AUDITED FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 MARCH 2019

Delta Corporation

SALIENT FEATURES

REVENUE
INCREASED BY 26% TO
RTGS$722,4 mil

OPERATING INCOME
INCREASED BY 68% TO
RTGS$175,5 mil

EBITDA
Increased by 58% to **RTGS$212,4 million**

EARNINGS PER SHARE
Increased by 55% to **RTGS11,19 cents**

ATTRIBUTABLE INCOME
Increased by 58% to **RTGS$140,7 million**

DIVIDEND PER SHARE
Normal Dividend paid - **RTGS9,50 cents**
Special dividend paid - **RTGS4,50 cents**

NET FUNDING
Net cash - **RTGS$110,2 million**

TAX REMITTANCES
Total Tax paid - **RTGS$217,5 million**

GROUP STATEMENT OF FINANCIAL POSITION

	AUDITED As At 31 March 2019 RTGS$'000	AUDITED As At 31 March 2018 RTGS$'000
ASSETS		
Non-current assets		
Property, plant and equipment	**787 037**	366 857
Investments in associates	**43 768**	47 439
Intangible assets - Goodwill	**18 064**	—
Intangible assets - Trademarks	**43 785**	17 514
Investments and loans	**8 589**	8 482
	901 243	440 292
Current assets		
Inventories	**128 863**	66 007
Trade and other receivables	**46 940**	33 727
Current tax asset	**8 774**	6 148
Cash and cash equivalents	**264 091**	291 226
	448 668	397 108
TOTAL ASSETS	**1 349 911**	837 400
EQUITY AND LIABILITIES		
Capital and reserves		
Issued share capital	**12 526**	12 361
Share premium	**83 170**	44 976
Share option reserve	**3 921**	4 678
Change in functional currency reserve	**297 748**	—
Retained earnings	**373 976**	434 764
Equity attributed to equity holders of the parent	**771 341**	496 779
Adjustment arising from change in non- controlling interest	**(1 107)**	—
Non-controlling interests	**32 763**	5 427
Shareholders' equity	**802 997**	502 206
Non-current liabilities		
Long term borrowings	**105 443**	42 746
Deferred tax liabilities	**57 761**	55 639
	163 204	98 385
Current liabilities		
Short term borrowings	**48 445**	12 400
Trade and other payables	**284 018**	158 841
Dividend payable	**44 407**	59 443
Current tax liability	**6 840**	6 125
	383 710	236 809
TOTAL EQUITY AND LIABILITIES	**1 349 911**	837 400
Net asset value per share (cents)	**61,58**	40,37

GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	AUDITED Year ended 31 March 2019 RTGS$'000	AUDITED Year ended 31 March 2018 RTGS$'000
Revenue	**722 384**	572 227
Operating income	**175 488**	104 715
Finance charges	**(21 138)**	(5 898)
Finance income	**16 385**	12 148
Share of profit of associates	**10 800**	4 334
Profit before tax	**181 535**	115 299
Income tax expense	**(38 301)**	(26 791)
Profit for the period	**143 234**	88 508
Other comprehensive income	**—**	—
Total comprehensive income for the period	**143 234**	88 508
Profit for the period attributable to:		
Owners of the parent	**140 661**	88 829
Non controlling interest	**2 573**	(321)
	143 234	88 508
Weighted average shares in issue (millions)	**1 257,5**	1 230,4
Earnings per share (US cents)		
Attributable earnings basis	**11,19**	7,22
Fully diluted earnings basis	**11,05**	7,20

GROUP STATEMENT OF CASH FLOWS

	AUDITED Year ended 31 March 2019 RTGS$'000	AUDITED Year ended 31 March 2018 RTGS$'000
Cash flow from operating activities		
Operating income	**175 488**	104 715
Depreciation	**36 896**	29 388
Other non-cash items	**71 507**	10 421
Decrease in working capital	**17 762**	76 957
Cash generated from operations	**301 653**	221 481
Finance charges	**(21 138)**	(5 898)
Finance income	**16 385**	12 148
Income tax paid	**(41 700)**	(21 433)
Net cash flow from operating activities	**255 200**	206 298
Cash flow from investing activities		
Purchase of fixed assets for maintaining operations	**(11 844)**	(6 779)
Purchase of fixed assets for expanding operations	**(7 734)**	(7 112)
Purchase of shares and in subsidiary	**(24 660)**	(14 658)
Dividend received from associate	**392**	482
(Decrease)/Increase in loans and investments	**(107)**	1 141
Proceeds from disposal of property, plant and equipment	**4 081**	141
Net cash invested	**(39 872)**	(26 785)
Cash flow from financing activities		
Dividends paid in cash	**(225 594)**	(54 228)
Increase in shareholder funding	**5 695**	11 151
Share buy back	**(21 264)**	(3 491)
Decrease in short term borrowings	**(1 300)**	(47 600)
Increase in long term borrowings	**—**	32 547
Net cash flow used in financing activities	**(242 463)**	(61 621)
Net (decrease) / increase in cash and cash equivalents	**(27 135)**	117 892
Cash and cash equivalents at beginning of year	**291 226**	173 334
Cash and cash equivalents at end of year	**264 091**	291 226

AUDITED FINANCIAL INFORMATION

FOR THE YEAR ENDED 31 MARCH 2019

Delta Corporation

GROUP STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	AUDITED Year ended 31 March 2019 RTGS$'000	AUDITED Year ended 31 March 2018 RTGS$'000
Shareholders' equity at beginning of the year	**502 206**	475 667
Share options exercised	**5 695**	11 151
Share allotment	**53 326**	8 395
Share buy back	**(21 264)**	(3 491)
Recognition of share based payments	**2 128**	1 193
Foreign currency translation reserve	**9 750**	730
Total comprehensive income for the year	**143 234**	88 508
Recognition of currency change	**297 748**	—
Dividends declared:		
- Prior year	**(33 502)**	(29 891)
- Current year	**(177 056)**	(55 585)
Non controlling interest arising on acquisition of subsidiaries	**20 732**	5 529
Shareholders' equity at end of the year	**802 997**	502 206
Attributable to:		
Owners of the parent	**770 234**	496 779
Non controlling interest	**32 763**	5 427
	802 997	502 206

SUPPLEMENTARY INFORMATION

	AUDITED Year ended 31 March 2019 RTGS$'000	AUDITED Year ended 31 March 2018 RTGS$'000
1. Revenue		
Gross sales	**841 488**	667 522
Less VAT and discounts	**(119 104)**	(95 295)
Revenue	**722 384**	572 227
Less excise duty and levies	**(103 110)**	(67 510)
Net Sales	**619 274**	504 717
2. Depreciation of property, plant and equipment	**36 896**	29 388
3. Taxation		
Current income tax expense	**43 502**	23 853
Withholding tax	**362**	403
Deferred tax - Arising during the year	**(2 900)**	2 535
	38 301	26 791
4. Commitments for capital expenditure		
Contracts and orders placed	**—**	3 000
Authorised by directors but not contracted	**257 501**	52 061
	257 501	55 061

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

	Lager Beer RTGS$'000	Sparkling Beverages RTGS$'000	Sorghum Beer RTGS'000	Wines and Spirits RTGS$'000	Total Reportable Segments RTGS$'000	All Other Segments RTGS$'000	Total RTGS$'000
5. Reportable segments							
31 March 2019							
Segment revenue	346 329	99 002	251 288	25 714	**722 333**	25 137	**747 470**
Inter-segment revenue	—	—	—	—	**—**	(25 086)	**(25 086)**
External revenue	346 329	99 002	251 288	25 714	**722 333**	51	**722 384**
Segment operating income	94 943	(690)	70 456	9 507	**174 216**	1 272	**175 488**
31 March 2018							
Segment revenue	232 949	160 442	178 027	—	**571 418**	18 153	**589 571**
Inter-segment revenue	—	—	—	—	**—**	(17 344)	**(17 344)**
External revenue	232 949	160 442	178 027	—	**571 418**	809	**572 227**
Segment operating income	40 177	20 414	36 477	—	**97 068**	7 647	**104 715**

The Sparkling Beverages Business and associate entity Schweppes Holdings Africa produce brands under licence from The Coca-Cola Company (TCCC) in terms of bottlers' agreements. Following the merger of SABMiller and AB InBev in October 2016, TCCC has indicated an intention to terminate these bottlers agreements and that TCCC and AB InBev are pursuing strategies that could result in a restructure of these business entities. There are ongoing discussions amongst the parties that are expected to result in the withdrawal of the notified intention.

6. Currency change

In February 2019, the Government of Zimbabwe issued Statutory Instrument 33 of 2019, which directed that all assets and liabilities that were in United States Dollars (US$) immediately before 20 February 2019 be deemed to have been in RTGS$ at a rate of 1:1 to the US$.The guidance issued by the Public Accountants and Auditors Board (PAAB) notes that this is contrary to IAS21 on foreign currency translation.The Company has reported the Statement of Comprehensive Income on the basis of the 1:1 in compliance with SI33 and in recognition of the multiple exchange rates that were imputed in commercial transactions.In order to comply with IAS 21 into the future, the Company translated the Statement of Financial Position as at 22 February 2019 at the commencement RTGS$ rate of 2.5 to the US$. All transactions post this date are translated in accordance with IAS21 at the official inter bank rate. The Company has recognised a net increase in assets of RTGS$297,7 million arising from the rebasing to RTGS$ which has been recorded as a non-distributable reserve.

SUPPLEMENTARY INFORMATION (continued)

7. Contingencies

The Zimbabwe Revenue Authority has raised tax assessments of RTGS$27,8 million for the period 2009 to 2014 based on disallowing expenditure on royalties and technical assistance fees. Based on the legal advice received to date the board is of the view that the company has acted within the confines of existing statues. Consequently, no provision has been made pending the resolution of the matter which is now before the courts. Delta board cannot at this stage estimate the likely timing of the resolution of the matters.

8. Goodwill

The Company has recognised Goodwill of RTGS$18,0 million arising from the partial acquisition of a controlling stake in African Distillers.

9. Accounting policies

Accounting policies are consistent with those used in the previous year with no significant impact arising from new and revised International Financial Reporting Standards applicable for the period ended 31 March.

10. Audit Opinion

These condensed financial results should be read in conjunction with the complete set of financial statements of Delta Corporation Limited for the financial year ended 31 March 2019, which have been audited by Deloitte & Touche and an adverse opinion issued thereon. The basis for the adverse opinion pertains to non compliance with International Accounting Standard 21 "The effects of changes in Foreign Exchange Rates".The auditor's report is available for inspection at the Company's registered address.

COMMENTARY

DEAR SHAREHOLDER

The last year was one of two trading halves. The first half which covered the pre- and post-election period, was characterised by initial positive consumer sentiment, and expansionary monetary and fiscal policies that drove consumer spending. The shortage of foreign currency became more pronounced in the second half thus compromised product supply.

The fiscal and monetary policies implemented between October 2018 and February 2019 have significantly altered the trading environment. Of particular note is the 2% transaction tax, the adoption of the local currency (RTGS$) as the functional currency and the introduction of an exchange rate on the RTGS$. The cost of hard currency continues to escalate thereby driving inflation.

The acute shortage of foreign currency persists despite the introduction of the inter-bank foreign exchange market. We have outstanding foreign creditors and loans, the bulk of which is overdue. We remain engaged with our counter parties in this regard.

The Board is concerned about the company's ability to access foreign currency in order to meet its external obligations. Strategies to mitigate this challenge are ongoing including contracting for additional barley to generate exports.

CURRENCY CHANGES

The Monetary Authorities introduced the RTGS$ as the transactional and functional currency on 22 February 2019. The financial statements have been translated from the USD currency in line with the provisions of the international financial reporting standards and as informed by Statutory Instrument 33 of 2019 (SI33/19). The Board has therefore rebased assets and liabilities to reflect this change of currency as is more fully covered in the notes to the financial statements. The Board advises users of these financial statements to exercise caution especially on the Statement of Comprehensive Income which complies with SI33/19 but is not in line with International Accounting Standards as it is a summation of different currency values at the time of trade.

In light of the failure to fully comply with the requirements of IAS21 the Company's External Auditors have issued a modified opinion on the Financial Statements for the year ended 31 March 2019.

TRADING PERFORMANCE

Volume across the beverage categories benefited from the first nine months of buoyant trading where prices were stable but was constrained in the last quarter due to supply challenges and increases in wholesale and retail prices.

Lager Beer

Lager beer volume was up by 31% on prior year. The volume achieved was at par with the historical peak of F13. This was achieved through stable pricing, steady production output and extensive distribution. Both the mainstream and premium categories registered growth driven by Zambezi Lager and Castle Lite.

Sorghum Beer (Zimbabwe)

Sorghum beer achieved a volume growth of 5% above prior year as demand for the category remained firm despite the cost pressures on imported packaging materials, spares and the repricing of agricultural cereals in the fourth quarter. Chibuku Super contributed 85% of the total category volume. The demand for Chibuku Super exceeded the installed production capacity. There are plans to build a modern brewery at a new site at Rusape in the coming year.

Sparkling Beverages

The Sparkling beverages volume declined by 44% on prior year. The growth registered in the first half of the year was reversed by the lack of product in the second half. The division was adversely affected by severe foreign currency constraints particularly after the monetary policies of October 2018. The division was virtually closed in the last quarter of the year due to critical raw material outages. The Company has since worked with its partner, The Coca-Cola Company to restore normal operations.

National Breweries (Zambia)

The Sorghum beer volume at National Breweries Plc in Zambia (Natbrew Plc) was flat on prior year. The volume trends remain variable against both formal and informal competitor activity which has alternative subsistence offerings. The entity continues to explore opportunities of stabilising volume performance and operational efficiency.

Afdis

The Group's effective shareholding in Afdis increased to 50,37% hence the entity has been consolidated as a subsidiary. The business continues to perform well given the economic constraints.

Associates – Schweppes and Nampak

Schweppes

Persistent foreign currency shortages hampered the trading performance of Schweppes. Though long lead times in procuring critical inputs and pricing distortions hampered trading, the financial performance was satisfactory.

Nampak

Demand across operating units of the business was firm despite the challenges induced by critical imported inputs. Profitability was aided by good volume growth and cost containment measures adopted across the group.

FINANCIAL PERFORMANCE

The Group achieved Earnings Before Interest and Tax of RTGS$175,5 million up 68% on prior year driven by the domestic beer segment. Net funding of RTGS$110,2 million was after the early payment of the final and special dividends in March 2019 reflecting good cash generation, limited capital expenditure and the delays in settling foreign obligations. Although cash covered, the Group foreign currency exposure of US$85 million included in the short and long term payables remains a concern given the instability of the RTGS$ currency and constraints in accessing hard currency. The financial statements reflect a currency change on 22 February 2019. The exchange rate movement after that date has been booked as an exchange loss which offset the interest earnings to net finance cost.

ACQUISITION OF UNITED NATIONAL BREWERIES (PTY) LIMITED SA

The Company announced on 21 December 2018 that it had entered into binding agreements to acquire the 100% stake currently held by Diageo Plc in United National Breweries Proprietary Limited (South Africa), (UNB). UNB is the leading brewer of traditional beer and owns the Chibuku brand in that country. Efforts are underway to finalise the transaction per agreed timeframes.

THE COCA-COLA BOTTLER'S AGREEMENT

Shareholders are reminded that the Company is trading under a cautionary issued with respect to the notice received from The Coca-Cola Company (TCCC) advising of an intention to terminate the Bottler's Agreements with the Group entities (Notified Intention). This followed the merger of AB InBev and SABMiller Plc in October 2016 and the subsequent agreement in principle reached between TCCC and AB InBev to explore options to restructure the bottling operations in a number of countries. There are ongoing discussions amongst the parties that are expected to result in the withdrawal of the notified intention.

DIRECTORATE

The Board of Directors welcomes Mrs Emma Fundira and Ms Lucia Adele Swartz who were appointed to the Board on 1 January, 2019. Mr Ricardo Tadeu Almeida Cabral de Soares resigned as a director of the Company following his reassignment to a different role within AB InBev. The Board bids farewell to Professor Hope Sadza who retired from the Board after serving for 11 years. We thank both for their valuable contributions to the Company.

OUTLOOK

The economy is in transition with Government pursuing a stabilisation plan which is expected to improve the fortunes of the nation. The Company will endeavour to do its part in support of the economic recovery. In the meantime the reduced disposable income and difficult operating environment has resulted in subdued trading at the front end of the new year. The Board will continue to deploy strategies that protect the Company and its stakeholders and to deliver value to all.

DIVIDEND

With the changed currency environment the Board declared and paid quarterly dividends amounting to 9.5 cents per share and a special dividend of 4.5 cents per share giving a total dividend of 14 cents per share at RTGS$177 million. The special dividend was paid from accumulated reserves.

For and on behalf of the Board

CF Dube
Chairman
10 May 2019

PO Box 267
Harare
Zimbabwe

Deloitte & Touche
Registered Auditors
West Block
Borrowdale Office Park
Borrowdale Road
Borrowdale
Harare
Zimbabwe

Tel: +263 (0) 8677 000261
+263 (0) 8644 041005
Fax: +263 (0) 4 852130
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF DELTA CORPORATION LIMITED
For the year ended 31 March 2019

Adverse Opinion

We have audited the consolidated and company financial statements of Delta Corporation Limited ("the Company") and its subsidiaries ("the Group") set out on pages 8 to 66, which comprise the consolidated and company statements of financial position as at 31 March 2019, and the consolidated and company statements of profit or loss and other comprehensive income, the consolidated and company statements of changes in equity and the consolidated and company statements of cash flows for the year then ended, and the notes to the consolidated and company financial statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the matters discussed in the *Basis for Adverse Opinion* section of our report, the accompanying consolidated and company financial statements do not present fairly, the consolidated and company financial position of the Group as at 31 March 2019, and its consolidated and company financial performance and consolidated and company cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies Act (Chapter 24:03) and the relevant Statutory Instruments ("SI") SI 33/99 and SI 62/96.

Basis for Adverse Opinion

IAS 21 "The Effects of Changes in Foreign Exchange Rates" considerations

During the year, the Group and the Company transacted using a combination of the United States Dollars (USD), bond notes and coins, Real Time Gross Settlement (RTGS) system and mobile money platforms. During the course of the year, there was significant divergence in market perception of the relative values between the bond note, bond coin, mobile money platforms, and RTGS Foreign Currency Accounts ("FCA") in comparison to the USD. Although RTGS was not legally recognised as currency during the reporting from 1 April 2018 up to 20 February 2019, the substance of the economic phenomenon, from an accounting perspective, suggested that RTGS was currency for financial accounting and reporting purposes.

In October 2018, the Reserve Bank of Zimbabwe ("RBZ") issued a Monetary Policy Statement instructing all financial institutions to separate and create distinct bank accounts for depositors, namely, RTGS FCA and Nostro FCA accounts. This resulted in a separation of transactions on the local RTGS payment platform from those relating to foreign currency (e.g. United States Dollar, British Pound, and South African Rand). Due to this separation, there was a proliferation of multi-tier pricing practices by suppliers of goods and services, indicating a significant difference in purchasing power between the RTGS FCA and Nostro FCA balances, against a legislative framework mandating parity between the two. These events were suggestive of economic fundamentals that would require a reassessment of the functional currency as required by International Accounting Standard (IAS) 21. Such assessment pointed to a change in functional currency.

In the Monetary Policy Statement of 20 February 2019, a currency called the RTGS Dollar was legislated through Statutory Instrument 33 of 2019 ("SI 33/19") with an effective date of 22 February 2019. In addition, SI 33/19 fixed the exchange rate between the RTGS Dollar and the USD at 1:1 for the period up to its effective date.

For the period up to 22 February 2019, the Group maintained its functional currency as the USD, with transactions and balances reflected using an exchange rate of 1:1 in compliance with SI 33/19. From 22 February 2019, balances and transactions were retranslated at the legislated inaugural exchange rate of 1:2.5 between the USD and the RTGS$ in compliance with the requirements of SI 33/19. The Group recognised the translation adjustments directly in equity instead of profit or loss as required by IAS 21.

Basis for Adverse Opinion (continued)

IAS 21 "The Effects of Changes in Foreign Exchange Rates" considerations (continued)

Whilst the timing of this conversion is in line with the dictates of SI 33/19, it constitutes a departure from the requirements of IAS 21, and therefore the financial statements have not been prepared in conformity with IFRS. Had the Group and Company applied the requirements of IAS 21, many of the elements of the accompanying consolidated and separate financial statements would have been materially impacted and therefore the departure from the requirements of IAS 21 is considered to be pervasive. The financial effects on the consolidated and company financial statements of this departure have not been determined.

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and the Company in accordance 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 in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Key Audit Matters

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

Key audit matter	How the matter was addressed in the audit
1. VALUATION OF CONTAINERS IN THE MARKET (MARKET ABSORPTION)	
Returnable beverage containers issued to customers on sale of products remain the property of the Group. A deposit is received from customers that is repayable on return of the containers to the Group. At the end of each financial period, the Directors perform an estimation of the value of containers in the market against which the Group has a liability (the deposit) due to the customer. At the year-end, the Group has recognised a liability of US$11.1 million (2018: US$21.6 million) worth of containers in the market (refer to note 20.2). The determination of value of containers in the market is an area of significant estimation. Containers are an important and material component to the Group's operations and therefore accounting for them is an area of significance to the financial reporting.	We performed a number of procedures, including the following: • Establishing the assumptions used in estimating the value of containers in the market and comparing these assumptions against previous reporting periods and global industry practice; • Assessing whether assumptions applied in current year are appropriate and reasonable based on market conditions, e.g. production output, container usage/turnover etc.; and • Recalculating the value of estimated containers in the market using verifiable components of the containers reconciliation, including physical balances on hand at the beginning and the end of the reporting period, purchases of containers during the year, container losses determined at each month end physical count date. We found the Directors' assumptions in determining the containers in the market provision to be reasonable. The accounting treatment of this provision is consistent with industry practice.

Key Audit Matters (continued)

Key audit matter	How the matter was addressed in the audit
2. NEW BUSINESS ACQUISITION AND RELATED ACCOUNTING	
During the year, the Group acquired African Distillers Limited (AFDIS), a former associate of Delta Corporation Limited that manufactures spirits and wines. The purchase consideration was US$96.9 million, made up of fair value of previously held interest in the AFDIS and fair value of consideration transferred for acquisition of additional interest. The accounting for this acquisition is governed by IFRS 3 "Business Combinations" whose requirements are fairly complex and require Management to exercise a significant level of judgement in determining the purchase price allocation, including: • Identification of the assets and liabilities acquired and determining fair values thereof; • Determination of separate identifiable intangible assets, bargain purchase or goodwill to be recognised on acquisition; • Determination of fair value of interest previously held in the investee; and • Determining the value of the consideration transferred. We have determined this to be a key audit matter due to the level of judgement involved in determining the fair value for the net assets acquired. Details of the acquisition have been disclosed in note 13.1.	We focused our testing of the identifiable assets and liabilities on the key assumptions made by management. Our audit procedures included the following: • Critical evaluation of whether the model used by management to calculate the fair value of the assets acquired complies with the requirements of IFRS 3 (Business Combinations); • Obtaining management's calculations and subjecting the key assumptions to our own independently calculated sensitivity analysis; • Comparing the independently determined fair value of interest previously held in AFDIS with the fair value of the same as determined by management; • Comparing the independently determined fair value of the business with the fair value of the net assets of the acquired entity as determined by management; and • Performance a Good will impairment assessment arising from the business acquisition. We determined the Directors' assumptions to be appropriate.

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), which we obtained prior to the date of this auditor's report and the Annual Report which is expected to be made available to us after the date. The other information does not include the consolidated and company financial statements and our auditor's report thereon.

Our opinion on the consolidated and company 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 and company 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 and company financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Other Information (continued)

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.

When we read the other information obtained after the date of the auditor's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and company financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act (Chapter 24:03), the relevant statutory instruments (SI 33/99, SI 33/19 and SI 62/96) and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and company 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 financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and company financial statements, including the disclosures, and whether the consolidated and company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE SHAREHOLDERS OF DELTA CORPORATION LIMITED
For the year ended 31 March 2019

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

Deloitte & Touche

Deloitte & Touche
Chartered Accountants (Zimbabwe)
Per: Brian Mabiza
Partner
Registered Auditor
PAAB Practice Certificate Number: 0447

Date: 16 May 2019