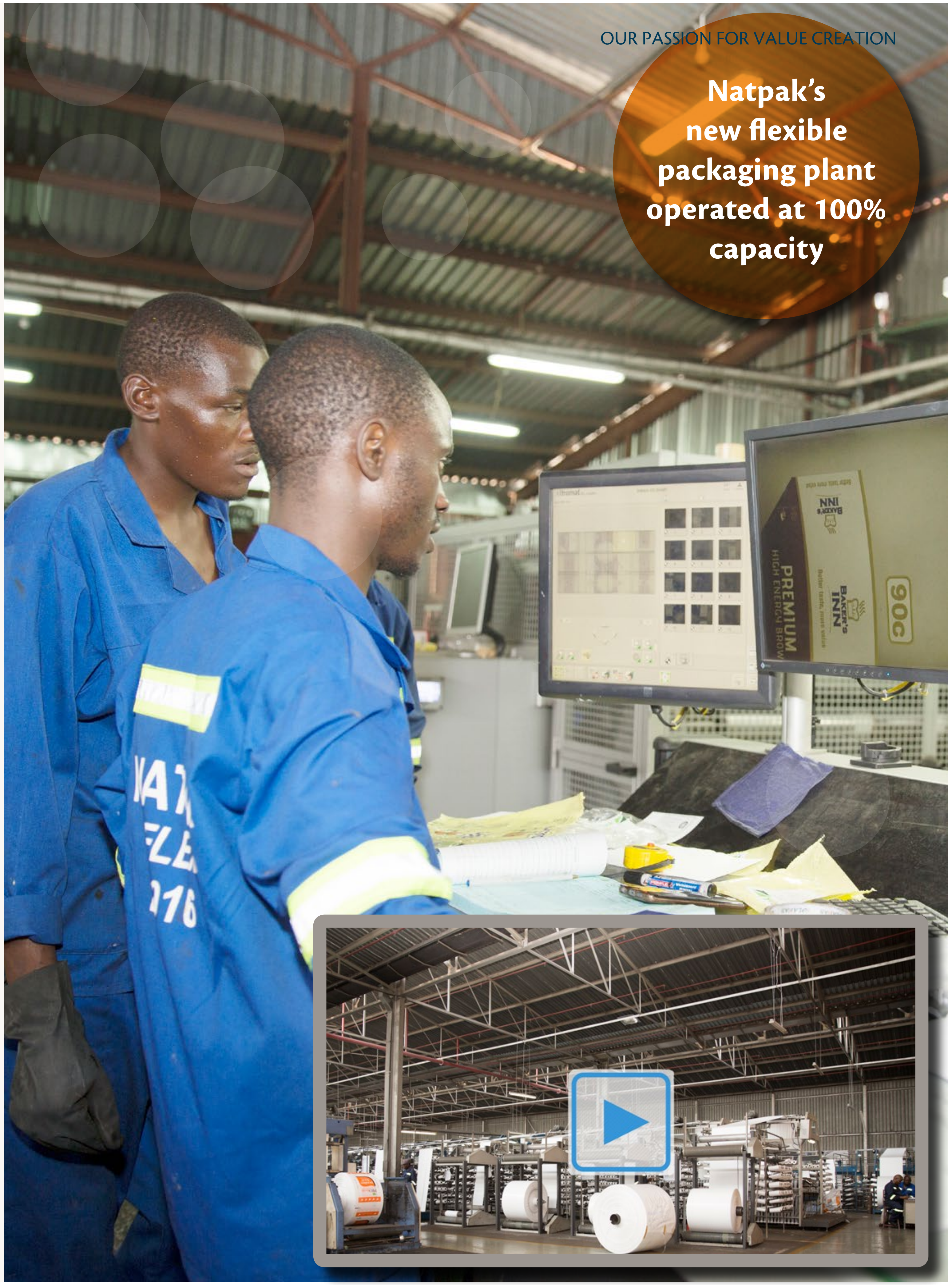
The Group adopted integration of stakeholder engagement in the overall corporate and risk management strategy of the business. Our approach is achieving meaningful business success that is anchored on sustainable relations with our stakeholders. Maintaining sustainable stakeholder relationships based on honesty, inclusivity and responsiveness is an integral capital of the Group. The Group's stakeholder engagement strategy is a responsibility that is shared by all employees and management of the Group and is guided through adopted sustainability reporting guidelines and international best practices.

Supply Chain

The Group believes that a sustainable supply chain is vital to maintaining and sustaining the Group's brand names and image. Therefore, the Group provides systems which ensure that all suppliers are screened in addition to their track record and consideration of sustainability issues such as environmental, social, behaviour, corruption, statutory compliance and human rights practices. The Group tries to ensure that most suppliers share our common values when it comes to sustainable business practices and contribution to sustainable development.

Sustainable Capital Management

The Group recognises the importance of sustainable capital management. The Group consider natural, human, intellectual, financial, manufacturing and social relations as capital for input into the Group's business model. As such, the Group philosophy is embedded and considers these aspects from a capital perspective in the Group's business models in creating and sustaining business value for our shareholders and other stakeholders in the short and long term.



Natpak's new flexible packaging plant operated at 100% capacity

Key Material Issues and Report Boundary

The Group's Management has evaluated the issues and their impact on the business and stakeholders for action and response. Approved issues provide the basis for the content of this report.

Material Issues

The Group applied a collective approach in determining material issues identified by our stakeholders during the engagement and assessment process. For this second report, the Group focused particular attention on material issues raised that were considered of high impact to the business. Our goal in the coming year is to achieve a strong balance on materiality consideration of issues on both the Group and stakeholders. The GRI G4 Guidelines provided a critical instrument that guided the Group in identifying and selecting material issues for reporting, and those considered material in the context of our business operating environment.

At company level, material issues were identified through feedback from stakeholder engagement processes and evaluation of Business Units Management (Managing Directors, Human Resources Managers, and Safety Health and Environment Officers) for reporting to Group Management. The identified material issues were then verified and prioritized at Group level through the Sustainability Reporting Team for Group Management approval. The Group Management evaluated the issues on their impact to the business and stakeholders for action and response. Approved issues provide the basis for the content of this second report.

Report Boundary

The Group defined the reporting boundaries by focusing on where material impacts were identified. For the purpose of this report, the Group opted to define reporting boundaries by considering key Group companies with high and material impacts on environmental and social aspects. Sustainability performance indicators provided in this report were mainly drawn from companies identified and associated with material impacts.

Stakeholder Engagement

Our Approach

The Group believes that stakeholders are an integral capital contributing to the long term value creation and sustainability of the business. The Group's stakeholder engagement strategy is integrated with our risk and business development management. Material issues discussed during stakeholder engagement are assessed and weighted for appropriate action or responses.

The issues are further collated at company level for Group Management attention in defining material issues for the report content and boundaries. Stakeholder engagement provides a crucial business strategy for identifying key risks and opportunities for responsiveness and value creation respectively. We believe that partnerships are an effective means for addressing economic, environmental and social challenges.

Our stakeholder engagement approach is driven at company and Group level through active and proactive management approach in guiding the use of GRI Sustainability Reporting guidelines in stakeholder identification, prioritisation and engagement approaches. The table below presents material outcomes of our key stakeholder engagement process during the year:

STAKEHOLDER	MODE OF ENGAGEMENT	MATERIAL ISSUES RAISED	RESPONSES/ ACTION TAKEN
Customer Communities	• Customer surveys • Product Road Shows • Customer networks events	• Delivery of value and competitive pricing • Products range and promotions	• Understanding customer needs • Loyalty • Continuous customer engagement
Employees	• Works Council • Trade Unions	• Income and benefits • Working conditions • Careers and opportunities	• Review and improvements • Enhance shared values
Suppliers	• Supplier briefings • Workshops and meetings	• Procurement opportunities • Sustainable sourcing and pricing • Supply chain efficiencies	• Continued engagements on options • Review terms
Shareholders	• AGM • Investor and shareholders briefings	• Business growth • Value creation • Business risk • Long term targets	• Growth and value creation strategy implementation • Monitoring and long term investments
Finance Institutions	• Formal meetings • Briefings	• Lending terms and interest • Investment opportunities • Financial Risk	• Negotiations and engagements • Improved facilities and new options
Government and Regulators	• Policy briefings, compliance inspections, formal meetings	• Regulatory compliance • Business development compliance	• Achieving compliance with statutory • Business regulatory compliance

Sustainability Performance & SDGs Contribution

Probrands are concluding the installation of a UHT milk plant which is expected to be commissioned in November 2016

ENVIRONMENTAL PERFORMANCE

The impact of environmental and climate change are critical to the viability of our business. Potential consequences on environmental and natural resources risk can be financial, physical and intangible. As such, this necessitates the Group to take appropriate measures to minimise impacts on the environment, climate and natural resources which are considered as capital for the business.

PRIORITIES

- Efficient use of materials in production and products.
- Managing waste material disposal and recycling.
- Managing efficient use of energy and water resources.
- Ensuring set targets are achieved.
- Contributing to climate change mitigation.

MANAGEMENT APPROACH

The Group is committed to ensure operations are in compliance with environmental laws, voluntary and international best practices in managing environmental, climate and natural resources.

The Group's approach is to identify potential environmental and climate hazards, evaluate the risk and take appropriate measures to control or eliminate the risk. Group units have standard environmental policies which must be followed to minimise impacts on the environment, climate and biodiversity. The Group ensures that its response to environmental impacts is recognised as a contribution to Sustainable Development Goals (SDGs).

Sustainability Performance & SDGs Contribution

SUSTAINABLE DEVELOPMENT GOAL (SDGs) CONTRIBUTION

The Group contributed to the following United Nations supported SDGs through sustainability reporting performance indicators:

SDG	THEME	OUR BUSINESS RESPONSE(S)
6 CLEAN WATER AND SANITATION	'Ensure availability and sustainable management of water and sanitation'.	The Group enhanced the utilisation of water resources in its operation by effectively managing the resource in way that meets regulatory requirements and avoiding harming the water sources.
7 RENEWABLE ENERGY	'Sustainable and modern energy '.	The Group monitors energy utilisation and continue to work towards clean energy in business operations.
8 GOOD JOBS AND ECONOMIC GROWTH	'Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all'.	The Group enhanced its production efficiency for materials used to minimise waste, production energy and waste disposal.

SUSTAINABILITY PERFORMANCE

Sustainability performance for the Group is based on business units remaining following the unbundling of Quick Services Restaurants (now Simbisa Brands Limited), Speciality Retail and Distribution (now Axia Corporation) and Disposal of SPAR Retail stores and Distribution (Spar Franchise). Sustainability Performance data from the unbundled units was excluded to reflect the prevailing position as of 30 June 2016 and comparatives have been adjusted to show like for like numbers.

KEY MATERIALS

The table below summarises key material consumption by the Group

Materials Used	Unit	2016	2015
Cereal and Starch	Tons	675 289	695 223
Meat - Pigs and Birds	Tons	1 411	1 119

Major materials consumed by the Group reflect materials consumed by the remaining business units following the unbundling of Simbisa Brands Limited and Axia Corporation Limited. Simbisa Brands Limited operates a chain of quick service restaurants which largely consumed cereals and starch, meat, oils, potatoes and ice creams. Materials consumed by Simbisa Brands, Axia Corporation Limited and SPAR operations have not been included in the above figures.

Sustainability Performance & SDGs Contribution

SUSTAINABILITY PERFORMANCE (continued)

Percentage of materials used that are recycled input materials

Materials	Unit	2016	2015
Overall Material Recycled	%	6	12

Materials recycled in percentage decreased by 50% from 2015. However, efforts will continue to be made to ensure that materials are recycled while meeting regulatory compliance and requirements.

ENERGY

Achieving energy efficiency is an integral ambition through the Group's energy policy that promote innovation and efficient energy usage in all our operations. Achieving energy efficiency remains the Group's priority for innovation and cost cutting. Business units continue to explore potential clean energy sources and capital investment. The table below shows the Group's energy consumption during the reporting period.

Energy Consumption - Within the Organisation

Energy Type	Unit	2016	2015
Electricity	MWH	970 683	661 450
Heating (Coal)	Tons	3 997	2 303
Fuel for Ovens	Litres	2 746 268	2 818 076

Electricity and heating coal increased by 47% and 74% respectively from 2015. The increased use of electricity was largely influenced by constant supply of electricity during the year as compared to prior year. The increase was also largely to support increased production activities during the year. Fuel for ovens decreased by 3% due to improved heating efficiencies.

Energy Consumption - Outside the Organisation

Energy Type	Unit	2016	2015
Diesel	Litres	6 930 370	5 423 142
Petrol	Litres	165 223	135 509
Total		7 095 593	5 558 651

Fuel consumption outside the organisation is associated with delivery to customers and collection of production materials. Fuel consumption of both diesel and petrol outside the organisation increased by 27% and 22% respectively due to increasing delivery activities and growth in delivery areas covered.

Sustainability Performance & SDGs Contribution

WATER RESOURCE

Water remains a critical resource to the Group's operations. Therefore, constant measurement and monitoring of sources where water is withdrawn is integral. Below is the distribution of the sources and quantities withdrawn from each source by our operations:

Source	Unit	2016	2015
Surface (from dams)	C/Litres	138 671	174 784
Ground Water (Borehole)	C/Litres	807 544	934 438
Water Supplies	C/Litres	146 514	293 797

Water usage decreased in 2016 from 2015 in line with production requirements and efficient utilisation. The year under review was largely affected by the El-Nino phenomena that affected the rainfall pattern in many Southern African countries prompting business units to take measures to conserve and efficiently utilise limited water supplies.

WASTE AND EFFLUENT

Managing waste disposal process in the Group is a critical function which requires appropriate attention to ensure disposal methods meet required and approved standards to avoid harming the environment and climate. The table below presents how waste disposal was managed:

Waste Type	Disposal Method	Unit	2016	2015
Solid Wastes	Landfill and Compost	Tons	1 897	2 966
Chicken manure	Grass pasture spread	Tons	6 543	7 560
Maturation (rich with Phosphate)	Pond Irrigation	Cubic ml	48 987	46 800
Sweepings mixed with sand	Containerway disposal	Tons	925	118
Inflammable Waste	Council dumpsite	Tons	—	167
Flammable Waste	Incinerated in boilers	Tons	—	246
Polyethylene Plastics	Sold for recycling	Tons	699	449

The Group continues to ensure that most waste is disposed appropriately and in a responsible manner. Efforts continue to be made to improve the measurement of data supporting the statistics above.

National Foods completed the acquisition of a 40% non-controlling stake in Pure Oils

Sustainability Performance & SDGs Contribution

Sustainability Performance & SDGs Contribution

SOCIAL COHESION AND COMMUNITY INVESTMENTS

The Group strives to continuously improve and maintain human capital and community investments at appropriate standing for the purpose of ensuring the Group's long-term business success and sustainability. To optimise human capital contribution into our performance, the Group provides a work environment based on the values of fairness, opportunity creation, integrity, non-discrimination, equal opportunities, empowerment, decent work conditions, good health facilities and motivation activities. The Group believes that society is an integral part of the business which the Group should continue to plough back to.

PRIORITIES

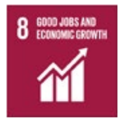
- Providing employment opportunities.
- Minimising workplace health and safety incidents.
- Investing in Human Capital development.
- Enhancing employees' well being and capacity.
- Supporting Community Development.

MANAGEMENT APPROACH

The Group is committed to ensure operations are in compliance with labour laws, voluntary and international labour practices and contribution to sustainable and community development. The Group's approach is to identify potential health and safety risks, evaluate the risk and take appropriate measures to control or eliminate the risk. Group units engage with communities and other stakeholder groups to identify potential need and contribution. The Group believes that the wellbeing of the society is integral in providing business opportunities and human capital and is therefore a vital investment for the Group. The Group ensures that its response to environmental impacts is recognised as a contribution to SDGs.

SUSTAINABLE DEVELOPMENT GOALS (SDGs) CONTRIBUTION

The Group contributed to the following United Nations supported SDGs through sustainability reporting performance indicators:

SDG	THEME	OUR BUSINESS RESPONSE(S)
	'Employment and decent work for all'.	Created and sustained employment and decent working conditions through health and safety, and wellness programmes.
	'Promote peaceful and inclusive societies for sustainable development.	• Provided support to our employees and their families through wellness programmes. • Financial investment in various social, community development and charity activities. • Provided employees with training and education.

SUSTAINABILITY PERFORMANCE

Human Capital Management

The Group believes that employee engagement is linked to improved organisational performance, improved operational capacity and capability. The Group also believes that employee engagement is an outcome of maintaining employees motivated and compensated in accordance with performance, effort and contribution.

Employee Engagement

Total Employees	Unit	2016	2015
Male	Count	6 707	7 393
Female	Count	1 641	1 848
Total Employees		**8 348**	**9 241**

During the year Innscor Africa Limited underwent many divisional restructuring exercises including unbundling of Simbisa Brands Limited and Axia Corporation Limited. The staff complement from the unbundled unit has not been included in the 2016 comparatives.

Work Related Accidents/Injuries

The Group observes strong consideration to incidents of safety and fatalities within our work places. Appropriate action is always taken where incidents that affect employees' wellbeing are noted.

	Unit	2016	2015
Total Number of Injuries	Incidence	344	354
Number of work related fatalities	Incidence	0	1
Safety Training (days)	Days	140	135

Health and Safety topics covered in formal agreements with Trade Unions

During the year, major topics discussed with Works Council and Trade Unions were mainly related to Breast cancer, Diabetes, Random Sugar Testing, STIs, Condom Use, HIV/AIDS, Basic hygiene, Hazards Identification and Risk Assessment (HIRA), Fire fighting, Machine Specific Safety and general safety in the work place.

Sustainability Performance & SDGs Contribution

The Group's Bakery Operations replaced its entire distribution fleet during the year under review

SUSTAINABILITY PERFORMANCE (continued)

Employee Wellness Programme

The Group continues to support and prioritise safety, health and well-being of employees and their families through the Wellness Programme. Our Wellness Programmes continue to provide employees and their dependents with many opportunities to foster a lifestyle sensitive and responsive to all the dimensions of the total wellbeing. The prevailing economic and operational environment has been challenging but our wellness interventions which include counselling and coaching has helped to mitigate some of the adverse effects on employees. Statistics of our Wellness activities showed a positive influence on the health and wellness behaviours of our employees and their families. Our employees and their dependents have access to our Primary Health Care facilities in Harare, Bulawayo and Kariba. The Harare Innscor Total Wellness Centre is an HIV Testing and ART Centre. All our centres are manned by experienced and trained personnel. The table below summarises wellness activities during the year:

Sustainability Performance & SDGs Contribution

SUSTAINABILITY PERFORMANCE (continued)

PROGRAMMES	ACTIVITIES & OUTCOMES
Annual Wellness Day	• 5 years running the day event. • Event activities included cancer awareness, stress management and massage, general health check, men's sexual reproductive health, eye testing, dental check-up, VCT, Blood typing, BP check, BMI; Glucose Testing and counselling. • Employees across the country participated in sporting activities which include soccer, netball and volleyball among others.
Outreaches	• Employees participated in various events which included 'General Wellness Talk' and stress management. • Outreach activities were conducted across Zimbabwe.
Individual Meetings	• Encouraged employees and their dependents to utilise the facility in Harare, with counselling facilities. • Zumba classes were started in Chitungwiza. • A Wellness Passport introduced as a pilot project. • Feedback system introduced for employees.
Lectures and Workshops	• Conducted workshops for Innscor Wellness Centre for employees and dependents. • 85% participation rate in all our meetings.
Breast Cancer Awareness	• Initiated workplace based Breast Cancer awareness. • Breast Cancer Awareness breakfast meetings held in Bulawayo, Mutare, Masvingo and Kariba targeting Group employees and their dependents.
Wellness Staff Development	• Skills and knowledge development of staff on training, team building, HIV Counselling, Testing and coaching etc.

Wellness Programs Attendance

Our wellness attendance and participation during the Annual Wellness day were as follows:

ACTIVITY	UNIT	ATTENDANCE
BMI/BP/BL SUGAR	Counts	264
Massage & Wellness	Counts	68
Men's Health	Counts	180
HIV Testing	Counts	370
Counselling	Counts	170
Blood Typing	Counts	98
Cancer Awareness talks	Counts	397
Dental Checks	Counts	235
Visual Screening	Counts	154

Sustainability Performance & SDGs Contribution

SUSTAINABILITY PERFORMANCE (continued)

Learning and Development

Learning and development is a critical aspect of the Group's philosophy of investing in human capital that is well motivated, technically sound and equipped to provide efficient and effective customer service and production. The table below presents the average employee training time invested by the Group:

Average Training hours per Employee – Internal Training	Unit	2016	2015
Male	Hours	35	38
Female	Hours	29	32

Average training hours per employee decreased by 9% respectively from 2015. The Group continued to work toward equitable training for both male and female employees.

Due to resource constraints during the year, training activities were mainly concentrated to in-house training.

COMMUNITY DEVELOPMENT AND CHARITY SUPPORT

Community Development

	COMPANY	ACTIVITY	AREA/VENUE
Community Empowerment and Development	Innscor	• Donation for community development	Chegutu
	National Foods	• Donated to 2 hospitals	Masvingo
		• Supported assorted initiatives	Across the country
	Colcom	• Supported social and interaction initiative by the Zimbabwe National Army.	Across the country
Education	National Foods	• Supported 11 learning institutions and activities.	Across the country
Sport	Innscor	• 22 School girls Soccer Tournament	Avonlea Primary School
	National Foods	• Supported rugby tournament and fun runs.	Across the country

Sustainability Performance & SDGs Contribution

COMMUNITY DEVELOPMENT AND CHARITY SUPPORT (continued)

Charity Support

SUPPORT PRIORITY	COMPANY	SUPPORT ACTIVITY (IES)	BENEFICIARY/ AREA
Disability support	Innscor	• Wheel chair support for a boy child with acute cerebral palsy, who had been waiting for a special wheel chair for 8 years. • Building wheel chair access points and bedroom for ex-employee injured after being involved in a horrific accident which rendered her paraplegic.	Chitungwiza
	National Foods	• Supported 3 disabled persons institutions.	Danhiko, Emerald Hill and Zimcare
	Irvine's	• Supported 2 disabled persons institutions. • Monthly donation of eggs.	Danhiko Olympics and Jairos Jiri
Orphanage	Colcom	• Donated various materials and food stuffs to orphanages and children's homes. • Supported Emerald Hill Children's Home, St Joseph & St Marcellaines Homes, Chinyaradzo Children's Home, Makumbe Children's Home, Jairos Jiri and Shearly Cripps Orphanage.	Across the country
	National Foods	• Supported over 17 Orphanages.	Across the country
	Irvine's	• Supported 4 children's homes and orphanages in addition individual school fees. • Monthly donation of eggs.	St Joseph House, St Marcellins, Harare Children's and Emerald Hill
Old People's Homes	Colcom	• Supported with various materials and contributions to Athol Evans.	Harare
	National Foods	• Donated to over 15 old people's homes.	Across the country
	Irvine's	• Supported 5 old people's homes. • Monthly donation of eggs.	Athol Evans, Harare Senior Citizens, Waterfalls Trust, Fairways & Valhalla Old People's Homes
Arts, Social and Regional	National Foods	• Supported agricultural show and HIFA.	Across the country
Animal Welfare	Colcom	• Support to Animal Welfare Zimbabwe and the SPCA for animal welfare.	Harare, Tikki Haywood Trust
	National Foods	• Donated to wildlife and anti-poaching. • Supported SPCA show.	Dambari Wildlife and Harare Region.

Sustainability Performance & SDGs Contribution

ECONOMIC PERFORMANCE

The prevailing economic environment and global challenges impacts on the Group's performance. Prevailing outlook in which major economies have been slowing down has had economic effects prompting the Group to take appropriate measures while considering various alternative business opportunities.

MANAGEMENT APPROACH

The Group is committed to building a business that will continue to be sustainable while creating value for our shareholders and stakeholders. The Group's approach is to ensure that our experienced teams with industry expertise, deep market knowledge and entrepreneurial creativity continue to manage all capitals deployed for value creation and sustaining in the short and long term. The Group ensures that its response to environmental impacts is recognised as a contribution to SDGs.

SUSTAINABLE DEVELOPMENT GOALS (SDGs) CONTRIBUTION

The Group contributed to the following United Nations supported SDGs through sustainability reporting performance indicators:

SDG	THEME	OUR BUSINESS RESPONSE(S)
8 GOOD JOBS AND ECONOMIC GROWTH	'Promote sustained, inclusive and sustainable economic growth	Distributed economic value created to support economic growth through taxes paid to government, employee welfare, supporting community development and local supply chain support in our business activities.

The Irvine's soccer team won the 2016 wellness tournament

Sustainability Performance & SDGs Contribution

SUSTAINABILITY PERFORMANCE

Coverage of the Defined Contribution Pension Plan

The Group's pension schemes are managed through 3 self-administered defined contribution plans for qualifying employees (Innscor Africa Limited Pension Fund, National Foods Pension Fund and Colcom Pension Fund) and 3 compulsory external schemes (National Social Security Authority Scheme & Workers Compensation Insurance Fund, and Catering Industry Pension Fund). Contributions to the schemes are presented below:

Information	Unit	2016	2015
Amount Paid	USD	3 230 270	3 363 290

Coverage of defined Contribution Pension plan payment decreased by 4% from 2015 due to staff reduction.

Financial Assistance from Government

During the year under review, no government assistance was received.

Information	Unit	2016	2015
Amount Received	USD	—	235 924

The government assistance received in 2015, was mainly to our Appliance Manufacturing business unit associated with commissioning a new environmentally friendly plant. During 2016, the Group benefited from government sponsored initiatives in health, education, farming and food security.

Staff Wellness day conducted for the 5th year running

10%
growth
in feed volumes
at Profeeds over the
comparative
year

Directors' Responsibility and Approval of Financial Statements

The Directors of the Company are required by the Zimbabwe 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 year. 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 Africa Limited 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 includes assessments of the relative strengths and weaknesses of key control areas. In a growing Group of the size, complexity and diversity of Innscor it may be expected that occasional breakdowns in established control procedures may occur; any such breakdowns have been reported to the Group's Audit Committee and the Board.

The financial statements for the year ended 30 June 2016, which appear on pages 45 to 124, have been approved by the Board of Directors and are signed on its behalf by:

A B C CHINAKE
Chairman
Harare
27 October 2016

G GWAINDA
Executive Director

Company Secretary's Certification

I certify that, to the best of my knowledge and belief, the Company has lodged with the Registrar of Companies all such returns as are required to be lodged by the Public entity in terms of the Companies Act (Chapter 24:03) of the Republic of Zimbabwe, and all such returns are true, correct and up to date.

A D LORIMER
Company Secretary
Harare
27 October 2016

Report of Directors

The Directors have pleasure in presenting their report together with the audited financial statements of the Group for the year ended 30 June 2016.

Share Capital

At 30 June 2016 the authorised share capital of the Company comprised of 800 000 000 ordinary shares of USD 0.01 (one cent) each and 1 000 Non-Voting Class "A" ordinary shares of USD 0.01 (one cent) each. The issued share capital was at USD 5 415 934 divided into 541 593 440 ordinary shares of USD 0.01 (one cent) each and 1 000 Non-Voting Class "A" ordinary shares of USD 0.01 (one cent) each.

Group Results

	USD
Profit before tax - continuing operations	39 001 068
Tax expense - continuing operations	(8 523 652)
Profit for the year - continuing operations	30 477 416
Profit after tax from discontinuing operations	963 957
Recycling of foreign exchange differences arising on unbundling of foreign operations	(4 631 967)
Non-controlling interests	(15 741 434)
Profit for the year attributable to equity holders of the parent after recycling of foreign exchange differences arising on unbundling of foreign operations	11 067 972

Dividends

Ordinary shares

The Board declared an interim dividend of 0.30 US cents per share and a final dividend of 0.60 US cents per share. This brings the total dividend in respect of the 2016 financial year to 0.90 US cents per share.

Innscor Africa Employee Share Trust

The Board declared an interim dividend of USD 81 000 and a final dividend of USD 148 000 to the Innscor Africa Employee Share Trust (Private) Limited. This brings the total dividend in respect of the 2016 financial year to USD 229 000.

Directors and their Interests

In terms of the Company's Articles of Association, Mr. M.J. Fowler and Mr. T.N. Sibanda retire from office by rotation and being eligible offer themselves for re-election. During the year under review, Messrs Dionisio and Koumides resigned from the Board with effect from 30 September 2015 and 1 July 2016 respectively. Mr. J.P. Schonken assumed the role of Group Chief Executive Officer replacing Mr. Antonio (Toni) Fourie who resigned from the board with effect from 21 August 2016. Mr. Schonken was previously the Director in charge of the Group's Light Manufacturing sector. The beneficial interests of the Directors in the shares of the Company are disclosed in note 23.4 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 2016 (note 10.1).

Auditors

Members will be asked to approve the remuneration of the auditors for the financial year ended 30 June 2016 and to reappoint Ernst & Young as auditors of the Group to hold office for the ensuing year.

For and on behalf of the Board.

A B C CHINAKE
Chairman
27 October 2016

A D LORIMER
Company Secretary

EY
Building a better working world

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

Report on the consolidated financial statements
We have audited the accompanying consolidated financial statements of Innscor Africa Limited set out on pages 45 to 123, which comprise the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements
The 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 consolidated 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 consolidated 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 2016, 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).

Ernst & Young

ERNST & YOUNG
CHARTERED ACCOUNTANTS (ZIMBABWE)
REGISTERED PUBLIC AUDITORS

28 October 2016
Harare

Group Statement of Profit or Loss and Other Comprehensive Income

	Note	2016 USD	Restated 2015 USD
Continuing Operations			
Revenue	8	586 910 708	554 288 478
cost of sales		(378 980 611)	(357 643 118)
Gross profit		207 930 097	196 645 360
other income	9.1	2 880 525	2 072 628
operating expenses	10	(155 783 871)	(155 167 734)
Operating profit before impairment, depreciation, amortisation and fair value adjustments		55 026 751	43 550 254
impairment of property, plant and equipment and intangible assets		(1 708 921)	(415 868)
financial income	9.2	1 421 888	907 189
depreciation and amortisation		(15 974 415)	(14 291 179)
fair value adjustments on listed equities		—	67 114
fair value adjustments on biological assets		312 053	616 825
Profit before interest, equity accounted earnings and tax		39 077 356	30 434 335
interest income	11.1	1 290 787	2 677 244
interest expense	11.2	(6 127 835)	(4 806 204)
equity accounted earnings	17.1	4 760 760	2 872 970
Profit before tax		39 001 068	31 178 345
tax expense	12.1	(8 523 652)	(8 038 306)
Profit for the year from continuing operations		30 477 416	23 140 039
Discontinuing Operations			
(Loss)/profit after tax for the year from discontinuing operations	13	(3 668 010)	14 498 499
profit after tax for the year from operations	13	963 957	14 498 499
recycling of foreign exchange differences arising on unbundling of foreign operations	24	(4 631 967)	—
Profit for the year from continuing and discontinuing operations		26 809 406	37 638 538
Other comprehensive income - to be recycled to profit or loss			
exchange differences arising on the translation of foreign operations, net of tax		(3 218 376)	(1 515 304)
recycling of foreign exchange differences arising on unbundling of foreign operations	24	4 631 967	—
Other comprehensive income for the year, net of tax		1 413 591	(1 515 304)
Total comprehensive income for the year		28 222 997	36 123 234

Group Statement of Profit or Loss and Other Comprehensive Income (continued)

	Note	2016 USD	Restated 2015 USD
Profit for the year attributable to:			
equity holders of the parent		11 067 972	18 260 076
non-controlling interests		15 741 434	19 378 462
		26 809 406	37 638 538
Total comprehensive income for the year attributable:			
equity holders of the parent		13 409 063	17 524 937
non-controlling interests		14 813 934	18 598 297
		28 222 997	36 123 234
Earnings per share (cents)			
Basic earnings per share - continuing operations	6.4	3.20	1.59
Headline earnings per share - continuing operations	6.4	3.40	1.64
Diluted basic earnings per share - continuing operations	6.4	3.20	1.59
Diluted headline earnings per share - continuing operations	6.4	3.40	1.64

Group Statement of Financial Position

	Note	2016 USD	2015 USD
ASSETS			
Non-current assets			
property, plant and equipment	15	170 421 762	192 231 449
intangible assets	16	38 980 447	41 297 301
investments in associates	17	21 947 735	14 686 405
other financial assets	19	215 921	2 982 838
biological assets	20.1	1 607 026	1 611 960
deferred tax assets	26	4 408 712	9 267 112
		237 581 603	262 077 065
Current assets			
other financial assets	19	3 811 658	4 034 474
biological assets	20.2	14 457 091	12 814 733
inventories	21	81 421 194	109 770 736
trade and other receivables	22	66 812 012	94 488 510
cash and cash equivalents		25 743 731	30 120 426
		192 245 686	251 228 879
Assets of disposal group classified as held for sale/distribution	13	23 233 326	62 793 462
		215 479 012	314 022 341
Total assets		453 060 615	576 099 406
EQUITY AND LIABILITIES			
Capital and reserves			
ordinary share capital	23.2	5 415 934	5 415 934
class "A" ordinary share capital	23.2	10	10
non-distributable reserves	24	(3 276 219)	(6 029 267)
translation reserves of disposal group classified as held for sale	24	238 210	—
distributable reserves	25	168 973 752	217 050 477
attributable to equity holders of the parent		171 351 687	216 437 154
non-controlling interests		92 930 342	115 500 983
Total equity		264 282 029	331 938 137
Non-current liabilities			
deferred tax liabilities	26	26 460 839	28 625 975
interest-bearing borrowings	27	3 116 673	12 797 835
		29 577 512	41 423 810
Current liabilities			
interest-bearing borrowings	27	59 317 315	54 810 174
trade and other payables	28	85 382 711	118 368 106
provisions	29	2 453 127	4 548 912
current tax liabilities	30	491 735	556 550
		147 644 888	178 283 742
Liabilities directly associated with the assets classified as held for sale/distribution	13	11 556 186	24 453 717
		159 201 074	202 737 459
Total liabilities		188 778 586	244 161 269
Total equity and liabilities		453 060 615	576 099 406

A B C CHINAKE
Chairman
Harare
27 October 2016

G GWAINDA
Executive Director

Group Statement of Changes in Equity

	Note	Ordinary Share Capital USD	Class A Ordinary Share Capital USD	Non-Distributable Reserves USD	Translation reserves of disposal group classified as held for sale USD	Distributable Reserves USD	Total USD	Non-controlling Interests USD	Total USD
		attributable to equity holders of the parent							
Balance at 01 July 2014		**5 415 934**	**10**	**(5 294 128)**	**—**	**208 458 801**	**208 580 617**	**108 269 714**	**316 850 331**
Profit for the year		—	—	—	—	18 260 076	18 260 076	19 378 462	37 638 538
Other comprehensive income		—	—	(735 139)	—	—	(735 139)	(780 165)	(1 515 304)
Dividends paid		—	—	—	—	(7 269 418)	(7 269 418)	(7 844 271)	(15 113 689)
Transactions with owners in their capacity as owners		—	—	—	—	(2 398 982)	(2 398 982)	(3 522 757)	(5 921 739)
Balance at 30 June 2015		**5 415 934**	**10**	**(6 029 267)**	**—**	**217 050 477**	**216 437 154**	**115 500 983**	**331 938 137**
Profit for the year		—	—	—	—	11 067 972	11 067 972	15 741 434	26 809 406
Other comprehensive income		—	—	2 341 091	—	—	2 341 091	(927 500)	1 413 591
Dividends paid		—	—	—	—	(4 832 545)	(4 832 545)	(9 463 532)	(14 296 077)
Simbisa dividend-in-specie	14.5	—	—	—	—	(29 468 288)	(29 468 288)	—	(29 468 288)
Axia dividend-in-specie	14.5	—	—	—	—	(27 754 800)	(27 754 800)	—	(27 754 800)
Transactions with owners in their capacity as owners*		—	—	650 167	—	2 910 936	3 561 103 [1]	(27 921 043) [2]	(24 359 940)
Transfer of translation reserves to disposal group classified as held for sale		—	—	(238 210)	238 210	—	—	—	—
Balance at 30 June 2016		**5 415 934**	**10**	**(3 276 219)**	**238 210**	**168 973 752**	**171 351 687**	**92 930 342**	**264 282 029**

*Transactions with owners in their capacity as owners are explained as follows:
1. Comprise reserves on unbundling of QSR and SRD operations
2. Relate to carrying amounts of non-controlling interests' on unbundling of QSR and SRD operations

Group Statement of Cash Flows

	Note	2016 USD	Restated 2015 USD
Cash generated from operating activities	14.1	53 053 564	66 849 325
interest income - continuing and discontinuing operations	11.1	1 862 694	3 165 698
interest expense - continuing and discontinuing operations	11.2	(7 977 620)	(7 615 030)
tax paid - continuing and discontinuing operations	14.2	(11 548 556)	(15 514 990)
Total cash available from operations		35 390 082	46 885 003
Investing activities	14.3	(30 794 938)	(40 480 637)
Net cash flow before financing activities		4 595 144	6 404 366
Financing activities		(10 368 426)	(9 675 519)
dividends paid by holding company	7.1	(4 832 545)	(7 269 418)
dividends paid by subsidiaries to non-controlling interests	7.3	(9 463 532)	(7 844 271)
proceeds from borrowings - continuing and discontinuing operations	27.2	67 179 839	66 472 947
repayment of borrowings - continuing and discontinuing operations	27.2	(59 976 006)	(55 638 407)
net loans repaid to non-controlling interests		(3 276 182)	(5 396 370)
Net decrease in cash and cash equivalents		(5 773 282)	(3 271 153)
Cash and cash equivalents at the beginning of the year		33 847 187	37 118 340
Cash and cash equivalents at the end of the year		28 073 905	33 847 187
Cash and cash equivalents comprise:			
cash and cash equivalents attributable to continuing operations		25 743 731	30 120 426
cash and cash equivalents attributable to discontinuing operations		2 330 174	3 726 761
		28 073 905	33 847 187

Notes to the Financial Statements

1 Corporate Information

The consolidated financial statements of Innscor Africa Limited for the year ended 30 June 2016 were authorised for issue in accordance with a resolution of the Directors on 27 October 2016. 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 that of the light manufacture of fast moving and durable consumer goods.

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).

3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2016. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

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

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

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

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

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

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

Notes to the Financial Statements

3 Basis of consolidation (continued)

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. 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:

New and Amended IFRSs adopted

The accounting policies adopted in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2016 are consistent with those followed in the preparation of the Group's annual consolidated financial statements in the prior year. There were no amendments during the financial year which had an impact on the Group.

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 those standards when they become effective.

IFRS 5 – Changes in methods of disposal

Assets (or disposal groups) are generally disposed of either through sale or through distribution to owners. The amendment to IFRS 5 clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5.

The amendment must be applied prospectively to changes in methods of disposal that occur in annual periods beginning on or after 1 January 2016, with earlier application permitted.

The Group will consider the amendment, if applicable, when they become effective.-

IFRS 7 – Servicing Contracts

Paragraphs 42A - H of IFRS 7 require an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety. The IASB was asked whether servicing contracts constitute continuing involvement for the purposes of applying these disclosure requirements. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in paragraphs IFRS 7.B30 and IFRS 7.42C in order to assess whether the disclosures are required. The Group will consider early adoption of the amendment, if applicable.

Notes to the Financial Statements

4 Changes in accounting policy and disclosures (continued)

IFRS 7 – Financial Instruments Disclosures: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements

In December 2011, IFRS 7 was amended to add guidance on offsetting of financial assets and financial liabilities. In the effective date and transition for that amendment, paragraph 44R of IFRS 7 states that an entity shall apply those amendments for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The interim disclosure standard, IAS 34, does not reflect this requirement, however, and it is not clear whether those disclosures are required in the condensed interim financial report. The amendment removes the phrase 'and interim periods within those annual periods' from paragraph 44R, clarifying that these IFRS 7 disclosures are not required in the condensed interim financial report. However, the IASB noted that IAS 34 requires an entity to disclose 'an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period'. Therefore, if the IFRS 7 disclosures provide a significant update to the information reported in the most recent annual report, the Board would expect the disclosures to be included in the entity's condensed interim financial report.

The Group will consider early adoption of the amendments in the preparation of its interim financial statements.

IFRS 9 Financial Instruments – classification and measurement

On 24 July 2014, the IASB issued the final version of IFRS 9-Financial Instruments bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The classification and measurement requirements address specific application issues arising in IFRS 9 (2009) that were raised by preparers, mainly from the financial services industry. The expected credit loss model addresses concerns expressed following the financial crisis that entities recorded losses too late under IAS 39. IFRS 9 stipulates that financial assets are measured at amortised cost, fair value through profit or loss, or fair value through other comprehensive income, based on both the entity's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Apart from the 'own credit risk' requirements, classification and measurement of financial liabilities is unchanged from existing requirements. IFRS 9 is applicable for annual periods beginning on or after 1 January 2018, but early adoption is permitted.

The Group is currently assessing the impact of IFRS 9, on the Group's reporting disclosures and will adopt it's requirements where applicable when it becomes effective.

IFRS 11 Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11

The amendments require an entity acquiring an interest in a joint operation in which the activity of the joint operation constitutes a business to apply, to the extent of its share, all of the principles in IFRS 3, and other IFRSs, that do not conflict with the requirements of IFRS 11. Furthermore, entities are required to disclose the information required in those IFRSs in relation to business combinations. The amendments also apply to an entity on the formation of a joint operation if, and only if, an existing business is contributed by the entity to the joint operation on its formation. Furthermore, the amendments clarify that for the acquisition of an additional interest in a joint operation in which the activity of the joint operation constitutes a business; previously held interests in the joint operation must not be remeasured if the joint operator retains joint control.

The amendments are applied prospectively and are effective for annual periods beginning on or after 1 January 2016. The Group has considered the early adoption of the amendments when it enters into joint operations.

Notes to the Financial Statements

4 Changes in accounting policy and disclosures (continued)

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers, replaces all existing IFRS revenue requirements. The core principle of IFRS 15 is that revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g. sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgements and estimates.

The standard is effective for annual periods beginning on or after 1 January 2018, but early adoption is permitted. The Group is currently assessing the impact of the standard on its contracts with customers and where appropriate, relevant disclosures and compliance with this IFRS will be enforced earlier.

IAS 16 and IAS 41 - Accounting for Bearer Plants

IAS 41 - Agriculture, currently requires all biological assets related to agricultural activity to be measured at fair value less costs to sell. This is based on the principle that the biological transformation that these assets undergo during their lifespan is best reflected by fair value measurement. However, there is a subset of biological assets, known as bearer plants, which are used solely to grow produce over several periods. At the end of their productive lives they are usually scrapped. Once a bearer plant is mature, apart from bearing produce, its biological transformation is no longer significant in generating future economic benefits. The only significant future economic benefits it generates come from the agricultural produce that it creates.

The IASB decided that bearer plants should be accounted for in the same way as property, plant and equipment in IAS 16 Property, Plant and Equipment, because their operation is similar to that of manufacturing. Consequently, the amendments to include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41.

The amendment is effective for annual periods beginning on or after 1 January 2016 and the Group is currently assessing the impact of the amendment on its Bearer Plants for implementation in Financial Year 2017.

IAS 27 - Equity Method in Separate Financial Statements – Amendments to IAS 27

Amendments to IAS 27 - Separate Financial Statements, allow an entity to use the equity method as described in IAS 28 to account for its investments in subsidiaries, joint ventures and associates in its separate financial statements. Therefore, an entity must account for these investments either:

- At cost
- In accordance with IAS 39 or
- Using the equity method

The entity must apply the same accounting for each category of investments. The amendments must be applied retrospectively and are effective for year ends beginning on or after 1 January 2016. The Group has applied the requirements of this IAS for the reporting period.

IAS 34 - Disclosure of information 'elsewhere' in the interim financial report

IAS 34 requires entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'. However, it is unclear what the Board means by 'elsewhere in the interim financial report'. The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).

Notes to the Financial Statements

4 Changes in accounting policy and disclosures (continued)

The Board specified that the other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

The amendment is effective for annual periods beginning on or after 1 January 2016. The Group has considered the early adoption of the amendment in preparing its interim financial statements.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify the principle in IAS 16 Property, Plant and Equipment and IAS 38 - Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is a part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact to the Group given that the Group has not used a revenue-based method to depreciate its non-current assets.

Amendments to IAS 1 - Disclosure Initiative

The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. The Group will adopt these amendments when they become effective.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The amendments address issues that have arisen in applying the investment entities exception under IFRS 10 - Consolidated Financial Statements. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 - Investments in Associates and Joint Ventures, allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. These amendments must be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group as the Group does not apply the consolidation exception as none of the entities in the Group are investment entities.

Notes to the Financial Statements

4 Changes in accounting policy and disclosures (continued)

IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture.

The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3.

Business Combinations, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

In December 2016, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. These amendments are not expected to have any impact on the Group.

IAS 19 - Employee Benefits

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied prospectively. The amendment is effective for annual periods beginning on or after 1 January 2016. This has no impact on the Group as it does not have defined benefit plans.

IAS 12 - Recognition of Deferred Tax Assets for Unrealised Losses - Amendments to IAS 12

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity.

The standard is effective for annual periods beginning on or after 1 January 2017. Early application is permitted. The Group will consider eary adoption of this amendment.

IAS 7 - Disclosure Initiative - Amendments to IAS 7

The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The standard is effective for annual periods beginning on or after 1 January 2017 and early application is permitted. The Group will apply this amendment when it became effective.

IFRS 2 - Classification and Measurement of Share-based Payment Transactions

The IASB issued amendments to IFRS 2 - Share-based Payment in relation to the classification and measurement of share-based payment transactions. The amendments address three main areas:

- The effects of vesting conditions on the measurement of a cash-settled share-based payment transaction
- The classification of a share-based payment transaction with net settlement features for withholding tax obligations
- The accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity settled.

Notes to the Financial Statements

4 Changes in accounting policy and disclosures (continued)

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. Early application is permitted.

This standard is effective for annual periods beginning on or after 1 January 2018 and early application is permitted. The Group will assess the impact to this proposed amendment and adopt where applicable.

IFRS 16 - Leases

The scope of IFRS 16 includes leases of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets (e.g. personal computers) and short-term leases (i.e. leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs. Early application is permitted, but not before an entity applies IFRS 15.

The standard is effective for annual periods beginning on or after 1 January 2019 and early application is permitted. The Group will assess the impact of the proposed amendment and adopt where applicable.

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.

Notes to the Financial Statements

5 Summary of significant accounting policies (continued)

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, which is when shareholders approve the dividend.

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.

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, National Foods Pension Fund, Colcom Pension Fund, the Catering Industry 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 is or 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.

Notes to the Financial Statements

5 Summary of significant accounting policies (continued)

Royalties
Royalties are calculated in accordance with 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 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 translation of assets and liabilities at the rate of exchange ruling at the reporting date and translation of statement of comprehensive income items at average rates are recognised in other comprehensive income.

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

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host 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.

Notes to the Financial Statements

5 Summary of significant accounting policies (continued)

Business combinations and Goodwill (continued)

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%
Freehold property 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.

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.

Notes to the Financial Statements

5 Summary of significant accounting policies (continued)

Intangible assets (continued)

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 jointly controlled operations. Under the equity method, investments in associates are initially carried in the statement of financial position at cost. Subsequently, the investments in associates are carried at cost plus post-acquisition changes in the Group's share of the reserves of the associates less dividends received from the associates. Goodwill relating to an associate is included in the carrying amount of the investment. The statement of 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.

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.

Notes to the Financial Statements

5 Summary of significant accounting policies (continued)

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 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 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.

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.

Notes to the Financial Statements

5 Summary of significant accounting policies (continued)

Trade and other receivables

Trade and other accounts receivables are subsequently carried at amortised cost after taking into account fair value less an allowance for any uncollectible amounts. Allowance for credit losses 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.

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 profit 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 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 occurring 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.

Notes to the Financial Statements

5 Summary of significant accounting policies (continued)

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 include cattle, pigs and birds. At initial recognition, biological assets are valued at fair value.

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

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 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 payables, 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, 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.

Notes to the Financial Statements

5 Summary of significant accounting policies (continued)

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 countries where the Group operates and generates taxable income.

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

Deferred 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.

Notes to the Financial Statements

5 Summary of significant accounting policies (continued)

Deferred income tax (continued)

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.

Non-current assets held for distribution to equity holders of the parent and discontinued operations

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

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

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for distribution. IFRS 5.

Notes to the Financial Statements

5 Summary of significant accounting policies (continued)

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

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

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

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

Additional disclosures are provided in Note 13. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

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 18 to 19 of this annual report.

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 the 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 60 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

The Group estimates the slaughter weights of the pig grower head based on a 21 week profile. Pigs ages between 0 - 5 weeks are not fair valued and are stated at cost at the reporting date. The Group also estimates average slaughter weights for the breeding head.

Cattle

The average live weight of cattle is used in determining fair value.

Birds and hatching eggs

Breeder livestock is valued based on the actual costs incurred in rearing the birds and is amortised in relation to the expected hatching eggs to end of lay. The valuation of broilers livestock is based on the actual costs incurred in rearing the birds. Layers are valued at fair market price less selling costs. Fair market price is determined from the price the company sells point of lay and end of lay birds to the market.

Refer to note 20 for the carrying amount of biological assets and the estimates and assumptions used to determine fair value.

Notes to the Financial Statements

5 Summary of significant accounting policies (continued)

Deferred tax

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the value of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer to note 26 for the carrying amount of deferred tax assets and the evidence supporting recognition.

Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in arm's length transactions of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Refer to note 16 for the assumptions applied in testing cash generating units with goodwill for impairment.

Consolidation of entities in which the Group holds less than majority of voting rights

Due to a change in governance structures, and in accordance with IFRS 10 (Consolidated Financial Statements), the Group consolidated the results of National Foods Holdings Limited (National Foods) and Irvine's Zimbabwe (Private) Limited (Irvine's) with effect from 1 July 2013. Although the Group does not hold more than 50% ownership interest and voting rights in National Foods and Irvine's, the Group considers that it controls these entities through its respective shareholders' agreements.

For the following investments, the Group has determined that it does/did not have control over these entities as defined by IFRS 10 and as such these investments were equity accounted: Shearwater Adventures (Private) Limited sold, Freddy Hirsch Group (Private) Limited, Paperhole Investments (Private) Limited, Baobab (Private) Limited (unbundled), Hat On (Private) Limited (unbundled), Harlock Management Services Limited (unbundled), Afrigrain Trading Limited, Pure Oil Industries (Private) Limited, Probrands (Private) Limited and Profeeds (Private) Limited.

6 Earnings per share

6.1 Basic earnings basis

The calculation is based on the profit attributable to equity holders of the parent and weighted average number of ordinary shares outstanding during the year.

6.2 Diluted earnings basis

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

The share options arising from the Group's indigenisation transaction had no dilutive effect at the end of the financial year.

6.3 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 the respective tax effects and share of non-controlling interests, as applicable.

Notes to the Financial Statements

6 Earnings per share (continued)

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

6.4 Continuing Operations	Note	2016 USD	Restated 2015 USD
Profit for the year attributable to equity holders of the parent		17 318 026	8 598 647
Number of shares in issue:			
Number of ordinary shares in issue for basic and headline earnings per share		541 593 440	541 593 440
Weighted average number of ordinary shares adjusted for the effect of dilution		541 593 440	541 593 440
Reconciliation of basic earnings to headline earnings:			
Profit for the year attributable to equity holders of the parent		17 318 026	8 598 647
Adjustment for capital items (gross of tax):			
Profit on disposal of investments in associates	9.2	(240 372)	—
Impairment of property, plant and equipment and intangible assets		1 708 921	415 868
Profit on disposal of property, plant and equipment	9.2	(169 583)	(66 445)
Loss on disposal of associate		166 671	—
Loss on disposal of unquoted investments	9.2	—	23 870
Tax effect on adjustments		(333 540)	(96 123)
Non-controlling interests' share of adjustments		(44 647)	3 233
Headline earnings attributable to ordinary shareholders		18 405 476	8 879 050
Basic earnings per share (cents)		3.20	1.59
Headline earnings per share (cents)		3.40	1.64
Diluted basic earnings per share (cents)		3.20	1.59
Diluted headline earnings per share (cents)		3.40	1.64
6.5 Discontinuing Operations			
(Loss)/profit for the year attributable to equity holders of the parent before recycling		(1 618 086)	9 661 429
Recycling of foreign exchange differences arising on unbundling of foreign operations, net of tax		(4 631 967)	—
Total profit attributable to equity holders of the parent		(6 250 053)	9 661 429
Number of shares in issue:			
Number of ordinary shares in issue for basic and headline earnings per share		541 593 440	541 593 440
Weighted average number of ordinary shares adjusted for the effect of dilution		541 593 440	541 593 440

Notes to the Financial Statements

6 Earnings per share (continued)

6.5 Discontinuing operations (continued)

	Note	2016 USD	Restated 2015 USD
Reconciliation of basic earnings to headline earnings:			
Profit for the year attributable to equity holders of the parent		(6 250 053)	9 661 429
Adjustment for capital items (gross of tax):			
Impairment of plant and equipment and intangible assets		1 431 198	462 784
(Profit) / Loss on disposal of property, plant and equipment		(571 821)	196 924
Recycling of foreign exchange differences arising on unbundling of foreign operations	24	4 631 967	—
Loss on restructure of associate		166 671	—
Tax effect on adjustments		(228 970)	(183 392)
Non-controlling interests' share of adjustments		(746 622)	(180 703)
Headline earnings attributable to ordinary shareholders		(1 567 630)	9 957 042
Basic earnings per share (cents) - before recycling of translation differences		(0.30)	1.78
Basic earnings per share (cents) - effect of recycling of translation differences		(0.85)	—
Basic earnings per share (cents) - after recycling of translation differences		**(1.15)**	**1.78**
Headline earnings per share (cents)		(0.29)	1.84
Diluted basic earnings per share (cents) - before recycling of translation differences		(0.30)	1.78
Diluted basic earnings per share (cents) - effect of recycling of translation differences		(0.85)	—
Diluted basic earnings per share (cents) - after of recycling of translation differences		**(1.15)**	**1.78**
Diluted headline earnings per share (cents)		(0.29)	1.84

6.6 Total Operations

	Note	2016 USD	Restated 2015 USD
Net profit attributable to equity holders of the parent attributable earnings before recycling		15 699 939	18 260 076
Recycling of foreign exchange differences arising on unbundling of foreign operations	24	(4 631 967)	—
Total profit attributable to equity holders of the parent		11 067 972	18 260 076
Number of shares in issue:			
Number of ordinary shares in issue for basic and headline earnings per share		541 593 440	541 593 440
Weighted average number of ordinary shares adjusted for the effect of dilution		541 593 440	541 593 440
Headline earnings attributable to ordinary shareholders		16 818 990	18 854 431
Basic earnings per share (cents) - before recycling of translation differences		2.90	3.37
Basic earnings per share (cents) - effect of recycling of translation differences		(0.85)	—
Basic earnings per share (cents) - after recycling of translation differences		**2.05**	**3.37**
Headline earnings per share (cents)		3.11	3.48
Diluted basic earnings per share (cents) - before recycling of translation differences		2.90	3.37
Diluted basic earnings per share (cents) - effect of recycling of translation differences		(0.85)	—
Diluted basic earnings per share (cents) - after of recycling of translation differences		**2.05**	**3.37**
Diluted headline earnings per share (cents)		3.11	3.48

Notes to the Financial Statements

7 Dividends

7.1 Dividends Paid

Dividends paid per share are based on the ordinary number of shares in issue on the effective date of declaration and entitlement of the ordinary shares to the dividend. The final dividend declared in the prior year of 0.55 US cents per share was paid during the current year. In addition, a current year interim dividend of 0.30 US cents per share was declared and paid to ordinary shareholders whilst USD 148 000 was declared and paid to Innscor Africa Employee Share Trust (Pvt) Ltd with respect to the prior year and USD 81 000 in respect of the current year.

	2016 USD	2015 USD
Prior year final dividends	2 978 764	3 791 154
Current year interim dividends	1 624 781	3 126 764
Prior year and current year class "A" ordinary share dividends recognised in current year	229 000	351 500
Total dividends paid	4 832 545	7 269 418

On 9 September 2016, the Board declared a final dividend of 0.60 US cents per share to shareholders registered in the books of the Company by close of business on 14 October 2016. This brings the total dividend in respect of the 2016 financial year to 0.90 US cents per share.

The Board, on the 9th of September 2016, also declared, a final dividend totalling USD 148 000 to the Innscor Africa Employee Share Trust (Pvt) Ltd which brings the total dividend in respect of the 2016 financial year to USD 229 000 (2015: USD 296 000).

7.2 Dividend in Specie

7.2.1 Dividend in Specie in respect of Quick Service Restaurants Segment (QSR)

The Group distributed the consolidated net assets of the QSR business segment to its shareholders through a dividend in specie of USD 29 468 288 or USD 5.44 cents per share. Refer to note **14.5** for additional information.

7.2.2 Dividend in Specie in respect of Specialty Retail & Distribution Segment (SRD)

The Group distributed the consolidated net assets of the SRD business segment to its shareholders through a dividend in specie of USD 27 754 800 or USD 5.12 cents per share. Refer to note **14.5** for additional information.

Notes to the Financial Statements

7 Dividends (continued)

7.3 Dividends paid by subsidiaries to non-controlling interests

Subsidiary	Note	2016 USD	2015 USD
National Foods Holdings Ltd		4 031 828	3 525 724
Geriban Services (Pvt) Ltd t/a Transerv		2 325 990	—
Innscor Credit Retail (Pvt) Ltd t/a TV Sales & Home		1 266 667	1 170 910
Colcom Holdings Ltd		778 072	787 962
Innscor Retail & Distribution Ltd t/a DGA		600 000	500 000
Gredal Enterprises (Pvt) Ltd		159 215	—
Associated Meat Packers (Pvt) Ltd		119 760	99 800
Callcape Investments (Pvt) Ltd		104 000	120 000
Innscor Appliance Manufacturing (Pvt) Ltd t/a Capri		78 000	78 000
Skyfox (Pvt) Ltd		—	160 000
Quick Service Restaurants (Companies)		—	1 105 875
Eagle Agencies (Pvt) Ltd		—	5 000
Spearhead Sales (Pvt) Ltd t/a Spar Mutare		—	291 000
		9 463 532	7 844 271

	Note	2016 USD	Restated 2015 USD
8 Revenue			
Sale of goods		586 910 708	554 288 478
9 Other income			
9.1 Other income			
Sundry income and sales		835 974	792 925
Rebates		346 975	—
Rent received		386 860	341 848
Management fees		450 814	508 481
Commission		74 275	11 089
Insurance claim		74 970	70 893
Other		710 657	347 392
		2 880 525	2 072 628
9.2 Financial income			
Exchange gains - realised		574 089	366 838
Exchange gains - unrealised	14.1	88 210	88 577
Profit/(loss) on disposal of associates and unquoted investments	6.4	240 372	(23 870)
Profit on disposal of property, plant and equipment	6.4	169 583	66 445
Other		349 634	409 199
		1 421 888	907 189

Notes to the Financial Statements

	Note	2016 USD	Restated 2015 USD
10 Operating Expenses - Continuing Operations			
Staff costs		72 183 166	71 045 397
Audit fees and expenses	10.2	707 187	602 051
Operating lease charges- fixed		4 679 932	4 057 279
Operating lease charges- variable		2 364 058	2 498 406
Distribution costs		25 351 362	21 815 077
Repairs and maintenance		7 221 228	7 822 099
Electricity, water and rates		11 316 490	10 231 833
Fuel		3 271 649	3 657 605
Advertising and marketing		5 381 151	4 901 885
Security		2 473 065	2 769 004
Insurance and licenses		2 539 621	1 571 379
Other		18 294 962	24 195 719
		155 783 871	155 167 734
10.1 Included in staff costs are key management's emoluments comprising of:			
Independent, non-executive directors - fees		112 303	77 511
Non-independent, non-executive directors - fees & emoluments		396 902	454 443
Executive directors - total emoluments		1 369 901	1 230 673
Other management remuneration		8 657 452	7 284 108
Total continuing operations		10 536 558	9 046 735
Discontinuing operations		1 285 313	1 269 931
Total continuing and discontinuing operations		11 821 871	10 316 666

*Other management includes executives and senior management of the Group's subsidiary companies and divisions as shown on pages 18 and 19.

	Note	2016 USD	Restated 2015 USD
10.2 Audit fees and expenses			
Current year		520 547	512 418
Prior year (over)/under-provision		(18 761)	29 655
Fees for other services		205 401	59 978
	10	707 187	602 051
10.3 Inventories written off and obsolescence charges		1 422 995	3 838 414

Notes to the Financial Statements

		Note	2016 USD	Restated 2015 USD
11	**Interest income and expense**			
11.1	Interest income			
	Continuing operations		1 290 787	2 677 244
	Discontinuing operations		571 907	488 454
			1 862 694	3 165 698
11.2	Interest expense			
	Continuing operations		(6 127 835)	(4 806 204)
	Discontinuing operations		(1 849 785)	(2 808 826)
			(7 977 620)	(7 615 030)
12	**Tax**			
12.1	Income tax charge			
	Current income tax charge		6 185 192	7 679 182
	Capital gains tax		—	98 500
	Withholding tax		235 989	6 538
	Deferred tax	26.2	2 102 471	254 086
			8 523 652	8 038 306
12.2	Tax rate reconciliation		%	%
	Statutory rate of taxation, inclusive of AIDS levy		25.75	25.75
	Adjusted for:			
	Excess pension		0.18	0.23
	Donations, fines and legal expenses		0.45	0.67
	Profit on sale of investments		(0.41)	0.75
	Capital gains rates		—	0.17
	Depreciation on excess cost of passenger motor vehicles		0.10	0.65
	Tax on associates income		(3.09)	(2.37)
	Excess depreciation of assets transferred and disposed		(0.95)	(0.55)
	Other		(0.18)	0.48
	Effective tax rate		21.85	25.78

Notes to the Financial Statements

13 Discontinued and Discontinuing Operations: Quick Service Restaurants (QSR), Specialty Retail & Distribution (SRD) and Other Businesses Segment

The Group concluded the unbundling of its QSR businesses into a separate entity called Simbisa Brands Limited (SIM.zw) effective 1 October 2015 and distributed this business to its shareholders via a dividend-in-specie on the 30th of October 2015. SIM.zw successfully listed on the ZSE on the 6th of November 2015. The QSR businesses unbundled comprise all the fast food operations in Zimbabwe and across Africa and are reported for three months to 30 September 2015 in these results.

The Group also concluded the unbundling of its SRD businesses into a separate entity called Axia Corporation Limited (AXIA.zw) effective 1 April 2016 and distributed this business to its shareholders via a dividend-in-specie on the 6th of May 2016. AXIA.zw successfully listed on the ZSE on the 17th of May 2016. The businesses within SRD on 1 April 2016 were TV Sales & Home, Distribution Group Zimbabwe and Region and Transerv. SRD results are reported for nine months to 31 March 2016 in these results.

The Group disposed of its interest in SPAR Corporate Retail Stores and Shearwater Adventures (Pvt) Ltd with effect from 1 January 2016. The Group closed the SPAR DC operations with effect from 28 February 2016. Additionally and subject to regulatory approvals, the Board made a strategic decision to disinvest from SPAR Zambia and The River Club.

In compliance with the requirements of IFRS 5 - Non-Current Assets Held for Sale and Discontinued Operations which requires an entity to disclose as a single amount in the statement of comprehensive income, the post-tax profit or loss of the entity held for sale, the Group's Statement of Profit or Loss for the comparative period has been restated to reflect the results of the QSR, SRD, SPAR Retail, Shearwater, SPAR DC, SPAR Zambia and The River Club.

Notes to the Financial Statements

13 Discontinued and Discontinuing Operations: Quick Service Restaurants (QSR), Specialty Retail & Distribution (SRD) and Other Businesses Segment (continued)

The abridged consolidated results for the above-mentioned discontinued and discontinuing operations are as follows:

	Note	2016 USD	Restated 2015 USD
Revenue		249 076 528	446 418 378
Operating profit before depreciation and amortisation		12 036 075	31 417 489
impairment of plant and equipment and intangible assets	14.1	(1 431 198)	(462 784)
other income		842 721	1 680 743
depreciation and amortisation	14.1	(4 163 085)	(9 424 137)
Operating profit before interest and fair value adjustments		7 284 513	23 211 311
fair value adjustments on listed equities		(38 623)	(654)
Profit before interest and tax	14.1	7 245 890	23 210 657
interest income	11.1	571 907	488 454
interest expense	11.2	(1 849 785)	(2 808 826)
equity accounted earnings	17.1	172	(466 645)
Profit before tax		5 968 184	20 423 640
tax expense		(5 004 227)	(5 925 141)
Profit from operations for the year from discontinuing operations		963 957	14 498 499
recycling of foreign exchange differences arising on unbundling of foreign operations	24	(4 631 967)	—
(Loss)/profit from operations for the year from discontinuing operations		(3 668 010)	14 498 499

Notes to the Financial Statements

13 Discontinued and Discontinuing Operations: Quick Service Restaurants (QSR), Specialty Retail & Distribution (SRD) and Other Businesses Segment (continued)

	Note	2016 USD	Restated 2015 USD
Other comprehensive income - to be recycled to profit or loss			
exchange differences arising on the translation of foreign operations, net of tax		(3 220 932)	(1 513 438)
recycling of foreign exchange differences arising on unbundling of foreign operations*	24	4 631 967	—
Other comprehensive income for the year, net of tax		1 411 035	(1 513 438)
Total comprehensive (loss)/income for the year, net of tax		(2 256 975)	12 985 061
(Loss)/profit for the year attributable to:			
equity holders of the parent		(6 250 057)	9 661 429
non-controlling interests		2 582 047	4 837 070
		(3 668 010)	14 498 499
Total comprehensive income for the year attributable to:			
equity holders of the parent		(3 909 933)	8 891 155
non-controlling interests		1 652 958	4 093 906
		(2 256 975)	12 985 061
Earnings per share (cents)			
Basic earnings per share (cents) - before recycling of translation differences	6.5	(0.30)	1.78
Basic earnings per share (cents) - effect of recycling of translation differences	6.5	(0.85)	—
Basic earnings per share (cents) - after recycling of translation differences		**(1.15)**	**1.78**
Headline earnings per share (cents) - discontinuing operations	6.5	(0.29)	1.84
Diluted basic earnings per share (cents) - before recycling of translation differences	6.5	(0.30)	1.78
Diluted basic earnings per share (cents) - effect of recycling of translation differences	6.5	(0.85)	—
Diluted basic earnings per share (cents) - after of recycling of translation differences		**(1.15)**	**1.78**
Diluted headline earnings per share (cents) - discontinuing operations	6.5	(0.29)	1.84

* The recycling of foreign exchange differences on unbundling of foreign operations has no tax impact.

Notes to the Financial Statements

13 Discontinued and Discontinuing Operations: Quick Service Restaurants (QSR), Specialty Retail & Distribution (SRD) and Other Businesses Segment (continued)

	Note	2016 USD	2015 USD
The major classes of assets and liabilities of the Other Businesses Segment and Quick Service Restaurants classified as held for sale and distribution respectively as at 30 June 2016 and 30 June 2015 are as follows:			
Assets			
property, plant and equipment	15.1	3 514 528	46 388 201
intangible assets	16	183 943	480 551
investments in associates	17.1	—	394 668
other financial assets	19.1	918	—
deferred tax assets	26.2	4 076 179	605 763
inventories	21	2 403 893	4 536 204
trade and other receivables	22	10 723 692	6 661 314
cash and cash equivalents		2 330 173	3 726 761
Assets of disposal group classified as held for sale distribution		23 233 326	62 793 462
Liabilities			
deferred tax liabilities	26.1	174 444	3 714 326
interest-bearing borrowings**	27	3 560 990	15 368 702
trade and other payables**	28	7 687 920	16 298 791
provisions	29	132 832	1 272 562
current tax liabilities	30	—	135 132
Liabilities directly associated with the assets classified as held for sale distribution		11 556 186	36 789 513
Intragroup / unbundling adjustments**		—	(12 335 796)
Liabilities directly associated with the assets classified as held for sale distribution		11 556 186	24 453 717
Net assets classified as held for sale / distribution		11 677 140	38 339 745
* Intragroup unbundling adjustments on total assets are broken down as follows:			
Current interest bearing borrowings		—	(8 782 407)
Trade and Other Payables		—	(3 553 389)
		—	(12 335 796)
** Included in intragroup/unbundling adjustments are the following; which are eliminated when the businesses are consolidated into Innscor Africa Limited:			
financial assets		—	8 782 407
trade and other receivables		—	3 553 389
		—	12 335 796

Notes to the Financial Statements

	Note	2016 USD	2015 USD
14 Cash flow information			
14.1 Cash generated from operations			
Profit before interest, equity accounted earnings and tax from continuing operations		39 077 356	30 434 335
Profit before interest, equity accounted earnings and tax from discontinued and discontinuing operations	13	7 245 890	23 210 657
Profit before interest, equity accounted earnings and tax		46 323 246	53 644 992
Depreciation - continuing operations		15 960 872	14 289 193
Depreciation - discontinuing operations	13	4 162 799	9 385 985
Amortisation of intangible assets - continuing operations		13 543	1 986
Amortisation of intangible assets - discontinued and discontinuing operations	13	286	38 152
Other movements in biological assets - continuing operations		278 960	246 668
Unrealised exchange gains - continuing operations	9.2	(88 210)	(88 577)
Unrealised exchange gains - discontinued and discontinuing operations		(388 831)	(567 273)
Inventories written off and provisions charged to income statement - continuing operations	21	1 422 995	3 838 414
Inventories written off and provisions charged to income statement - discontinued and discontinuing operations	21	1 304 021	1 216 666
Allowance for credit losses - continuing operations		963 981	86 542
Allowance for credit losses - discontinued and discontinuing operations		3 312 741	(198 375)
Bad debts written off - continuing operations		1 004 073	255 329
Bad debts written off - discontinued and discontinuing operations		2 201 485	(74 270)
Increase in provision for leave pay and warranty charges - continuing operations		435 387	(445 760)
Increase in provision for leave pay and warranty charges - discontinued and discontinuing operations		327 912	875 265
Fair value adjustment on forward exchange contracts - discontinued and discontinuing operations		74 779	(40 247)
Fair value adjustment on biological assets - continuing operations		(312 053)	(616 825)
Impairment and derecognition of property, plant and equipment and intangible assets - continuing operations		1 708 922	415 868
Impairment and derecognition of property, plant and equipment - discontinued and discontinuing operations	13	1 431 198	462 784
Profit on disposal of property, plant and equipment - continuing operations	9.2	(169 583)	(66 445)
(Profit)/Loss on disposal of property, plant and equipment - discontinued and discontinuing operations		(591 574)	224 518
Bad debts recovered - discontinued and discontinuing operations		(796)	—
Fair value adjustment on listed equity investments - continuing operations	19.1	—	(66 460)
Fair value adjustment on listed equity investments - discontinued and discontinuing operations	19.1	38 623	—
(Profit)/Loss on disposal of unquoted investments - continuing operations	9.2	(240 372)	23 870
Loss on restructure of associate		166 672	—
Minority equity loan ceded on buy-out of non-controlling interests		—	(100 000)
Increase in inventories		(234 917)	(14 148 276)
Increase in biological assets		(1 419 944)	(411 724)
Increase in trade and other receivables		(19 893 074)	(6 363 269)
(Decrease)/increase in trade and other payables		(1 361 773)	7 035 960
Decrease in provisions and other liabilities		(3 377 804)	(2 005 366)
		53 053 564	66 849 325

Notes to the Financial Statements

	Note	2016 USD	2015 USD
14 Cash flow information (continued)			
14.2 Tax paid			
Opening balance		(356 550)	(1 963 668)
Opening balance classified as held for distribution		(135 132)	—
Charged to profit or loss - continuing operations		(6 459 954)	(7 679 182)
Charged to profit or loss - discontinued and discontinuing operations		(6 599 796)	(6 626 079)
Acquisition of subsidiaries	14.4	(164 682)	—
Disposal of subsidiaries	14.6	11 984	—
Unbundling of operations	14.5	1 697 138	—
Exchange and other non-cash movements		166 701	62 257
Closing balance - continuing operations	30	491 735	556 550
Closing balance - discontinuing operations	30	—	135 132
		(11 548 556)	(15 514 990)
14.3 Investing activities			
Expenditure on property, plant and equipment to maintain operations - continuing operations		(11 057 622)	(9 575 439)
Expenditure on property, plant and equipment to maintain operations - discontinued and discontinuing operations		(2 593 037)	(3 536 329)
Expenditure on property, plant and equipment to expand operations - continuing operations		(5 541 833)	(14 154 450)
Expenditure on property, plant and equipment to expand operations - discontinued and discontinuing operations		(4 273 290)	(10 745 442)
Proceeds on disposal of property, plant and equipment - continuing operations		440 357	387 554
Proceeds on disposal of property, plant and equipment - discontinued and discontinuing operations		7 682 985	787 440
Purchase of intangible assets		(9 476)	(47 479)
Borrowing costs capitalised - plant and equipment	15	—	(320 840)
Purchase of quoted and unquoted investments	19.2	(152 616)	(2 283 744)
Capitalised interest	19.2	(6 098)	—
Purchase of associates	17.1	(9 551 939)	(166 813)
Loans paid by/(advanced) to associates	17.1	703 260	(1 701 558)
Dividends received from associates - continuing operations	17.1	1 100 573	800 000
Dividends received from associates - discontinued and discontinuing operations	17.1	—	82 500
Movement in non-current biological assets		(108 766)	(165 714)
Proceeds on disposal of quoted investments	19.1	172 522	159 677
Cash on disposal of subsidiaries	14.6	69 142	—
Purchase of subsidiaries	14.4	(4 321 319)	—
Establishment of subsidiaries		(10 200)	—
Unbundling of operations	14.5	(7 894 284)	—
Proceeds on disposal of associates	17.1	2 100 000	—
Proceeds on disposal of unquoted investments	19.1	2 456 703	—
		(30 794 938)	(40 480 637)

Notes to the Financial Statements

14 Cash flow information (continued)

14.4 Net cash flow arising on the acquisition of subsidiary companies/conversion of associate company to subsidiary

As part of the Group's restructuring and reconfiguration strategy, on 1 July 2015, the Group acquired an effective 26.01% interest in Geribran Services (Private) Limited t/a Transerv, through Moregrow Enterprises (Private) Limited which owned a 51% interest in Transerv. The acquistion resulted in goodwill amounting to USD 4 068 623 being recognised by the Group. This subsidiary was unbundled through a dvidend-in-specie as part of the Specialty Retail and Distribution Segment (AXIA.zw) in May 2016.

The goodwill on Geriban Services (Private) Limited acquisition of USD 4 068 623 comprises the value of expected future profitability arising from the acquisition and the "Transerv" reputation, both of which are not separately recognised. Goodwill entirely relates to the retail segment of the company. The reputation was internally generated and therefore not separable. None of the goodwill recognised is expected to be deductible for income tax purposes.

In addition, on 1 July 2015, the Group acquired an effective 37.51% in Mukwa Distribution Zambia Limited through Innscor Distribution Africa Limited. The acquistion resulted in a net cash outflow of USD 123 541 for the Group. This subsidiary was unbundled through a dvidend-in-specie as part of the Specialty Retail and Distribution Segment (AXIA.zw) in May 2016.

The non-controlling interests in Geriban Services (Private) Limited and Mukwa Distribution Zambia Limited were recognised at the proportionate share of the net assets values as at the date of acquisition.

The Group consolidated Harlock Management Services Limited t/a Galitos with effect from1 July 2015 due to change in governance structures. The entity was previously an associate and as at the date of first time of consolidation, the Group's associate carrying amount was USD 335 112. This subsidiary was unbundled through a dividend-in-specie as part of the Quick Service Restaurants Segment (SIM.zw).

The fair value of the trade receivables for the above acquisitions amounts to USD 2 236 342, which is also the gross amount. However, none of the trade receivables have been impaired and it is expected that the full contractual amounts can be collected.

The deferred tax liability mainly comprises the tax effect of the accelerated depreciation for tax purposes of tangible and intangible assets.

The Net cashflow arising from these acquisitions / restructuring is shown below.

Notes to the Financial Statements

14 Cash flow information (continued)

14.4 Net cash flow arising on the acquisition of subsidiary companies/conversion of associate company to subsidiary (continued)

	Note	Geriban Services (Private) Limited t/a Transerv USD	Mukwa Distribution Zambia Limited USD	Harlock Management Services Limited t/a Galitos USD	2016 Total USD
Property, plant and equipment		(1 760 978)	(33 597)	—	(1 794 575)
Intangible assets		(1 600)	—	—	(1 600)
Inventories		(6 906 937)	(217 043)	—	(7 123 980)
Trade and other receivables		(350 831)	(1 575 101)	(310 410)	(2 236 342)
Cash and cash equivalents		—	(29 856)	—	(29 856)
Trade and other payables		2 789 444	1 620 285	12 061	4 421 790
Provisions		1 251 090	1 645	—	1 252 735
Interest-bearing borrowings		4 401 000	18 176	—	4 419 176
Deferred tax (assets)/liabilities		(73 008)	1 540	—	(71 468)
Current tax liabilities	14.2	155 261	9 421	—	164 682
Fair value of net assets of subsidiaries at date of recognition/acquisition		(496 559)	(204 530)	(298 349)	(999 438)
Less non-controlling interests share therein		367 404	51 133	149 175	567 712
Fair value of net assets recognised/acquired		(129 155)	(153 397)	(149 174)	(431 726)
Fair value of equity interest in associate at the date of conversion to subsidiary	17	—	—	335 112	335 112
Goodwill		(4 068 623)	—	(185 938)	(4 254 561)
Cash consideration		(4 197 778)	(153 397)	—	(4 351 175)
Add cash and cash equivalents acquired		—	29 856	—	29 856
Net cash outflow	14.3	(4 197 778)	(123 541)	—	(4 321 319)
Shown below are the results of the entities acquired during the year up to the point they were disposed:					
Revenue		27 637 679	6 202 862	—	33 840 541
Profit after tax		3 489 042	2 392	—	3 491 434

Notes to the Financial Statements

14 Cash flow information (continued)

14.5 Net cash flow from the unbundling of operations

During the financial year, the Group unbundled its Quick Service Restaurants and Specialty Retail & Distribution operations effective 1 October 2015 and 1 April 2016 respectively. The operations were unbundled through a dividend-in-specie to the shareholders. The consolidated net assets of the operations unbundled, at effective date is as follows:

	Note	Quick Service Restaurants Segment USD	Specialty Retail and Distribution Segment USD	2016 Total USD
Property, plant and equipment		47 461 665	8 697 262	56 158 927
Intangible assets		595 712	4 213 286	4 808 998
Investments		59 555	2 621 839	2 681 394
Inventories		4 993 041	29 878 957	34 871 998
Trade and other accounts receivable		7 143 043	44 647 427	51 790 470
Cash and cash equivalents		4 311 550	10 204 193	14 515 743
Trade and other accounts payable		(16 776 521)	(30 664 956)	(47 441 477)
Provisions		(1 072 261)	(863 893)	(1 936 154)
Interest-bearing borrowings		(13 722 858)	(17 661 418)	(31 384 276)
Net deferred tax liabilities		(3 160 311)	(1 864 320)	(5 024 631)
Current tax liabilities		(364 327)	(1 332 811)	(1 697 138)
Gross assets of subsidiary at date of disposal		29 468 288	47 875 566	77 343 854
Intragroup/unbundling adjustments		—	(20 120 766)	(20 120 766)
Net assets disposed		29 468 288	27 754 800	57 223 088
Dividend in-specie	7.2	(29 468 288)	(27 754 800)	(57 223 088)
Cash consideration		—	—	—
Less cash at bank unbundled	14.2	(4 311 550)	(3 582 734)	(7 894 284)
Net cash outflow		(4 311 550)	(3 582 734)	(7 894 284)

14.6 Net cash flow from the disposal of subsidiaries

During the financial year, the Group disposed of its interest in Yamiya Trading (Private) Limited effective 1 October 2015. The net assets disposed of are as follows:

	Note	Yamiya Trading (Private) Limited USD
Property, plant and equipment		44 457
Investments		27 183
Inventories		87 032
Trade and other accounts receivable		55 477
Cash and cash equivalents		9 730
Trade and other accounts payable		(93 907)
Provisions		(5 422)
Deferred tax asset		5 736
Current tax liabilities	14.2	(11 984)
Gross assets of subsidiary at date of disposal		118 302
Non -controlling interests share therein		(39 430)
Net assets disposed		78 872
Cash consideration		78 872
Less cash at bank unbundled		(9 730)
Net cash inflow	14.3	69 142

Notes to the Financial Statements

15 Property, plant and equipment

	Note	Freehold property USD	Leasehold improvements USD	Plant, Fittings & Equipment USD	Motor vehicles USD	Total USD
Cost						
At 1 July 2014		61 149 664	35 138 338	190 294 247	31 583 893	318 166 142
Additions		1 304 017	4 281 289	27 430 633	4 995 721	38 011 660
Borrowing costs capitalised	14.3	—	—	320 840	—	320 840
Disposals		(43 333)	(142 727)	(1 901 067)	(1 717 905)	(3 805 032)
Impairment		—	(484 714)	(727 640)	(602 963)	(1 815 317)
Discontinuing operations		—	(27 591 323)	(41 971 255)	(3 347 146)	(72 909 724)
Exchange movements		(104 296)	(1 120 608)	(3 372 872)	(265 882)	(4 863 658)
At 30 June 2015		62 306 052	10 080 255	170 072 886	30 645 718	273 104 912
Additions		2 439 696	351 432	14 230 752	2 655 629	19 677 509
Disposals		—	(3 461 599)	(10 148 468)	(2 978 595)	(16 588 662)
Impairment		(2 398)	—	(1 717 197)	(1 504 107)	(3 223 702)
Acquisition of subsidiaries	14.4	—	28 383	1 565 965	200 227	1 794 575
Disposal of subsidiaries		—	(37 609)	(61 492)	(12 600)	(111 701)
Unbundling of SRD operations		(2 535 019)	(923 584)	(7 217 972)	(5 194 860)	(15 871 435)
Discontinuing operations		(277 309)	(1 125 415)	(6 138 511)	(193 225)	(7 734 460)
Exchange movements		(1 187 866)	(501 902)	(2 188 382)	(524 728)	(4 402 878)
At 30 June 2016		60 743 156	4 409 961	158 397 581	23 093 459	246 644 157
Depreciation						
At 1 July 2014		5 636 530	7 918 414	56 481 715	19 238 092	89 274 751
Disposals		(5 347)	(20 426)	(1 111 030)	(1 335 162)	(2 471 965)
Charge for the year	15.1	1 440 226	2 651 422	15 633 966	3 956 753	23 682 367
Impairment		—	(261 890)	(264 793)	(423 655)	(950 338)
Discontinuing operations		—	(7 386 345)	(17 424 341)	(1 710 837)	(26 521 523)
Exchange movements		(12 730)	(588 345)	(1 344 859)	(193 896)	(2 139 830)
At 30 June 2015		7 058 679	2 312 830	51 970 658	19 531 295	80 873 462
Disposals		—	(1 545 007)	(5 373 254)	(2 346 728)	(9 264 989)
Charge for the year	15.1	954 194	706 790	13 236 644	3 542 097	18 439 725
Impairment		(801)	—	(821 030)	(1 589)	(823 420)
Unbundling of SRD operations		(643 027)	(250 954)	(3 501 046)	(2 779 147)	(7 174 174)
Disposal of subsidiaries		—	(37 609)	(24 595)	(5 040)	(67 244)
Discontinuing operations		(122 281)	(619 785)	(3 183 758)	(294 108)	(4 219 932)
Exchange movements		(84 355)	(179 506)	(956 685)	(320 487)	(1 541 033)
At 30 June 2016		7 162 409	386 759	51 346 934	17 326 293	76 222 395
Net carrying amount						
At 30 June 2016		53 580 747	4 023 202	107 050 647	5 767 166	170 421 762
At 30 June 2015		55 247 373	7 767 425	118 102 228	11 114 423	192 231 449

Notes to the Financial Statements

15 Property, plant and equipment (continued)

	Note	2016 USD	2015 USD
15.1 Reconciliation of opening and closing carrying amounts			
Net carrying amount 1 July 2015		192 231 449	228 891 391
Cost		273 104 911	318 166 142
Accumulated depreciation and impairment losses		(80 873 462)	(89 274 751)
Movement for the year:			
Additions at cost		19 677 509	38 011 660
Borrowing costs capitalised	14.3	—	320 840
Net carrying amount of disposals		(7 323 673)	(1 333 067)
Depreciation charge for the year	15	(18 439 725)	(23 682 367)
Impairment		(2 400 282)	(864 979)
Acquisition of subsidiaries	14.4	1 794 575	—
Disposal of of subsidiaries	14.6	(44 457)	—
Unbundling of SRD operations	14.5	(8 697 262)	—
Discontinuing operations	13	(3 514 528)	(46 388 201)
Exchange movements		(2 861 844)	(2 723 828)
Net carrying amount 30 June 2016	15	170 421 762	192 231 449
Cost		246 437 173	273 104 911
Accumulated depreciation and impairment losses		(76 015 411)	(80 873 462)

The impairment loss of USD 2 400 282 (2015: USD 864 979) represent the write-down of certain property, plant and equipment to net recoverable amount. The original carrying amount was USD 4 533 120 and the recoverable amount was USD 2 132 838. The details are as follows:

Continuing operations

An impairment loss of USD 1 708 921 was recognised in the statement of profit or loss as an expense. The recoverable amount of USD 2 132 838 as at 30 June 2016 was based on fair value less cost of disposal and was determined at the Cash Generating Unit (CGU) level. Refer to note **33.1** for the impairment loss by segment.

Discontinuing Operations

An impairment loss of USD 691 361 was recognised.

Valuation technique

Valuation technique	Significant unobservable inputs
Fair market price of a similar asset in a similar condition	• the estimated market values of similar make/model • number of years from first use • mileage travelled to date • condition of the vehicle • the estimated remaining useful life of the vehicle

Fair Value hierarchy

The recoverable amount for the impaired plant and equipment for continuing operations was determined using fair value as follows:

Asset Category	Level 3	Impairment loss
Plant and Equipment	2 132 838	1 708 921

Notes to the Financial Statements

	Note	Goodwill on acquisition USD	Other intangible assets USD	Total USD
16 Intangible assets				
Net carrying amount 1 July 2014		39 673 200	2 115 431	41 788 631
Gross carrying amount		39 673 200	2 504 176	42 177 376
Accumulated amortisation and impairment losses		—	(388 745)	(388 745)
Purchase of intangible assets		—	47 479	47 479
Loss on impairment		—	(13 674)	(13 674)
Discontinuing operations	13	(475 721)	(4 830)	(480 551)
Amortisation		—	(32 949)	(32 949)
Exchange movements		—	(11 635)	(11 635)
Net carrying amount 30 June 2015		39 197 479	2 099 822	41 297 301
Gross carrying amount		39 197 479	2 535 190	41 732 669
Accumulated amortisation and impairment losses		—	(435 368)	(435 368)
Purchase of intangible assets		—	9 476	9 476
Derecognition of intangibles		—	(2 032 810)	(2 032 810)
Amortisation		—	(13 543)	(13 543)
Goodwill on acquisition subsidiary	14.4	4 068 623	—	4 068 623
Acquired through acquisition of subsidiary	14.4	—	1 600	1 600
Unbundling of operations - SRD	14.5	(4 210 595)	(2 691)	(4 213 286)
Classified as held for sale	13	(183 943)	—	(183 943)
Exchange movements		—	47 029	47 029
Net carrying amount 30 June 2016		38 871 564	108 883	38 980 447
Gross carrying amount		38 871 564	557 794	39 429 358
Accumulated amortisation and impairment losses		—	(448 911)	(448 911)

Other intangible assets consist of computer software and brand rights. These are deemed to have a finite useful life and are amortised over a period of up to 4 years.

Intangible assets derecognised during the period relate to SPAR Western region rights that where impaired following the disposal of the SPAR DC.
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For impairment tests of computer software, the Group considers the usage and the remaining useful life. As at 30 June 2016, there were no indications of impairment in computer software.

Notes to the Financial Statements

16 Intangible assets (continued)

16.2 Impairment testing of Goodwill

The Group performed an annual impairment test as at 30 June 2016. Goodwill acquired through business combinations has been allocated to cash generating units, i.e. business units. The recoverable amount of the cash generating units has been determined using value in use that takes into account the present value of future cashflows from the cash generating units using a pre-tax discount rate.. The pre-tax discount rate applied to the future cash flow projections is 8.5% (2015: 15%). As a result of this analysis, no impairment was recorded during the period.

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

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

Discount rates

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

A rise in pre-tax discount rate to 14% (i.e. +5.5%) would not result in an impairment.

Period of Projected Cash Flows

The annual impairment assessment was performed by considering cash flows for a period of 5 years beyond the reporting date (FY2017 to FY2021). A perpetual growth rate of 5% was assumed at the end of the 5 year period and the results indicate that the goodwill is not impaired.

17 Investments in associates

	Note	2016 USD	2015 USD
17.1 Reconciliation of movements in associates			
Balance at the beginning of the year		14 686 405	8 786 704
Opening balance classified as held for distribution		394 668	—
Purchases at cost	14.3	9 551 939	166 813
Equity accounted earnings - continuing operations	17.2	4 760 760	2 872 970
Equity accounted earnings - discontinuing operations	17.2	172	(466 645)
Dividends received from associates - continuing operations	17.2	(1 100 573)	(800 000)
Dividends received from associates - discontinuing operations	17.2	—	(82 500)
Loans (repaid from)/advanced to associates	14.3	(703 260)	1 701 558
Discontinuing operations	17.2	—	(394 668)
Unbundling of Operations	17.2	(2 568 058)	—
Proceeds on disposal of associate	17.2	(2 100 000)	—
Disposal of associate	14.1	240 372	—
Transfer from financial assets	19	—	2 902 173
Conversion of associate to subsidiary	17.2	(335 112)	—
Restructure of investment in associate	17.2	(879 578)	—
Associates held for disposal	17.2	—	394 668
Balance at the end of the year		21 947 735	14 686 405

Notes to the Financial Statements

Notes to the Financial Statements

17 Investments in associates - (continued)

17.2 Movements in investments in associates

Associate	Note	Opening balance USD	Associate loan advanced/ (repaid) USD	Purchase of investment USD	Axia/ Simbisa unbundling USD	Restructure of associate USD	Conversion to subsidiary USD	Dividend received continuing/ discontinuing operations USD	Proceeds on sale of investment USD	Profit/(loss) on disposal of investment USD	Share of associates profits - continuing operations USD	Share of associates profits - discontinuing operations USD	Classified as held for distribution USD	Closing balance USD
	Note			14.3	14.5		14.4	14.3	14.3	14.1				
Freddy Hirsch Group (Private) Limited	17.3	1 620 458	—	—	—	6 766	—	(116 573)	—	—	224 860	—	—	1 735 511
Parperhole Investments (Private) Limited	17.4	1 381 971	—	—	—	—	—	(200 000)	—	—	557 072	—	—	1 739 043
Profeeds (Private) Limited	17.5	4 002 057	(820 929)	5 500 000	—	—	—	(784 000)	—	—	1 138 845	—	—	9 035 973
Probrands (Private) Limited	17.6	—	—	784 000	—	—	—	—	—	—	(60 658)	—	—	723 342
Pure Oil Industries (Private) Limited	17.7	—	—	2 400 000	—	—	—	—	—	—	454 400	—	—	2 854 400
Bakers Inn Logistics (Private) Limited	17.8	—	—	863 939	—	—	—	—	—	—	61 961	—	—	925 900
Shearwater Adventures (Private) Limited	17.9	959 987	—	—	—	—	—	—	(1 300 000)	366 294	—	(26 281)	—	—
Afrigrain Trading Limited	17.10	3 583 299	—	4 000	—	(886 344)	—	—	—	—	2 232 610	—	—	4 933 566
Baobab (Private) Limited	17.11	(14 309)	—	—	12 012	—	—	—	—	—	—	2 297	—	—
Hat On (Private) Limited	17.12	2 378 689	117 669	—	(2 520 514)	—	—	—	—	—	—	24 156	—	—
Zambezi Tourism Investments Limited	17.14	774 253	—	—	—	—	—	—	(800 000)	(125 922)	151 669	—	—	—
Total Continuing Operations		14 686 405	(703 260)	9 551 939	(2 508 502)	(879 578)	—	(1 100 573)	(2 100 000)	240 372	4 760 760	172	—	21 947 735
Harlock Management Services Limited	17.13	335 112	—	—	—	—	(335 112)	—	—	—	—	—	—	—
Nungu Trading (49) (Proprietary) Limited	17.13	59 556	—	—	(59 556)	—	—	—	—	—	—	—	—	—
Total Discontinuing Operations		394 668	—	—	(59 556)	—	(335 112)	—	—	—	—	—	—	—
TOTAL 2016		15 081 073	(703 260)	9 551 939	(2 568 058)	(879 578)	(335 112)	(1 100 573)	(2 100 000)	240 372	4 760 760	172	—	21 947 735
TOTAL 2015		8 786 704	1 701 558	166 813	—	*2 902 173	—	(882 500)	—	—	2 872 970	(466 645)	(394 668)	14 686 405

* Relates to a loan advanced to a business that was then acquired and accounted for as an associate (Note **19**).

Notes to the Financial Statements

17 Investments in associates - (continued)

17.3 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) Limited, through Colcom Holdings Limited.

	2016 USD	2015 USD
Reconciliation of the investment in associate;		
Balance at the beginning of the year	1 620 458	1 287 284
Equity accounted earnings	224 860	333 174
Dividends received from associate	(116 573)	—
Restructure of associates	6 766	—
Balance at the end of the year	1 735 511	1 620 458
Reconciliation of net assets share to carrying amount of the investment		
Net assets	3 551 395	3 320 867
Share of net assets	1 735 511	1 620 458
Carrying amount of Investment	1 735 511	1 620 458

17.4 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.

	2016 USD	2015 USD
Reconciliation of the investment in associate;		
Balance at the beginning of the year	1 381 971	653 582
Equity accounted earnings	557 072	728 389
Dividends received from associate	(200 000)	—
Balance at the end of the year	1 739 043	1 381 971
Reconciliation of net assets share to carrying amount of the investment		
Net assets	3 478 086	2 763 942
Share of net assets	1 739 043	1 381 971
Carrying amount of investment	1 739 043	1 381 971

Notes to the Financial Statements

17 Investments in associates (continued)

17.5 Profeeds (Private) Limited

Profeeds (Private) Limited is an entity involved in the manufacture and retail of stock feeds and the retail of day old chicks. The Group acquired an effective 28.91% shareholding in Profeeds (Private) Limited on 1 June 2015 and an additional 20.01% was acquired on 1 January 2016.

	Note	2016 USD	2015 USD
Reconciliation of the investment in associate;			
Balance at the beginning of the year		4 002 057	—
Transfer from other investments	19	—	2 902 173
Purchases at cost		5 500 000	166 813
Equity accounted earnings		1 138 845	49 874
Dividend received from associate		(784 000)	—
Loans (repaid)/advanced		(820 929)	883 197
Balance at the end of the year		9 035 973	4 002 057
Reconciliation of net assets share to carrying amount of the investment			
Net assets		12 052 886	10 785 950
Share of net assets		5 905 914	3 118 860
Loan advanced to associate		62 269	883 197
Goodwill		3 067 790	—
Carrying amount of investment		9 035 973	4 002 057

17.6 Probrands (Private) Limited

Probrands (Private) Limited is an entity involved in down-packing, manufacture and retail of a number of grocery products such as rice, dairy, candles and beverages. The Group acquired an effective 39.02% in Probrands (Private) Limited on 1 January 2016.

	2016 USD	2015 USD
Reconciliation of the investment in associate;		
Purchases at cost	784 000	—
Equity accounted earnings	(60 658)	—
Balance at the end of the year	723 342	—
Reconciliation of net assets share to carrying amount of the investment		
Net assets	(3 895 995)	—
Share of net assets	(1 520 217)	—
Goodwill	2 243 559	—
Carrying amount of investment	723 342	—

Notes to the Financial Statements

17 Investments in associates (continued)

17.7 Pure Oil Industries (Private) Limited

Pure Oil Industries (Private) Limited is an entity involved in the manufacture of cooking oil as well as protein oil cakes which are used in the production of animal feed. The Group acquired an effective 15.13% in Pure Oil Industries (Private) Limited on 1 January 2016 through National Foods Holdings Limited.

	2016 USD	2015 USD
Reconciliation of the investment in associate;		
Purchases at cost	2 400 000	—
Equity accounted earnings	454 400	—
Balance at the end of the year	**2 854 400**	**—**
Reconciliation of net assets share to carrying amount of the investment		
Net assets	7 710 929	—
Share of net assets	3 084 372	—
Gain on bargain purchase	(229 972)	—
Carrying amount of investment	**2 854 400**	**—**

17.8 Bakers Inn Logistics (Private) Limited

Bakers Inn Logistics (Private) Limited is a logistics company which handles distribution of bread produced by the Group's Bakery Operations and other third parties.The Group injected an effective 50% in Bakers Inn Logistics (Private) Limited on 1 January 2016 through its subsidiary, Innscor Africa Bread Company Zimbabwe (Private) Limited.

	2016 USD	2015 USD
Reconciliation of the investment in associate;		
Initial investment at cost	863 941	—
Equity accounted earnings	61 959	—
Balance at the end of the year	925 900	—
Reconciliation of net assets share to carrying amount of the investment		
Net assets	1 851 800	—
Share of net assets	925 900	—
Carrying amount of investment	925 900	—

Notes to the Financial Statements

17 Investments in associates (continued)

	Note	2016 USD	2015 USD
17.9 Shearwater Adventures (Private) Limited			
Shearwater Adventures (Private) Limited is a company involved in offering tour packages to tourists. The Group disposed of its 50% interest in Shearwater Adventures (Private) Limited with effect from 1 January 2016.			
Reconciliation of the investment in associate;			
Balance at the beginning of the year		959 987	1 488 274
Equity accounted earnings		(26 281)	(528 287)
Proceeds on disposal of associate		(1 300 000)	—
Profit on disposal of associate		366 294	—
Balance at the end of the year		**—**	**959 987**
17.10 Afrigrain Trading Limited			
Afrigrain Trading Limited is an entity involved in the procurement of grain. The Group restructured its shareholding in Afrigrain Trading Limited, and now holds the 40% interest directly through Innscor International.			
Reconciliation of the investment in associate;			
Balance at the beginning of the year		3 583 299	2 954 366
Equity accounted earnings		2 232 610	1 428 933
Restructure of associate	17.1	(882 333)	—
Dividends received from associate	14.3	—	(800 000)
Balance at the end of the year		4 933 576	3 583 299
Reconciliation of net assets share to carrying amount of the investment			
Net assets		12 335 041	6 753 417
Share of net assets		4 933 576	2 700 966
Goodwill		—	882 333
Carrying amount of investment		4 933 576	3 583 299
17.11 Baobab (Private) Limited			
Baobab (Private) Limited is involved in the distribution of principal's products to the retail and wholesale market as well as clearing agency services. The Group unbundled its effective 33.33% shareholding in Baobab (Private) Limited as part of SRD unbundling effective 1 April 2016.			
Reconciliation of the investment in associate;			
Balance at the beginning of the year		(14 309)	145 498
Equity accounted earnings		2 297	(159 807)
Unbundled through SRD dividend-in-specie		12 012	—
Balance at the end of the year		**—**	**(14 309)**

Notes to the Financial Statements

17 Investments in associates (continued)

17.12 Hat On (Private) Limited

Hat-On (Private) Limited is involved in the distribution of principal's products to the retail and wholesale market. The Group unbundled its effective 33.33% shareholding in Hat On (Private) Limited as part of SRD unbundling effective 1 April 2016.

	2016 USD	2015 USD
Reconciliation of the investment in associate;		
Balance at the beginning of the year	2 378 689	1 605 461
Equity accounted earnings	24 156	32 867
Loans advanced	117 669	740 361
Unbundled through SRD dividend-in-specie	(2 520 514)	—
Balance at the end of the year	—	2 378 689

17.13 Fast Foods - Regional Operations

Due to change in management agreements, the Group consolidated its effective 50% shareholding in Harlock Management Services Limited with effect from 1 July 2015. The Group unbundled this subsidiary as part of the QSR unbundling with effect from 1 October 2016.

	2016 USD	2015 USD
Reconciliation of the investment in associate;		
Balance at the beginning of the year	394 668	288 586
Equity accounted earnings	—	188 582
Dividends received from associate	—	(82 500)
Conversion of associate to subsidiary	(335 112)	—
Unbundled through QSR dividend-in-specie	(59 556)	—
Balance at the end of the year	—	394 668

17.14 Zambezi Tourism Investments Limited

The Group disposed of its effective 50% shareholding in Zambezi Tourism Investments Limited with effect from 1 January 2016.

	2016 USD	2015 USD
Reconciliation of the investment in associate;		
Balance at the beginning of the year	774 253	363 653
Equity accounted earnings	151 671	332 600
Proceeds received on disposal of associate	(800 000)	—
Loss on disposal of associate	(125 924)	—
Cost reclassified to loan advanced to associate	—	(251 950)
Loans advanced	—	329 950
Balance at the end of the year	—	774 253

Notes to the Financial Statements

17 Investments in associates (continued)

17.15 Summarised financial information of associates

	Note	Revenue USD	Profit/(loss) after tax USD	Non-current assets USD	Current assets USD	Non-current liabilities USD	Current liabilities USD
Freddy Hirsch Group (Private) Limited	17.3						
30 June 2016		6 515 600	458 897	663 477	3 512 153	76 478	557 292
30 June 2015		7 121 346	679 947	258 043	3 761 305	95 094	603 387
Paperhole Investments (Private) Limited	17.4						
30 June 2016		149 633 338	1 114 144	3 035 031	28 551 068	376 124	27 650 838
30 June 2015		134 668 307	1 456 777	2 497 613	34 697 392	869 802	33 551 482
Profeeds (Private) Limited	17.5						
30 June 2016		81 067 670	2 851 659	12 842 036	24 138 907	9 403 197	15 524 862
30 June 2015		7 329 850	172 514	12 555 316	21 534 444	1 879 715	21 228 818
Probrands (Private) Limited	17.6						
30 June 2016		22 606 645	(351 729)	4 198 575	5 115 381	10 310 615	2 899 338
30 June 2015		—	—	—	—	—	—
Pure Oil Industries (Private) Limited	17.7						
30 June 2016		24 359 068	1 136 000	19 815 552	16 116 614	10 220 299	18 000 938
30 June 2015		—	—	—	—	—	—
Bakers Inn Logistics (Private) Limited	17.8						
30 June 2016		2 268 667	123 972	5 662 462	1 797 759	4 652 231	956 133
30 June 2015		—	—	—	—	—	—

Notes to the Financial Statements

17 Investments in associates (continued)

17.16 Summarised financial information of associates (continued)

	Note	Revenue USD	Profit/(loss) after tax USD	Non-current assets USD	Current assets USD	Non-current liabilities USD	Current liabilities USD
Shearwater Adventures (Private) Limited	17.9						
30 June 2016		5 076 605	(49 659)	—	—	—	—
30 June 2015		8 885 016	(1 206 261)	2 257 026	2 560 138	—	1 588 508
Afrigrain Trading Limited	17.10						
30 June 2016		139 848 435	5 581 624	309 086	37 621 424	—	25 595 469
30 June 2015		105 942 673	1 795 691	1 795 691	40 575 890	—	35 618 164
Baobab (Private) Limited	17.11						
30 June 2016		4 602 529	44 879	—	—	—	—
30 June 2015		5 171 334	(500 188)	133 988	3 121 849	1 540 404	1 721 038
Hat On (Private) Limited	17.12						
30 June 2016		5 626 243	103 025	—	—	—	—
30 June 2015		13 328 515	110 357	264 611	4 358 022	1 256 708	2 593 364
Nungu Trading 49 (Pty) Limited	17.13						
30 June 2016		—	—	—	—	—	—
30 June 2015		—	—	—	722 550	—	863 077
Harlock Management Services Limited	17.13						
30 June 2016		—	—	—	—	—	—
30 June 2015		515 481	377 160	—	310 410	—	12 061
Zambezi Tourism Investments Limited	17.14						
30 June 2016 (6 months)		662 323	448 377	—	—	—	—
30 June 2015		1 125 175	961 588	1 509 545	615 133	—	638 980

Notes to the Financial Statements

18 Description of Group Investments in Associates and Other Businesses

18.1 Group investments

Listed below are the Group's effective ordinary shareholding excluding shareholding in dormant companies.

Light Manufacturing	
National Foods Holdings Ltd	37.82%
Colcom Holdings Ltd	79.64%
Gredal Enterprises (Pvt) Ltd #	40.62%
Associated Meat Packers (Pvt) Ltd #	39.90%
Freddy Hirsch Group (Pvt) Ltd **	39.02%
Great Rift Delight (Pvt) Ltd #	79.64%
Intercane (Pvt) Ltd #	44.36%
Irvine's Zimbabwe (Pvt) Ltd	49.00%
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%
Innscor Appliance Manufacturing (Pvt) Ltd t/a Capri	50.10%
Goodshow Manufacturing (Pvt) Ltd t/a WRS #	33.40%
Natpak (Pvt) Ltd	66.67%
Natpak Mauritius Ltd	58.33%
Bedra Enterprises (Pvt) Ltd	50.10%
Profeeds (Pvt) Ltd **	49.00%
Pure Oil Industries (Pvt) Ltd **	15.13%
Breathaway Food Caterers (Pvt) Ltd t/a Innscor Snacks Manufacturing #	37.82%
Bakers Inn Logistics (Pvt) Limited **	50.00%
Probrands (Pvt) Limited **	39.02%

Other Businesses	
Spar Harare (Pvt) Ltd t/a SPAR DC #	65.00%
Camelbags (Pvt) Ltd	100.00%
Scopeserve Investments (Pvt) Ltd	100.00%
Spearhead Sales (Pvt) Ltd	100.00%
Swissmart Investments (Pvt) Ltd	100.00%
Katrice Investments (Pvt) Ltd #	50.00%
Innscor Zambia Holdings Ltd	100.00%
Spar Zambia Ltd	50.00%
Head Office Services	
Innscor (Pvt) Ltd	100.00%
Innscor International 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%
Atuleo Amanzi (Zambia) (Pvt) Ltd t/a The River Club Zambia	66.67%
Rafferty Investments (Pvt) Ltd t/a Providence Human Capital	70.00%

* Associates # Subsidiaries of subsidiaries ** Associates in subsidiaries
^ The Group owns 75% of the issued Preference Share Capital

Notes to the Financial Statements

18 Description of Group Investments in Associates and Other Businesses (continued)

18.2 Country of incorporation

All Group companies listed in 18.1 above are incorporated in Zimbabwe, except for the following operating companies:

Company	Country of incorporation
Innscor International Ltd	Mauritius
Innscor South Africa (Pty) Ltd	South Africa
Innscor Africa (Zambia) Ltd	Zambia
Innscor Zambia Holdings Ltd	Zambia
SPAR Zambia Ltd	Zambia
Atuleo Amanzi (Zambia) (Pvt) Ltd (The River Club)	Zambia
Afrigrain Trading Ltd	Mauritius
Natpak Mauritius Ltd	Mauritius

18.3 Non-controlling interests in significant subsidiaries

The Group has the following subsidiaries that have significant non-controlling interests:

		National Foods Holdings Limited	Irvine's Zimbabwe (Private) Limited
Principal place of business		Zimbabwe	Zimbabwe
Proportion of ownership interests held by non-controlling interests		62.18%	51.00%
Profit allocated to non-controlling interests for the year ended:	30-Jun-16	8 875 310	2 465 475
	30-Jun-15	7 919 218	4 136 387
Accumulated non-controlling interests of the subsidiary as at:	30-Jun-16	54 940 781	20 189 111
	30-Jun-15	63 619 475	24 295 621
The summarised financial information of these subsidiaries based on amounts before inter-company eliminations that arise during group consolidation is provided below:			
Year ended 30 June 2016:			
Revenue		330 642 303	102 509 815
Profit after tax		14 273 576	4 834 265
Current assets		89 704 357	35 030 917
Non-current assets		50 288 195	24 823 813
Current liabilities		36 201 486	10 235 926
Non-current liabilities		15 433 429	10 032 311
Cash flows from operating activities		16 084 803	10 113 257
Cash flows from investing activities		(12 074 652)	(3 815 410)
Cash flows from financing activities		(2 107 488)	(7 760 752)
Dividends paid to non controlling interests		4 031 828	—
Loans repaid to non controlling interests		—	3 890 000
Year ended 30 June 2015:			
Revenue		314 406 934	97 046 274
Profit after tax		12 736 361	8 110 563
Current assets		83 148 205	39 051 050
Non-current assets		40 385 992	23 969 296
Current liabilities		35 664 992	10 415 620
Non-current liabilities		7 447 903	17 852 498
Cash flows from operating activities		10 552 476	10 484 329
Cash flows from investing activities		(3 795 775)	(2 095 410)
Cash flows from financing activities		(4 943 751)	(5 011 836)
Dividends paid to non controlling interests		3 525 724	—
Loans repaid to non controlling interests		—	2 500 000

Notes to the Financial Statements

	Note	2016 USD	2015 USD
19 Other - Financial Assets			
Financial assets consist of:			
Quoted equity investments		—	410 916
Unquoted investments		—	2 332 950
Other		215 921	238 972
Total long-term other financial assets		215 921	2 982 838
Fixed deposit		3 082 970	3 082 970
Quoted equity investments		41 188	—
Property unit trust		687 500	687 500
Other		—	264 004
Total short-term other financial assets		3 811 658	4 034 474
Total financial other assets		4 027 579	7 017 312
19.1 Reconciled as follows:			
Balance at the beginning of the year		7 017 312	7 712 581
Additional purchases at cost - unquoted investments	19.2	111 428	2 283 744
Additional purchases at cost - quoted investments	19.2	41 188	—
Loss on disposal of quoted/unquoted investments		(238 394)	(23 870)
Proceeds on disposal of quoted investments	14.3	(172 522)	(159 677)
Proceeds on disposal of unquoted investments	14.3	(2 456 703)	—
Fair value adjustments through profit or loss	14.1	(38 623)	66 460
Fair value adjustments on forward exchange contracts		(100 870)	40 247
Capitalised interest		6 098	—
Transfer to investments in associates*	17.1	—	(2 902 173)
Disposed through unbundling of operations		(140 417)	—
Transferred to discontinuing operations	13	(918)	—
Balance at the end of the year		4 027 579	7 017 312

* Relates to a loan advanced to a business which became an associate during the period (Note 17.2)

Notes to the Financial Statements

19 Other - Financial Assets (continued)

19.2 Other financial assets are analysed as follows:

	Note	Fair value through profit or loss USD	Other financial assets at cost USD	Total USD
Opening balance -1 July 2014		558 946	7 153 635	7 712 581
Purchases at cost		—	2 283 744	2 283 744
Loss on disposal of unquoted investments	19.1	—	(23 870)	(23 870)
Proceeds on disposal of unquoted investments	14.3	—	(159 677)	(159 677)
Fair value adjustments through profit or loss	14.1	66 460	—	66 460
Fair value adjustments on forward exchange contracts	14.1	40 247	—	40 247
Transfer to investments in associates	17.1	—	(2 902 173)	(2 902 173)
Closing balance - 30 June 2015		665 653	6 351 659	7 017 312
Purchases at cost	14.3	41 188	111 428	152 616
Loss on disposal of quoted investments		(238 394)	—	(238 394)
Proceeds on disposal of investments	14.3	(172 522)	(2 456 703)	(2 629 225)
Fair value adjustments through profit or loss	14.1	(38 623)	—	(38 623)
Fair value adjustments on forward exchange contracts		(74 779)	(26 091)	(100 870)
Disposed through unbundling of operations		(140 417)	—	(140 417)
Capitalised interest	14.3	—	6 098	6 098
Transferred to discontinuing operations	13	(918)	—	(918)
Closing balance - 30 June 2016		41 188	3 986 391	4 027 579

19.3 Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial assets:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs 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 2016				
Short-term other financial assets	41 188	—	—	41 188
	41 188	—	—	41 188
30 June 2015				
Short-term other financial assets	254 737	—	—	254 737
Long-term other financial assets	410 916	—	—	410 916
	665 653	—	—	665 653

There were no transfers between levels.

Notes to the Financial Statements

20 Biological assets	2016 USD	2015 USD
20.1 Non-current biological assets		
At Cost:		
Opening balance	267 288	300 341
Increase due to purchases	—	165 244
Depreciation	—	(198 297)
Reclassification to breeders held at fair value	(267 288)	—
Closing balance	—	267 288
At Fair Value:		
Opening balance	1 344 672	1 074 360
Increase due to purchases	193 588	—
Reclassified from breeders held at lost	267 288	—
Fair value (loss)/gain	(198 522)	270 312
Closing balance	1 607 026	1 344 672
Total	1 607 026	1 611 960

At 30 June 2016, the Group had the following number of living animals (pigs) within non-current biological assets:

	2016	2015
Number of living animals	5 017	4 621
Live weight estimates (kg)	791 425	733 890

In the current year, non-current biological assets at cost were reclassified to non-current biological assets at fair value as the Group could determine fair value reliably.

Notes to the Financial Statements

20 Biological assets (continued)

20.2 Current biological assets	Birds USD	Hatching Eggs USD	Cattle USD	Pigs USD	Total USD
At 1 July 2014	10 256 766	118 087	369 893	1 359 651	12 104 397
Purchases	3 086 059	2 271 116	148 855	—	5 506 030
Transfer to non-current biological assets	—	—	—	267 288	267 288
Feed costs	38 843 374	—	—	6 488 722	45 332 096
Sales	(9 745 527)	(2 252 710)	—	—	(11 998 237)
Slaughter	—	—	(428 928)	(6 363 132)	(6 792 060)
Harvest	(31 951 295)	—	—	—	(31 951 295)
Fair value adjustments	510 180	—	(41 090)	(122 576)	346 514
At 30 June 2015	**10 999 557**	**136 493**	**48 730**	**1 629 953**	**12 814 733**
Purchases	3 921 862	2 277 209	—	155 457	6 354 528
Feed costs	37 419 599	—	—	9 175 699	46 595 298
Sales	(8 404 451)	(2 308 275)	—	—	(10 712 726)
Slaughter	—	—	—	(8 561 497)	(8 561 497)
Harvest	(32 269 677)	—	—	—	(32 269 677)
Fair value adjustments	247 344	—	(9 758)	(1 154)	236 432
At 30 June 2016	11 914 234	105 427	38 972	2 398 458	14 457 091

At 30 June 2016, the Group had the following number of living animals within current biological assets:

	Birds	Hatching Eggs	Cattle	Pigs
Number of living animals	1 837 377	141 963	127	35 797
Live weight estimates (kg)	n/a	n/a	25 566	1 056 650

No biological assets have been pledged as collateral for borrowings.

20.3 Valuation Process for Biological Assets

1. The Group engages independent consultants to determine the estimated cold dressed mass (CDM) of live pigs at each age. The fair value of pigs is calculated by applying the market price per kg to the CDM.
2. The value of cattle is determined by the fair market prices of cattle at the nearest active market.
3. The valuation of bird breeder livestock is based on the actual costs incurred in rearing the birds and is amortised in relation to the expected hatching eggs to end of lay. The valuation of broiler livestock is based on the actual costs incurred in rearing the birds.
4. Layers are valued at fair market price less selling costs. Fair market price is the price the Group sells point of lay and end of lay birds to the market.

Notes to the Financial Statements

20 Biological assets (continued)

Valuation Technique

Type		Valuation Technique	Significant Unobservable Inputs	2016 Range	2015 Range
Birds -	Breeders - grandparents, parents	The cost approach is applied in valuing breeders based on the actual costs incurred in rearing the birds and is adjusted in relation to the hatching eggs expected to end of lay.	• Age of birds • Lay Rate	Mortality	—
	Layers	The fair market price of point of lay and end of lay birds to third parties is used in determining the fair value of layers.	• Mortality • Age of birds • Lay Rate	—	—
	Broilers	The valuation of broilers is based on the cost approach	• Mortality	—	—
Cattle - Comprising bulls, cows, weaner heifers, weaner steers, bulling heifers, steers and calves		Market comparison technique. The valuation model is based on the market price of cattle of similar age, weight and genetic make up. The prices of cattle at the nearest market are used for valuation.	—	—	—
Pigs - Comprising piglets, weaners, growers, gilts, sows and boars. Pigs- comprising imported breeders		Market comparison technique. The valuation model is based on the price per kg of pork multiplied by the Cold Dressed Mass (CDM).	• Price per kg, CDM discounting factor • Age of pigs 22 weeks • Weight of pigs	$1.54 - $2.58 62% - 76% 4 weeks - 21 weeks 7kgs - 150kgs	$1.54 - $2.58 62% - 76% 4 weeks - 7kgs - 150kgs
Pigs - Comprising imported breeders		Replacement cost of the breeders	• Cost of a breeder of similar type	$1763 per breeder	$2146 per breeder

20.4 Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of biological assets:

Level 1: quoted (unadjusted) prices in active markets for identical assets.

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.

Notes to the Financial Statements

20 Biological assets (continued)

20.4 Fair Value Hierarchy (continued)

30 June 2016	Level 1	Level 2	Level 3	Total	Fair value gain/(loss)
Pigs	—	—	4 005 483	4 005 483	(9 758)
Cattle	—	38 972	—	38 972	74 467
Birds	—	6 251 875	5 520 444	11 772 319	247 344
Total	—	6 290 847	9 525 927	15 816 774	312 053

30 June 2015	Level 1	Level 2	Level 3	Total	Fair value gain/(loss)
Pigs	—	—	3 241 913	3 241 913	147 735
Cattle	—	48 730	—	48 730	(41 090)
Birds	—	10 488 332	511 225	10 999 557	510 180
Total	—	10 537 062	3 753 138	14 290 200	616 825

20.5 Sensitivity

The table below presents the sensitivity of profit or loss before tax due to changes in weight (pigs and cattle) and market price (layer birds). The sensitivities presented are favourable movements. If the sensitivity variables were unfavourable, the negative impact on profit would be of a similar magnitude.

	% Change	Effect on profit before tax USD
Pigs		
Fair value less costs to sell - meat	3%	112 318
Cattle		
Fair value less costs to sell - meat	5%	1 949
Layers		
Fair value less costs to sell - live birds	10%	613 458

Significant increases/(decreases) in price per kg in isolation would result in a significantly higher or lower fair value measurement. Significant increases/(decreases) in weight of pigs in isolation would result in a significantly higher or lower fair value measurement. Significant increases/(decreases) in replacement cost per breeder would result in a significantly higher or lower fair value measurement of breeder pigs.

Biological assets risk management policies
Biological assets are living animals that are managed by the Group. Agricultural produce is the harvested product of the biological asset. Biological assets of the Group include cattle, pigs, birds and hatching eggs.

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

Notes to the Financial Statements

		Note	2016 USD	2015 USD
21	**Inventories**			
	Consumable stores		13 337 346	12 748 579
	Finished products, net of allowance for obsolescence		22 957 357	49 579 256
	Raw materials and packaging		47 228 805	49 400 026
	Goods in transit		9 139	2 241 134
	Work in progress		292 440	337 945
			83 825 087	114 306 940
	Discontinuing operations	13	(2 403 893)	(4 536 204)
	Inventories - continuing operations		81 421 194	109 770 736

The amount of inventories recognised as an expense in cost of sales is USD 378 980 611 (2015: USD 357 643 118).
The amount of inventories written down in respect of obsolescence expense is USD 2 727 016 (2015: USD 5 055 080).
Some inventories have been pledged to secure some of the Group's borrowing facilities. Refer to note **27**.

		Note	2016 USD	2015 USD
22	**Trade and other receivables**			
	Trade receivables		45 492 526	56 778 324
	Instalment sales receivables		—	16 643 834
	Prepayments		20 860 939	8 775 433
	Rental deposits		73 563	210 367
	VAT Receivable		2 021 552	2 932 698
	Other receivables		16 661 739	22 316 041
			85 110 319	107 656 697
	Allowance for credit losses		(7 574 615)	(6 506 873)
			77 535 704	101 149 824
	Discontinuing operations	13	(10 723 692)	(6 661 314)
	Trade and other receivables - continuing operations		66 812 012	94 488 510
	Reconciliation of allowance for credit losses is as follows:			
	Opening balance		6 506 873	7 160 414
	Charge for the year		3 877 567	(653 541)
	Disposed through sale of subsidiaries and unbundling of operations		(2 809 825)	—
	Closing balance		7 574 615	6 506 873

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.

Some of the Groups trade and other receivables have been pledged to secure some of the Group's borrowing facilities. Refer to note **27**.

Notes to the Financial Statements

22 Trade and other receivables (continued)

As at 30 June 2016, the age analysis of trade and other receivables (excluding prepayments) was as follows:

			Past due before impairment	
	Total USD	Neither past due nor impaired USD	60-90 days USD	More than 90 days USD
Continuing and discontinued operations				
30 June 2016	64 249 380	47 918 641	2 179 748	14 150 991
30 June 2015	98 881 264	54 446 079	9 947 111	34 488 074

Note **35** on credit risk of trade receivables explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

23 Ordinary share capital

	2016 USD	2015 USD
23.1 Authorised		
800 000 000 ordinary shares of 1 cent each	8 000 000	8 000 000
1 000 Non-Voting Class "A" ordinary shares of 1 cent each	10	10
	8 000 010	8 000 010
23.2 Issued and fully paid		
541 593 440 ordinary shares of 1 cent each	5 415 934	5 415 934
1 000 Non-Voting Class "A" ordinary shares of 1 cent each	10	10

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

23.3 Share Options

As at 30 June 2016, Innscor Africa Limited had the following two Share Option agreements:

The first option agreement is with an indigenous company, Benvenue Investments (Private) Limited.
The terms of the Benvenue Share Option are as follows:

Commencement Date: January 2014
Number of shares: Fifty Million (50 000 000)
Tenure: 10 years
Pricing (30 June 2015): The higher of 75% of the volume weighted average price of Innscor Africa Limited shares over the previous 60 trading days, or for the first five years, USD 1.37 per share and, for the second five years, USD 2.01 per share

Pricing (30 June 2016): The Share Option Agreement with Benvenue Investments (Private) Limited provided for adjustments in the exercise price for eventualities such as a Dividend-In-Specie. Following the Simbisa and Axia Dividend-In-Specie during the year, the pricing has been revised as follows:

The higher of 75% of the volume weighted average price of Innscor Africa Limited shares over the previous 60 trading days, or for the first five years USD 0.70 per share and for the second five years, USD 1.03 per share.

Notes to the Financial Statements

23 Ordinary share capital (continued)

23.3 Share Options (continued)

The second option is with the Innscor Africa Limited Employee Share Trust, whose terms are as follows:

Commencement Date: January 2014
Number of shares: Thirty Million (30 000 000)
Tenure: 10 years
Pricing: At the volume weighted average price of Innscor Africa Limited shares over the previous 60 trading days.
The share options arising from the Group's indigenisation transaction had no dilutive effect at the end of the financial year.

23.4 Directors' shareholdings

At 30 June 2016, the Directors held directly and indirectly the following number of shares:

	2016	2015
M J Fowler	108 066 827	109 566 827
Z Koudounaris	108 473 843	109 973 843
J Koumides	—	720 000
B Dionisio	—	22 484 058
J P Schonken	1 528 820	1 528 820
G Gwainda	1 035	1 035
	218 070 525	244 274 583

There has been no material change in the Directors' interests subsequent to 30 June 2016 to the date of this report.

24 Non-distributable reserves

	Restructure reserve	Foreign currency translation reserve	Total non distributable reserves	Translation reserve of disposal group held for sale
Opening balance 1 July 2014	(4 064 912)	(1 229 216)	(5 294 128)	—
Exchange differences arising on the translation of foreign operations	—	(735 139)	(735 139)	—
Closing balance 30 June 2015	(4 064 912)	(1 964 355)	(6 029 267)	—
Restructure reserve relating to unbundled operations	650 167	—	650 167	—
Translation reserve relating to unbundled operations recycled to profit or loss*	—	4 631 967	4 631 967	—
Exchange differences arising on the translation of foreign operations	—	(2 290 876)	(2 290 876)	—
Translation reserves transferred to held for sale	—	(238 210)	(238 210)	238 210
Closing balance 30 June 2016	(3 414 745)	138 526	(3 276 219)	238 210

* This relates to cumulative translation losses for operations unbundled during the year. IAS21 requires that these should be recycled to profit or loss when there is loss of control of foreign operations and the unbundling of Axia and Simbisa regional operations satisfies this requirement.

Nature and purpose of reserves

Restructure reserve
The restructure reserve is used to record restructure transactions which exclude the Holding Company's currency conversion reserve.

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.

Notes to the Financial Statements

25 Distributable reserves

	Note	2016 USD	2015 USD
Opening balance		217 050 477	208 458 801
Retained for the year		15 699 939	18 260 076
Dividends paid (note 7)	7.1	(4 832 545)	(7 269 418)
Dividend-in-specie - Simbisa	7.2	(29 468 288)	—
Dividend-in-specie - Axia	7.2	(27 754 800)	—
Transactions with owners in their capacity as owners*		(1 721 031)	(2 398 982)
Closing balance		168 973 752	217 050 477
Retained in:			
Holding company		88 104 256	108 023 582
Subsidiary companies		70 969 656	101 987 279
Associate companies		9 899 840	7 039 616
		168 973 752	217 050 477

26 Net deferred tax liabilities

26.1 Net deferred tax liabilities

	Note	2016 USD	2015 USD
Continuing operations			
Deferred tax assets		(4 408 712)	(9 267 112)
Deferred tax liabilities		26 460 839	28 625 975
Net continuing operations		22 052 127	19 358 863
Discontinuing operations			
Deferred tax assets		(4 076 179)	(605 763)
Deferred tax liabilities		174 444	3 714 326
Net discontinuing operations		(3 901 735)	3 108 563
Total net deferred tax		18 150 392	22 467 422

Notes to the Financial Statements

26 Net deferred tax liabilities (continued)

	Note	2016 USD	2015 USD
26.2 Reconciliation			
Opening balance		19 358 863	22 835 663
Charged to profit or loss - continuing operations	12.2	2 102 471	254 086
Charged to profit or loss - discontinuing operations		(1 271 088)	(595 897)
Acquisition of subsidiaries	14.4	(71 468)	—
Disposal of subsidiaries	14.6	5 736	—
Unbundling of operations - SRD	14.5	(1 864 320)	—
Arising from discontinuing operations - deferred tax assets	13	4 076 179	605 763
Arising from discontinuing operations - deferred tax liabilities	13	(174 444)	(3 714 326)
Exchange movements		(109 802)	(26 426)
Closing balance		22 052 127	19 358 863
26.3 Analysis of net deferred tax liabilities			
Accelerated depreciation for tax purposes		23 427 069	30 965 633
Fair value adjustments on biological assets		846 698	761 491
Tax losses - continuing operations		(4 408 712)	(9 267 112)
Tax losses - discontinuing operations		(5 110 358)	(605 763)
Unrealised exchange gains		(22 716)	167 273
Prepayments		5 371 692	2 259 674
Allowance for credit losses		(1 950 463)	(1 675 520)
Provision for warranties		(55 301)	(138 250)
Transfer to disposal group held for sale			
Deferred tax assets		4 076 179	605 763
Deferred tax liabilities		(121 961)	(3 714 326)
		22 052 127	19 358 863
The net deferred tax liabilities are made up as follows:			
Deferred tax assets		(4 408 712)	(9 267 112)
Deferred tax liabilities		26 460 839	28 625 975
		22 052 127	19 358 863

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.

As at 30 June 2016, the Group had an amount of USD 2 124 067 (2015: USD 2 124 067) of unutilised tax losses from one of its subsidiaries, SPAR Harare, which will expire in 2021 and 2022.

Management has implemented strategies around restructuring the Group to ensure that all tax losses are utilised. The strategies include new business models in the entities in which accumulated losses exist. These strategies are expected to generate sufficient profitability to utilise all the accumulated losses before they expire.

Notes to the Financial Statements

27 Interest-bearing borrowings

27.1 Interest-bearing borrowings

	Rate of interest current year	Year Repayable	2016 USD	2015 USD
Long-term financing				
Regional Operations	16 - 30%	2015 - 2019	1 791 640	3 552 539
Zimbabwe Operations	6.5 - 9%	2016 - 2018	3 116 673	9 615 084
Total long-term financing			4 908 313	13 167 623
Discontinuing operations (note 13)			(1 791 640)	(369 788)
Total long-term financing - continuing operations			3 116 673	12 797 835
Short-term financing				
Regional Operations	14%	up to 365 days	1 769 350	36 782
Zimbabwe Operations	3-10%	up to 365 days	41 835 183	37 904 297
Short-term portion of long-term financing			2 383 329	6 877 040
Overdraft - Zimbabwe	6.5-9%	On demand	14 036 309	15 172 540
Overdraft - Regional	20 - 30%	On demand	1 062 494	1 036 022
Total short-term financing			61 086 665	61 026 681
Discontinuing operations (note 13)			(1 769 350)	(6 216 507)
Total short-term financing - continuing operations			59 317 315	54 810 174
Total interest-bearing borrowings			62 433 988	67 608 009

As at 30 June 2016, the Board of Directors had authorised aggregate borrowing limits of USD141.6 million.

Short term borrowings form part of the borrowings of the Group and are renewed on maturity in terms of on-going facilities negotiated with the relevant financial institutions. The facilities expire at different dates and are reviewed and renewed when they mature. Secured facilities are secured by a cession of movable assets, receivables and inventory worth $13,500,000. The facilities are only used for working capital purposes.

As at 30 June 2015, the Group's undrawn facilities amounted to USD71.6 million (2015: USD 94.81 million)

27.2 Interest-bearing borrowings

	2016 USD	2015 USD
Opening balance	67 608 009	64 070 079
Opening balance classified as held for distribution	6 586 294	—
Drawdowns - continuing operations	63 020 617	65 728 708
Drawdowns - discontinuing operations	4 159 222	744 239
Repayments - continuing operations	(59 082 013)	(54 959 299)
Repayments - discontinuing operations	(893 993)	(679 108)
Acquisition of subsidiaries	4 419 176	—
Unbundling of operations	(18 960 846)	—
Exchange movements	(861 488)	(710 316)
Discontinuing operations	(3 560 989)	(6 586 294)
Closing balance	62 433 988	67 608 009

Notes to the Financial Statements

28 Trade and other payables

	Note	2016 USD	2015 USD
Trade payables		49 222 167	82 319 687
Accruals		9 543 567	16 219 319
Deferred income		—	4 313 914
Other payables		34 304 897	28 260 588
		93 070 631	131 113 508
Discontinuing operations unbundling adjustments	13	(7 687 920)	(12 745 402)
Trade and other payables - continuing operations		85 382 711	118 368 106

Trade payables are non-interest bearing and are normally settled within 30 - 90 days.
Other payables are non-interest bearing and have varying settlement terms.

29 Provisions

	Note	2016 USD	2015 USD
Leave pay provision		2 371 199	5 284 582
Provision for warranty		214 760	536 892
Discontinuing operations	13	(132 832)	(1 272 562)
		2 453 127	4 548 912

29.1 Reconciliation of provisions

	Note	Provision for leave pay USD	Provision for warranties USD	Total USD
At 1 July 2014		5 756 182	543 056	6 299 238
Charge for the year		1 586 916	2 534	1 589 450
Exchange differences		(61 848)	—	(61 848)
Discontinued operation		(1 272 562)	—	—
Less paid		(1 996 668)	(8 698)	(2 005 366)
At 30 June 2015		4 012 020	536 892	4 548 912
Charge for the year		650 563	96 901	747 464
Exchange differences		(30 795)	—	(30 795)
Discontinuing operations	13	(132 832)	—	(132 832)
Unbundling of operations - SRD	14.5	(627 316)	(236 577)	(863 893)
Acquisition of subsidiaries	14.4	1 252 735	—	1 252 735
Disposal of subsidiary	14.6	(5 422)	—	(5 422)
Less paid		(2 880 586)	(182 456)	(3 063 042)
At 30 June 2016		2 238 367	214 760	2 453 127

Notes to the Financial Statements

30 Current tax liabilities

	Note	2016 USD	2015 USD
Opening balance		556 550	1 963 668
Opening balance classified for distribution		135 132	—
Charged to profit or loss - continuing operations		6 421 181	7 784 220
Charged to profit or loss - discontinued and discontinuing operations		6 638 569	6 521 041
Acquisition of subsidiaries		164 682	—
Disposal of subsidiaries		(11 984)	—
Unbundling of Operations		(1 697 138)	—
Exchange and other non-cash movements		(166 701)	(62 257)
Tax paid - continuing operations		(7 706 373)	(9 465 310)
Tax paid - discontinuing operations		(3 842 183)	(6 049 680)
Discontinuing operations	13	—	(135 132)
Closing balance		491 735	556 550

31 Capital expenditure commitments

	2016 USD	2015 USD
Authorised and contracted	5 611 978	5 376 673
Authorised but not yet contracted	19 267 091	40 982 857
	24 879 069	46 359 530

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

32 Future lease commitments - Group as a lessee

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

	2016 USD	2015 USD
Payable within one year	4 387 914	18 987 747
Payable between two and five years	12 996 574	52 448 288
Payable after five years	3 217 243	29 259 982
	20 601 731	100 696 017

33 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. The revenue, operating profit, assets and liabilities reported to the Board are measured consistently and are in accordance with what has been reported in the consolidated financial statements.

Business Segments
The Group's continuing operating segments comprise those of the Light Manufacturing business, and the Group's Head Office Services.

The discontinued and discontinuing segments are reported as SRD, QSR and Other Businesses.

Significant Customers
The Group does not have any significant customers to which it sells more that 10% of its total revenue

Notes to the Financial Statements

33 Segmental analysis (continued)

Continuing Operations

Light Manufacturing
The main operations in this reporting segment are National Foods Holdings Limited, Colcom Holdings Limited, Irvine's Zimbabwe (Private) Limited, Bakeries, Appliance Manufacturing, Natpak (Private) Limited, Profeeds (Private) Limited and Probrands (Private) Limited.

- National Foods Holdings Limited is involved in the milling of flour and maize, the manufacture of stockfeeds, edible oils, bakers' fats and sale of other general household products.
- The business of Colcom Holdings Limited involves the production, processing and marketing of pork and related food products.
- Irvine's Zimbabwe (Private) Limited is involved in the production of chicken, table eggs and day-old chicks.
- The Group's bakery operations are based in Zimbabwe, whilst Appliance Manufacturing manufactures and retails household goods and appliances.
- Natpak (Private) Limited produces a variety of bags for packaging such as the open mouth bags; general purpose bags; carrier bags and BOPP bags.
- Profeeds (Private) Limited is involved in the manufacture and retail of stock feeds and the retail of day old chicks.
- Probrands (Private) Limited is involved in the down-packing and manufacture of a number of grocery products such as rice, dairy, candles and beverages.

Group Head Office Services
This segment reports the Group's shared services function namely treasury, internal audit, legal, company secretarial services and Providence Human Capital. The commodity broking associates of Paperhole (Pvt) Ltd and Afrigrain (Pvt) Ltd are also reported as part of the Group's Head Office Services.

Discontinued Operations

Speciality Retail and Distribution (SRD) - unbundled on 1 April 2016.
These operations were unbundled with effect from 1 April 2016 through a dividend-in-specie to Innscor Africa limited shareholders as disclosed under note 13.

This segment consists of the Distribution Group Africa operations which operate in Zimbabwe, Zambia and Malawi. The businesses are involved in the distribution of FMCG products through agency agreements with multi-nationals and other significant blue chip manufacturers. The services offered include sales, warehousing, distribution, clearing and merchandising.

Also included in the business segment are TV Sales & Home and Transerv. TV Sales & Home is involved in credit retail of household goods and appliances. Transerv is involved in the retail, wholesale and distribution of automotive spares and accessories plus onsite vehicle fitment centres across a countrywide network of stores, fitment centres, a diesel pump room (ADCO) and a Clutch and Brake Specialists (CBS).

Quick Service Restaurants (QSR) - unbundled 1 October 2015.
These operations were unbundled with effect from 1 October 2015 through a dividend-in-specie to the Innscor Africa Limited shareholders as disclosed under note 13.

This operating segment comprises the Group's Fast Food retail and franchise operations across the African continent.

Notes to the Financial Statements

33 Segmental analysis (continued)

Discontinued Operations (continued)

Operations disposed of and to be disposed of: Other Businesses
This reporting segment consists of the SPAR Corporate Store Retail operations in Zimbabwe and Zambia and 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.

Also Included in this segment are tourism associates of Shearwater (Pvt) Ltd and Zambezi Tourism Investments Limited, and a subsidiary company, Zambia Atuleo Amanzi (Pvt) Ltd t/a The River Club.

The Group disposed of its interest in SPAR Corporate Retail Stores and Shearwater Adventures (Pvt) Ltd with effect from 1 January 2016. The Group also closed the SPAR DC operations with effect from 28 February 2016. Additionally and subject to regulatory approvals, the Board made a strategic decision to disinvest from SPAR Zambia Limited and The River Club.

Geographical Information
The Group is also organised into parcels of businesses incorporated in Zimbabwe, and those incorporated in countries outside Zimbabwe (note 18.2)

33.1 Business segments

	Light Manufacturing USD	Head Office Services USD	Unbundling Inter-segment Adjustments USD	Total Continuing Operations USD	Total Discontinuing Operations USD
Revenue					
30 June 2016	586 910 708	—	—	586 910 708	249 076 528
30 June 2015	554 250 569	37 909	—	554 288 478	431 573 646
Operating profit/(loss) before impairment, depreciation, amortisation and fair value adjustments					
30 June 2016	56 194 696	(1 167 945)	—	55 026 751	12 036 075
30 June 2015	46 201 913	(2 651 659)	—	43 550 254	31 417 489
Impairment and derecognition of PPE and intangible assets					
30 June 2016	1 708 921	—	—	1 708 921	1 431 198
30 June 2015	415 868	—	—	415 868	462 784
Depreciation and amortisation					
30 June 2016	15 316 068	658 347	—	15 974 415	4 163 085
30 June 2015	13 647 284	643 895	—	14 291 179	9 424 137
Equity accounted earnings/ (loss)					
30 June 2016	1 819 407	2 941 353	—	4 760 760	172
30 June 2015	383 048	2 489 922	—	2 872 970	(466 645)

Notes to the Financial Statements

33 Segmental analysis (continued)

33.1 Business segments - (continued)

	Light Manufacturing USD	Head Office Services USD	Unbundling Inter-segment Adjustments USD	Total Continuing Operations USD	Total Discontinuing Operations USD
Profit/(loss) before tax					
30 June 2016	39 334 995	(333 927)	—	39 001 068	5 968 184
30 June 2015	32 735 478	(1 557 133)	—	31 178 345	20 423 640
Segment assets					
30 June 2016	397 553 963	34 472 028	(2 198 702)	429 827 289	23 233 326
30 June 2015	376 868 997	21 912 142	114 524 805	513 305 944	62 793 462
Segment liabilities					
30 June 2016	105 901 613	42 354 682	28 966 105	177 222 400	11 556 196
30 June 2015	129 567 807	28 070 362	62 069 383	219 707 552	24 453 717
Capital expenditure					
30 June 2016	16 560 491	38 964	—	16 599 455	6 866 327
30 June 2015	23 591 020	138 870	—	23 729 890	14 281 771
Cash flow from operating activities					
30 June 2016	37 348 302	4 168 978	(3 808 431)	37 708 849	(2 318 767)
30 June 2015	35 533 458	5 059 707	(11 943 444)	28 649 721	18 235 282
Investing activities					
30 June 2016	(21 386 008)	(8 529 802)	(3 622 500)	(33 538 310)	2 743 372
30 June 2015	(20 228 113)	(6 821 532)	(744 854)	(27 794 499)	(12 686 138)
Financing activities					
30 June 2016	(21 454 133)	15 084 477	(7 824 449)	(14 194 105)	3 825 679
30 June 2015	(10 936 568)	10 680 214	(8 043 689)	(8 300 043)	(1 375 476)

Notes to the Financial Statements

33 Segmental analysis (continued)

33.2 Geographical information

	Revenue USD	Profit before tax USD	Total non-current assets USD	Total liabilities USD
Zimbabwe Continuing Operations				
30 June 2016	586 910 707	37 405 600	410 930 046	177 117 583
30 June 2015	687 614 256	35 467 641	215 834 811	196 695 636
Regional Continuing Operations				
30 June 2016	—	1 595 468	10 460 952	104 817
30 June 2015	126 785 565	6 472 767	33 992 304	23 011 916

34 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%.

Catering Industry Pension Fund
This is a defined contribution fund which covers employees in specified occupations of the catering industry. Certain employees in Innscor Bread Factories are members of this fund. Contributions are at the rate of 10% of pensionable emoluments of which members pay 5%.

National Foods Pension Fund
This is a defined contribution fund, administered by an insurance company which covers eligible employees of National Foods Limited and Natpak (Private) Limited. Contributions are at the rate of 17.5% of pensionable emoluments of which members pay 7%.

Colcom Pension Fund
This is a self administered, defined contribution fund where all permanent employees are eligible to become members. Contributions are at the rate of 22.5% of pensionable emoluments less NSSA contributions of which members contribute 7.5% for all those who joined the fund prior to 1 June 2012. Contributions for new entrants after 1 June 2012 are at the rate of 15% with members contributing 7.5%.

National Social Security Authority Scheme (NSSA)
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 a defined contribution plan 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, total resulting in a maximum monthly contribution of USD 49 per employee.

Notes to the Financial Statements

34 Pension funds (continued)

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:

	2016 USD	2015 USD
Innscor Africa Limited Pension Fund	1 036 700	1 279 586
National Social Security Authority Scheme & Workers' Compensation Insurance Fund	1 461 857	1 411 704
Catering Industry Pension Fund	96 804	180 121
National Foods Pension Fund	929 376	874 328
Colcom Pension Fund	420 076	414 607
	3 944 813	4 160 346
Discontinuing operations/Discontinued operations	(714 543)	(797 056)
Total Pension costs - continuing operations	3 230 270	3 363 290

35 Related party transactions

35.1 Trading transactions
Related party activities consist of transactions between Innscor Africa Limited's subsidiaries 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 receivables USD	Trade & other payables USD
Shearwater Adventures (Private) Limited						
30 June 2016	—	—	—	11 357	—	—
30 June 2015	—	—	—	25 734	—	—
Freddy Hirsch Group (Private) Limited						
30 June 2016	1 160 296	—	—	—	73 515	—
30 June 2015	1 149 568	97 195	—	—	82 898	3 002
Paperhole Investments (Private) Limited						
30 June 2016	127 236 217	13 846 219	4 980	(12 916)	13 228 148	692 443
30 June 2015	106 332 372	32 912 973	2 075	335 096	17 651 868	3 093 990

Notes to the Financial Statements

35 Related party transactions (continued)

35.1 Trading transactions (continued)

Related party transactions are summarised as follows:

Name of related party	Sales USD	Purchases USD	Rent received USD	Interest (received)/ paid USD	Trade & other receivables USD	Trade & other payables USD
Profeeds (Private) Limited						
30 June 2016	2 595 815	6 370 291	—	—	74 515	351 703
30 June 2015	1 429 185	7 425 738	—	—	158 362	1 491 096
Baobab (Private) Limited						
30 June 2016	491 902	376 079	—	—	18 154	94 871
30 June 2015	—	—	42 000	—	66 550	—
Hat On (Private) Limited						
30 June 2016	148 297	328 060	9 000	81 947	—	3 263 324
30 June 2015	1 851 626	2 897 166	—	(18 769)	509 108	509 399
Afrigrain Trading Limited						
30 June 2016	107 099 821				22 844 505	
30 June 2015	95 405 601	—	—	—	15 690 807	—
Bakers Inn Logistics (Private) Limited						
30 June 2016	2 268 667	—	—	—	909 581	—
30 June 2015	—	—	—	—	—	—
Pure Oil Industries (Private) Limited						
30 June 2016	12 962 400	—	—	—	194 563	—
30 June 2015	—	—	—	—	—	—

35.2 Compensation of key personnel to the Group

	2016 USD	2015 USD
Short - term employee benefits (note **10.1**)	11 821 871	10 316 665

Notes to the Financial Statements

35 Related party transactions (continued)

35.3 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 at arms length terms from Directors or entities where Directors have a direct or beneficial interest from time to time. The loans from Directors related entities are short term and interest is below the Group's average borrowing rate which was 6.8% as at 30 June 2016.

	2016 USD	2015 USD
Lease payments	341 136	1 940 009
Loans from Director related entities	4 921 469	7 140 590

35.4 Other Related Party Balances

Other related party balances as at 30 June 2016 are as follows:

	2016 USD
Amount payable to:	
Innscor Africa Limited Employee Share Trust (Pvt) Ltd	789 891
Amount receivable from:	
Innscor Africa Limited Pension Fund	2 538 535

36 Financial risk management objectives and policies

The Group's principal financial instruments comprise interest-bearing borrowings, overdrafts, financial assets, cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations or to achieve a return on surplus short-term funds. The Group has various other financial assets and financial liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk and equity price risk. The board reviews and agrees policies for managing each of these risks and 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.

	2016 USD	2015 USD
Effect on profit before tax		
Increase of 3%	(469 610)	(517 963)
Decrease of 3 %	469 610	517 963

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As a result of significant imports, the Group's statement of financial position can be affected significantly by movements in foreign currency exchange rates. The Group also has transactional currency exposures. Such exposure arises from the sale or purchase by 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.

Notes to the Financial Statements

36 Financial risk management objectives and policies (continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

30 June 2016

Currency	Liabilities	Assets	Net position
South African Rand	(11 133 617)	201 163	(10 932 454)
Botswana Pula	(33 982)	—	(33 981)
Euro	(3 569)	—	(3 569)

30 June 2015

Currency	Liabilities	Assets	Net position
South African Rand	(77 466 770)	32 657 712	(44 809 058)
Great Britain Pound	—	385	385
Botswana Pula	(128 529)	52 397	(76 132)
Euro	(37 550)	—	(37 550)

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 2016	Change in rate	Effect on profit before tax USD	Effect on equity USD
South African Rand	+10%	37 720	(30 869)
	-10%	(46 102)	37 728
Great Britain Pound	+10%	(4)	(4)
	-10%	5	5
Botswana Pula	+10%	47	(236)
	-10%	(58)	288
Euro	+10%	15	(346)
	-10%	163	1 611

30 June 2015	Change in rate	Effect on profit before tax USD	Effect on equity USD
South African Rand	+10%	571 787	904 937
	-10%	(672 860)	(1 080 042)
Great Britain Pound	+10%	(9 538)	(9 593)
	-10%	10 591	10 658
Botswana Pula	+10%	3 715	4 414
	-10%	(4 210)	(5 064)
Euro	+10%	1 573	5 393
	-10%	7 675	(22 615)

Notes to the Financial Statements

36 Financial risk management objectives and policies (continued)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss.

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to debt impairment is managed within acceptable levels. For transactions that are not denominated in the functional currency of the relevant operating unit, credit terms are specified contractually within the regulations laid down by the Reserve Bank of Zimbabwe.

There is no concentration risk as the Group trades with a wide range of customers with different risk profiles. Credit limits are set by the Group to avoid exposure to a single customer.

Where it sees fit, the Group can from time to time ask for collateral security from debtors. This is done after assessing the customers' ability to honour their obligations and the level of exposure. Collateral can be 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.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding through a well managed portfolio of short-term investments and/or flexibility through the use of bank overdrafts and interest-bearing borrowings.

The table below summarises the maturity profile of the Group's financial assets and liabilities:

30 June 2016	Within 3 months USD	Between 4 -12 months USD	More than 12 months USD	Total USD
Liabilities				
Interest-bearing borrowings	(49 322 422)	(11 344 772)	(3 666 673)	(64 333 867)
Trade and other payables	(68 554 000)	(16 828 711)	—	(85 382 711)
Total	(117 876 442)	(28 173 483)	(3 666 673)	(149 716 578)
Assets				
Cash and cash equivalents	25 743 731	—	—	25 743 731
Trade and other receivables excluding prepayments	38 864 708	7 086 365	—	45 951 073
Financial assets	—	215 921	3 811 658	4 027 579
Total	64 608 439	7 302 286	3 811 658	75 722 383

Notes to the Financial Statements

36 Financial risk management objectives and policies (continued)

Liquidity risk (continued)

30 June 2015	Within 3 months USD	Between 4 -12 months USD	More than 12 months USD	Total USD
Liabilities				
Interest-bearing borrowings	(21 172 201)	(32 827 296)	(15 853 148)	(69 852 645)
Trade and other payables	(103 573 299)	(14 794 808)	—	(118 368 107)
Total	(124 745 500)	(47 622 104)	(15 853 148)	(188 220 752)
Assets				
Cash and cash equivalents	30 120 426	—	—	30 120 426
Trade and other receivables excluding prepayments	79 713 807	8 533 603	—	88 247 410
Financial assets	—	4 034 474	2 982 838	7 017 312
Total	109 834 233	12 568 077	2 982 838	125 385 148

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.

37 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.

38 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 2016 and 30 June 2015. The Group manages capital using a gearing ratio, which is calculated as total liabilities divided by the sum of total liabilities and equity.

	2016 USD	2015 USD
Total Liabilities	188 778 586	244 161 269
Total Equity	264 282 029	331 938 137
Gearing ratio	42%	42%

Notes to the Financial Statements

39 Translation rates

The table below provides the closing translation rates used to translate the statement of financial position of foreign operations.

	2016 FX: USD 1	2015 FX: USD 1
South African Rand	14.71	12.33
Kenya Shilling	100.00	98.85
Ghanaian Cedi	3.97	4.45
Senegalese Franc	500.00	592.57
Malawian Kwacha	1,000.00	448.90
Zambian Kwacha	9.90	7.56

40 Contingent liabilities

	2016 USD	2015 USD
Guarantees - continuing and discontinuing operations	68 650 000	25 900 000

The contingent liabilities relate to bank guarantees provided in respect of associate companies as at 30 June 2016.

41 Events after reporting date

41.1 Competition and Tariff Commission (CTC) Update

As previously reported, the Group still has an amount outstanding of US$ 2.550m relating to the payment it has made into a trust as a result of its case with the CTC. This amount is included in working capital. The courts have ruled in favour of the Group. However, the CTC has taken the matter on appeal to the Supreme Court.

41.1 Final Divided Declaration

On the 9th of September 2016, the Board declared a final dividend of 0.60 US cents per share payable in respect of all ordinary shares of the Company. This dividend is in respect of the financial year ending 30th June 2016 and will be payable in full to all the shareholders of the Company registered at the close of business on 14th October 2016. The payment of this dividend will take place on or about 28th October 2016. The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange up to the market day of 7th October 2016 and ex-dividend as from the 10th October 2016.

On the same date, the Board also declared a final dividend totalling US$ 148,000 to Innscor Africa Employee Share Trust (Private) Limited.

Company Statement of Financial Position

	Notes	COMPANY 2016 USD	COMPANY 2015 USD
ASSETS			
Non-current assets			
property, plant and equipment		187 306	301 059
intangible assets		33 617	41 402
investments		138 298 068	148 030 936
deferred tax asset		3 278 330	5 359 982
		141 797 321	153 733 379
Current assets			
trade and other receivables		17 105 672	7 796 805
cash and cash equivalents		183 913	834 534
		17 289 585	8 631 339
Assets of disposal group classified as held for distribution		—	20 529 743
Total assets		159 086 906	182 894 461
EQUITY AND LIABILITIES			
Capital and reserves			
ordinary share capital	23.2	5 415 934	5 415 934
class "A" ordinary share capital		10	10
distributable reserves	23.2	88 104 256	108 023 582
Total equity		93 520 200	113 439 526
Current liabilities			
interest-bearing borrowings		46 867 432	42 887 323
trade and other payables		18 559 240	12 467 112
provisions		140 034	222 022
		65 566 706	55 576 457
liabilities directly associated with the assets classified as held for distribution		—	13 878 478
Total liabilities		65 566 706	69 454 935
Total equity and liabilities		159 086 906	182 894 461

A B C CHINAKE
Chairman
Harare
27 October 2016

G GWAINDA
Executive Director

		COMPANY 2016 USD	COMPANY 2015 USD
A. Investments			
Investments in associates		5 654 286	4 991 079
Quoted investments		41 188	410 916
Property unit trusts		687 500	687 500
Investments in subsidiaries		79 579 217	91 690 176
Other		3 182 970	3 182 970
Amounts due from group companies		49 152 907	47 068 295
		138 298 068	148 030 936

Glossary of Terms

- Business Theme – Subject of business action.
- Core Option – represent the essential elements of a sustainability report prepared accounting to G4 Sustainability Reporting Guidelines.
- G4 – Fourth Generation of sustainability reporting guidelines developed by GRI.
- Global Reporting Initiatives – the organisation responsible for developing standards for sustainability reporting.
- Government – Republic of Zimbabwe.
- GRI – Global Reporting Initiatives.
- IFRS – International Financial Reporting Standards.
- Inclusivity – taking into account material concerns of stakeholders.
- Operations – strategic business units of Innscor Africa Limited.
- Proxy – person appointed to act on behalf of a shareholder or rights holder.
- Responsiveness – taking action or response to materials issues raised by stakeholders.
- SDGs – United Nations supported Sustainable Development Goals.
- Shareholder – a holder of equity in the company or group.
- Stakeholder – persons whom we can impact or who can impact of us.
- Sustainability Reporting – the practices of measuring, disclosing and being accountable to internal and external stakeholders for organisation performance while working towards the goal of sustainable development.
- Sustainability Report – a report that provides a balanced and reasonable representation of the sustainability performance of the reporting organisation, including both positive and negative contributions.
- Sustainable Business Practices – business practices that taken into account environmental and social issues in all processes and decision making
- Sustainable Development – ability to meet current human need or benefits without compromising the ability of future generation to meet their own need or enjoy same benefits.
- The Group – Innscor Africa Limited corporate, subsidiaries and business units.

GRI Content Index ('Core')

GENERAL STANDARD DISCLOSURES

	PAGE (S)	EXTERNAL ASSURANCE
STRATEGY AND ANALYSIS		
G4 - 1	6-11	Not Assured
ORGANISATIONAL PROFILE		
G4 - 3	Cover	Not Assured
G4 - 4	2	Not Assured
G4 - 5	130	Not Assured
G4 - 6	97-98	Not Assured
G4 - 7	128	Not Assured
G4 - 8	112-113	Not Assured
G4 - 9	33-113	Not Assured
G4 - 10	33	Not Assured
G4 - 11	N/A	Not Assured
G4 - 12	22	Not Assured
G4 - 13	6	Not Assured
G4 - 14	N/A	Not Assured
G4 - 15	N/A	Not Assured
G4 - 16	N/A	Not Assured
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4 - 17	113	Not Assured
G4 - 18	24	Not Assured
G4 - 19	24	Not Assured
G4 - 20	24	Not Assured
G4 - 21	24	Not Assured
G4 - 22	27	Not Assured
G4 - 23	6-11; 27; 113	Not Assured
STAKEHOLDER ENGAGEMENT		
G4 - 24	25	Not Assured
G4 - 25	25	Not Assured
G4 - 26	25	Not Assured
G4 - 27	25	Not Assured
REPORT PROFILE		
G4 - 28	Scope	Not Assured
G4 - 29	Scope	Not Assured
G4 - 30	Scope	Not Assured
G4 - 31	Scope	Not Assured
G4 - 32	Scope; 126-127	Not Assured
G4 - 33	N/A	Not Assured
GOVERNANCE		
G4 - 34	12-19	Not Assured
ETHICS AND INTEGRITY		
G4 - 56	12-13	Not Assured

GRI Content Index ('Core')

SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECTS: DMA AND INDICATORS	PAGE (S)	OMMISSION	EXTERNAL ASSURANCE	Sustainable Development Goal (SDG)	Business Theme
ECONOMIC					
Economic Performance					
G4 - EC1: Direct Economic Value Generated and distributed	45-50	N/A	Assured	**Goal 8**: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Economic Performance
G4 - EC3: Coverage of the organisation's defined benefits plan obligation	39	N/A	Assured	N/A	N/A
G4 - EC4: Finance Assistance from Government	39	N/A	Not Assured	N/A	N/A
ENVIRONMENTAL					
Materials					
G4 - EN1: Materials used by weight or volume	27	N/A	Not Assured	**Goal 8**: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Material Efficiency
G4 - EN2: Percentage of materials used that are recycled input materials	28	N/A	Not Assured		
Energy					
G4 - EN3: Materials used by weight or volume	28	N/A	Not Assured	**Goal 7**: Ensure access to affordable, reliable, sustainable and modern energy for all	Energy Efficiency
G4 - EN4: Percentage of materials used that are recycled input materials	28	N/A	Not Assured		
Water					
G4 - EN8: Water withdrawn by source	29	N/A	Not Assured	**Goal 6**: Ensure availability and sustainable management of water and sanitation for all	Sustainable Water withdrawals
Waste and Effluent					
G4 - EN23: Total weight of waste by type and disposal method	29	N/A	Not Assured	**Goal 6:** Ensure availablility and sustainable management of water and sanitation for all	Waste

GRI Content Index ('Core')

SPECIFIC STANDARD DISCLOSURES (continued)

MATERIAL ASPECTS: DMA AND INDICATORS		PAGE (S)	OMMISSION	EXTERNAL ASSURANCE	Sustainable Development Goal (SDG)	Business Theme
SOCIAL						
Employment						
G4 - LA1:	Total number and rates of new employee hires and employee turnover	33	N/A	Not Assured	Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Employment, Occupational health and safety
G4 - LA6:	Total injury and rates of injury, occupational diseases, lost days and absenteeism and total number of work related fatalities	33	N/A	Not Assured		
G4 - LA8:	Health and Safety Topics covered in formal agreements with Trade Unions	33	N/A	Not Assured		
Training and Education						
G4 - LA9:	Average hours of training per year per employee	36	N/A	Not Assured	Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Employee Training and Educations
Compliance						
G4 - SO8:	Monetary value of significant fines and total number of non-monetary sanctions for non compliance with laws and regulations	N/A	N/A	Not Assured	Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Compliance with law and regulations

Shareholders' Analysis and Calendar

Size of Shareholding	Number of Shareholders	Shareholders %	Issued Shares	Shares %
1 - 10 000	3,390	84.79	3 660 757	0.68
10 001 - 25 000	172	4.30	2 899 540	0.54
25 001 - 50 000	95	2.38	3 410 001	0.63
50 001 - 100 000	85	2.13	6 062 475	1.12
100 001 - 200 000	80	2.00	11 828 520	2.18
200 001 - 500 000	82	2.05	24 791 018	4.58
500 001 - and over	94	2.35	488 941 129	90.28
	3 998	**100.00**	**541 593 440**	**100.00**
Trade Classification				
Companies	653	16.33	393 917 742	72.73
Insurance Companies	46	1.15	40 435 732	7.47
Investment Companies	51	1.28	555 785	0.10
Trust Nominees	98	2.45	1 094 541	0.20
Pension Funds	326	8.15	78 593 212	14.51
Private Individuals	2 728	68.23	9 675 763	1.79
New Non- Residents	96	2.40	17 320 665	3.20
	3 998	**100.00**	**541 593 440**	**100.00**
Top Ten Shareholders				
ZMD Investments (Pvt) Ltd			105 249 222	19.43
HM Barbour (Pvt) Ltd			100 000 000	18.46
Stanbic Nominees (Pvt) Ltd			87 501 298	16.16
Old Mutual Life Assurance Company Zimbabwe Limited			34 824 529	6.43
Standard Chartered Nominees (Pvt) Ltd			27 463 104	5.07
Sarcor Investments (Pvt) Ltd			22 484 058	4.15
Pharaoh Limited			12 939 921	2.39
Mining Industry Pension Fund			8 238 931	1.52
Music Ventures (Pvt) Ltd			7 465 382	1.38
General Electronics (Pvt) Ltd			7 342 942	1.36
Other			128 084 053	23.65
			541 593 440	**100.00**

Shareholders' Calendar

Twentieth Annual General Meeting	7 December 2016
Financial Year End	30 June
Interim Reports	
6 months to December 2016	March 2017
12 months to 30 June 2017	September 2017
Annual Report Published	November 2017
Twenty First Annual General Meeting	November 2017

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

Transfer Secretaries
Corpserve Transfer Secretaries (Private) Limited
2nd Floor, ZB Centre, 1st Street/Kwame Nkrumah Avenue
Harare, Zimbabwe
email: enquiries@corpserve.co.zw

Notice to Members

NOTICE IS HEREBY GIVEN that the Twentieth Annual General Meeting of members will be held at the Royal Harare Golf Club, 5th Street extension, Harare, on Wednesday, 7 December 2016 at 08h15, for the purpose of transacting the following business: -

Ordinary Business

1. To receive and consider the financial statements for the financial year ended 30 June 2016 together with the reports of the Directors and Auditors thereon.

2. To re - elect retiring Directors: Mr. M. J. Fowler and Mr. T. N. Sibanda who retire by rotation and being eligible offer themselves for re-election.

3. To approve Directors' fees for the financial year ended 30 June 2016.

4. To approve the remuneration of the Auditors for the financial year ended 30 June 2016 and re-appoint Messrs. Ernst & Young of Harare as Auditors of the Company until the conclusion of the next Annual General Meeting.

Special Business

5. Approval of Share Buy-back

   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 not be more than 5% (five per centum) above and 5% (five per centum) below the weighted average of the market price at which such ordinary shares are traded on the ZSE, as determined over the 5 (five) business days immediately preceding the date of purchase of such ordinary shares by the Company; and
   iv) a press announcement will be published as soon as the Company has acquired ordinary shares constituting, on a accumulative 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. 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.

6. Approval of the 2016 Innscor Africa Limited Share Option Scheme

   To resolve as an ordinary resolution, with or without amendments: "That the Directors of the Company be and are hereby authorised to establish a Share Option Scheme, to be called the "Innscor Africa Limited Share Option Scheme 2016", which Scheme shall be effective from the date that such Scheme is approved by Shareholders of the Company and to grant options in respect of the rules of the Scheme (which rules will be available for inspection at the registered office of the Company, fourteen (14) days before the AGM), with such options in aggregate not exceeding 54,159,344 (fifty four million one hundred and fifty nine thousand three hundred and forty four) ordinary shares, being 10% of the 541,593,440 (five hundred and forty one million five hundred and ninety three thousand four hundred and forty) ordinary shares in issue on 30 June 2016".

7. Loans to Executive Directors

   To resolve as an ordinary resolution, with or without amendments: "That the Company be and is hereby authorised to make any loan to any Executive Director or to enter into any guarantee or provide any security in connection with a loan to such Executive Director for the purpose of enabling him to properly perform his duty as an officer of the Company, as may be determined by the Remuneration Committee of the Board of Directors, provided that the amount of the loan or the extent of the guarantee or security shall not exceed the annual remuneration of that Director".

Any Other Business

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
15 November 2016

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;
Dube, Manikai and Hwacha;
Kantor and Immerman

Principal Bankers
Barclays Bank of Zimbabwe Limited
CABS
CBZ Bank Limited
MBCA
Standard Chartered Bank Zimbabwe Limited
Stanbic Bank Zimbabwe

Transfer Secretaries
Corpserve Transfer Secretaries (Private) Limited
2nd Floor, ZB Centre
1st Street/Kwame Nkrumah Avenue
Harare, Zimbabwe
Email: enquiries@corpserve.co.zw

Sustainability Advisors
Institute for Sustainability Africa
22 Walter Hill Avenue
Eastlea
Harare, Zimbabwe
Email: admin@insafrica.org

Notes