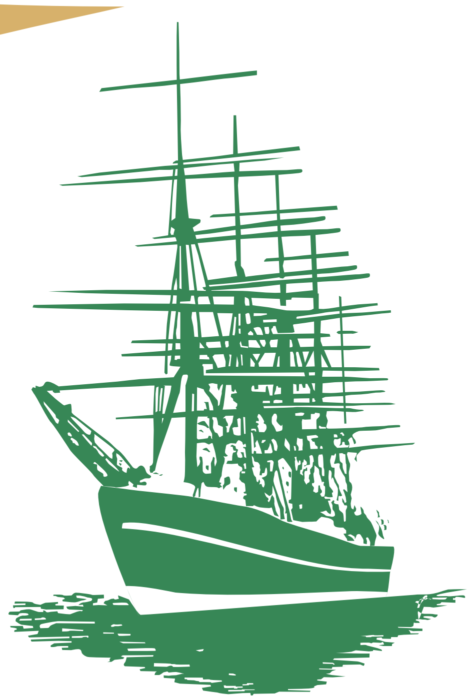
CFI HOLDINGS LIMITED



ANNUAL REPORT

2017

FINANCIAL HIGHLIGHTS

For the 5 year period 30 September 2013 - 2017

	2017 US$	2016 US$ (Restated)	2015 US$	2014 US$	2013 US$
CONSOLIDATED RESULTS					
Revenue *	42,534,742	29,331,871	66,556,215	71,124,901	87,228,983
Group profit (loss) before taxation *	1,515,889	(46,993,612)	(15,249,928)	(13,622,334)	(8,867,535)
Profit (loss) attributable to equity holders of the parent	879,869	(45,054,957)	(25,191,116)	(9,922,783)	(6,583,172)
Total shareholders' equity (Group's net asset value)	43,736,917	42,836,748	50,376,434	79,096,042	81,191,868
Group's total assets	72,764,993	72,047,415	120,393,090	135,480,273	132,582,410
Cash generated from (utilised through) operating activities	1,441,684	(3,875,641)	(2,810,253)	(3,364,855)	(1,641,909)
Capital expenditure	477,031	481,861	81,327	440,513	405,941
Cash resources net of borrowings	(2,310,799)	(3,358,966)	(18,889,168)	(16,820,273)	(15,691,560)
ORDINARY SHARE PERFORMANCE					
Shares in issue	106,390,875	105,830,875	105,500,875	105,500,875	105,500,875
Earnings (loss) per share (US cents)	0.83	(42.70)	(23.88)	(9.41)	(6.24)
Diluted earnings (loss) per share (US cents)	0.83	(42.48)	(23.88)	(9.41)	(6.24)
Net asset value per share ($)	0.41	0.40	0.48	0.75	0.77
Market price at year end ($)	0.67	0.10	0.05	0.03	0.05
Industrial index	418.96	98.96	131.91	193.79	208.35
FINANCIAL STATISTICS					
Net interest cover (times)	3.77	(15.39)	(5.72)	(2.41)	(1.28)
Ordinary shareholders' equity to total assets	60.1%	59.5%	41.8%	58.4%	61.2%
Return on total assets	0.9%	(39.1%)	(20.9%)	(8.8%)	(6.3%)
Return on ordinary shareholders' equity	1.1%	(55.5%)	(55.8%)	(23.4%)	(14.6%)
Return on capital employed	2.0%	(96.7%)	(38.9%)	(11.1%)	(7.0%)
Debt to equity ratio	9.0%	8.0%	38%	22%	17%
Current asset ratio	164.9%	147.5%	100.0%	141.2%	52.8%

* - relates to continuing operations only

CFI Holdings Limited has its origins in the Farmers' Co-operative Society which commenced business in 1908, principally to market maize. The M.S. Kobenhavn, the largest sailing ship of its kind at the time, was chartered to carry 51 901 bags of maize from Beira to London.

OUR GOAL

“Our goal is to increase shareholder wealth by nurturing businesses that will continually outperform the market norm”. In order to achieve this, CFI Holdings Limited is a highly focused, synergistic group that seeks to maintain a balance of activities that offer substantial growth.

These activities include:-

❖ Retail	-	Farming inputs
	-	Building supplies and general hardware
	-	Veterinary products and technical services
❖ Farming	-	Cereal production (mainly maize and soya beans)
	-	Horticultural production
	-	Poultry breeding and rearing
❖ Milling	-	Stock feeds milling
	-	Maize and flour milling
	-	Vitamin and mineral supplements production
	-	Snack foods production
	-	Downpacking of various FMCG goods (rice, salt, matemba and other dry goods)
❖ Properties	-	Property management and development

OUR STRATEGIC INTENT

To offer ever improving quality in our products and services to satisfy the needs of all our stakeholders:

These include our:-

⇨ Customers
⇨ Employees
⇨ Suppliers
⇨ Regulatory authorities
⇨ Shareholders

Directors	I. V. Pasi (Acting Group Chairperson) S. N. Chibanguza (Acting Group Chief Executive Officer)* C. Mutevhe (Acting Group Finance Director)* S. Zinyemba A. Denenga A. S. Hamilton (Alternate: R. L. Hamilton) P. Muzani * - Executive Directors
Company Secretary	P. Hare
Transfer Secretaries	First Transfer Secretaries (Private) Limited 1 Armagh Avenue, Eastlea, Harare, Zimbabwe Telephone: +263 4 782 869 / 72
Email	fts@mercantileholdings.co.zw
Auditors	Deloitte & Touche
Bankers	Agricultural Bank of Zimbabwe CBZ Bank Limited Central African Building Society (CABS) FBC Bank Limited MBCA Bank Limited Metbank Limited Standard Chartered Bank Zimbabwe Limited Steward Bank Limited People's Own Savings Bank (POSB)
Legal Advisors	Kantor & Immerman and Honey & Blackenberg
Registered Office	1 Wynne Street, Harare, Zimbabwe
Postal Address	P.O. Box 510, Harare, Zimbabwe
Telecommunications	Telephone +263 (04) 791260 / 790685 Telefax +263 (04) 790499 Email: panganayi@cfi.co.zw Website: www.cfigroup.co.zw

CFI HOLDINGS LIMITED BOARD

CFI OPERATIONAL BOARD

Retail Division

- Farm & City
- Vetco

Farming Division

- Glenara Estates
- Hubbard Zimbabwe
- Crest Breeders
- Suncrest

Milling Division

- Agrifoods
- Agrimix
- Victoria Foods

Properties Division

- Saturday Retreat Estate
- Maitlands - Joint Venture (45%)
- Reston Developers - Joint Venture (50%)

GROUP EXECUTIVES

Shingirayi N. Chibanguza	Acting Group Chief Executive Officer
Chesternoel Mutevhe	Acting Group Finance Director

DIVISIONAL MANAGEMENT

RETAIL DIVISION

CFI RETAIL & VETCO

Tanaka Hofisi	Finance Director

FARMING DIVISION

GLENARA ESTATES

Mark Coulson	General Manager
Clear Matangi	Operations Manager
Irvine Munetsi	Finance Manager

HUBBARD ZIMBABWE & SUNVALLEY ESTATE

Netsai Nyakabawu	General Manager
Stewart Gomwe	Finance Manager

MILLING DIVISION

AGRIFOODS & AGRIMIX

Wellington Chiremba	Acting Managing Director
Stewart Gomwe	Finance Manager

VICTORIA FOODS

Chamunorwa Mhishi	Finance Manager

CORPORATE SERVICES

Panganayi Hare	Group Company Secretary
Taurai Shava	Group Property & Development Manager
Muchanaka Zuwirai	Group Finance Manager
Edward Mandisodza	Acting Group Internal Audit Manager
Eve Muguza	Group ICT Manager

PROPERTIES DIVISION

SATURDAY RETREAT

Taurai Shava	Group Property & Development Manager
Godfrey Magombedze	Project Engineer
Muchanaka Zuwirai	Finance Manager

MAITLANDS ZIMBABWE

George Chambara	Finance Manager

RESTON DEVELOPERS (SUNCREST PARK)

Chesternoel Mutevhe	Project Executive
Peter Chibaya	Finance Manager

NOTICE OF ANNUAL GENERAL MEETING (AGM)

NOTICE is hereby given that the twenty second (22nd) Annual General Meeting ("AGM") of the Company will be held at Farm & City Boardroom, 1st Floor Farm & City Complex, No 1 Wynne Street, Harare on Monday 12 March 2018, at 11:00 am to consider the following business:

ORDINARY BUSINESS

1. To receive and adopt the financial statements for the year ended 30 September 2017, together with the reports of the directors and auditors thereon.
2. To elect directors in place of those retiring in accordance with the provisions of the Articles of Association. Messrs. A. Denenga, A. S. Hamilton (with R. L. Hamilton as alternate) and Ms P. Muzani were appointed to the Board after the previous AGM, and retire from the Board as per Article 58, and being eligible, they offer themselves for re-election. Mr S.D. Zinyemba retires from the Board by rotation and being eligible, offers himself for re-election.
3. To confirm directors' fees for the year ended 30 September 2017.
4. To approve the remuneration of the auditors for the year ended 30 September 2017 and to appoint auditors for the ensuing year.

EXPLANATORY NOTES TO THE PROPOSED RESOLUTIONS

Election of Directors

At each AGM, one third of the directors (other than the Managing Director), or, if their number is not a multiple of three, then the number nearest to but not being less than one third shall retire. The directors retiring from office shall be eligible for re-election (Articles 68 and 69).

No person other than a director retiring at the meeting shall, unless recommended by other directors, be eligible for the office of director unless, not less than seven or more than twenty-one clear days before the date appointed for the meeting, there shall have been given to the Secretary notice in writing, signed by a member duly qualified to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected (Article 70).

In summary, the CFI Holdings Limited board comprises; Ms I. V. Pasi (Acting Group Chairman), Messrs S. N. Chibanguza (Acting Group Chief Executive Officer), S. D. Zinyemba, A. Denenga, A. S. Hamilton (Alternate: R. L. Hamilton) and Ms. P. Muzani.

Notes

1. In terms of the Companies Act (Chapter 24.03) a member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll and speak in his stead. A proxy need not be a member of the Company.
2. In terms of clause 50 of the Company's Articles of Association, instruments of proxy must be lodged at the registered office of the Company at least forty eight hours before the time appointed for holding of the meeting.
3. Members are requested to advise the Transfer Secretaries in writing of any change in address.

By order of the Board
P. Hare
Group Company Secretary
15 February 2018

Ms I .V. Pasi - Acting Group Chairperson

I would want to apologise to our various stakeholders for the delayed publication of our audited accounts. The late conclusion of the audit was due to the need to conclude material technical financial reporting considerations pertinent to the FY2017 financial results.

Overall, the Group registered a significant recovery during the year on the back of a good 2016/17 agricultural season.

The Group took advantage of market opportunities in the retail sector to trade profitably during the year. Glenara Estate narrowed its losses during the year. Operational losses on entities under judicial management were largely contained to critical care and maintenance costs during the period.

Having been granted provisional Judicial Management in prior year for Victoria Foods and Crest Poultry Group, the final judicial management was confirmed at the beginning of the financial year. Consequently, this confirmed loss of control of the entities under judicial management, which will be reflected financially as unconsolidated effective 30 September 2016 through a restatement of the prior year accounts. The deconsolidation and prior year US$31.4 m intergroup receivable provisioning adjustment for entities under judicial management (see below) has resulted in the restatement of prior year accounts in keeping with the Board's efforts to reflect the Group's fair Net Asset Value (NAV). This measure is notwithstanding the Group's firm and resolute commitment to ensuring all entities under judicial management are operationally recuperated to levels sufficient to address their indebtedness to their creditor base.

OVERVIEW OF THE GROUP'S OPERATIONS AND PERFORMANCE

Group turnover for the year increased by 45.3% to $42.6 million compared to US$29.3 million achieved in the prior year. Of the total turnover, the Retail and Farming Divisions contributed 93.9% and 6.1% respectively.

The Group earnings before interest, taxes, depreciation and amortisation (EBITDA) was a US$2.8 million positive contribution against a loss (LBITDA) of US$41.8 million incurred in prior year. Financing costs for the period decreased to US$0.6 million from US$2.9 million incurred in the prior year due to a decrease in borrowing levels following a US$1.6 million land for debt settlement consummated at the end of the 2016 financial year. The Group consequently posted a profit before tax of US$1.5 million compared to a restated US$47 million loss incurred in the prior year, taking into account a once off US$31,4 million provision on intergroup balances for entities that were put under judicial management.

The loss before tax incurred by entities under judicial management and not consolidated during the year were US$3.1 million, mainly driven by depreciation and care and maintenance costs.

The Group's capital expenditure during the period was US$0.5 million (2016 – US$0.5 million). Group borrowings increased marginally to US$3.8 million from US$3.6 million owed in the prior year.

RECAPITALISATION UPDATE AND OUTLOOK

The Farm & City Retail business continues to recover well given a renewed re-investment focus and this has seen it reclaim its place as a dominant agro-inputs and building materials hardware retailer. Farm & City ran its inaugural 'Gold Rush Farm & Win' promotion, the biggest ever agro-inputs Retail promotion since dollarization, and this was successful, exceeding the Group's projections.

The Group's focus in 2018 is to ensure that operations that were put under judicial management: Agrifoods and Victoria Foods resume production and exploit blossoming market opportunities in the new political dispensation.

DIRECTORATE

During the year, Mr E. Chawoneka and Mr D. Mamvura were coopted to the Board in February and May 2017 respectively.

After year-end, Mrs G. Muradzikwa, Mr E. Chawoneka and Mr D. Mamvura resigned from the Board after the major shareholder Group required their resignations due to their conflict of interest on the Langford Estates transaction and other matters under investigation.

Mr H. Rudland also resigned subsequent to being required to do so by the major shareholder group citing free use of company premises by Swift, an entity in which he has interests in and also his involvement in using his influence to suppress an audit report which stated that money had gone missing from Glenara Estates after being collected by TEFCO (Private) Limited, a company in which he sits as a director.

Mr T. Nyika resigned after it was discovered that he was implicated in the fraudulent registration of a US$5 million mortgage bond over a Group Property in favour of TEFCO (Private) Limited, a finance Company related to Mr H. Rudland. This mortgage is in the process of being cancelled and a report has been made to the relevant authorities.

Mr A. Denenga, Mr A.S. Hamilton (with Mr R.L. Hamilton as alternate) and Ms. P. Muzani were appointed to the Board. Mr S.N. Chibanguza and myself were appointed Acting Group Chief Executive Officer and Acting Chairperson in December 2017 respectively.

ACKNOWLEDGEMENTS

On behalf of the Board and Shareholders, I would like to extend my sincere appreciation to our valued customers, suppliers, management and staff for their support and commitment in seeing through the Group's recovery initiatives.

Ms I .V. Pasi
ACTING GROUP CHAIRPERSON
15 February 2018

RETAIL DIVISION

FARM & CITY

Turnover at $40.1m was 94.8% higher than the comparable period mainly due to improved stocking and the favourable impact of above normal rainfall throughout the country that resulted in increased demand for agro-inputs. Group funding interventions completed during the year impacted positively on the business and repositioned the business for profitability and sustainable growth. Margins improved by 3% during the year. Six new branches were opened and three branches were relocated to better locations, underpinning the revenue and profitability growth realized during the year just ended.

GLENARA ESTATES

The Estate's activities were largely focused on cereals production, horticultural activities and poultry production. The capital investment made in the prior year and the skills transfer through joint ventures projects have transformed the Estates' productivity, profitability and cash flows. The Estate was fully cropped during the 2016/2017 farming season. The Estate harvested 3 600 tonnes of maize, 250 tonnes of soya beans, and narrowed its losses during the year.

PROPERTY DEVELOPMENT

SATURDAY RETREAT

Since completion of the registration process in May 2015, recoveries of compensation have continued from residents. Good progress has been registered on surveys, town planning and preliminary road reticulation.

SUNCREST PARK (RESTON DEVELOPERS)

The project being undertaken by Reston Developers involving the servicing of 652 stands opposite Glen View 7 which commenced in 2015 made good progress in the year under review. Servicing of the stands is scheduled for completion by June 2018 after the Group secured funding during the year.

MAITLANDS ZIMBABWE

The Group concluded a settlement with residents who had illegally moved onto the undeveloped piece of property comprising 160 hectares opposite Glen View 7. The settlement has now resulted in the Group commencing recovery of compensation for the land value over a 10 year period. The Group has finalized development plans and surveys during the period and this will assist in progressing the development of the Estate.

LANGFORD ESTATES

The Company received a formal Notice from the major shareholder group in July 2017 (Messina Investment Ltd and its allies) to call for an EGM to re-table the Langford Estates transaction citing a complete lack of any disclosure that the "purchaser", Fidelity Life Assurance of Zimbabwe Limited, was a related party and that NSSA/STALAP/ZHL as the major shareholders in Fidelity Life Assurance of Zimbabwe Limited would not be eligible to vote on the Resolutions.

In view of the material size of the transaction (US$18 million), Messina Investments Ltd also required the Resolutions to be correctly re-tabled as Special Resolutions as opposed to the Ordinary Resolutions tabled in October 2015.

The conflicted Board, controlled as it was by NSSA/ STALAP /ZHL, failed to take any steps to call the EGM. This led to the major shareholder group demanding the resignations of the Acting Chairperson Mrs G. Muradzikwa and board members Mr E. Chawoneka and Mr D. Mamvura.

UPDATE ON ENTITIES UNDER JUDICIAL MANAGEMENT

MILLING OPERATIONS

AGRIFOODS & VICTORIA FOODS

The two operations were largely under care and maintenance during the period. The judicial manager, together with the Group have been working on initiatives aimed at resuscitating the operations. These efforts saw Agrifoods Bulawayo increase its throughput since April 2017. Also, a joint operation that will see the resumption of operations at Victoria Foods Flour mill plant was concluded in September 2017, and this should result in flour supplies to the market during the FY2018 financial year.

POULTRY DIVISION

Crest Poultry Group's other SBUs: Crest Breeders, Hubbard Zimbabwe and Suncrest Chickens were all under care and maintenance. Joint ventures leveraging the Group's poultry infrastructure and brands are still being pursued.

S. N. Chibanguza
Acting Group Chief Executive Officer
15 February 2018

INTRODUCTION

The CFI Holdings Limited Group ("CFI") is committed to the principles of transparency, accountability, and integrity in its dealings with all its stakeholders. Directors and employees are required to observe the highest ethical standards, ensuring the business practices are conducted in a manner which, in all reasonable circumstances, is beyond reproach.

The primary objective of any system of corporate governance is to ensure that directors and managers, to whom the running of large corporations has been entrusted by the shareholders, carry out their responsibilities faithfully and effectively, placing the interests of the corporation ahead of their own. This process is facilitated through the establishment of appropriate reporting and control structures.

FINANCIAL STATEMENTS

The directors of CFI are responsible for preparing financial statements and other information presented in the annual report in a manner that fairly presents the state of affairs and results of the operations of the Company and the Group. The external auditors are responsible for carrying out an independent examination of the financial statements in accordance with International Standards on Auditing and reporting their findings thereon. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). They are based on appropriate accounting policies and are supported by reasonable and prudent judgement and estimates. The directors have no reason to believe that the Group's operations will not continue as going concerns in the year ahead given plans cited in note 33 on page 58.

AUDIT COMMITTEE

CFI has an Audit Committee, comprising representation by independent non-executive directors, which is chaired by an independent non-executive director. The internal and external auditors have unrestricted access to the committee and, in addition, representatives attend all audit committee meetings. The audit committee reviews the effectiveness of internal controls in the Group with reference to the findings of internal and external auditors. Other areas covered include the review of important accounting issues, specific disclosures in the financial statements, financial reports and major audit recommendations.

HUMAN RESOURCES AND REMUNERATION COMMITTEE

CFI has a Human Resources and Remuneration Committee comprising non-executive and executive directors. The committee is chaired by a non-executive director. The terms of reference of the committee are to determine the Group's policy on the remuneration of executive directors including individual salaries, share options and other terms of the remuneration packages.

FINANCE AND INVESTMENT COMMITTEE

The Group has a Finance and Investment Committee comprising a majority of non-executive directors. The committee's objective is to assist the board of directors in fulfilling its overall responsibilities with respect to the financial affairs of the Group. Specific areas relate to the Group's investment policies and guidelines, capital needs and financing arrangements, major asset acquisitions or enhancement and asset disposals as well as evaluation of the Group's risk management framework.

INTERNAL CONTROL

The Group maintains internal controls and systems designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability for its assets. Internal auditors have been tasked to ensure adherence to internal controls and systems through a program that is designed to cover areas of risk.

TIP OFFS ANONYMOUS

The Group relaunched a Tip Offs Anonymous initiative in 2016 to which all stakeholders are able to confidentially report any inappropriate behaviour. All suppliers, customers and employees have easy access to this facility in order to deter fraud and any other malpractices.

DIRECTORATE AND EXECUTIVE MANAGEMENT

The board of directors of CFI includes non-executive directors who are chosen for their independence, business acumen and skills. As a holding company, CFI adopts a decentralised approach with regard to day-to- day running of its businesses. The board of the Group meets regularly and monitors the performance of executive management. It addresses a range of key issues and ensures that debate on matters of policy, strategy and performance is critical, informed and constructive.

STRATEGIC PLANNING PROCESS AND MANAGEMENT REPORTING

Annual strategic plans are compiled at business unit level and are reviewed by the CFI Board. There are comprehensive management reporting disciplines in place, which include the preparation of annual budgets by all operating units. These are reviewed and updated quarterly to reflect changes in the economy. The relevant company board of directors approve individual operational budgets, while the group budget is reviewed by the directors of CFI. Monthly results and the financial status of operating units are reviewed against approved budgets.

WORKER PARTICIPATION

Each operating company in the Group has a workers council to deal with issues that affect employees directly and materially. These include collective bargaining mechanisms and structures to drive productivity improvements. These are designed to achieve good employer/employee relations through effective sharing of relevant information, consultation and the identification and resolution of conflict.

ENVIRONMENT

Environmental awareness is an integral element of the Group's operations. Business units are encouraged to protect and enhance the environment.

DIRECTORS' REPORT

Your directors hereby present the financial statements of the Group and accompanying statutory reports for the year ended 30 September 2017.

CAPITAL

In terms of resolutions approved by shareholders at meetings in January 1997, February and October 2001, March 2004 and 15 September 2008, the unissued shares of the Company are controlled as follows:-

Set aside for issue to:-	
Zimbabwe Farmers Union buying scheme	1 600 000
Executive management share option scheme	10 907 380
Under the control of the directors	81 301 745
Unissued at 30 September 2017	**93 809 125**

9 200 000 share options were granted to the Employee Share Option Scheme by shareholders at an extra-ordinary general meeting held on the 15th of September 2008. This scheme lapses in October 2018.

DIRECTORS' SHAREHOLDING

The directors' shareholding, directly and indirectly, in the Company is shown on the inside back cover of the annual report.

NON-DISTRIBUTABLE RESERVES

Details of these are included in the notes to the financial statements.

GROUP OPERATING RESULTS

The results for the year are set out in the attached financial statements, and are commented upon in the Reports of the Chairman and the Acting Group Chief Executive Officer.

PROPERTY, PLANT AND EQUIPMENT

Capital expenditure for the year to 30 September 2017 was US$477 031 (2016: US$481 861). Budgeted capital expenditure for the year ending 30 September 2018 is US$1.4 million.

DIVIDENDS

In view of the need to conserve capital, the Board considers it inappropriate to declare a dividend for the period ended 30 September 2017.

DIRECTORATE

During the year, Mr E. Chawoneka and Mr D. Mamvura were coopted to the Board in February and May 2017 respectively.

After year-end, Mrs G. Muradzikwa, Mr E. Chawoneka and Mr D. Mamvura resigned from the Board after the major shareholder Group required their resignations due to their conflict of interest on the Langford Estates transaction and other matters under investigation.

Mr H. Rudland also resigned subsequent to being required to do so by the major shareholder group citing free use of company premises by Swift, an entity he has an interest in. His involvement in using his influence to suppress an audit report which stated money had gone missing from Glenara Estates after being collected by TEFCO (Private) Limited, a company in which he sits as a director was also cited.

Mr T. Nyika resigned after it was discovered that he was implicated in the fraudulent registration of a US$5 million mortgage bond over a Group Property in favour of TEFCO (Private) Limited, a finance Company related to Mr H. Rudland. This mortgage is in the process of being cancelled and a report has been made to the relevant authorities.

Mr A. Denenga, Mr A.S. Hamilton (with Mr R.L. Hamilton as alternate) and Ms. P. Muzani were appointed to the Board, whilst Mr S.N. Chibanguza and myself were appointed Acting Group Chief Executive Officer and Acting Chairperson in December 2017 respectively.

AUDITORS

The Group's independent external auditors for the year were Deloitte & Touche.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The directors of the Group and the Company are responsible for:

- Presenting the shareholders with a balanced and understandable assessment of the Group and the Company's financial performance for each year.
- Ensuring that the Group and the Company maintain accounting records which disclose, with reasonable accuracy, the financial position of the Group and the Company to enable them to ensure that the financial statements comply with relevant statutes.
- Taking appropriate steps to safeguard the assets of the Group and the Company and to prevent and detect fraud and other irregularities.
- Selecting appropriate accounting policies which conform to International Financial Reporting Standards and for monitoring compliance by the Group and the Company.

PREPARER OF FINANCIAL STATEMENTS

These annual financial statements have been prepared under the supervision of Mr. Chesternoel Mutevhe.

Chesternoel Mutevhe CA (Z)
Acting Group Financial Director
Registered Public Accountant

I. V. Pasi
Acting Group Chairperson

S. N. Chibanguza
Acting Group Chief Executive Officer

15 February 2018

We have audited the consolidated financial statements of CFI Holdings Limited and its subsidiaries ("the Group") set out on pages 14 to 58, which comprise the statements of financial position as at 30 September 2017, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Group as at 30 September 2017, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act (Chapter 24:03) and the relevant statutory instruments (SI 33/99 and SI 62/96).

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Public Accountants and Auditors Board, which is consistent with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Interest in Unconsolidated Subsidiaries

We draw attention to Note 12.4 of the financial statements, which describes the effects of the interest in unconsolidated subsidiaries. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters noted below relate to the consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
1. Going concern As reported in Note 33, the Group had been incurring losses since 2009 and only started generating profit in current year. As at 30 September 2017, the accumulated losses amounted to US$ 36 891 895 (2016: US$ 37 775 664). In prior year, the Group applied for voluntary judicial management for entities making a significant part of their business. The key audit matter in this regard pertains to the appropriate application of the going concern assumption in the preparation of the consolidated financial statements.	We focused our testing of the applicability of the going concern assumption on the key assumptions made by management. Our audit procedures included; - Challenging and validating the assumptions and strategies formulated by management in the context of current operating environment; and - Analysing trading forecasts to determine whether they are reasonable and supportable given the current macroeconomic environment. - Reviewed financial performance of the Group up to the date of this report. We found that the assumptions and forecasts used by management were comparable with historical performance and the expected future outlook. We consider the disclosure of the strategies in support of the going concern relevant and useful.
2. Valuation of amounts receivables from subsidiaries under judicial management	
In prior year, the Group applied for voluntary judicial management of major subsidiaries facing financial strain. Consequently, the Group lost control of these subsidiaries, which were deconsolidated with effect from 30 September 2016. As disclosed in Note 12.2 the Group recognised a provision for impairment losses on amounts receivable from subsidiaries under judicial management of US$ 31.4 million as a prior period error. The recognition of impairment provision is consequently a key audit matter as it involved management making key assumptions over The Group's; - Inability to significantly influence the operations of the subsidiaries; and - Reorganise or restructure the receivables in a group-synchronised manner.	We evaluated whether management had appropriately applied the provisions of IFRS 10 and IFRS 9 by; - Examining the provisions of the judicial management order in the context of IFRS 10 i.e. ability of the Group to control entities under judicial management; and - Challenging the assumptions used by management (including application of the prudence concept) in assessing the recoverability of the amounts as required by IFRS 9. We found the impairment provision and the restatement to be prudent and appropriate under the circumstances. The related disclosure was adequate in terms of the accounting standards.

Other matter

The financial statements of the Group for the years ended 30 September 2016 and 30 September 2015 had a disclaimer of opinion based on Going Concern.

Other information

The Directors are responsible for the other information. The other information comprises the Directors' Report, as required by the Companies Act (Chapter 24:03), Chairman's Report, Group Chief Executive Officer's report and the Corporate Governance Report which we obtained prior to the date of this auditor's report. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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

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

Responsibilities of the Directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Report on other legal and regulatory requirements

In our opinion, the financial statements have been properly prepared in compliance with the disclosure requirements of the Companies Act (Chapter 24:03) and the relevant statutory instruments (SI33/99 and SI 62/96).

Deloitte & Touche

Deloitte & Touche
Per Graham Dombodzvuku
Partner
Registered Auditor
PAAB Registration number: 0441

31 January 2018

Deloitte.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 September 2017

	Notes	GROUP 2017 US$	GROUP 2016 US$ (Restated)	COMPANY 2017 US$	COMPANY 2016 US$ (Restated)
Sales		42,427,040	29,180,564	-	-
Change in fair value of biological assets		107,702	151,307	-	-
REVENUE		**42,534,742**	**29,331,871**	**-**	**-**
Cost of sales		(35,047,606)	(27,312,548)	-	-
GROSS PROFIT		**7,487,136**	**2,019,323**	**-**	**-**
Other operating income (expenses)	4	3,225,929	2,660,036	48,921	54,720
Selling, marketing and distribution expenses		(3,186,327)	(3,061,923)	-	-
Administration expenses		(5,370,578)	(45,611,728)	(709,877)	(26,112,441)
OPERATING PROFIT (LOSS)	**5**	**2,156,160**	**(43,994,292)**	**(660,956)**	**(26,057,721)**
Share of losses from joint ventures		(68,403)	(140,920)	-	-
Net financing (cost) income	6	(571,868)	(2,858,400)	(82,462)	50,230
PROFIT (LOSS) BEFORE TAX		**1,515,889**	**(46,993,612)**	**(743,418)**	**(26,007,491)**
Income tax (expense) credit	8	(636,020)	1,938,655	(422)	2,611
PROFIT (LOSS) FOR THE YEAR		**879,869**	**(45,054,957)**	**(743,840)**	**(26,004,880)**
OTHER COMPREHENSIVE INCOME (LOSS), NET OF INCOME TAX					
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS					
Transfer from non distributable reserves to retained income on realisation of revaluation		3,900	-	-	-
(Loss) gain on revaluation of plant and properties		-	(13,076)	-	1,288
Deferred tax on revaluation of plant and properties		-	5,643	-	(5,000)
		3,900	**(7,433)**	**-**	**(3,712)**
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS					
Deferred tax on net value loss on investments		-	35,322	-	35,322
Other comprehensive income for the year, net of tax		**3,900**	**27,889**	**-**	**31,610**
TOTAL COMPREHENSIVE PROFIT (LOSS) FOR THE YEAR		**883,769**	**(45,027,068)**	**(743,840)**	**(25,973,270)**
PROFIT (LOSS) ATTRIBUTABLE TO:					
Equity holders of the parent		**879,869**	**(45,054,957)**	**(743,840)**	**26,004,880)**
TOTAL COMPREHENSIVE PROFIT (LOSS) ATTRIBUTABLE TO:					
Equity holders of the parent		**883,769**	**(45,027,068)**	**(743,840)**	**(25,973,270)**
Earnings (loss) per share:					
Basic (cents per share)	10	0.83	(42.70)	(0.70)	(24.65)
Diluted (cents per share)	10	0.83	(42.48)	(0.70)	(24.52)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2017

	Notes	GROUP 2017 US$	GROUP 2016 US$ (Restated)	COMPANY 2017 US$	COMPANY 2016 US$ (Restated)
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	11	33,261,917	32,147,566	117,793	118,446
Investments	12.1	4,059,000	4,059,000	-	-
Investment in joint ventures	12.3	(880,006)	(755,197)	-	-
Deferred tax assets	18.1	759	1,018,444	-	-
Trade and other receivables	14	9,005,568	10,549,598	2,545,999	4,312,616
TOTAL NON-CURRENT ASSETS		**45,447,238**	**47,019,411**	**2,663,792**	**4,431,062**
CURRENT ASSETS					
Inventories and biological assets	13	20,343,895	19,088,945	-	-
Trade and other receivables	14	5,496,362	4,356,154	116,615	87,252
Bank balances and cash		1,477,498	243,905	31,242	7,347
		27,317,755	23,689,004	147,857	94,599
Assets classified as held for sale	15	-	1,339,000	-	-
TOTAL CURRENT ASSETS		**27,317,755**	**25,028,004**	**147,857**	**94,599**
TOTAL ASSETS		**72,764,993**	**72,047,415**	**2,811,649**	**4,525,661**
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Issued share capital	16	1,063,909	1,058,309	1,063,909	1,058,309
Share premium		94,740	80,040	94,740	80,040
Share options reserve		156,004	156,004	156,004	156,004
Non-distributed reserves	17	79,314,159	79,318,059	2,447,598	2,447,598
Accumulated losses		(36,891,895)	(37,775,664)	(30,182,131)	(29,438,290)
TOTAL EQUITY		**43,736,917**	**42,836,748**	**(26,419,880)**	**(25,696,339)**
NON-CURRENT LIABILITIES					
Deferred tax liabilities	18.1	6,053,173	6,620,428	21,757	21,335
Trade and other payables	19	6,037,578	5,315,820	25,132,783	24,755,517
Long term borrowings	20.1	369,235	308,181	-	-
TOTAL NON-CURRENT LIABILITIES		**12,459,986**	**12,244,429**	**25,154,540**	**24,776,852**
CURRENT LIABILITIES					
Trade and other payables	19	12,096,793	12,802,693	2,254,794	2,757,202
Short term borrowings	20.2	3,169,887	3,057,704	1,764,764	2,630,515
Bank overdraft	20.3	249,175	236,986	-	-
Current tax liabilities		1,052,235	801,905	57,431	57,431
		16,568,090	**16,899,288**	**4,076,989**	**5,445,148**
Liabilities directly associated with assets classified as held for sale	15	-	66,950	-	-
TOTAL CURRENT LIABILITIES		**16,568,090**	**16,966,238**	**4,076,989**	**5,445,148**
TOTAL EQUITY AND LIABILITIES		**72,764,993**	**72,047,415**	**2,811,649**	**4,525,661**

I. V. Pasi
Acting Group Chairperson

S. N. Chibanguza
Acting Group Chief Executive Officer

C. Mutevhe
Acting Group Finance Director

24 January 2018

For the year ended 30 September 2017

GROUP STATEMENT OF CHANGES IN EQUITY

		ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT					
	Notes	Share Capital US$	Share Premium US$	Share options reserve US$	Non Distributable Reserves US$	Accumulated Losses US$	Total equity US$
Balance at 30 September 2015		**1,055,009**	**73,440**	**156,004**	**101,173,314**	**(52,081,333)**	**50,376,434**
Issue of shares		3,300	6,600	-	-	-	9,900
Other comprehensive income for the year		-	-	-	27,889	-	27,889
Transfer from non-distributable resolves		-	-	-	(22,335)	22,335	-
Loss for the year (restated)		**-**	**-**	**-**	**-**	**(45,054,957)**	**(45,054,957)**
Loss for the year as previously reported		-	-	-	-	(13,692,072)	(13,692,072)
Prior period error - provisioning for entities under judicial management	28	-	-	-	-	(31,362,885)	(31,362,885)
Effect of loss of control of subsidiaries under judicial management	28	-	-	-	(21,860,809)	59,338,291	37,477,482
Balance at 30 September 2016 (restated)		**1,058,309**	**80,040**	**156,004**	**79,318,059**	**(37,775,664)**	**42,836,748**
Issue of shares		5,600	14,700	-	-	-	20,300
Transfer from non-distributable reserves to retained income		-	-	-	(3,900)	3,900	-
Profit for the year		-	-	-	-	879,869	879,869
Balance at 30 September 2017		**1,063,909**	**94,740**	**156,004**	**79,314,159**	**(36,891,895)**	**43,736,917**

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share Capital US$	Share Premium US$	Share options reserve US$	Non Distributable Reserves US$	Accumulated Losses US$	Total equity US$
Balance at 30 September 2015	**1,055,009**	**73,440**	**156,004**	**2,415,988**	**(3,433,410)**	**267,031**
Issue of shares	3,300	6,600	-	-	-	9,900
Loss for the year (restated)	**-**	**-**	**-**	**-**	**(26,004,880)**	**(26,004,880)**
Loss for the year as previously reported	-	-	-	-	(1,249,363)	(1,249,363)
Prior period error - provisioning for entities under judicial management	-	-	-	-	(24,755,517)	(24,755,517)
Other comprehensive income for the year	-	-	-	31,610	-	31,610
Balance at 30 September 2016 (restated)	**1,058,309**	**80,040**	**156,004**	**2,447,598**	**(29,438,290)**	**(25,696,339)**
Issue of shares	5,600	14,700	-	-	-	20,300
Loss for the year	-	-	-	-	(743,840)	(743,840)
Balance at 30 September 2017	**1,063,909**	**94,740**	**156,004**	**2,447,598**	**(30,182,130)**	**(26,419,879)**

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended 30 September 2017

	Notes	GROUP 2017 US$	GROUP 2016 US$ (Restated)	COMPANY 2017 US$	COMPANY 2016 US$ (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit (loss) before tax		1,515,889	(46,996,606)	(743,418)	(26,007,491)
Adjustments for:-					
Impairments of property, plant and equipment		6,735	221,252	-	-
Depreciation expense		691,269	2,076,538	8,649	10,551
Change in fair value of biological assets		(107,702)	(151,307)	-	-
Provision for intergroup receivable balances for entities under judicial management		-	31,365,879	-	24,755,517
Loss from disposal of investments		-	39,741	-	39,741
Share of loss in joint venture		68,403	140,920	-	-
Net financing cost (income)		571,868	2,858,400	82,462	(50,230)
(Profit) loss on disposal of property, plant and equipment		(3,132)	43,254	-	17,270
OPERATING CASH FLOWS BEFORE WORKING CAPITAL CHANGES		**2,743,330**	**(10,401,929)**	**(652,307)**	**(1,234,642)**
(Increase) decrease in inventories and biological assets		(1,147,248)	1,346,718	-	-
Decrease in trade and other receivables *		403,822	3,285,130	1,737,254	15,416,542
Increase (decrease) in trade and other payables		15,858	5,290,717	(125,143)	841,173
CASH GENERATED FROM (UTILISED IN) OPERATING ACTIVITIES		**2,015,762**	**(479,364)**	**959,804**	**15,023,073**
Net financing (cost) income		(571,868)	(2,858,400)	(82,462)	50,230
Income taxes paid		(2,210)	(537,877)	-	(3,500)
NET CASH GENERATED FROM (UTILISED IN) OPERATING ACTIVITIES		**1,441,684**	**(3,875,641)**	**877,342**	**15,069,803**
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of investments		-	666,701	-	666,701
Dividend received from investments		56,406	-	-	-
Net cash inflows on loss of control of subsidiaries put under judicial management		-	1,287,348	-	-
Net cash inflows - joint ventures		-	662,014	-	-
Proceeds from disposal of assets held for sale		-	16,800,000	-	-
Purchase of property, plant and equipment		(477,031)	(481,861)	(7,996)	(4,203)
Proceeds from disposal of property, plant and equipment		6,808	164,154	-	7,850
NET CASH (UTILISED IN) RECEIVED FROM INVESTING ACTIVITIES		**(413,817)**	**19,098,356**	**(7,996)**	**670,348**
CASH FLOWS FROM FINANCING ACTIVITIES					
Issue of shares		20,300	9,900	20,300	9,900
Net proceeds (settlement of) from long term loans		61,054	(1,119,324)	-	(785,036)
Net short term loans received (repaid)		112,183	(14,233,480)	(865,751)	(14,958,256)
NET CASH GENERATED FROM (UTILISED IN) FINANCING ACTIVITIES		**193,537**	**(15,342,904)**	**(845,451)**	**(15,733,392)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**1,221,404**	**(120,189)**	**23,895**	**6,759**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**6,919**	**127,108**	**7,347**	**588**
CASH AND CASH EQUIVALENTS AT END OF YEAR		**1,228,323**	**6,919**	**31,242**	**7,347**
REPRESENTED BY:-					
Bank balances and cash		1,477,498	243,905	31,242	7,347
Bank overdraft		(249,175)	(236,986)	-	-
		1,228,323	**6,919**	**31,242**	**7,347**

* The movement in the company balances includes changes in the investment in subsidiaries per note 12.1

1.1 GENERAL INFORMATION

CFI Holdings Limited (the Company) is a company incorporated in Zimbabwe whose shares are publicly traded on the Zimbabwe Stock Exchange. The address of its registered office and its principal place of business is disclosed on page 3 of the annual report. The principal activities of the Company, its subsidiaries and joint ventures (together the Group) is the holding of investments, the letting of properties, the wholesaling and retailing of consumer goods, the manufacture of stock feeds, the provision of animal health requisites, the operation of maize and wheat mills, poultry breeding, production, processing and selling, the development and management of real estate.

Final judicial management was confirmed on the 12th of October 2016 for entities which were placed under provisional judicial management during prior year (26th of August 2016), being Agrifoods (Private) Limited, Crest Poultry Group (Private) Limited, Victoria Foods (Private) Limited, Amtec Manufacturing (Private) Limited and Manicaland Farmers Coop (Private) Limited, with Mr. Reggie Saruchera of Grant Thornton being appointed as the Judicial Manager over those entities.

1.1.2 Currency

The financial statements are presented in United States dollars (US$) which is the functional currency of the Company and the Group.

1.2 ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

1.2.1 Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2017.

Amendments to IAS 7 Disclosure Initiative

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes.

The Group's liabilities arising from financing activities consist of borrowings (note 20) and other financial liabilities (note 31). Apart from the disclosure in the notes, the application of these amendments has had no impact on the Group's consolidated financial statements.

Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses (Effective for annual periods beginning on or after 1 January 2017)

The Group has applied these amendments in the current year. The amendments clarify how an entity should evaluate whether there will be sufficient future taxable profits against which it can utilise a deductible temporary difference.

The amendments clarify the following:

- Unrealised losses on a debt instrument measured at fair value for which the tax base remains at cost give rise to a deductible temporary difference, irrespective of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use, or whether it is probable that the issuer will pay all the contractual cash flows;
- When an entity assesses whether taxable profits will be available against which it can utilise a deductible temporary difference, and the tax law restricts the utilisation of losses to deduction against income of a specific type (e.g. capital losses can only be set off against capital gains), an entity assesses a deductible temporary difference in combination with other deductible temporary differences of that type, but separately from other types of deductible temporary differences;
- The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this; and
- In evaluating whether sufficient future taxable profits are available, an entity should compare the deductible temporary differences with future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences

The amendments apply retrospectively.

The application of these amendments has had no impact on the Group's consolidated financial statements as the Group already assesses the sufficiency of future taxable profits in a way that is consistent with these amendments.

1.2 ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (Continued)

Annual Improvements to IFRSs 2014-2016 Cycle

The Group has applied the amendments to IFRS 12 included in the Annual Improvements to IFRSs 2014-2016 Cycle for the first time in the current year. The other amendments included in this package are not yet mandatorily effective and they have not been early adopted by the Group (see section 1.2.2 below). IFRS 12 states that an entity need not provide summarised financial information for interests in subsidiaries, associates or joint ventures that are classified (or included in a disposal group that is classified) as held for sale. The amendments clarify that this is the only concession from the disclosure requirements of IFRS 12 for such interests. The application of these amendments has had no effect on the Group's consolidated financial statements as none of the Group's interests in these entities are classified, or included in a disposal group that is classified, as held for sale.

1.2.2 New and revised IFRSs in issue but not yet effective
The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial Instruments (Effective for annual periods beginning on or after 1 January 2018.)
IFRS 15	Revenue from Contracts with Customers (and the related Clarifications) (Effective for annual periods beginning on or after 1 January 2018.)
IFRS 16	Leases (Effective for annual periods beginning on or after 1 January 2019.)
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions (Effective for annual periods beginning on or after 1 January 2018.)
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Effective for annual periods beginning on or after a date to be determined.)
Amendments to IAS 40	Transfers of Investment Property (Effective for annual periods beginning on or after 1 January 2018.)
Amendments to IFRSs	Annual Improvements to IFRS Standards 2014-2016 Cycle (Effective for annual periods beginning on or after 1 January 2018.)
IFRIC 22	Foreign Currency Transactions and Advance

Consideration (Effective for annual periods beginning on or after 1January 2018.)IFRS 9 Financial Instruments (issued November 2009, no stated effective date)
IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

- debt instruments meeting both a 'business model' test and a 'cash flow characteristics' test are measured at amortised cost (the use of fair value is optional in some limited circumstances);
- investments in equity instruments can be designated as 'fair value through other comprehensive income' with only dividends being recognised in profit or loss;
- all other instruments (including all derivatives) are measured at fair value with changes recognised in profit or loss; and
  the concept of 'embedded derivatives' does not apply to financial assets within the scope of the standard and the entire instrument must be classified and measured in accordance with the above guidelines.

The future application of this IFRS will not have a material impact on the Group's financial statements, as the Group currently measures its borrowings at amortised cost, does not have any investments in equity instruments measured at fair value and does not have any financial instruments with embedded derivatives.

1.2 ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (Continued)

IFRS 9 Financial Instruments (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39) (2013) (issued November 2009, no stated effective date)

A revised version of IFRS 9 which:

- introduces a new chapter to IFRS 9 on hedge accounting, putting in place a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non- financial risk exposures
- permits an entity to apply only the requirements introduced in IFRS 9 (2010) for the presentation of gains and losses on financial liabilities designated at fair value through profit or loss without applying the other requirements of IFRS 9, meaning the portion of the change in fair value related to changes in the entity's own credit risk can be presented in other comprehensive income rather than within profit or loss.
- removes the mandatory effective date of IFRS 9 (2013), IFRS 9 (2010) and IFRS 9 (2009), leaving the effective date open pending the finalisation of the impairment and classification and measurement requirements. Notwithstanding the removal of an effective date, each standard remains available for application.

The future application of this IFRS will not have a material impact on the Group's financial statements, as it does not have any financial instruments for which it requires hedge accounting, nor financial liabilities measured at fair value.

IFRS 9 Financial Instruments (issued July 2015, effective annual periods beginning on or after 1 January 2018, early application permitted)

This is a finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39

Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas:

Classification and measurement: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2015 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to that under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.

Impairment: The 2015 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised.

Hedge accounting: Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non- financial risk exposures.

Derecognition: The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

The future application of this IFRS is expected to have a material impact on the Group's financial statements, as it currently complies with IAS 39 Financial Instruments: Measurement requirements. The classification and measurement of financial assets and liabilities by reference to the business model will result in financial assets and liabilities measured at amortised cost. Impairments of financial assets will now be done based on the expected credit losses model. However, there will be no impact on hedge accounting as the Group does not make use of any hedging instruments.

IFRS14 Regulatory Deferral Accounts (issued January 2014, applicable to an entity's first annual IFRS financial statements for a period beginning on or after 1 January 2016, issued January 2015, effective annual periods beginning on or after 1 January 2016, early application permitted)

IFRS 14 permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements.

The future application of this IFRS will not have a material impact on the Group's financial statements, as the Group does not have regulatory deferral account balances related to the provision of goods or services subject to rate regulation.

1.2 ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (Continued)

IFRS 15 Revenue from Contracts with Customers (issued May 2015 and applicable to an entity's first annual IFRS financial statements for a period beginning on or after 1 January 2018, early application permitted)

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are as follows:

- identify the contract with the customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contracts; and
- recognise revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point at which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

IFRS 15 will replace IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets to Customers and SIC 31 Revenue - Barter Transactions Involving Advertising Services.

The future application of this IFRS will result in the Group recognising revenue only if the conditions within the five step model are met, and disclosing su?cient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

IFRS 16 Leases (issued January 2016 and applicable to annual reporting periods beginning on or after 1 January 2019)

Specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

The future application of this IFRS will have a material impact on the Group.

IFRIC 22 Foreign Currency Transactions and Advance Consideration (effective for annual periods beginning on or after 1 January 2018)

The interpretation addresses foreign currency transactions or parts of transactions where:
- there is consideration that is denominated or priced in a foreign currency;
- the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and
- the prepayment asset or deferred income liability is non-monetary.

The Interpretations Committee came to the following conclusion:
- the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability.
- if there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

The future application of this IFRIC will not have a material impact on the Group, as it does not have any non-monetary assets or liabilities related to payments or receipts of advance consideration

1.2 ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (Continued)

IFRS 16 Leases (Effective for annual periods beginning on or after 1 January 2019)

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. It will supersede the following lease Standard and Interpretations upon its effective date:

- IAS 17 Leases;
- IFRIC 4 Determining whether an Arrangement contains a Lease;
- SIC-15 Operating Leases – Incentives; and
- SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Identification of a lease
IFRS 16 applies a control model to the identification of leases, distinguishing between leases and service contracts on the basis of whether there is an identified asset controlled by the customer. Control is considered to exist if the customer has:

a) the right to obtain substantially all of the economic benefits from the use of an identified asset; and

b) the right to direct the use of that asset.

The Standard provides detailed guidance to determine whether those conditions are met, including instances where the supplier has substantive substitution rights, and where the relevant decisions about how and for what purpose the asset is used are predetermined.

Lessee accounting
IFRS 16 introduces significant changes to lessee accounting: it removes the distinction between operating and finance leases under IAS 17 and requires a lessee to recognise a right-of-use asset and a lease liability at lease commencement for all leases, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

If a lessee elects not to apply the general requirements of IFRS 16 to short-term leases (i.e. one that does not include a purchase option and has a lease term at commencement date of 12 months or less) and leases of low value assets, the lessee should recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis, similar to the current accounting for operating leases.

Lessor accounting
In contrast to lessee accounting, the IFRS 16 lessor accounting requirements remain largely unchanged from IAS 17, which continue to require a lessor to classify a lease either as an operating lease or a finance lease.

In addition, IFRS 16 also provides guidance on the accounting for sale and leaseback transactions. Extensive disclosures are also required by the new Standard.

Due to the prominence of leasing transactions in the economy, many entities across different industries will be affected by IFRS 16.
In some cases, the changes may be substantial and may require changes to the existing IT systems and internal controls. Entities should consider the nature and extent of these changes.

IFRS 16 is effective for reporting periods beginning on or after 1 January 2019 with early application permitted for entities that apply IFRS 16 at or before the date of initial application of IFRS 16. A lessee can apply IFRS 16 either by a full retrospective approach or a modified retrospective approach. If the latter approach is selected, an entity is not required to restate the comparative information and the cumulative effect of initially applying IFRS 16 must be presented as an adjustment to opening retained earnings (or other component of equity as appropriate).

1.2 ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (Continued)

Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions (Effective for annual periods beginning on or after 1 January 2018)

The amendments clarify the following:

1. In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments.

2. Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligation to meet the employee's tax liability which is then remitted to the tax authority (typically in cash), i.e. the share-based payment arrangement has a 'net settlement feature', such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.

3. A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows:

   (i) the original liability is derecognised;
   (ii) the equity-settled share-based payment is recognised at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date; and
   (iii) any difference between the carrying amount of the liability at the modification date and the amount recognised in equity should be recognised in profit or loss immediately.

   The amendments are effective for annual reporting periods beginning on or after 1 January 2018 with earlier application permitted. Specific transition provisions apply.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Effective for annual periods beginning on or after a date to be determined)

The amendments deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. IAS 28 and IFRS 10 are amended, as follows:

IAS 28 has been amended to reflect the following:
- Gains and losses resulting from transactions involving assets that do not constitute a business between an investor and its associate or joint venture are recognised to the extent of unrelated investors' interests in the associate or joint venture.
- Gains or losses from downstream transactions involving assets that constitute a business between an investor and its associate or joint venture should be recognised in full in the investor's financial statements

IFRS 10 has been amended to reflect the following:
- Gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

Amendments to IAS 40 Transfers of Investment Property (Effective for annual periods beginning on or after 1 January 2018)
Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use.

The amendments further clarify that the situations listed in IAS 40 are not exhaustive and that a change in use is possible for properties under construction (i.e. a change in use is not limited to completed properties).

1.2 ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (Continued)

Annual Improvements to IFRSs 2014 – 2016 Cycle (Effective for annual periods beginning on or after 1 January 2018)

The Annual Improvements also include amendments to a number of IFRSs, which are not yet mandatorily effective as summarised below:

Standard	Subject of amendment	Details
IFRS 1 First-time Adoption of International Financial Reporting Standards	Deletion of short-term exemptions for first-time adopters	The amendments delete certain short-term exemptions in IFRS 1 because the reporting period to which the exemptions applied have already passed. As such, these exemptions are no longer applicable.
IAS 28 Investments in Associates and Joint Ventures	Measuring an associate or joint venture at fair value	The amendments clarify that the option for a venture capital organisation and other similar entities to measure investments in associates and joint ventures at FVTPL is available separately for each associate or joint venture, and that election should be made at initial recognition of the associate or joint venture. In respect of the option for an entity that is not an investment entity (IE) to retain the fair value measurement applied by its associates and joint ventures that are IEs when applying the equity method, the amendments make a similar clarification that this choice is available for each IE associate or IE joint venture.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting policies

The principal accounting policies of the Group and Company adopted in the preparation of these financial statements are, in all material respects, consistent with those applied in previous years and conform to the standards issued by the International Accounting Standards Board (IASB). The e?ect of standards and interpretations adopted in current year has been disclosed per note 1.2.

The consolidated financial statements have been prepared in compliance with the Zimbabwe Companies Act (Chapter 24:03).

2.2 GOING CONCERN

The Directors have satisfied themselves that based on the plans fully explained per note 33, the Group will be restored to a sound financial position and does have 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.

2.3 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share- based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.4 CONSOLIDATION

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the CFI Holdings Limited and entities (including structured entities) controlled by the Company and its subsidiaries.

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses 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 listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 CONSOLIDATION (Continued)

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are su?cient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company 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 intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions.

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; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

The investments in subsidiaries are accounted for at cost in the Company's separate financial statements.

Interests in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interests in joint ventures (Continued)

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the joint venture.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Where the Group entity undertakes its activities under joint venture arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other ventures are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured reliably.

Joint arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Group reports its interests in jointly controlled entities using proportionate consolidation, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations. The Group's share of the assets, liabilities, income and expenses of jointly controlled entities are combined with the equivalent items in the consolidated financial statements on a line-by-line basis.

Interests in joint operations

A joint operation is a joint arrangement whereby parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation;
- Its share of the revenue from the sale of the output by the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as the sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When the Group entity transacts with a joint operation in which a Group entity is a joint operator (such as the purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non- controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with IAS 39 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investments in associates or joint ventures above).

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

2.5 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. It is measured at the fair value of the consideration received or receivable and is reduced for estimated customer returns, rebates and other similar allowances as well as Value Added Tax.

The following specific recognition criteria must also be met before revenue is recognised:

Revenue from the sale of goods is recognised when the goods are delivered and title has passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from rendering of services is recognised by reference to the stage of completion of the transaction at the end of each reporting period. Where such progress cannot be measured reasonably revenue will not be recognised. Depending on the nature of the transaction, the following methods are used in determining the stage of completion:

- surveys of work performed;
- services performed to date as a percentage of total services to be performed; and
- the proportion that costs incurred to date bear to the total estimated total costs of the transaction. Only costs that reflect services performed as at the reporting date are included as the costs incurred to date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 REVENUE RECOGNITION (Continued)

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Commission on sale of consignment stocks is recognised only when the related consignment stocks are sold to third parties. Discount received is recognised when supplier payments are made within the discountable period and a credit note is received from the supplier.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying mount on initial recognition.

2.6 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 2.7 RETIREMENT BENEFIT COSTS AND TERMINATION BENEFITS

Payments to defined contribution retirement benefit plans are charged as and when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans, where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

A liability for a termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.8 SHARE-BASED PAYMENTS

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share-based transactions are set out in the detailed note 16.2.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve. The Group measures fair value using the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counter-party renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 TAXATION

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary di?erences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary di?erences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are o?set when there is a legally enforceable right to set o? current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Valued 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 taxation 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; and
- receivables and payables that are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 PROPERTY, PLANT AND EQUIPMENT

Initial recognition

Each item of property plant and equipment is initially recognised as an asset if it probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be reliably measured. Each item that qualifies for recognition is measured initially at cost, being the cash equivalent of the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Such costs exclude the day to day servicing.

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Subsequent Recognition

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes with the exception of milling properties and the abattoir buildings, are stated in the consolidated Statement of Financial Position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment. Milling properties and the abattoir buildings are carried at depreciated replacement cost. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period. Plant and machinery, motor vehicles and furniture and fittings are stated at cost less accumulated depreciation.

Freehold land is not depreciated. Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

Assets held under finance lease are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

The various rates of depreciation are as follows:
Buildings and improvements - 20 - 40 years
Leasehold improvements - the lesser of period of lease and 10 years
Plant and machinery - 3 - 20 years
Motor vehicles - 5 - 10 years
Office equipment, computers and so ware - 3 - 10 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the e?ect of any changes in estimate accounted for on a prospective basis.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment

Impairment of property, plant and equipment is assessed in terms of the accounting policy set out in note 2.11.

2.11 IMPAIREMENT OF NON-FINANCIAL ASSETS

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 IMPAIREMENT OF NON-FINANCIAL ASSETS (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing 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 the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment is treated as a revaluation decrease.

Where an impairment subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment is treated as a revaluation increase.

2.14 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to the particular class of inventory, with the majority being valued on a first in-first-out and weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Land in development and developed stands

The Group is involved in residential development by way of conversion of its land previously designated as farm-land through providing water, sewer, roads, storm-water drainage and other property development amenities.

Agricultural activities

Agricultural activities comprise the breeding of broiler and layer day old chicks from imported grandparent stock and the raising thereof into adult chickens as well as the growing of maize, wheat and other vegetable produce.

Biological assets

Biological assets are living animals or plants. All biological assets are stated at their fair value less estimated point of sale costs.

The fair value is determined in line with the age of the animals or plants.

Agricultural produce

Agricultural produce comprises the harvested product of the enterprise's biological assets. This is measured at its fair value less estimated point of sale costs at the point of harvest.

Growing crops and vegetable produce are measured at fair value less estimated point-of-sale costs. The fair value of growing crops is determined by reference to market prices by leading crop producers at reporting date discounted for the stage of growth and expected yield to maturity. The fair value of vegetable produce is determined based on market prices by leading vegetable wholesalers in Zimbabwe. All costs incurred in acquiring biological assets are capitalised.

Changes in the fair value of biological assets

Changes in the fair value of biological assets are recognised in revenue. Due to the short term growth cycle of the Group's biological assets, the ageing profile remains relatively constant from year to year and accordingly, the Group has not disclosed the change relating to growth of biological assets as encouraged by IAS 41. The majority of this change is expected to relate to price changes.

2.15 CASH AND CASH EQUIVALENTS

This represents cash on hand, at bank and other short-term highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of change in value.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised in the statement of financial position when the Group has become a party to the contractual provisions of the instruments. Purchases and sales of financial instruments are recognised on trade date, being the date on which the Group commits to purchase or sell the instrument.

Financial assets

Financial assets are initially recognised at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs and subsequently as set out below.

Trade and other receivables

Trade receivables are initially recognised at fair value. They are subsequently carried at amortised cost using the effective interest rate method (EIR), taking into account impairment via the determination of an allowance for any uncollectable amounts. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The allowance for uncollectable amounts is established when there is objective evidence that the Group will not be able to collect all amounts due in accordance with the original terms of the credit given and includes an assessment of recoverability based on historical trend analyses and events that exist at reporting date. Bad debts are written o? to profit or loss when identified.

Cash and cash equivalents

Cash and cash equivalents are initially measured at fair value, and subsequently at amortised cost. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits net of bank overdrafts.

Derecognition 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. Continual 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.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at each reporting date and impaired where there is objective evidence that the carrying amount of the asset will not be recovered.

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 the loss event has an impact on the estimated future cash flows of the financial asset or 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 re-organisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 FINANCIAL INSTRUMENTS (Continued)

Assets carried at amortised cost

For financial assets carried at amortised cost, the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of a financial asset is reduced through the use of an allowance account and changes to this allowance account are recognised in profit or loss.

Subsequent recoveries of amounts previously written of are recognised in other income.

Financial liabilities

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

Trade and other payables

Trade payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier. Trade and other payables are subsequently measured at amortised cost.

De-recognition of financial liabilities

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

O?setting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities.

2.17 PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows when the e?ect of the time value of money is material. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Restructurings

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 FOREIGN CURRENCY TRANSLATIONS

Transactions in currencies other than the United States dollar are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in other currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in statement of profit or loss and other comprehensive income for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

2.19 SEGMENT INFORMATION

The Company's operating businesses are organised and managed separately according to the nature of the products provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The basis of segment reporting is representative of the internal structure used for management reporting purposes.

2.20 KEY MANAGEMENT

Key management includes executive directors and divisional management as outlined on page 5.

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 a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS MADE BY MANAGEMENT

3.1 Determination of revenue from sale of stands

Revenue arising from sales of stands under instalments by Crest Breeders (Private) Limited t/a Saturday Retreat in 2015 was discounted in accordance with IAS18. A discount rate of 11% was applied, in line with the cost of the Group's long term borrowings. Cumulatively average monthly instalments of US$304,175 over an estimated effective recovery period of 80 months was used to discount expected inflows over the life of the project, where a future value of US$24.4 million (total invoiced sales) is expected to be recovered. In the current period, the net effect the unwinding of the revenue is reflected as interest income under other operating income (see note 4). The average instalments during the period have largely remained in line with the initial projections, and directors believe the property sales related debtors, the commissions due and related value added tax obligations are carried at fair values at year-end. 10% of the gross amounts billed on property related mortgage receivables in FY2015 were not recognised as revenue as a consideration for potential irrecoverability given uncertainties emanating from the absence of approved town planning layouts at the time of the registration and billing (against which the likelihood of double allocations could be avoided) and customers registering whilst settled in areas that would eventually be unapproved by town planning authorities, thus necessitating reimbursements. Management believes that the 10% provision made remains adequate to cover for this potentially unrecoverable revenue.

For the current and prior periods, additional stand sales were effected by Reston Developers (Private) Limited and Maitlands Zimbabwe (Private) Limited. As at statement of financial position date, the Group was still in the process of servicing the stands and will only be able to secure certificates of compliance once development permit stipulations are fully met. Consequently, the amounts received by the Group have been treated as customer deposits (liabilities) in the financial statements.

3.2 Joint arrangements

3.2.1 Classification of Reston Developers (Private) Limited and Maitlands Zimbabwe (Private) Limited as joint ventures

Reston Developers (Private) Limited and Maitlands Zimbabwe (Private) Limited are both limited liability Companies in which the Group has participated in joint arrangements with other shareholders. In prior years, particularly since dollarisation, both entities' operational activities were nominal. Prior to 2016, the joint ventures were being proportionately consolidated. The Board commenced correctly treating the activities thereunder by equity accounting for the joint venture operations in 2016. Equity accounting adjustments were thus applied to current and prior periods.

Both entities made loses in the current and prior periods. The Directors have not limited their share in the losses in the current period given that operationally, they will be required to contribute the Group's assets to fund the proportionate share of deficits in the joint ventures should this be necessary. The directors are confident that the losses will be reversed in the immediate future financial periods given promising business plans which are in place for the joint ventures. See attendant disclosures on the joint ventures per note 12.3.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS MADE BY MANAGEMENT (Continued)

3.2.2 Classification of various Glenara joint arrangements as joint operations

Glenara undertook various joint arrangements under the legal entity Glenara Estates (Private) limited trading as Just Best, Narakata and Wilfun in current and prior periods. The arrangements are all such that joint operators to Glenara Estates have joint control of the arrangement and only have rights to the assets, and obligations for the liabilities as opposed to the net assets for Glenara Estates. The attendant disclosures on the joint ventures are as per note 12.3.

3.3 Directors' valuation of farming land, farming improvements and land in development

Agricultural land held where the Group contacts its poultry operations at Sunvalley Estate, Glenara Estates and Hubbard Zimbabwe is carried at nil value.

Farming improvements on agricultural land in the Poultry Division were valued by independent valuers as at 30 September 2015 using the depreciated replacement cost method. In 2009, upon adoption of the multi-currency regime, directors adopted a policy of carrying farming improvement at 20% of the assessed depreciated replacement cost as the recorded carrying amount in view of the significant underutilisation of the assets then, which has remained the case as at reporting date. No adjustments have been made to this initial base in current year. This policy however excludes the PTA funded environment controlled poultry houses constructed at Glenara Estates in 2012, which are carried at their depreciated replacement cost with no further adjustment.

In January 2015, the Group concluded negotiations with the Government of Zimbabwe regarding 1 057 hectares of land under Crest Breeders (Saturday Retreat and New Cerney) that illegal settlers had occupied resulting in a restitution settlement that will see Crest Breeders being compensated for the land by an estimated 8 500 stand occupiers at a rate of US$4/m. At the time of settlement, 657 hectares of the land was occupied whilst 401 hectares was unoccupied. The Group signed agreement of sale contracts with the stand purchasers in the occupied areas which will allow the Group to recover its compensation over a three year period from March 2015. Consequently, the funds due per the agreed instalments are categorised as mortgage debtors falling in the non-current and current assets categories on the statement of financial position. Land in the occupied portion of Saturday Retreat that remained unregistered has been carried as land in development. The mortgage debtors' portion that has been categorised as 'current' was arrived at on the basis of the average collections in the current year. The unoccupied portion of Saturday Retreat is classified as inventory based on the 30 September 2015 EPG valuation assessment, which Directors believe remains fairly valued at year end.

3.4 Directors' valuation of unquoted investments and non-current asset held for sale

The Group's 19% stake in Langford Estates was valued based on independent professional valuers CBRE's assessment of the value in 2015. At statement of financial position date, this balance is classified under investments, and directors believe that the investment remains fairly stated.

3.5 Impairment of trade receivables

A provision for impairment is established when there is evidence of significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organisation, and default or delinquency in payments.

3.6 Estimation of useful lives of property, plant and equipment and intangible assets

The assets' residual values and useful lives are reviewed annually and adjusted, if appropriate, taking into account technological developments and maintenance programs. Uniform depreciation and amortisation rates are established based on the straight-line method which may not represent the actual usage of the assets. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

3.7 Inventory net of realisable value

Inventory net realisable value is based on estimates of future market conditions and the ability to recover the cost of inventory.

3.8 Deferred tax assets

The recoverability of deferred tax assets is based on the future forecasted profitability of the relevant entity and the ability to generate future taxable income.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS MADE BY MANAGEMENT (Continued)

3.9 City Council Rates at Saturday Retreats – (limited provisioning of arrear rates - US$2.5 million)

In prior year, the Group was taken to court over alleged US$2.5 million City Council arrears for property rates that accrued whilst the Saturday Retreat Estate land was occupied by settlers between 2002 – January 2015 (see contingent liabilities note per 21.2). Engagement with council are continuing from prior year, with the Group contending the necessity for the reversal of the charges as it could not use the land productively for its operations or otherwise. Though discussions with council are progressive, as at statement of financial position date, the matter was not fully settled. The Group has not accrued for the US$2.5 million arrear rates on the belief and understanding that given the Group only received an administrative court order conferring it control of the property in January 2015, the rates will be fully reversed.

3.10 Prior period error

The prior year results have had to be restated to account for the loss in control of the entities put under judicial management **(see full details per note 28)**. The restatement necessitated the recognition of the intergroup balances receivable provision of US$31.4 million which management believes can only be fairly allocated to the prior period (FY2016). The Group has for practicality provided for the full amount given uncertainty around the timing and extent of the recovery given that the entity is under the control of a third party, even though the Group will retain significant influence on the processes at the entities under judicial management.

3.11 Valuation of intergroup receivable and payable balances

The Company Intergroup receivables and payable balances are carried at the gross amounts undiscounted. All the loans are unsecured, interest free and have no fixed repayment terms.

	Notes	GROUP 2017 US$	GROUP 2016 US$ (Restated)	COMPANY 2017 US$	COMPANY 2016 US$ (Restated)
4. OTHER OPERATING INCOME (EXPENSES)					
Profit (loss) on disposal of property, plant and equipment		3,131	(43,254)	-	(17,272)
Management fees		-	-	-	12,600
Profit realised from brokerage transactions		133,200	52,527	-	-
Rental income		1,033,297	919,849	-	-
Commissions		3,110	5,335	-	-
Discounts		2,740	-	-	-
Loss on disposal of investments		-	(39,741)	-	(39,741)
Net interest income on mortgage debtors		1,494,738	1,081,703	-	-
Sundry income		555,713	683,617	48,921	99,133
		3,225,929	**2,660,036**	**48,921**	**54,720**
5. OPERATING PROFIT (LOSS)					
Operating profit (loss) is arrived at after taking into account:					
External audit fees		112,500	112,500	17,250	(80,630)
Depreciation of property, plant and equipment		691,269	2,076,538	8,649	10,551
Impairment of property, plant and equipment		6,735	221,252	-	-
Provision for intergroup balances for entities under judicial management	28	-	31,362,885	-	24,755,517
Net leasing expenses		246,468	309,940	-	-
Exchange gains		(2,716)	(107)	-	-
Exchange loss		4,722	1,817	-	-
Staff costs		2,812,148	5,772,864	699,493	785,505
Retrenchment costs		-	2,630,140	-	984,355
Pension costs					
- National Social Security Authority		54,368	110,761	5,419	5,902
- Other defined contributions plans		31,006	88,915	-	33,463
6. NET FINANCING COST (INCOME)					
Interest receivable					
-Cash deposits and marketable securities		207	-	-	345,706
-Trade receivables, staff and other loans		752	745	-	-
		959	745	-	345,706
Interest payable					
-Bank and other financial institutions		(549,932)	(1,354,671)	(82,462)	(295,476)
-Trade payables and other short term borrowings		(22,895)	(1,504,474)	-	-
		(572,827)	(2,859,145)	(82,462)	(295,476)
Net financing (cost) income		**(571,868)**	**(2,858,400)**	**(82,462)**	**50,230**
7. COMPENSATION OF KEY MANAGEMENT PERSONNEL					
The remuneration of directors and other members of key management during the year was as follows:					
Key management personnel and executive directors					
Short term employee benefits		944,021	1,083,233	695,155	785,505
Pension costs		4,529	24,160	5,419	11,454
		948,551	1,107,393	700,574	796,959
Non-executive directors					
Fees and disbursments		48,697	60,533	48,697	60,533
Total compensation of key management and executive directors		**997,248**	**1,167,926**	**749,271**	**857,492**

8. INCOME TAX EXPENSE (CREDIT)

	Notes	GROUP 2017 US$	GROUP 2016 US$ (Restated)	COMPANY 2017 US$	COMPANY 2016 US$ (Restated)
8.1 Tax expense (credit)					
Current		252,530	61,155	-	-
Capital gains tax		-	908,070	-	-
Withholding taxation on interest income		10	4	-	-
Deferred tax expense (credit) relating to current temporary differences	18.2	383,480	(2,907,884)	422	(2,611)
		636,020	**(1,938,655)**	**422**	**(2,611)**
8.2 Tax rate reconciliation		%	%	%	%
Notional tax at statutory rates		25.75	(25.75)	(25.75)	(25.75)
Income not subject to taxation		0.87	(0.02)	(0.19)	(0.24)
Effect of expenses not deductible in determining taxable profit		25.69	(0.83)	-	(0.82)
Income taxed at special rates and other reconciling items		(10.35)	22.47	26.00	26.80
Effective rate		**41.96**	**(4.13)**	**0.06**	**(0.01)**

9. DIVIDENDS

In view of the need to conserve capital, the Directors consider it imprudent to declare a dividend for the year just ended.

10. EARNINGS (LOSS) PER SHARE

	GROUP 2017 US$	GROUP 2016 US$ (Restated)	COMPANY 2017 US$	COMPANY 2016 US$ (Restated)
10.1 Earnings (loss) for the year attributable to equity holders of the parent	879,869	(45,054,957)	(743,840)	(26,004,880)
Number of shares used in calculating earnings per share				
10.2 Weighted average number of shares in issue shares	106,020,900	105,511,708	106,020,900	105,511,708
10.3 Basic earnings (loss) per share (US cents)	0.83	(42.70)	(0.70)	(24.65
10.4 Diluted earnings (loss) per share (US cents)	0.83	(42.48)	(0.70)	(24.52)
10.5 Reconciliation of weighted average number of shares used in the calculation of diluted earnings per share				
Weighted average number of ordinary shares used in the calculation of basic earnings per share	106,020,900	105,511,708	106,020,900	105,511,708
Shares deemed to be issued for no consideration in respect of Employees share options	410,746	565,500	410,746	565,500
	106,431,646	**106,077,208**	**106,431,646**	**106,077,208**

Basic earnings (loss) per share is calculated by dividing the earnings (loss) for the year attributable to equity holders of the parent by the weighted average shares in issue while diluted earnings per shares is calculated by using the same attributable earnings (loss) divided by the weighted average number of shares adjusted for the dilutive effects of issuable equity instruments.

11. PROPERTY, PLANT AND EQUIPMENT

11.1 Movement in carrying amounts

	Milling Properties US$	Farm improvements US$	Other Properties US$	Plant Equipment & Vehicles US$	Furniture Fittings & Other US$	Total US$
The Group						
Carrying amount at 30 September 2015	16,540,444	5,200,906	23,185,510	8,915,544	2,162,256	**56,004,660**
Additions	-	-	-	447,072	34,789	**481,861**
Revaluation charged to the non-distributable reserves	-	-	-	(13,076)	-	**(13,076)**
Impairments charged to statement of comprehensive income	-	(46,761)	-	(143,934)	(30,557)	**(221,252)**
Disposals	(63,878)	-	(89,592)	(46,726)	(6,287)	**(206,483)**
Transfer between categories	163,454	(2,056,471)	(19,512)	556,138	1,356,391	-
Transfer to joint venture	-	-	-	-	(925)	**(925)**
Depreciation expense	(532,636)	(396,519)	(142,290)	(881,478)	(123,615)	**(2,076,538)**
Carrying amount at 30 September 2016 (as previously stated)	**16,107,384**	**2,701,155**	**22,934,116**	**8,833,540**	**3,392,052**	**53,968,247**
Loss of control of subsidiaries under judicial management	(9,234,659)	(468,389)	(3,509,245)	(8,077,626)	(530,760)	**(21,820,681)**
Carrying amount at 30 September 2016 (restated)	**6,872,725**	**2,232,766**	**19,424,871**	**755,914**	**2,861,292**	**32,147,566**
Additions	-	112,057	67,308	201,982	95,683	**477,031**
Properties reclassified from non-core assets held for sale	-	-	1,339,000	-	-	**1,339,000**
Impairment charged to profit or loss account	-	-	-	(3,900)	(2,835)	**(6,735)**
Transfer between categories	-	344,437	1,631,889	363,675	(2,340,001)	-
Disposals	-	-	-	(3,249)	(427)	**(3,676)**
Depreciation charge	(182,474)	(156,848)	(166,229)	(98,665)	(87,053)	**(691,269)**
Carrying amount at 30 September 2017	**6,690,251**	**2,532,412**	**22,296,839**	**1,215,757**	**526,659**	**33,261,917**
The Company						
Carrying amount at 30 September 2015	**-**	**-**	**24,000**	**108,700**	**22,216**	**154,916**
Additions	-	-	-	-	4,203	**4,203**
Revaluation increase	-	-	-	(5,000)	-	**(5,000)**
Disposals	-	-	-	(21,150)	(3,972)	**(25,122)**
Depreciation charge	-	-	-	(6,450)	(4,101)	**(10,551)**
Carrying amount at 30 September 2016	**-**	**-**	**24,000**	**76,100**	**18,346**	**118,446**
Additions	-	-	-	-	7,996	**7,996**
Depreciation charge	-	-	-	(3,600)	(5,049)	**(8,649)**
Carrying amount at 30 September 2017	**-**	**-**	**24,000**	**72,500**	**21,293**	**117,793**

11.2 Analysis of balance as at 30 September 2017

	Milling Properties US$	Farm improvements US$	Other Properties US$	Plant Equipment & Vehicles US$	Furniture Fittings & Other US$	Total US$
The Group						
Gross carrying amount	7,055,199	4,069,424	23,356,232	1,990,705	1,109,029	**37,580,448**
Accumulated depreciation	(364,948)	(1,537,012)	(1,059,393)	(774,948)	(582,370)	**(4,318,531)**
Net carrying amount	**6,690,251**	**2,532,412**	**22,296,839**	**1,215,757**	**526,648**	**33,261,917**
The Company						
Gross carrying amount	-	-	24,000	390,904	101,632	**516,536**
Accumulated depreciation	-	-	-	(318,404)	(80,339)	**(398,743)**
Net carrying amount	**-**	**-**	**24,000**	**72,500**	**21,293**	**117,793**

11.3 An independent valuation of the Group's properties, plant and equipment was performed by EPG Global to determine the fair values and the depreciated replacement costs of the properties, plant and equipment as at 30 September 2015. The valuation, which conforms to International Valuation Standards, was determined by reference to market transactions on arm's length term on the part of properties while for plant and equipment, the carrying amounts processed relate to the depreciated replacement cost (DRC) which took into account the gross replacement cost of plants and equipment net of depreciation factoring age, obsolescence, use and condition of the plants and equipment. The Directors believe that given the relatively stable environment since the last valuation, the carrying amounts last assessed in 2015, adjusted for depreciation and impairments, remain appropriate at statement of financial position date.

11.4 As previously communicated in prior year, some of the Group's land belonging to Glenara Estates was identified for compulsory acquisition under section 5 of the Land Acquisition Act (Chapter 20.10). The constitution of Zimbabwe amendment (no.17) states that the title of any such identified land vests with the state. There has been physical occupation on a portion of Glenara Estates. This development puts at risk the Group's broiler production and cropping programs and could negatively affect the Group's bio security measures and its ability to export into the region. Negotiations are ongoing with the authorities although directors have been assured that the operations will not be interfered with. Consequently, the financial statements have been prepared on a going concern basis.

11.5 Freehold land and buildings in the Retail Division with a carrying amount of US$6.8 million (2016 - US$6.8 million) were pledged as security for a US$3.8 million PTA loan which was used to fund capital expenditure projects in the Poultry and Milling Division (see note 20.5).

11.6 Included in furniture, fittings and other is capital work in progress balance of US$334,523 (2016 - US$339,940).

	Notes	GROUP 2017 US$	GROUP 2016 US$ (Restated)	COMPANY 2017 US$	COMPANY 2016 US$ (Restated)
12. INVESTMENTS					
Non-current					
12.1 UNLISTED INVESTMENTS					
Unquoted available-for-sale investments (19% Langford Estates (Private) Limited)		4,059,000	4,059,000	-	-
12.2 Analysis of movement during the year					
Carrying amount at beginning of year		**4,059,000**	**706,442**	**-**	**706,442**
Reclassification from non-current assets held for sale		-	4,059,000	-	-
Proceeds realised from the disposal of shares		-	(666,701)	-	(666,701)
Loss on disposal of investments debited to the statement of profit or loss and other comprehensive income		-	(39,741)	-	(39,741)
Carrying amount at end of year (2016: as previously stated)		**4,059,000**	**4,059,000**	**-**	**-**
Effect of loss of control of subsidiaries under judicial management		-	31,362,885	-	-
Provision for intergroup balances for subsidiaries under judicial management		-	(31,362,885)	-	-
Balance at the end of the year (2016: restated)		**4,059,000**	**4,059,000**	**-**	**-**

Unquoted available-for-sale investments (19% Langford Estates (Private) Limited)

The Group disposed of its 81% stake in Langford Estates in 2016. Prior to year-end however, the Company received a request from the major shareholder Group (Messina and its allies) to call for an EGM to re-table the Langford Estates transaction which had previously been presented to shareholders for approval in October 2015 citing inadequate disclosures around the conflict of interest by NSSA/STALAP/ZHL who are also major shareholders in Fidelity Life Assurance Limited.

Messsina and its allies also requested that the Resolutions be correctly tabled as Special Resolutions as opposed to the Ordinary Resolutions tabled in October 2015. (See subsequent events details per note 34)

12.3 JOINT OPERATIONS AND JOINT VENTURES

The Group's material joint operations and joint ventures at the end of the reporting period are as follows:

Name of joint venture	Principal Activity	Place of Incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Group 2017	Proportion of ownership interest and voting rights held by the Group 2016	Classification
Glenara Estates (Private) Limited t/a Narakata,	Horticultural activities	Harare Zimbabwe	51%	51%	Joint operations
Glenara Estates (Private) Limited t/aWilfun	Horticultural activities	Harare Zimbabwe	51%	51%	Joint operations
Glenara Estates (Private) Limited t/a Just Best Investments	Horticultural activities	Harare Zimbabwe	51%	51%	Joint operations
Reston Developers (Private) Limited	Development of residential stands	Harare Zimbabwe	50%	50%	Joint venture
Maitlands Zimbabwe (Private) Limited	Development of residential stands	Harare Zimbabwe	45%	45%	Joint venture

Joint operations are proportionately consolidated whilst joint ventures are accounted for using the equity method in these consolidated financial statements.

Summarised financial information in respect of the Group's material joint operations and joint ventures is set below. The summarised financial information below represents amounts shown in the joint operation and joint venture's financial statements prepared in accordance with IFRS (adjusted by the Group for equity accounting purposes).

12.3 JOINT OPERATIONS AND JOINT VENTURES (Continued)

The following amounts are included in the Group's financial statements as a result of the proportionate consolidation of joint ventures

	2017 US$ Joint operations (proportionately consolidated)	US$ Joint ventures (equity accounted)	2016 US$ Joint operations (proportionately consolidated)	US$ Joint ventures (equity accounted)
Non-current assets	14,075,754	-	2,187	97,169
Current assets	1,045,018	-	1,010,518	2,109,313
Non-current liabilities	2,382,792	-	41,379	1,914,356
Current Liabilities	21,577,940	-	672,297	725,209
The above amounts of assets and liabilities include the following:				
Cash and cash equivalents [excluding trade and other payables and provisions]	660	-	42,343	41,497
Non-current financial liabilities [excluding trade and other payables and provisions]	-	-	41,379	1,912,425
Revenue	**-**	**-**	**1,223,336**	**-**
Earnings before depreciation, interest, depreciation, tax and amortisation	(20,069)	(81,678)	436,678	(182,668)
Depreciation expense	-	(3,195)	(203)	(459)
Finance income (cost)	-	25	(27,174)	57
(Loss) profit before tax	**(20,069)**	**(84,848)**	**409,301**	**(183,070)**
Tax credit (expense)	5,168	16,445	(110,271)	42,150
(Loss) profit after tax	**(14,902)**	**(68,403)**	**299,030**	**(140,920)**
Dividends received from joint operations and joint ventures	**717,791**	**56,406**	**-**	**281,029**

Reconciliation of the above summarised information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements

	Share of Group's interest	2017 Net assets of joint venture US$	Carrying amount (Group's interest in JV) US$	2016 Net assets of joint venture US$	Carrying amount (Group's interest in JV) US$
Maitlands Zimbabwe (Private) Limited	45%	(1,824,531)	(821,039)	(1,599,622)	(719,830)
Reston Developers (Private) Limited	50%	(117,933)	(58,967)	(70,733)	(35,367)
			(880,006)		(755,197)

12.4 INTEREST IN UNCONSOLIDATED SUBSIDIARIES

The CFI Group is the parent company of the following wholly (100%) owned subidiaries: Victoria Foods (Private) Limited and Amtec Manufacturing (Private) Limited together with Crest Poultry (Private) Limited and Manicaland Farmers' Coop Investments (Private) Limited.

The Group lost control of the aforementioned subsidiaries on the 26th of August 2016 as a result of them being placed under judicial management. Consequently, the subsidiaries were effectively deconsolidated as at 30 September 2016.

The summarised information of the unconsolidated subsidiaries as at 30 September 2017 is as follows:

The carrying amount of the investment in subsidiaries at date of loss of control was a negative US$33,596,003.

Summarised statement of financial position
As at 30 September 2017

	Victoria Foods P/L 2017	Amtec Manufacturing P/L 2017 US$	Agrifoods P/L 2017 US$	Crest Poultry Group P/L 2017 US$	Manicaland Farmers Coop P/L 2017 US$	Total 2017 US$
Non-current assets	14,075,754	1,964,070	2,765,025	4,438,215	1,502,864	24,745,928
Cash and cash equivalents	660	-	-	100,616	-	101,275
Other current assets	1,044,358	-	-	14,591,754	-	15,636,112
Non-current liabilities	(2,382,792)	(445,898)	(679,596)	(401,379)	(308,967)	(4,218,631)
Total current liabilities	(21,577,940)	(55,150)	(155)	(50,576,393)	46,386	(72,163,251)
Net assets	**(8,839,960)**	**1,463,022**	**2,085,274**	**(31,847,187)**	**1,240,283**	**(35,898,567)**

Summarised statement of comprehensive income
For the year ended 30 September 2017
(12 months since going under judicial management)

	Victoria Foods P/L	Amtec Manufacturing P/L	Agrifoods P/L	Crest Poultry Group P/L	Manicaland Farmers Coop P/L	Total
Revenue	-	-	-	1,326,525	-	1,326,525
Cost of sales	-	-	-	(1,033,869)	-	(1,033,869)
Gross profit	-	-	-	292,656	-	292,656
Other income	60,758	24,000	8,400	104,599	118,320	316,078
Expenses	(1,375,621)	(44,149)	(12,009)	(1,528,840)	(90,905)	(3,051,524)
Loss (profit) before interest and tax	**(1,314,863)**	**(20,149)**	**(3,609)**	**(1,131,585)**	**27,415**	**(2,442,790)**
Net financing cost	(91)	-	-	(622,231)	-	(622,322)
(Loss) profit before tax	**(1,314,954)**	**(20,149)**	**(3,609)**	**(1,753,816)**	**27,415**	**(3,065,113)**
Tax credit (expense)	338,734	5,188	929	424,757	(7,059)	762,549
(Loss) profit after tax	**(976,220)**	**(14,961)**	**(2,680)**	**(1,329,059)**	**20,356**	**(2,302,564)**

In current year, CPG trading as Agrifoods operated the Bulawayo plant at a reduced scale. The Agrifoods Harare plant was extensively repaired and maintained during the period in preparation for the resumption of trading in Fy2018.

12.5 PRINCIPAL OPERATING COMPANIES

Included under investments are the following principal operating subsidiary companies and joint ventures:

	% Held	2017 Net asset value US$	2016 Net asset value US$ (Restated)	Principal activities
Consolidated Farming Investments Limited trading as Farm & City and Vetco	100	16,471,382	15,802,187	Wholesaling and retailing of consumer and hardware products
Honey Dew Farm (Private) Limited	100	435	435	Production and sale of fresh farm produce and retailing of consumer products.
Dormant property owning entities in the Properties Division	100	52,550,687	52,167,313	
Crest Breeders (Private) Limited		46,206,433	45,651,573	Holds land for development
Yorkbury Investments (Private) Limited		4,942,318	5,100,345	Holds property used by CPG t/a Agrifoods
Glenara Estates (Private) Limited		167,725	170,131	Holds property used by CPG t/a Glenara Estates
Suncrest Chickens (Private) Limited		1,234,211	1,245,264	Holds property used by CPG t/a Suncrest
Property owning dormant entities in the Properties Division (Other)	100	4,722,963	4,697,656	Renting of properties mainly to Group Companies.
Maitlands Zimbabwe (Private) Limited	45	(499,612)	(397,718)	Joint venture involved in property management and development.
Reston Developers (Private) Limited	50	(58,967)	(35,367)	Joint venture involved in property development
Entities under judicial management (unconsolidated subsidiaries)				
Crest Poultry Group (Private) Limited t/a: Agrifoods, Agrimix, Crest Breeders, Glenara Estates, Hubbard Zimbabwe and Suncrest Chickens	100	(31,847,187)	(30,507,854)	The manufacturing of stock-feeds, provision of animal health requisites, poultry breeding, production, processing and retailing of poultry products.
Agrifoods (Private) Limited		2,085,274	2,087,954	Holds property used by CPG t/a Agrifoods
Manicaland Farmers Coop Investments (Private) Limited	100	1,240,283	1,219,927	Property investment Company leased to CFI Retail
Victoria Foods (Private) Limited	100	(8,839,960)	(7,863,738)	Wheat and maize milling, wholesaling of snack foods and other food stuffs.
Amtec Manufacturing (Private) Limited	100	1,463,022	1,477,983	Property investment Company leased to Victoria Foods (Private) Limited

	Notes	GROUP 2017 US$	GROUP 2016 US$ (Restated)	COMPANY 2017 US$	COMPANY 2016 US$ (Restated)
13. INVENTORIES AND BIOLOGICAL ASSETS					
Finished goods		3,348,676	2,116,534	-	-
Raw materials and consumables		148,501	1,058,191	-	-
Goods in transit		55,940	6,466	-	-
Biological assets		749,766	397,171	-	-
Land in development		16,041,012	15,510,583	-	-
		20,343,895	**19,088,945**	**-**	**-**
As previously reported	28	20,343,895	20,094,183	-	-
Effect of loss of control of subsidiaries under judicial management		-	(1,005,238)	-	-

Inventory comprises of land in development relating to occupied and unoccupied portion of Saturday Retreat Estate valued at US$16 million (2016: US$15.5 million) on which Government reached settlement with Crest Breeders. Crest Breeders will be proceeding with the improvement of the residential development project in the 2018 financial year. Land in development inventory contains capitalised costs of development. The Group is obliged to provide development services on Saturday Retreat Estate in terms of the settlement deed completed in January 2015. Residents are equally responsible for providing funding for development services beyond the land compensation currently being recovered.

14. TRADE AND OTHER RECEIVABLES

	Notes	GROUP 2017 US$	GROUP 2016 US$ (Restated)	COMPANY 2017 US$	COMPANY 2016 US$ (Restated)
Current					
Trade receivables		240,632	350,776	2	33,412
Property related receivables		3,176,262	3,159,747	-	-
Other		2,208,800	979,129	168,643	141,870
		5,625,694	4,489,652	168,645	175,282
Allowance for doubtful debts		(129,332)	(133,498)	(52,030)	(88,030)
		5,496,362	**4,356,154**	**116,615**	**87,252**
Current trade and other receivables as previously reported		-	5,397,414	-	-
Effect of loss of control of subsidiaries under judicial management		-	(1,041,260)	-	-
Non-current					
Property related receivables		9,005,568	10,549,598	-	-
Intergroup balance receivable		-	-	2,545,999	4,312,616
		9,005,568	**10,549,598**	**2,545,999**	**4,312,616**
Total		**14,501,930**	**14,905,751**	**2,662,614**	**4,399,868**
Movement in allowance for doubtful debts					
Carrying amount at the beginning of the year		(133,498)	(137,383)	(88,030)	(1,150,839)
Impairment losses reversed		4,166	3,885	36,000	1,062,809
Carrying amount at the end of the year		**(129,332)**	**(133,498)**	**(52,030)**	**(88,030)**

Property related debtors relate to mortgage debtors extended over a 3 year time frame at no interest and amounts receivable in respect of letting of properties. Overdue mortgage debtors are subject to cost escalations in line with time value of money adjustments at settlement stage. Transfer for mortgage related properties will only be effected upon the full land compensation and development costs being fully settled. No provision has been raised on mortgage property related debtors as the debts are secured by the properties title which the Group holds until the amount receivable is fully settled.

Ageing of trade receivables past due but not impaired	GROUP 2017 US$	GROUP 2016 US$	COMPANY 2017 US$	COMPANY 2016 US$
1 - 60 days	78,058	8,802	-	-
60 - 120 days	54,610	1,506	-	-
120 days +	138,960	-	-	-
	271,628	**10,308**	**-**	**-**

The non current accounts receivables relate to receivables from stands sold that were not yet due as at the reporting date.

	Note	GROUP 2017 US$	GROUP 2016 US$	COMPANY 2017 US$	COMPANY 2016 US$
15. ASSETS CLASSIFIED AS HELD FOR SALE					
15.1 Analysis of balance at year end					
Unoccupied land at Saturday Retreat - 401 hectares		-	-	-	-
Langford Estates - 834 hectares (i)		-	-	-	-
Other property held within the specialised division (ii)		-	1,339,000	-	-
		-	**1,339,000**	**-**	**-**
15.2 Analysis of movement during the year					
Balance at beginning of year		**1,339,000**	**34,229,500**	**-**	**-**
Assets classified as held for sale in prior year reclassified to properties	11.1	(1,339,000)	-	-	-
Assets classified as held for sale in prior year reclassified to inventory		-	(12,031,500)	-	-
Assets classified as held for sale disposed of - Langford Estates (81%)		-	(16,800,000)	-	-
Assets classified as held for sale reclassified to investments - Langford Estates (19%)	12.1	-	(4,059,000)	-	-
Balance at end of year		**-**	**1,339,000**	**-**	**-**
15.3 Liabilities associated with assets held for sale (iii)					
Analysis of balance at year end					
Langford Estates - 834 hectares (i)		-	-	-	-
Other property held within the properties division (ii)		-	66,950	-	-
		-	**66,950**	**-**	**-**
15.4 Analysis of movement during the year					
Balance at the beginning of the year		**66,950**	**1,711,475**	**-**	**-**
Deferred tax movement on reclassification of assets held for sale to properties		(66,950)	-		
Deferred tax credit to profit or loss		-	(1,644,525)	-	-
		-	**66,950**	**-**	**-**

(i) In 2015, the Group reclassified 834 hectares of land in Langford Estates to an asset held for sale (see note 20). The Group concluded a US$16.8 million debt compromise and settlement agreement involving 81% of Langford Estates with local financial institutions and Fidelity in October 2015 leaving a residual 19%, which the Group reclassified to investments in 2016.

Prior to year-end however, the major shareholder raised concerns over the transaction and a proposal for its reversal was raised. See events after reporting date per note 35.

(ii) Other property held for sale in prior year includes small undeveloped land at Crest Breeders which the Board was holding for disposal. This was however reclassified to property, plant and equipment in current year given a change of intention by the Board.

(iii) Liabilities associated with assets helds for sale relates to deferred capital gains tax that will arise from the disposal of the properties at a rate of 5% of gross proceeds assuming disposal at values carried at statement of financial position date.

16. SHARE CAPITAL

	GROUP 2017 US$	GROUP 2016 US$	COMPANY 2017 US$	COMPANY 2016 US$
16.1 Ordinary shares of US$0.01 each				
Authorised - 200 000 000 shares	2,000,000	2,000,000	2,000,000	2,000,000
Issued and fully paid -106 390 875 (2016 - 105 830 875)	1,063,909	1,058,309	1,063,909	1,058,309

16.2 Share based payments

Equity-settled share option scheme

The Company has a share option scheme for senior employees in the Group. Options are exercisable at a price equal to the average quoted market price of the Company's shares on the date of grant. Each employee share option converts into one ordinary share of CFI Holdings Limited on exercise.

No amounts are paid or payable by the recipient on receipt of the option. The vesting period varies between 1 and 3 years. If the options remain unexercised after a period of five years from the date of grant, the options expire and lapse. The options carry neither rights to dividends nor voting rights. Options are immediately forfeited if the employee leaves the Group before the options vest, unless otherwise determined by the Board.

16.2 Share based payments (Continued)

9 200 000 share options were granted to the Employee Share Option Scheme by shareholders at an extra-ordinary general meeting held on the 15th of September 2008. Annually, the remuneration committee meets to consider and approve issue of share options in terms of the Share Option Scheme rules in line with recommendations from senior management. The allocations are meant to reward executives and senior employees to the extent of the Group's and the individual's achievement judged against both qualitative and quantitative criteria mainly focusing on improvement in financial performance and other market indicators for the Group.

The following share-based payment arrangements were in existence during the current and prior reporting periods:

Option series

	Number	Grant date	Expiry date	Exercise Price	Fair value at grant date
				US$	US$
(1) Issued 31 March 2014	1,800,000	31 Mar 2014	1 Oct 2019	0.03	0.03

All options issued in 2014 vested after a year of issue, and expire within five years of their issue, or upon resignation of the executive or senior employee, whichever is the earlier.

Share options exercised during the year

	2017 Number of options	Weighted average exercise price	2016 Number of options	Weighted average exercise price
Granted on 17 December 2011	50,000	0.10	-	-
Granted on 31 March 2014	510,000	0.03	330,000	0.03
	560,000			

The share prices on exercise date ranged from 9.2 cents to 45 cents.

Movement in outstanding shares options issued during the year

	Number of options	2017 Weighted average exercise price	Number of options	2016 Weighted average exercise price
Balance at beginning of year	**990,000**	-	**1,850,000**	-
Exercised during the year	(560,000)	0.04	(330,000)	0.03
Forfeited or lapsed during the year	-	-	(530,000)	-
Balance at end of year	**430,000**		**990,000**	
Options available for allotment				
Opening balance	11,467,380		11,267,380	
Share options granted during the year	(560,000)		(330,000)	
Lapsed or forfeited options during the year	-		530,000	
Closing balance	**10,907,380**		**11,467,380**	

The options outstanding at the end of the year have a weighted average remaining contractual life of 1 year (2016: 2 years).

These fair values for shares granted in prior period were calculated using the Black-Scholes – Merton option pricing model. The inputs into the model were as follows:

	2017	2016
Expected volatility	1204%	33.3%
Expected life	5 years	5 years
Risk free rate	8%	8%
Expected dividend yield	-	-

Expected volatility for the year was determined by calculating the historical volatility of the Company's share price using prices per ZSE. The expected life used in the model was adjusted, based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations. The Group and the Company did not recognise share based remuneration expense in current and prior period as the were no share options grants in the period. In prior years however, share based remuneration expense relating to equity-settled share-based payments was recognised. This cost was included as part of staff costs under administrative expenses.

			GROUP 2017 US$	GROUP 2016 US$ (Restated)	COMPANY 2017 US$	COMPANY 2016 US$ (Restated)
17.	**NON-DISTRIBUTABLE RESERVES**					
	Balance at beginning of year		**79,318,059**	**101,173,314**	**2,447,598**	**2,415,988**
	Revaluation loss (gain) on property, plant and equipment		-	(13,076)	-	1,288
	Deferred tax on revaluation of property, plant and equipment		-	5,643	-	(5,000)
	Deferred tax movement on investments		-	35,322	-	35,322
	Transfer to retained income on realisation of revaluation		(3,900)	(22,335)	-	-
	Balance at end of year (2016: as previously stated)		**79,314,159**	**101,178,868**	**2,447,598**	**2,447,598**
	Effect of loss of control of subsidiaries under judicial management		-	(21,860,809)	-	-
	Balance at the end of the year (2016: restated)		**79,314,159**	**79,318,059**	**2,447,598**	**2,447,598**
	Comprising:		**79,314,159**	**79,318,059**	**2,447,598**	**2,447,598**
	Functional currency reserves		43,117,063	43,117,063	2,415,988	2,415,988
	Revaluation reserve		36,197,096	36,200,996	31,610	31,610
18.	**DEFERRED TAX ASSETS (LIABILITIES)**					
18.1	The following is the analysis of deferred tax assets and liabilities presented in the statements of financial position					
	Deferred tax assets		759	1,018,444	-	-
	Deferred tax liabilities		(6,053,173)	(6,620,428)	(21,757)	(21,335)
			(6,052,414)	**(5,601,984)**	**(21,757)**	**(21,335)**
18.2	**Analysis of movement during the year**					
	Balance at beginning of year (restated)		**5,601,984**	**11,510,841**	**21,335**	**60,555**
	Deferred tax from revaluation of property, plant and equipment and investments		-	(40,965)	-	(36,609)
	Deferred tax charged to the statement of profit or loss and other comprehensive income	8.1	383,480	(2,907,884)	422	(2,611)
	Transfer to joint venture		-	47,737	-	-
	Deferred taxation relating to assets held for sale		66,950	1,644,525	-	-
	Balance at end of year (2016: as previously stated)		**6,052,414**	**10,254,254**	**21,757**	**21,335**
	Effect of loss of control of subsidiaries under judicial management	28	-	(4,652,270)	-	-
	Balance at the end of the year (2016: restated)		**6,052,414**	**5,601,984**	**21,757**	**21,335**
18.3	**Analysis of balance at end of year**					
	Property, plant, equipment and vehicles		6,176,135	5,828,493	21,757	21,335
	Investments		202,950	202,950	-	-
	Biological assets, agricultural produce and inventory		763,797	1,922,580	-	-
	Assessed tax loss and unrealised exchange gains and losses		(2,103,085)	(2,333,472)	-	-
	Prepaid and accrued expenses		1,012,617	(18,567)	-	-
			6,052,414	**5,601,984**	**21,757**	**21,335**
19.	**TRADE AND OTHER PAYABLES**					
	Current					
	Trade payables		4,486,795	4,708,694	-	-
	Accruals and other provisions		7,609,998	8,093,999	2,254,793	2,757,202
			12,096,793	**12,802,693**	**2,254,793**	**2,757,202**
	Trade payables and accruals and other provisions (as previously reported)		12,096,793	36,552,968	2,254,793	2,757,202
	Effect of loss of control of subsidiaries under judicial management	28	-	(23,750,275)	-	-
	Non-current					
	Trade payables		6,037,578	5,315,820	-	-
	Intergroup balances payable		-	-	25,132,783	24,755,517
			6,037,578	**5,315,820**	**25,132,783**	**24,755,517**
	Total trade and other payables		**18,134,371**	**18,118,513**	**27,387,576**	**27,512,719**

19. TRADE AND OTHER PAYABLES (Continued)

	GROUP		COMPANY	
	2017 US$	2016 US$ (Restated)	2017 US$	2016 US$ (Restated)
Analysis of accruals and other provisions				
Statutory obligations	827,777	1,395,943	211,128	252,766
Utilities related obligations	2,977,553	2,683,467	-	-
Retrenchment provision	995,276	1,128,531	884,800	968,784
Employees related obligations, excluding statutories	978,911	1,780,992	677,467	836,740
Interest on creditors	145,709	145,709	-	-
Other	1,684,772	959,357	481,398	698,913
	7,609,998	**8,093,999**	**2,254,793**	**2,757,202**

The average credit period on purchases of certain goods ranges from 7 to 90 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. The directors believe that carrying amounts of trade and other payables approximate their fair values. Included in trade and other payables are costs related to the recovery of properties, which will be realised in tandem with the manner in which the compensation for the land is recovered.

20. BORROWINGS

		GROUP 2017 US$	GROUP 2016 US$	COMPANY 2017 US$	COMPANY 2016 US$
20.1	**Long term borrowings**				
	Loan from Tefco Finance Company (secured)	369,235	308,181	-	-
20.2	**Short term borrowings**				
	Loan from Tefco Finance Company (secured)	1,405,123	427,189	-	-
	Current portion of long term borrowings - PTA Offshore loan	1,764,764	2,630,515	1,764,764	2,630,515
		3,169,887	3,057,704	1,764,764	2,630,515
20.3	**Overdraft**				
	Bank overdrafts (secured)	249,175	236,986	-	-
	Total borrowings	**3,788,297**	**3,602,871**	**1,764,764**	**2,630,515**

20.4 The long term borrowings at year-end relates to an irrigation infrastructure development loan drawn by Glenara Estates at a cost of 13% over a 36 months tenure. The loan is secured by the irrigation equipment. At year-end, the irrigation equipment purchased had a carrying amount of US$480,554 (2016: US$368 855).

20.5 The short term borrowings and overdrafts outstanding at year end had tenures not exceeding 365 days and were at effective interest rates ranging from 10.5% p.a. to 15% p.a. The amount outstanding in respect of the PTA loan was US$1.7 million (2016: US$2.6 million) as at year-end. The loan lapsed in March 2017 and is secured by a mortgage bond over a property in the Retail Division with a carrying amount of US$ 6.8 million (2016 - US$6.8 million) (see note 11.5).

20.6 The overdraft at year-end relates to a CBZ facility utilised by CFI Retail and secured by a property in the Specialised Division with a carrying amount US$0.54 million (2016: US$0.55 million).

20.7 In prior year and during the period, the Group fell behind its commitments in servicing PTA interest and principal repayment obligations. In current year default interest amounting to US$327,642 was charged to the Group, as a result. The lender has not adversely altered the terms of the loan. The Board's thrust remains to deal with sustainable gearing for the Group. The Group is working on recapitalisation initiatives that should see it capital raise and repay the loans in arrears.

21. CONTINGENT LIABILITIES

		GROUP 2017 US$	GROUP 2016 US$	COMPANY 2017 US$	COMPANY 2016 US$
21.1	Financial guarantees at year-end	750,000	400,000	-	400,000
	Contingent liabilities relate to guarantees given to various trade creditors.				
21.2	Contingent liabilities related to legal cases				
	City of Harare	2,474,685	1,808,555	-	-
	Staff related provisions	884,800	-		
	Mutunhu vs Suncrest	-	103,836	-	-
	Various other	-	619,208	-	-
		3,359,485	**2,531,599**	**-**	**-**

Crest Breeders is facing a claim of US$2.5 million from the City of Harare for rates supposedly accrued to land which was occupied by cooperatives from 2002. The Group is in the process of engaging Council for a reversal of same, and Directors believe that the prospects of succeeding are high. The Group is facing various claims for breach of employee related contracts, all of which have been fully provided for. The Board believes that its chances of success on these matters are very high. The Group has some arrear tax obligations on which it has entered payment plans. Accrued interest on overdue remittances, where applicable, is charged to the profit and loss account.

	GROUP		COMPANY	
	2017 US$	2016 US$	2017 US$	2016 US$
22. CAPITAL COMMITMENTS				
Authorised but not contracted for	-	96,947	-	-
Contracted for	1,353,943	66,634	-	-
	1,353,943	163,581	-	-

Capital commitments will be financed from available Group resources and borrowings.

23. DEFINED CONTRIBUTION PLANS

The Group has in place a defined contribution plan for all qualifying employees. The assets of the plan are held separately from those of the Group in funds under the control of Trustees. Where the employees withdraw from the plan prior to the full vesting of the contributions the contributions payable by the Group are reduced by the amount of forfeited contributions. The employees of the Group are also members of a State-managed retirement benefit plan operated by the National Social Security Authority (NSSA). The Group is required to contribute a specified percentage of basic pay to the retirement benefit scheme to fund these benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The total expense recognised in the consolidated statement of profit or loss and other comprehensive income amounts to US$85 374 (2016: US$199 676) representing contributions payable to these plans by the Group at rates specified in the rules of the plans. Due to inadequate capitalisation, in the current and prior periods; the Group accumulated benefit contribution arrears in respect of both the defined contribution retirement plan and NSSA contributions amounting to US$1 999 195 (2016: US$1 944 472). The Group anticipates to resume contributions to the plans in 2018 in terms of an arrangement agreed with Trustees and IPEC. Amounts recognised as an expense in the current year have been disclosed in note 5.

24. BORROWING POWERS

Authority is granted in the Articles of Association for the directors to borrow a sum not exceeding three times the aggregate of the issued share capital of the Company and all its reserves including capital and revenue reserves except with the consent of the company in the Annual General Meeting by ordinary resolution**.**

	GROUP		COMPANY	
	2017 US$	2016 US$	2017 US$	2016 US$
Maximum permissible year-end borrowing	131,210,751	110,166,453	(79,259,640)	(77,089,017)
Actual borrowings comprises:				
-Current borrowings (bank loans and overdrafts)	(3,788,297)	(5,256,123)	(1,764,764)	(2,630,515)
Unutilised borrowings capacity (theoretical)	**127,422,454**	**104,910,330**	**(81,024,404)**	**(79,719,532)**

The borrowing facilities negotiated by management as at 30 September 2017 amounted to US$8 million (2016: $5.8 million) during the period under review. All of the Group's bank borrowings were secured as at balance sheet date.

25. FOREIGN CURRENCY EXPOSURE

The Group undertakes transactions denominated in foreign currencies, consequently exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters set by Group Treasury. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
Currency unit	2017 US$	2016 US$ (Restated)	2017 US$	2016 US$ (Restated)
South African Rands	-	-	-	-
British Pounds	-	-	-	-
Euros	-	-	-	-

26. RELATED PARTY TRANSACTIONS

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed on this note. Transactions between the Group and certain companies with common shareholders are disclosed below. All transactions are at an arms length and in accordance with the normal business operations and activities of the Group. Appropriate disclosures and measures to avoid possible conflicts of interest have been made.

Trading transactions
During the year, group entities entered into the following trading transactions with related parties that are not members of the Group:

	GROUP				
	2017 US$	2016 US$	Nature of relationship with Holding Company	Transaction	Terms of trade
Glenara t/a Just Best Investments	42,502	77,876	Joint operation	Leasing of facilities	Arm's length
Glenara t/a Narakata	100,548	21,295	Joint operation	Leasing of facilities	Arm's length
Glenara Estates t/a Wilfun	78,014	7,538	Joint operation	Leasing of facilities	Arm's length
Tefco	154,816	72,735	Company related to Director of Holding Co.	Finance cost on loan	Arm's length
Unifreight	259,228	102,770	Company related to Director of Holding Co.	Equipment hire charges	Arm's length
Fidelity Life Assurance Company of Zimbabwe	-	18,011,400	ZHL related Company	Land for debt swap	Arm's length
Maitlands Zimbabwe	56,406	281,029	Joint venture	Dividend received by Crest Breeders	Arm's length
Maitlands Zimbabwe	-	12,345	Joint venture	Accounting fees charged by CFIHL	Arm's length
Maitlands Zimbabwe	12,730	9,548	Joint venture	Rentals received by Crest	Arm's length
Maitlands Zimbabwe	-	122,100	Joint venture	Stand sales to CFIHL	Arm's length
Maitlands Zimbabwe	-	34,656	Company related to director of Joint venture	Sales commission	Arm's length
Crest Breeders	-	832,107	Company related to director of Joint venture	Sales commission	Arm's length
Maitlands Zimbabwe	-	34,300	Directors of Joint venture	Directors' fees paid by Maitlands	
Reston Developers (Private) Limited	-	1,560,080	Joint venture	Land for debt swap with Metbank (iro CFI Retail debt)	Arm's length
Reston Developers (Private) Limited	15,000	15,000	Joint venture	Administration fees paid to CFIHL	Arm's length
Reston Developers (Private) Limited	13,830	13,830	Joint venture	Directors' fees paid to CFIHL	Arm's length
Transactions with entities under judicial management					
Crest Poultry Group (Private) Limited	799,598	-	Subsidiary	Sales of stockfeeds	Arm's length
Balances					
Crest Poultry Group (Private) Limited	580,213		Subsidiary	Intergroup balances receivable	Arm's length
Crest Poultry Group (Private) Limited	22,098,124		Subsidiary	Intergroup balances receivable	See note below
Victoria Foods (Private) Limited	9,267,755		Subsidiary	Intergroup balances receivable	See note below
	31,946,092				
Provision on intergroup balances where control was lost	(31,362,885)				
	583,207				

Notes:
The Group is not charging interest on intergroup balance receivables for entities under judicial management. Any subsequent financing and working capital support support granted to entities post judicial management however receives super-priority over the existing intergroup receivables. Such support is being granted to ensure protection of assets and to aid the entities in resuming operations.

Transactions with management

Compensation to key management personnel
The remuneration of directors and other members of key management during the year was as follows:

	2017	2016
Short-term benefits	948,551	1,107,393
Directors fees	48,697	60,533

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

26. RELATED PARTY TRANSACTIONS (Continued)

	GROUP				
	2017 US$	2016 US$			
Balances at year-end:					
Loans owed to Tefco for financing Glenara Horticultural projects					
Glenara Estates P/L t/a Just Best Investments	-	35,269	Joint operation	Working capital from Tefco	Arm's length
Glenara Estates P/L t/a Narakata	54,194	179,346	Joint operation	Working capital from Tefco	Arm's length
Glenara Estates (Private) Limited	1,720,165	468,671	Joint operation	Revolving working capital facility	Arm's length
	1,774,358	**683,286**			
Fidelity Life Assurance	300,000	300,000	ZHL related Company	Capital Gains tax (arrears)	Arm's length
Reston Developers (Private) Limited	1,526,932	1,535,326	Joint venture	Amount owing from CFIHL	Arm's length
Reston Developers (Private) Limited	1,100,000	1,100,000	Joint venture	Loan payable to CFIHL	Non-interest bearing
Loans to related parties					
Amounts receivable from staff and management	18,225	-	Group management staff	Short term loans	Arm's length

The Group provided short term loans to its directors and key management staff at interest rates ranging between 12% to 18% per annum. The amounts so provided are generally unsecured and are settled in cash. No guarantees are given or received. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts advanced to related parties. Tefco and Unifreight are entities both linked to the controlling shareholder ZHL's representative on the CFI Board.

	COMPANY	
	2017 US$	2016 US$
Intergroup receivables	2,545,999	4,312,616
Integroup payables	(25,132,783)	(24,755,517)
	(22,586,784)	**(20,442,901)**

Intergroup balances largely arise from intergroup financing transaction and disposal of capital assets. The are no fixed payment terms on such receivables and payables.

27. SEGMENTAL ANALYSIS

27.1 Nature of business by segment

The retail segment is involved in the retailing of hardware, fast moving consumer goods and veterinary services. The specialised division comprises of a wholly owned milling and foods manufacturing company, a property development company, property companies and head office financial services. The poultry segment is involved in stock feed manufacture, poultry breeding, production, processing, selling and veterinary services.

27.2 Business segments

	Retail		Farming		Milling		Properties & Head Office		Group	
	2017 US$	2016 US$ (Restated)	2017 US$	2016 US$ (Restated)	2017 US$	2016 US$ (Restated)	2017 US$	2016 US$ (Restated)	2017 US$	2016 US$ (Restated)
Revenue	40,033,631	20,453,029	2,489,807	1,223,336	-	7,655,506	11,304	-	**42,534,742**	**29,331,871**
Segment result										
Profit (loss) before depreciation and net financing costs	1,258,776	(1,411,494)	92,887	404,027	-	(7,997,335)	1,434,098	(1,469,734)	2,785,761	(10,474,536)
Provision for intergroup balances for entities under judicial management	-	(841,155)	-	-	-	-	-	(30,521,729)	-	(31,362,885)
Depreciation expense	(235,341)	(280,532)	(185,249)	(210,539)	-	(1,257,649)	(270,679)	(327,818)	(691,269)	(2,076,538)
Impairment charge	(6,735)	-	-	-	-	(221,253)	-	-	(6,735)	(221,253)
Net financing cost	(55,601)	(355,385)	(154,609)	(48,463)	-	(2,173,577)	(361,658)	(280,975)	(571,868)	(2,858,400)
Profit (loss) before tax	**961,099**	**(2,888,566)**	**(246,971)**	**145,025**	**-**	**(11,649,814)**	**801,761**	**(32,600,257)**	**1,515,889**	**(46,993,612)**
Income tax (charge) credit									**(636,020)**	**1,938,655**
Profit (loss) after tax									**879,869**	**(45,054,957)**
Other information										
Segment assets	22,815,067	22,186,478	5,010,625	3,949,638	-	-	44,939,301	45,911,299	**72,746,993**	**72,047,415**
Segment liabilities	8,808,637	9,528,067	2,256,669	953,235	-	-	17,962,925	18,729,365	**29,028,076**	**29,210,667**
Capital expenditure	192,638	6,066	274,737	449,878	-	11,742	9,656	14,174	477,031	481,861
Group unallocated non-cash expenses other than depreciation									**6,735**	**27,516**
Number of permanent employees	205	196	34	23	-	464	6	23	**245**	**706**

The revenue reported above represents the revenue generated from external customers.

28. RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS

The prior year financial statements were restated to account for two prior period errors as follows:

(i) The loss in control of entities that were put under judicial management necessitating deconsolidation as confirmed per the provisional order granted 26 August 2016, and subsequently fully confirmed shortly after the beginning of the year, on 12 October 2016. The Group has accounted for the deconsolidation effective 30 September 2016 given that the minor change will not materiality affect the reported performance for the current and prior year periods. The loss of control was not accounted for in prior year as the Group had erroneously assumed that since it retained significant influence on the entities under judicial management by virtue of full ownership of same, this amounted to control. Upon closer technical review in current year, the Board is persuaded that a loss in control occured in prior year, and accordingly restatement has thus been effected retrospectively.

(ii) Upon losing control, the recoverability of intercompany receivables became doubtful as the entities were under judicial management and no longer under the Board. The Board felt it prudent to provide for intergroup receivables whilst supporting the turnaround strategies by the judicial manager.

This prior period adjustment is thus prompted by the loss in control as detailed per (I), and is equally applied retropectively considering that the loss in control ocurred in prior year and the cumulative operational losses necessitating the adjustment arose between 2009-2016 and can not be fairly allocated to FY2017.

The bold measures adopted by the Board over the provisioning are in apparent recognition of the fact that business rescue plans ordinarily take long to materialise, and given the size of the entities and extent of negative net asset values in the entities, business rescue plans are still subject to material risks and uncertainities, notwithstanding the Board's full commitment to the rescuscitation and recapitalisation of the same operations.

The effect of the prior period errors for the two matters are as follows:

	GROUP		COMPANY	
	2017 US$	2016 US$	2017 US$	2016 US$
Increase in administrative expenses (due to provisioning intergroup balances for entities under judicial management)	-	(31,362,885)	-	(24,755,517)
Increase in income tax charge (current and deferred)	-	-	-	-
Decrease in property, plant and equipment	-	(21,820,681)	-	-
Decrease in amount receivable from entities under judicial management	-	-	-	(24,755,517)
Decrease in inventories and biological assets	-	(1,005,238)	-	-
Decrease in trade and other receivables	-	(1,041,260)	-	-
Increase in cash and cash equivalents	-	1,287,348	-	-
Increase (decrease) in retained income	-	59,338,291	-	(24,755,517)
Decrease in deferred tax assets	-	(4,652,270)	-	-
Decrease in short term loans	-	297,587	-	-
Decrease in trade and other payables	-	(23,750,275)	-	-

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank loans and overdrafts and finance leases, 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 fair valuation risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Financial Instruments

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

Level 1: quoted prices for similar instruments

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly (i.e derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

	GROUP 2017 US$	GROUP 2016 US$
Financial instruments held by the Group measured at fair value (level 1)	-	-
Fair value gain (loss) debited to the statement of profit or loss and other comprehensive income	-	-
Financial instruments held by the Group measured at fair value (level 2)		
Investments	4,059,000	4,059,000
Property related receivables (receivables collectible over up to 10 years)	9,005,568	10,549,598
Net interest income credited to the statement of profit or loss and other comprehensive income	1,494,738	1,081,703

Valuation of non-current assets held for sale and land-in development held in inventory

In 2015, the Group engaged independent professional valuers, EPG Global, in the valuation of non-current assets (see note 11).

The valuation inputs used in valuing all freehold land and buildings of the Group and assets held for sale were generally as follows:

- For land in development held in inventory, arising out of the Saturday Retreat settlement as explained per note 11.3, this was valued based on the Government approved valuation of US$4/m2 on the occupied area (adjusted by normal planning loss and anticipated recovery factors), and US$3/m for the un-occupied area.

Fair valuation of property related receivables

The fair valuation of property related receivable in respect of Maitlands Zimbabwe and Crest Breeders P/L Saturday Retreat were arrived at using the following key inputs:

- estimated monthly instalments were arrived at using average collections realised since registration of stand occupiers
- the number of instalments used was calculated using the time that it would take to attain the future value based on the obtaining steady state collection rates
- the rate of discount used was 11% based on the long term borrowing rates estimated by the Group.

The value produced by a model or other valuation technique may be adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors market participants take into account when entering into a transaction. Management believes that these valuation adjustments are necessary and appropriate to fairly state financial instruments carried at fair value on the statement of financial position.

The following table presents non-current assets held for sale and related liabilities and land in development held in inventory recognised at the statement of financial position date:

GROUP

	Level 1 2017 US$	Level 1 2016 US$	Level 2 2017 US$	Level 2 2016 US$	Level 3 2017 US$	Level 3 2016 US$	Total carrying amount 2017 US$	Total carrying amount 2015 US$
Assets classified as held for sale	-	-	-	1,339,000	-	-	-	1,339,000
Inventory – land in development	-	-	16,041,012	15,510,583	-	-	16,041,012	15,510,583
Liabilities associated with assets classified as held for sale	-	-	-	66,950	-	-	-	66,950

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 long term, short-term loans and overdrafts.

	GROUP 2017 US$	GROUP 2016 US$
Effect on loss before tax		
Increase of 5%	(189,415)	(262,806)
Decrease of 5%	189,415	262,806

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Foreign currency risk

As a result of the state of industry in Zimbabwe, the Group relies heavily on importations of cereals and other products from SouthAfrica mainly and other countries, exposing the Group significantly to movements in foreign currency exchange rates. The Group also has transactional currency exposures. 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. In addition, on major cereal imports, the Group manages its risk when dealing with commodity brokers by fixing its contract prices in United States Dollars, which is the Group's functional currency.

Credit risk

The Group trades 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 bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, credit terms are specified contractually within the regulations laid down by the Reserve Bank of Zimbabwe. With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents and available for-sale financial assets, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments less the market value of any security held. Within the Group, there are concentrations of credit risk. Concentration of credit risk exists when the greater percentage of a business unit's trade and other accounts receivables are dominated by one or a few debtors.

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, bank loans and finance leases.

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

	Within 3 months		Between 4 - 12 months		More than 12 months		Total	
	2017 US$	2016 US$ (Restated)	2017 US$	2016 US$ (Restated)	2017 US$	2016 US$ (Restated)	2017 US$	2016 US$ (Restated)
Liabilities								
Accounts payable	12,096,793	12,802,693	-	-	6,037,578	5,315,820	18,134,371	18,118,513
Borrowings	3,169,887	3,057,704	-	-	369,235	308,181	3,539,122	3,365,885
Bank overdraft	249,175	236,986	-	-	-	-	249,175	236,986
TOTAL	**15,515,855**	**16,097,383**	**-**	**-**	**6,406,813**	**5,624,001**	**21,922,668**	**21,721,384**
Assets								
Trade and other receivables	2,320,100	1,196,407	-	-	-	-	2,320,100	1,196,407
Property related receivables	794,065	789,937	2,382,197	2,369,810	9,005,568	10,549,598	12,181,830	13,709,345
Bank balances and cash	1,477,498	243,905	-	-	-	-	1,477,498	243,905
TOTAL	**4,591,663**	**2,230,249**	**2,382,197**	**-**	**9,005,568**	**10,549,598**	**15,979,428**	**16,259,234**
Liquidity gap on financial instruments only	10,924,192	13,867,134	(2,382,197)	-	(2,598,755)	(4,925,597)	5,943,240	5,462,150
Less: inventory and biological assets	(20,343,895)	(19,088,945)	-	-	-	-	(20,343,895)	(19,088,945)
Net unfunded gap (surplus)	**(9,419,703)**	**(5,221,811)**	**(2,382,197)**	**-**	**(2,598,755)**	**(4,925,597)**	**(14,400,655)**	**13,626,795)**

The Group has plans to enhance its liquidity in FY2018 in order to improve sustainable trading.

30. FOREIGN CURRENCY SENSITIVITY ANALYSIS

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. The Groups' exposure to the changes in foreign exchange rates relates primarily to the Group's operating activities when revenues and expenses are denominated in a different currency. The following table demonstrates the sensitivity of the Group's results to a reasonably possible change in the US Dollar (USD) exchange rates against the following currencies, with all other variables held constant.

		GROUP 2017		GROUP 2016	
	Change in Rate US$	Effect on equity US$	Effect on profit US$	Effect on equity US$	Effect on profit US$
South African Rands	10%	-	-	-	-
	(10%)	-	-	-	-
British pounds	10%	-	-	-	-
	(10%)	-	-	-	-
Euros	10%	-	-	-	-
	(10%)	-	-	-	-

30. FOREIGN CURRENCY SENSITIVITY ANALYSIS (Continued)

Fair valuation risk
The Group is exposed to movement in fair value of listed equities. Investments in 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 Group Treasury office is tasked with the responsibility of performing research into potential opportunities in order to provide suggestions for investment to the Board of Directors. This office monitors the performance of the current investment portfolio and reports to the Board of Directors.

Biological assets risk management policies
Biological assets are living animals or plants that are managed by the Group. Agricultural produce is the harvested product of the biological asset. Biological assets of the Group include breeding chickens, broilers, layers, cattle, horticultural crops and vegetables.

These biological assets are exposed to various risks, which include, disease/infection outbreaks, theft of livestock, price fluctuations and marketing risk. 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, insurance against theft and natural deaths, vaccination to prevent infections and regular evaluation of prices.

31. FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated net fair values of all financial instruments, including installment debtors which are shown net of unearned finance charges, approximate the carrying amounts shown in the financial statements.

Set out below is a comparison of carrying amounts and fair values of all the Group's financial instruments at 30 September 2017.

	GROUP			
	2017 Carrying amount US$	Fair value US$	2016 Carrying amount US$	Fair value US$
Financial assets				
Trade and other receivables	14,501,930	14,501,930	14,905,752	14,905,752
Bank balances and cash	1,477,498	1,477,498	243,095	243,095
	15,979,428	**15,979,428**	**15,149,657**	**15,149,657**
Financial liabilities				
Interest-bearing overdrafts and borrowings	3,788,297	3,788,297	3,602,871	3,602,871
Trade and accounts payable	18,134,371	18,134,371	18,118,513	18,118,513
	21,922,668	**21,922,668**	**21,721,384**	**21,721,384**

32. CAPITAL MANAGEMENT

The primary objective of the Group's capital management strategies 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 structure 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 year ended 30 September 2017.

	GROUP		COMPANY	
	2017 US$	2016 US$	2017 US$	2016 US$
Total Liabilities `	29,028,076	29,210,667	29,231,529	30,222,000
Total Equity	43,736,917	42,836,748	(26,419,880)	(25,696,339)
Financial leverage	66%	68%	(111%)	(118%)

33. GOING CONCERN

In prior year, Crest Poultry Group (Private) Limited (whose divisions trade as Agrifoods, Agrimix, Suncrest Chickens, Hubbard Zimbabwe, Crest Breeders and Glenara Estates) and Manicaland Farmers Investments (Private) Limited as well as Victoria Foods (Private) Limited and Amtec Manufacturing (Private) Limited were placed under provisional judicial management on the 26th of August 2016, with final judicial management being confirmed on the 12th of October 2016. With this measure came the consequent loss of control of the aforementioned subsidiaries.

The aforementioned subsidiaries were thus deconsolidated from the Group effective 30 September 2016.

Directors are confident that the entities remaining under the Group's control are able to continue as going concerns based on their balance sheet strengths and projected performance going into the future.

In prior year however, the Group's financial results reflected significant financial strain. The Group incurred a loss for the year of US$ 45.1 million (restated) and, as of that date, the Group's current assets exceeded its current liabilities by US$15.2 million (incorporating entities under judicial management). Accepting that with part of the major component of current assets involving development land, the liquidity and likely timing of realisation of funds would be limited in addressing the short term solvency position for the Group. The financial strain the Group was dealing with emanated from the following factors:

- resuscitating operations using expensive borrowings upon dollarization in 2009.
- the impact of ageing equipment and infrastructure on efficiencies in some of the operations.
- overheads not adequately aligned to the low capacity utilization.
- the Group's delay in completing the recapitalisation resulting in operations being funded by unsustainable and incompetetively priced funding.

The entities in which the Group lost control however still require recapitalisation for their going concern to be assured. The Group temporarily placed under judicial management the entities of Crest Poultry Group (Private) Limited, Victoria Foods (Private) Limited, Amtec Manufaturing (Private) Limited and Manicaland Farmers' Coop Investments (Private) Limited in order to protect all stakeholders and allow for time to restructure and reorganise the Companies' affairs for sustainability. The Board believes that, working with the judicial manager, the necessary recapitalisation funds will be injected into the business in 2018 together with a scheme of arrangement that addresses the medium to long term viability of the entities placed under judicial management.

The Board believes that the plans explained above and complimentary business restructure initiatives being implemented are adequate to assure the Group's going concern in the next twelve months.

34. EVENTS AFTER REPORTING DATE

An EGM was requested by Willoughby's Investments (Private) Ltd, an associate of Messina Investments Ltd, to re-table the Langford Estates transaction after year-end on the 15th of November 2017. The re-tabled transaction did not garner the necessary 75% of the votes necessary to carry the motion as Special Resolutions. The Company has initiated steps to reverse the Langford Estates transaction.

35. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorised for issue on 24 January 2018.

The Board believes that the reversal will create value for the benefit of the Group's shareholders, and the Group is sufficiently capitalized to deal with the impact of the return of the debt onto the Group, notwithstanding uncertainty around the quantum of the potential impact of costs related to the reversal.

CFI HOLDINGS LIMITED

NOTICE OF ANNUAL GENERAL MEETING (AGM)

NOTICE is hereby given that the twenty second (22nd) Annual General Meeting ("AGM") of the Company will be held at Farm & City Boardroom, 1st Floor Farm & City Complex, No 1 Wynne Street, Harare on Monday 12 March 2018, at 11:00 am to consider the following business:

ORDINARY BUSINESS

1. To receive and adopt the financial statements for the year ended 30 September 2017, together with the reports of the directors and auditors thereon.
2. To elect directors in place of those retiring in accordance with the provisions of the Articles of Association. Messrs. A. Denenga, A. S. Hamilton (with R. L. Hamilton as alternate) and Ms P. Muzani were appointed to the Board after the previous AGM, and retire from the Board as per Article 58, and being eligible, they offer themselves for re-election. Mr S.D. Zinyemba retires from the Board by rotation and being eligible, offers himself for re-election.
3. To confirm directors' fees for the year ended 30 September 2017.
4. To approve the remuneration of the auditors for the year ended 30 September 2017 and to appoint auditors for the ensuing year.

EXPLANATORY NOTES TO THE PROPOSED RESOLUTIONS

Election of Directors

At each AGM, one third of the directors (other than the Managing Director), or, if their number is not a multiple of three, then the number nearest to but not being less than one third shall retire. The directors retiring from office shall be eligible for re-election (Articles 68 and 69).

No person other than a director retiring at the meeting shall, unless recommended by other directors, be eligible for the office of director unless, not less than seven or more than twenty-one clear days before the date appointed for the meeting, there shall have been given to the Secretary notice in writing, signed by a member duly qualified to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected (Article 70).

In summary, the CFI Holdings Limited board comprises; Ms I. V. Pasi (Acting Group Chairman), Messrs S. N. Chibanguza (Acting Group Chief Executive Officer), S. D. Zinyemba, A. Denenga, A. S. Hamilton (Alternate: R. L. Hamilton) and Ms. P. Muzani.

Notes

1. In terms of the Companies Act (Chapter 24.03) a member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll and speak in his stead. A proxy need not be a member of the Company.
2. In terms of clause 50 of the Company's Articles of Association, instruments of proxy must be lodged at the registered office of the Company at least forty eight hours before the time appointed for holding of the meeting.
3. Members are requested to advise the Transfer Secretaries in writing of any change in address.

By order of the Board
P. Hare
Group Company Secretary
15 February 2018

THE COMPANY SECRETARY, CFI HOLDINGS LIMITED, P.O. BOX 510, HARARE, ZIMBABWE, panganayi@cfi.co.zw

ANNUAL GENERAL MEETING PROXY FORM

I/We...

of...

being a holder of .... ordinary CFI Holdings Limited shares, hereby appoint

.... [full name]

Of...[full address]
or failing him, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the ANNUAL GENERAL MEETING of CFI Holdings Limited, to be held on the 12th of March 2018 and at any adjournment thereof.

Signed this.. day of ☐ February 2018 ☐ March 2018

Signature of
Member/Director...
(If for a Company, kindly sign on behalf thereof)
Name of
Member...
[please print]

NOTES
1. In terms of section 129 of the Companies Act (Chapter 24:03) a member entitled to attend and vote is to appoint one or more persons to act in the alternatives as his/her proxy to attend in his/her stead and to speak and vote on his/her behalf. A proxy need not be of the Company.
2. Instruments of the proxy may be lodged with the company Secretary at the Registered Office of the Company (No. 1 Wynne Street, P.O. Box 510, Harare) up to 12:00 noon, Thursday 8 March 2018.
3. A proxy form signed on behalf of a company must by a Director of the Company.
4. Unless specified voting instructions are noted on this form of proxy, the appointee shall vote as he/she thinks fit.

THE COMPANY SECRETARY, CFI HOLDINGS LIMITED, P.O. BOX 510, HARARE, ZIMBABWE,
panganayi@cfi.co.zw

CHANGE OF ADDRESS

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

Shareholder's name in full
....
(Block letters please)
....
New Address
....
(Block letters please)
....
....
....

Email address
....
....
Shareholder's signature
....

INVESTOR CATEGORY	Number 2017	2017 Shares Held	% of Total	Number 2016	2016 Shares Held	% of Total
BANKS	-	-	-	-	-	-
COMPANY (LOCAL)	1,485	64,759,180	60.87	1,587	45,306,623	42.81
EMPLOYEE	17	99,958	0.09	21	160,265	0.15
ESTATE LATE/DECEASED ESTATE	15	81,670	0.08	47	82,488	0.08
EXTERNAL/FOREIGN COMPANIES	14	20,304,683	19.08	16	14,478,951	13.68
FUND MANAGERS	16	22,138	0.02	19	23,769	0.02
GOVERNMENT	5	34,485	0.03	5	34,485	0.03
INSURANCE COMPANIES	17	713,266	0.67	22	4,041,532	3.82
INVESTMENTS,TRUSTS & PROPERTY	41	93,632	0.09	50	2,126,732	2.01
LOCAL RESIDENTS	4,102	6,883,899	6.47	4,223	7,374,691	6.97
NOMINEES LOCAL	61	5,251,589	4.94	63	5,338,749	5.04
NON RESIDENTS	4	7,608,513	7.15	4	7,608,513	7.19
NON RESIDENT INDIVIDUAL	44	399,271	0.38	42	532,218	0.50
OTHER CORPORATE HOLDINGS	9	9,782	0.01	11	40,308	0.04
PENSION FUND	12	128,809	0.12	24	18,681,551	17.65
TOTALS	**5,842**	**106,390,875**	**100.00**	**6,134**	**105,830,875**	**100.00**

TOP TEN MAJOR SHAREHOLDERS

	2017 Number	% of Total	2016 Number	% of Total
STALAP INVESTMENTS PVT LTD	43,415,577	40.81	29,771,320	28.13
MESSINA INVESTMENTS LIMITED	19,820,814	18.63	6,262,788	5.92
E.F.E. SECURITIES NOMINEES (PVT) LTD-NNR	12,348,368	11.61	17,702,384	16.72
WILLOUGHBY'S CONSOLIDATED PLC.	10,854,359	10.20	4,167,649	3.94
DUNNET INVESTMENTS (PRIVATE) LIMITED	2,000,517	1.88	2,000,517	1.89
CATESBURY TRADING (PVT) LTD	1,450,113	1.36	-	-
ENITA MATASVA	1,232,047	1.16	-	-
DATVEST NOMINEES (PVT) LTD	1,157,238	1.09	-	-
KOMISANI BALOYI	713,546	0.67	-	-
REINSURANCE BROKERS INTERNATIONAL P/L	610,750	0.57	-	-
Top ten shareholders	**93,603,329**	**87.98**	**59,904,658**	**56.60**
Remaining Shareholders	**12,787,546**	**12.02**	**45,926,217**	**43.40**
	106,390,875	**100**	**105,830,875**	**100.00**

SPREAD IN SHAREHOLDING

Range	2017 Holders	% of Holders	Shares	% of Shares	2016 Holders	% of Holders	Shares	% of Shares
0 - 100	1,151	20	57,125	0	1,162	19	57,563	0
101 - 200	683	12	109,509	0	700	11	111,990	0
201 - 500	1,174	20	407,513	0	1,205	20	418,828	0
501 - 1,000	826	14	621,470	1	861	14	648,225	1
1,001 - 5,000	1,409	24	3,782,445	4	1,468	24	3,925,464	4
5,001 - 10,000	424	7	2,869,960	3	461	8	3,147,572	3
10,001 - 50,000	144	2	2,395,124	2	211	3	4,066,396	4
50,001 - 100,000	5	0	368,395	0	17	0	1,280,283	1
100,001 - 500,000	10	0	2,194,450	2	24	0	5,303,224	5 500,001
1,000,000	3	0	1,918,863	2	3	0	2,257,499	2
1,000,001 - 10,000,000	11	0	37,180,678	35	21	0	64,060,652	61
10,000,001 -	2	0	54,485,343	51	1	0	20,553,179	19
Total	5,842	100	106,390,875	100	6,134	100	105,830,875	100

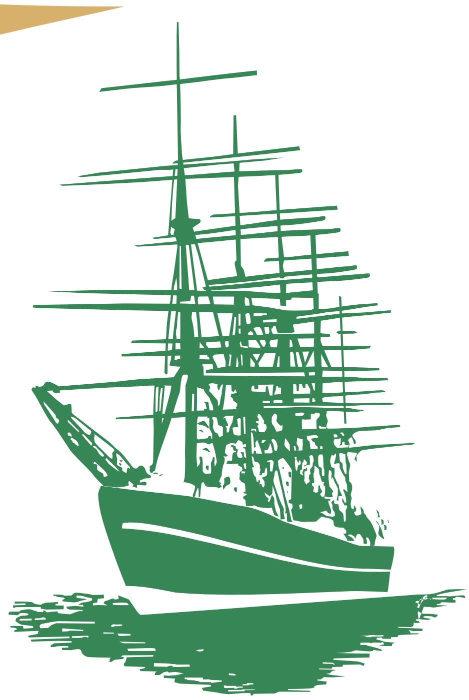
DIRECTORS' SHAREHOLDING

	2017	2016
T. Nyika	26,000	26,000

SHAREHOLDERS' CALENDAR

	2017	2016
Twenty second Annual General Meeting	March 2018	
Financial Year end	30 Sep 2017	30 Sep 2016
Interim Reports		
6 months to 31 March	May 2018	May 2016
12 months to 30 September	December 2017	December 2016
Annual Report Published	February 2018	February 2017
Twenty first Annual General Meeting		March 2017

CFI HOLDINGS LIMITED



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