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Company



UNAUDITED GROUP RESULTS FOR THE 6 MONTHS ENDED 30 JUNE 2019

ZIMPLOW

The Directors report the following unaudited results in respect of the Group and Company's operations for the six months ended 30 June 2019

YOUR AGRICULTURE, INFRASTRUCTURE & MINING PARTNER

HIGHLIGHTS

Revenue up 78% to 36.2m

EBITDA up 650% to 20.23m

PAT up 831% to 15.3m

CHAIRMAN'S STATEMENT

Dear Shareholders

The first half of the year has seen significant changes in policy with regards to monetary as well as exchange rate policies. The diversified divisions and companies in the Group have had mixed fortunes however the overall performance has been positive. Demand from the tobacco farmers did not come in at the same level as last year however this was replaced by exports within the overall agriculture demand matrix.

Below is a financial review by division / subsidiary

Operational Review

Mealie Brand

The unit had an outstanding first half and provided a strong anchor to the Groups' profitability. Revenues tripled from \$3.3m to \$10.3m. This was mainly due to a sales mix which was 56% exports and 44% local. Exports sales enabled the division to have exchange gains on its debtors and receipts. The business achieved a profit before tax figure of \$9.9m.

Farmec

Farmec revenues were up 78% to \$13.7m. We sold 44 tractors and 130 implements over the period. Service hours were down 25% to 4092 hours.

All other ratios remain in line and the business posted a profit before tax of \$6.1m.

Driven by the ongoing electricity shortages gensets sold doubled from 22 in the prior to 44 in the first half. Service hours sold increased by 21% to 1426. Revenues grew by 235% to \$3.4m with profit before tax coming in at \$1.6m. The demand pipeline remains strong and ongoing efforts are being made to ensure that we carry sufficient stocks on hand.

Barzem

Revenues are up 77% to \$1.5m however there has been a change in the sales mix with mild steel bolts down 58% while high tensile bolts volumes doubled. CT Bolts achieved a profit before tax of \$1.1m.

Barzem had a depressed performance over the first half. Revenues came in at \$7.4m Whole goods sold were down 74% on last year while parts sold were up 46%. The business posted a profit before tax figure of \$1.7m.

The group's revenue for the first half of 2019 went up 78% from \$20.3m to \$36.2m. Owing to a good working capital posture and sales mix the group benefitted from a tailwind on its exports sales. The group achieved profit after tax of \$15.3m for the first half of 2019.

The current outlook for the 2019 / 20 rain season is for a normal season. Should this be the case it will be positive for demand for our agriculture equipment businesses. We however remain cautious in our working capital posture to ensure we tie up appropriate capital against anticipated demand.

Dividend

The board would like to declare an interim dividend of 1.47 cents per share.

Appreciation

I would like to thank the board, management and staff for their continued positive efforts.



Owners of the parent

GROUP CONSOLIDATED AND COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER

30-June-18

30-June-19

30-June-18

1,503,746

13,141,282

13,141,282

	30-3une-19	30-3une-18	30-3une-13	30-June-18
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Continuing				
Continuing operations	33.841.752	19,296,885	27.452.419	12.334.260
Sales of goods Rendering of services	2,183,942	951,419	1,307,420	604,183
	2,183,942 147.572		1,307,420	604,183
Investment property rental income Revenue	36.173.266	65,055 20.313.359	28,759,839	12.938.443
Cost of sales		(13.149.208)	(10,383,022)	
Gross Profit	(14,612,348)	7.164.151	18,376,817	(8,121,458) 4,816,985
Other Income				
	6,077,371	236,507 (208,801)	4,793,349	177,450
Selling and distribution	(548,543)		(506,362)	(197,441)
Administrative expenses	(6,302,808)	(3,277,775)	(4,009,089)	(2,036,848)
Other Operating Expenses	(976,964)	(1,581,635)	(666,853)	(499,066)
Operating profit/loss Finance costs	19,809,974	2,332,447	17,987,862	2,261,080
	(181,789)	(155,980)	(156,475)	(155,338)
Finance income	2,245	6,951	2,245	1,833
Tax	19,630,430	2,183,418	17,833,632	2,107,575
Profit/Loss for the from	(4,317,626)	(577,789)	(4,902,994)	(603,440)
	45 242 004	4.005.000	42.020.020	4 504425
continuing operations	15,312,804	1,605,629	12,930,638	1,504,135
Other Comprehensive Income				
Other Comments and the language				
Other Comprehensive income				
that may be recycled				
through profit or loss	-	-	-	-
Exchange difference on translation	240.044	(E2 EE4)	240 644	(200)
of foreign operations	210,644	(53,554)	210,644	(389)
Total comprehensive income	45 500 440	4.550.035	42444 202	4 500 746
for the year	15,523,448	1,552,075	13,141,282	1,503,746
Profit/Loss for the year attributed to:	14.170.121	1567706	12.020.620	1 EO 412 E
Equity holders of the entity	1,142,683	1,567,706 37.923	12,930,638	1,504,135
Non-controlling interests	15,312,804	1,605,629	12,930,638	1,504,135
Total comprehensive profit/less	15,312,804	1,005,629	12,930,638	1,504,135



GROUP CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION

	30-June-19 ZWL\$	31-Dec-18 ZWL\$	30-June-19 ZWL\$	31-Dec-18 ZWL\$
Assets				
Non-current Assets				
Property, plant and equipment	16,699,254	16,791,922	6,516,824	6,577,591
Intangible assets	129,828	129,828	113,494	113,494
Investment property	251,583	251,583	· -	-
Investment in subsidiaries	-		11,462,158	11,462,158
Deferred tax assets	453,364	-	-	-
Long term receivables	2,411,548	911,549	661,548	661,549
Goodwill	924,903	924,903	-	-
Total non-current assets	20,870,480	19,009,785	18,754,024	18,814,792
Current Assets				
Inventories	22,160,537	14,777,589	19,922,848	12,920,133
Trade and other receivables	12,195,754	3,827,204	9,804,664	1,703,352
Prepayments	7,959,331	4,360,692	7,959,331	3,992,976
Investment in financial assets	141,688	186,948	141,688	141,688
Current tax receivable	190,270	100,540	26,601	141,000
Cash and bank balances	7.107.898	5.621.505	4.146.361	1.063.821
Total current assets	49,755,478	28,773,938	42,001,493	19,821,970
Total Assets	70,625,958	47,783,723	60,755,517	38,636,762
Equity and Liabilities Equity				
Issued share capital	95,352	95,352	95,352	95,352
Share premium	19,726,744	19,726,744	19,726,744	19,726,744
Revaluation reserve	4,714,683	4,714,682	3,274,369	3,274,369
Capital Reserve	(20,105)	(20,105)	(20,105)	(20,105)
Change in ownership reserve	(904,212)	(904,212)	(20,100)	(20,100)
Share based payment reserve	14,434	14,434	14,434	14,434
Foreign currency translation reserve	245,356	34,712	245,356	34,712
Accumulated profit	20,832,342	7,162,820	16,155,445	3.725.406
Attributable to holders of the parent	44,704,594	30,824,427	39,491,595	26,850,912
Non-controlling interests	6,699,169	5,556,486	-	-
Total Equity	51,403,763	36,380,913	39,491,595	26,850,912
Non-current liabilities				
Long term borrowings	1,065,967	1,290,432	1,065,967	1,290,432
Intercompany payables	1,000,507	1,250,152	5,527,904	4,663,273
Deferred tax liabilities	2,761,645	2,725,790	1,842,203	1,100,880
Total non-current liabilities	3,827,612	4,016,222	8,436,074	7,054,585
Command Habilida				
Current liabilities	7500.000	4700.000	4 0 40 000	200.000
Trade and other payables	7,588,930	1,766,632	4,049,283	300,863
Provisions Short torm partial of	501,922	699,603	246,054	258,538
Short term portion of	2 244 045	2746 924	2.214.045	2746 924
long term borrowings	2,214,045	2,746,824	2,214,045	2,746,824
Customer deposits Current Tax liabilities	4,508,253 581,433	1,969,461 204,068	4,885,133	1,222,860 202,180
Total current liabilities	15,394,583	7,386,588	1,433,333 12,827,848	4,731,265
Total equity and liabilities	70,625,958	47,783,723	60,755,517	38,636,762

GROUP CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS

	Gro	up	Company			
	30-June-19 ZWL\$	30-June-18 ZWL\$	30-June-19 ZWL\$	30-June-18 ZWL\$		
Operating profit/ (loss) before interest and tax	19,809,975	2,332,447	17,987,863	2,261,075		
Adjusted for:						
Depreciation of property						
plant and equipment						
and amortisation of intangible assets	387,781	364,848	234,541	184,507		
Exchange (gain)/loss on foreign exchang	je (3,511,617)	-	(1,999,313)	-		
Profit on disposal of property,						
plant & equipment	(27,980)	18,834	(27,980)	(11,166)		
	16,658,159	2,716,129	16,195,111	2,434,416		
Working capital changes						
(Increase) in Inventories	(7,382,948)	(3,646,796)	(7,002,715)	(3,493,614)		
(increase) /Decrease in trade						
and other receivables	(9,868,550)	1,149,911	(8,101,312)	365,541		
(increase) /Decrease in prepayments	(3,598,639)	897,880	(3,966,355)	967,246		
increase /(Decrease) in customer deposi	ts 2,538,791	(506,599)	3,662,273	(323,524)		
Increase in intergroup balances	-	-	864,632	67,024		
increase /(Decrease) in trade	E 004.000	(477 447)	0.740.040	(040440)		
and other payables	5,601,630	(477,447)	3,712,949	(816,146)		
Internation of the I	3,948,443	133,078	5,364,583	(799,057)		
Interest received	2,245	6,951	2,245	1,833		
Interest paid	(181,789)	(70,945)	(156,475)	(70,303)		
Tax paid Dividend paid	(1,595,679)	(194,254)	(1,290,227)	(150,190) (308,105)		
Net cash flow from operating activities	(500,599) 1,672,621	(308,105)	(500,599) 3,419,527	(308,105)		
Investing activities	1,072,021	(433,275)	3,419,527	(1,325,622)		
Proceeds from sale of						
property, plant and equipment	28,025	126,361	28,025	18.361		
Purchase of property, plant and equipme		(65,633)	151,545	(52,876)		
Proceeds from sale of financial assets	45,260	45,260	151,545	(32,870)		
Net cash flows from investing activities		105,988	179.570	(34,515)		
iver cash nows from investing activities	330,323	103,500	175,570	(34,313)		
Financing Activities						
Repayments of borrowings	(487,867)	(1,104,331)	(487,867)	(1,104,992)		
Proceeds from borrowings	500,000	2,781,229	500,000	2,781,229		
Net cash flows from financing activities		1,676,898	12,133	1,676,237		
Net increase/(decrease)				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
in cash and cash Equivalents	2,015,083	1,349,611	3,611,230	315,900		
Net foreign exchange difference	(528,690)	(36,362)	(528,690)	(2,033)		
Cash and cash equivalents at 1 January		5,273,885	1,063,821	1,390,674		
		C F07424	4446 264	1,704,541		
Cash and cash equivalents at 30 June	7,107,898	6,587,134	4,146,361	1,704,541		
Cash and cash equivalents at 30 June Comprising of:	7,107,898	6,587,134	4,146,361	1,704,541		
	7,107,898 7,107,898	6,587,134	4,146,361	1,704,541		

SUPPLEMENTARY INFORMATION

			Company			
	30-June-19 ZWL\$	31-Dec-18 ZWL\$	30-June-19 ZWL\$	31-Dec-18 ZWL\$		
Shares in issue	238,380,780	236,194,564	238,380,780	236,194,564		
For the purpose of Basic EPS	238,380,780	236,194,564	238,380,780	236,194,564		
Dilutive impact of shares	623,850	622,499	623,850	622,499		
For the purpose of Diluted EPS	239,004,630	236,817,063	239,004,630	236,817,063		
Profit/(loss) for the year	14,170,121	5,642,698	12,930,638	4,980,251		
Basic profit/loss per share	0.06	0.02	0.05	0.02		
Diluted profit/(loss) per share	0.06	0.02	0.05	0.02		
Depreciation	387,781	700,317	234,541	372,597		
Taxation:						
Current tax expense	3,956,426	423,041	3,531,139	1,566,471		
Deferred tax movement	361,201	123,112	1,371,856	435,425		

GROUP CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the half-year ended 30 June 2019

Group	Share Capital	Treasury Shares	Share Premium	Revaluation Reserve	Change in Ownership Reserve		Share Based Payment Reserve	Retained Earnings	Attributable to Owners of the Parent	Non- Controlling Interest	Total
Balance on 1 January 2018	94,186	-	19,471,129	1,932,439	(904,212)	(249,900)	50,434	2,320,506	22,714,582	4,784,557	27,499,139
Birnination of											
NCI on Afritrac Disposal	-	-	-	-	-	-	-	-	-	(217,169)	(217,169
FCTR Recycled	-	-	-	-	-	287,340		-	287,340		287,34
Share based payment	-	-	-	-	-	-	31,312	-	31,312	-	31,31
Dividend Paid	-	-	-	-	-	-		(800,384)	(800,384)	-	(800,384
Profit for the year	-	-	-	-	-	-		5,642,698	5,642,698	367,443	6,010,14
Other comprehensive											
loss net of tax	-	-	-	2,782,244	-	(2,728)	-	-	2,779,516	621,655	3,401,17
Share options Exercised	1,166		255,615	-	-	-	(67,312)	-	189,469	-	189,469
Share buyback	-	(20)105)	-	-	-	-	-	-	(20105)	-	(2010)
Balance at											
31 December 2018	95,352	(20,105)	19,726,744	4,714,683	(904,212)	34,712	14,434	7,162,820	30,824,428	5,556,486	36,380,914
Dividend Paid	-	-	-		-	-		(500,599)	(500,599)	-	(500,599
Profit for the year	-	-	-	-	-	-	-	14,177,389	14,177,389	1,142,683	15,320,072
Other comprehensive I											
oss net of tax	-	-	-	-	-	210,644	-	-	210,644	-	210,64
Balance at 30 June 2019	95,352	(20,105)	19,726,744	4,714,683	(904,212)	245,356	14,434	20,839,610	44,711,862	6,699,169	51,411,03

COMPANY STATEMENT OF CHANGES IN EQUITY For the half - year ended 30 June 2019

Company	Share Capital	Share Premium	Capital Reserve	Revaluation Reserve	Share based payment reserve	Foreign currency translation reserve	Retained earnings	Attributable to Owners of the parent
Balance on 1 January 2018	94,186		19,471,129	1,455,922	50,434	(1,538)	(454,461)	20,615,672
Share buyback	-	(20,105)	-	-	-	-	-	(20,105)
Share Based Reserve	-	-	-	-	31,312	-	-	31,312
Dividend Paid	-	-	-	-	-	-	(800,384)	(800,384)
Share Options Exercised	1,166	-	255,615	-	(67,312)	-	-	189,469
Profit for the year	-	-	-	-	-	-	4,980,251	4,980,251
Other comprehensive								
loss net of tax	-	-	-	1,818,447	-	36,250	-	1,854,697
Balance at 31 December 2018	95,352	(20,105)	19,726,744	3,274,369	14,434	34,712	3,725,406	26,850,912
Dividend Paid	_	_	_	_	_	_	(500,599)	(500,599)
Profit for the year	-	-	-	-	-	-	12.930.638	12.930.638
Other comprehensive								
income net of tax	-	-	-		-	210,644	-	210,644
Balance at 30 June 2019	95,352	(20,105)	19,726,744	3,274,369	14,434	245,356	16,155,445	39,491,595

NOTES TO THE CONDENSED UNAUDITED FINANCIAL RESULTS

Basis of preparation

Presentation and statement of compliance

Basis of preparation

The financial statements of which this statement is a summary were prepared under the historical cost convention. These results agree with the accounting records and are prepared in accordance with International Financial Reporting Standards, the Companies Act of Zimbabwe (Chapter 24:03) and the Zimbabwe Stock Exchange listing requirements.

The accounting policies applied in the preparation of these condensed financial statements for the period under review are in accordance with International Financial Reporting Standards ("IFRS") and are consistent with those applied in preparation of the Group's audited financial statements for the year ended 31 December 2018.

These consolidated financial statements of which these results are an extract have been prepared with the aim of complying with International Financial Reporting Standards (IFRS) and are presented in RTGS Dollars (§) which is the Group's functional currency. While full compliance with IFRS has been possible in the previous periods, only partial compliance has been achieved for 2019, because it has not been possible to comply with International Accounting Standard 21 "The Effects of Changes in Foreign Exchange Rates" (IAS21).

The IFRS Conceptual Framework requires that in applying fair presentation to financial statements, entities should go beyond the consideration of the legal form of transactions and any other factors that could have an impact on them, IAS 21 requires an entity to apply certain parameters in determining the functional currency of an entity for use in the preparation of its financial statements. This standard also requires an entity to make certain judgements, where applicable, regarding appropriate exchange rates between currencies where exchangeability through a legal and market exchange mechanism is not achievable.

In the opinion of the directors, the requirement to comply with Statutory Instrument 33 (SI 33) of 2019 created inconsistencies with IAS 21, as well as the principles embedded in the IFRS Conceptual Framework (see guidance issued by the Public Accountants and Auditors Board or 1March 2019). This has resulted in the adoption of an accounting treatment in the current year's financial statements, which is at variance from that which would have been applied if the Group had been able to fully comply with IFRS.

The group is holding borrowings with a balance of RTGS\$3.2m as at 30 June 2019 se against a notarial covering bond, which included the Company's inventory and a building average cost of the borrowings for the period was 9%.

An analysis of Group revenue and results for the Half-year

	30-June-19 ZWL\$	30-June-18 ZWL\$	30-June-19 ZWL\$	30-June-18 ZWL\$
Sale of goods: Domestic Sale of goods: Export Sale of services: Domestic	28,103,359 5,738,393 2,183,942	18,906,130 390,755 951,419	21,714,026 5,738,393 1,307,420	11,943,505 390,755 604,183
Property rentals	147,572	65,055	· · · · · -	· -
Total	36,173,266	20,313,359	28,759,839	12,938,443

Capital Commitments

	010	up	Comp	July
	30-June-19 ZWL\$	30-Dec-18 ZWL\$	30-June-19 ZWL\$	30-Dec-18 ZWL\$
Authorized but not yet contracted	-	110,000	-	110,000
Authorized and Contracted	-	329,335	-	329,335
Total	-	439,335	-	439,335

30 JONE 2019	Farming	Mining and Infrastructure	Property	reportable Segments	Total Segments	Adjustments	Consolidated
Revenue	23,839,934	12,334,621	148,054	-	36,322,609	(149,343)	36,173,266
Segment operating							
profit	16,633,534	4,401,153	123,797	(505,298)	20,653,186	(843,212)	19,809,974
Other items					-		-
Finance income	1,202	6	-	1,037	2,245	-	2,245
Finance costs	(156,475)	(25,314)	-	-	(181,789)	-	(181,789)
Income taxes	(4,246,101)	(182,567)	(29,422)	82,736	(4,375,354)	57,728	(4,317,626)
Group profit after tax	12,232,160	4,193,278	94,375	(421,525)	16,098,288	(785,484)	15,312,804
Segment assets	35,239,686	16,867,863	10,409,088	21,758,249	84,274,886	(13,648,928)	70,625,958
Segment liabilities	4,430,564	917,051	(300,335)	(11,233,595)	(6,186,315)	(13,035,880)	(19,222,195)
Other segment							
information					-		-
Depreciation	167,183	152,788	44,215	23,595	387,781	-	387,781
Additions to non-							
current assets	119,883	124,001	-	13,160	257,044	-	257,044
20 11 11 2040							

0 3014E 2018	Farming	Mining and Infrastructure	Property	reportable Segments	Total Segments		Consolidated	
evenue	11,142,826	8,962,300	65,055	-	20,170,181	143,177	20,313,358	
egment operating								
rofit	1,742,710	466,964	39,410	(105,419)	2,143,665	188,782	2,332,447	
ther items								
nance Income	1643	4133	_	1174	6 951	-	6 951	

Other items							
Finance Income	1,643	4,133	-	1,174	6,951	-	6,951
Finance costs	(144,699)	(10,933)	-	-	(155,632)	(348)	(155,980)
Income taxes	(497,713)	(70,408)	2,558	(16,859)	(582,422)	4,633	(577,789)
Group profit after tax	1,101,941	389,756	41,968	(121,104)	1,412,562	193,067	1,605,629
Segment assets	15,511,034	16,584,641	10,245,038	19,488,282	61,828,995	(18,928,362)	42,900,633
Segment liabilities	718,661	(6,319,327)	(317,586)	(6,698,082)	(12,616,334)	46,327	(12,570,007)
Other Segment							
Information							
Depreciation	(127,668)	(152,833)	(44,215)	(40,132)	(364,848)	-	(364,848)
Additions to non-							
current assets	44,052	15,073	-	6,508	65,633	-	65,633

