CFI HOLDINGS LIMITED

ANNUAL REPORT 2020

FINANCIAL HIGHLIGHTS

For the 5 year period 30 September 2016 - 2020

	INFLATION-ADJUSTED			HISTORICAL				
	2020 ZWL	2019 ZWL	2018 ZWL	2020 ZWL	2019 ZWL	2018 ZWL	2017 ZWL	2016 ZWL
CONSOLIDATED RESULTS								
Revenue *	3,435,193,971	2,640,990,153	2,109,988,013	1,920,324,644	177,397,474	61,290,915	42,534,742	29,331,871
Group profit (loss) before taxation *	392,225,311	337,393,083	139,800,816	401,566,241	(10,673,059)	4,060,933	1,515,889	(46,996,606)
Profit (loss) attributable to equity holders of the parent	218,130,588	235,876,301	109,770,341	275,519,286	(12,170,040)	3,188,608	879,869	(45,057,951)
Total shareholders' equity (Group's net asset value)	2,069,912,019	1,865,991,189	1,615,854,822	1,537,641,991	145,699,516	46,937,338	43,736,917	42,836,748
Group's total assets	3,391,420,916	3,167,085,267	2,578,400,734	2,788,789,689	308,394,633	74,897,364	72,764,993	72,047,415
Cash generated from (utilised through) operating activities	370,968,970	(305,129,139)	184,148,839	(186,392,693)	(38,264,329)	5,349,154	1,441,684	(3,875,641)
Capital expenditure	72,465,776	41,286,025	52,782,030	34,134,256	1,963,403	1,533,212	477,031	481,861
Cash resources net of borrowings	(303,866,490)	(607,139,102)	(24,153,752)	(303,866,490)	(79,946,684)	(701,618)	(2,310,799)	(3,358,966)
ORDINARY SHARE PERFORMANCE								
Shares in issue	106,820,875	106,820,875	106,820,875	106,820,875	106,820,875	106,820,875	106,390,875	105,830,875
Earnings (loss) per share (ZWL cents)	204.66	221.31	29.14	258.51	(11.42)	2.99	0.83	(42.70)
Diluted earnings (loss) per share (ZWL cents)	204.66	221.31	29.14	258.51	(11.42)	2.99	0.83	(42.47)
Net asset value per share (ZWL)	19.38	17.47	0.44	14.39	1.36	0.44	0.41	0.40
Market price at year end (ZWL)	N/A	N/A	N/A	N/A	N/A	N/A	0.67	0.10
Industrial index	5213.3	232.78	387	5213.3	232.78	386.97	418.96	98.96
FINANCIAL STATISTICS								
Net interest cover (times)	0.95	1.03	12.17	3.07	0.74	12.17	3.77	(15.39)
Ordinary shareholders' equity to total assets - %	61.03	58.92	62.67	55.14	47.24	62.67	60.11	59.46
Return on total assets - %	6.43	7.45	3.75	9.88	(3.95)	3.75	0.88	(39.14)
Return on ordinary shareholders' equity - %	10.54	12.64	6.79	17.92	(8.35)	6.79	1.11	(55.49)
Return on capital employed - %	11.79	12.64	7.03	17.92	(8.35)	7.03	2.03	(96.67)
Debt to equity ratio - %	15.92	34.49	3.13	21.42	58.17	3.13	8.66	8.41
Current asset ratio -%	185.22	257.95	185.10	123.91	142.65	185.10	164.88	147.52

* - relates to continuing operations only

N/A: Since 1 January 2018, the Company has been under a suspension from trading its shares on the Zimbabwe Stock Exchange. Consequently, market prices for its shares were unavailable at the time of publishing the Statement of Financial Position.

CONTENTS

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

CORPORATE INFORMATION

Directors	I. V. Pasi (Group Chairperson) S. Zinyemba (Deputy Group Chairperson) S. N. Chibanguza (Acting Group Chief Executive Officer)* C. Mutevhe (Acting Group Finance Director)* A. Denenga A. S. Hamilton (Alternate: R. L. Hamilton) P. Muzani * - Executive Directors
Group Company Secretary & Legal Officer	Panganayi Hare
Assistant Group Legal Officer & Acting Group Human Resources Manager	Rutendo Chidemo
Transfer Secretaries	First Transfer Secretaries (Private) Limited 1 Armagh Avenue, Eastlea, Harare, Zimbabwe Telephone: +263 (242) 782 869 / 72 fts@mercantileholdings.co.zw
Auditors	Baker Tilly Chartered Accountants (Zimbabwe)
Bankers	Agricultural Bank of Zimbabwe CBZ Bank Limited Central African Building Society (CABS) FBC Bank Limited Nedbank Limited Metbank Limited Standard Chartered Bank Zimbabwe Limited Steward Bank Limited People's Own Savings Bank (POSB)
Legal Advisors	Nyawo Ruzive Legal Practitioners 1 Wynne Street Harare, Zimbabwe
Registered Office	1 Wynne Street, Harare, Zimbabwe
Postal Address	P.O. Box 510, Harare, Zimbabwe
Telecommunications	Telephone +263 (242) 791260 / 790685 Telefax +263 (242) 790499 Email: panganayi@cfi.co.zw Website: www.cfigroup.co.zw

GROUP STRUCTURE

- 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

GROUP MANAGEMENT

GROUP EXECUTIVES

Shingirayi N. Chibanguza	Acting Group Chief Executive Officer
Chesternoel Mutevhe	Acting Group Finance Director
Panganayi Hare	Group Company Secretary & Legal Officer

DIVISIONAL MANAGEMENT

RETAIL DIVISION

CFI RETAIL & VETCO

Tanaka Hofisi	Finance Director

FARMING DIVISION

GLENARA ESTATES

Irvine Munetsi	Finance Manager

HUBBARD ZIMBABWE & SUNVALLEY ESTATE

Simbarashe Chikava	Finance Manager

MILLING DIVISION

AGRIFOODS & AGRIMIX

Wellington Chiremba	Acting Managing Director
Simbarashe Chikava	Finance Manager

VICTORIA FOODS

Chamunorwa Mhishi	Finance Manager

CORPORATE SERVICES

Taurai Shava	Group Property & Development Manager
Rutendo Chidemo	Assistant Group Legal Officer / Acting Group Human Resources 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
Muchanaka Zuwirai	Finance Manager

LOT A OF THE REST

George Chambara	Finance Manager

NOTICE OF ANNUAL GENERAL MEETING (AGM)

NOTICE is hereby given that the twenty fifth (25th) 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 Wednesday 31 March 2021 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 2020, 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. Mr A. Denenga and Mr A.Hamilton (with R.L. Hamilton as alternate) retire from the Board by rotation as per Article 68 and 69, and being eligible, they offer themselves for re-election. (Each Director will be appointed through a separate resolution).
3. To confirm directors' fees for the year ended 30 September 2020.
4. To approve the remuneration of the auditors for the year ended 30 September 2020 and to appoint auditors for the ensuing year. Baker Tilly Zimbabwe has audited three (3) financial periods for the Group to date.

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 (Group Chairman), Messrs S. N. Chibanguza (Acting Group Chief Executive Officer), S. D. Zinyemba (Deputy Chairman), A. Denenga, A. S. Hamilton (Alternate: R. L. Hamilton) and Ms. P. Muzani.

Notes

1. In terms of the Companies& Other Business Entities Act (Chapter 24.31) 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
8 March 2021

ATTENDANCE AT ANNUAL GENERAL MEETING BY WEBINAR

In the interest of health and safety considerations given Corona Virus (COVID 19), shareholders who prefer to attend the meeting by webinar are welcome to do so and can be availed the electronic link from the Company Secretary on pangayi@cfi.co.zw and / or clivech@farmandcity.co.zw no later than 29 March 2021, 10:00 am.

Ms I.V. Pasi - Group Chairperson

DIRECTORS' RESPONSIBILITY

The Company's Directors are responsible for the preparation and fair presentation of the Group's consolidated financial statements. These Group financial statements are presented in accordance with the disclosure requirements of the Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules and in accordance with the measurement and recognition principles of International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31). The principal accounting policies applied in the preparation of these financial statements are consistent with those applied in the previous annual financial statements. No significant changes arise from new and revised IFRS which became effective for reporting periods commencing on or after 1 January 2020.

CAUTIONARY STATEMENT - RELIANCE ON ALL FINANCIAL STATEMENTS PREPARED IN ZIMBABWE FOR 2019/2020

The Directors would like to advise users to exercise caution in their use of these financial statements due to the material and pervasive impact of the technicalities arising from functional currency changes in February 2019, its consequent impact on the usefulness of the financial statements for 2019/2020 financial periods and the adoption of International Accounting Standard (IAS) 29 (Financial Reporting in Hyperinflationary Economies), effective 1 July 2019.

Whilst Directors have exercised due care and applied reasonable judgements they deem appropriate in the preparation and presentation of these financial statements, the Directors advise the need for interpretation caution and remind users that there are significant challenges in ascertaining the underlying business performance in an environment of hyperinflation, multiple exchange rates and other significant economic changes. The audit opinion on these financial statements has been modified by the independent auditors, Baker Tilly Zimbabwe Chartered Accountants as indicated in the audit opinion statement below.

ADOPTION OF IAS 29 (FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES)

Effective July 2019 in prior year, the Public Accountants and Auditors Board (PAAB) advised that conditions for adopting IAS 29 were satisfied. IAS 29 requires that inflation-adjusted financial statements become the entity's primary financial statements. Historical cost financial statements have been presented only as complementary financial information.

EXTERNAL AUDITOR'S AUDIT OPINION

These Group financial statements have been audited by the Group's external auditors, Baker Tilly Chartered Accountants (Zimbabwe), who have issued an adverse opinion as a result of non-compliance with IAS 21 (The Effects of Changes in Foreign Exchange Rates). The auditor's report on the Group's financial statements is available for inspection at the Company's registered office.

SUSTAINABILITY REPORTING

The Group is committed to ensuring the sustainability of its business and stakeholders and will be adopting Global Reporting Initiatives (GRI) standards together with corresponding Sustainable Development Goals (SDGs) in 2021. This is because the Board is committed to sustainable development within the environments that the Group operates. The Group will continue to strengthen sustainability practices and values across its operations to ensure that long-term business success is achieved sustainably.

ECONOMIC ENVIRONMENT

The trading environment was marked by operational and economic challenges. In particular, hyperinflation, an unstable exchange rate and limited availability of foreign currency in the formal banking channels for the greater part of the year. This was exacerbated by drought induced shortages of cereals used in the stockfeeds manufacturing processes and in the last half of the year, the COVID-19 pandemic. The prevalence of multiple exchange rates distorted operating costs and product pricing. The inflationary environment and drought generally impacted negatively on consumer disposable incomes thereby reducing discretionary household spending.

The 2019/20 local harvest of maize and soya declined due to reduced plantings and poor weather. The local shortage of these raw materials, and the need to import the same is forecasted to persist until June 2021. The Group therefore fully supports and endorses Government's recently launched 'Pfumvudza' initiative which is aimed at stimulating local production of critical grains. Increased grain productivity is key to boosting the competitiveness of local manufacturers and underpinning food security for the country. The Group supported Government's roller meal subsidy program, with over 1,900 tonnes having been milled for the program since it was launched in December 2019.

The COVID-19 pandemic affected the country' economic landscape greatly. The net effect has been further erosion of consumer spending. The Group will keep prioritizing the safety of its employees, consumers and products in the face of the ongoing pandemic.

FINANCIAL PERFORMANCE

Group inflation-adjusted revenue for the year increased by 30.1%, from ZWL 2.6 billion in the previous period, to ZWL3.4 billion, driven by effect of consolidating Crest Poultry Group's ('CPG') revenues after it came out of judicial management at the beginning of the year and increase in sales volumes in the last quarter of the year. Retail Operations contributed 99.0% (2019- 98.0%) whilst farming operations contributed 1.0% (2019 – 2.0%) of the total turnover.

The Group operating profit inclusive of monetary gain increased by 10.8% to ZWL701.7 million, up from ZWL633.1 million earned in the prior period. The improvement is attributable to cost containment efforts sustained during the period, increased procurement efficiencies and the positive contribution from CPG's performance. The Group incurred higher depreciation expenses at ZWL55.5million against ZWL31.6 million incurred in the prior period following the asset portfolio's revaluation at the end of prior year as well as the impact of capital expenditure of ZWL72.5million in the current year. Interest expenses and mark to market financing costs were ZWL318.9 million compared to ZWL317.0 million in prior year. The Group registered a 16.2% increase in its profit before tax for the year at ZWL 392.2 million, up from ZWL 337.4 million for prior year.

Entities under judicial management posted a profit before tax of ZWL220.2 million (2019 - ZWL1.1 billion). This profitability is mainly attributable to monetary gains of ZWL236.8 million during the year (2019-ZWL1.3 billion). All proved local creditors' claims were paid during the period.

The Group invested ZWL72.5 million (2019 – ZWL41.3 million) in capital expenditure for the different Strategic Business Units (SBUs). This expenditure covered refurbishments in Farm & City Centre shops and irrigation infrastructure at Glenara Estates. The Group fully repaid the Ayestock Old Mutual shares loan facility during the year. Cashflows from operating activities increased due to an increase in the stockholding of retail merchandise.

FUTURE PROSPECTS

The Group continues to pursue the exit of Victoria Foods from judicial management and will give an update in due course. The return of this company to the Group's control after more than four years under judicial management will mark an important milestone in the Group's turnaround efforts and the Group's resurgence as a significant pillar in underpinning food security in the economy.

The Board will be supporting further recapitalisation of all the business units in the year ahead. The management of a consistent raw material supply line for Agrifoods and Victoria Foods will remain an on-going priority given the current liquidity situation in the economy and long delivery lead times for imported products.

Priority will also be given to the development of low cost housing delivery in Harare South in support of Government's Vision 2030 on housing. The scourge of land barons will need resolution to make way for progressive and orderly infrastructure deployment and service delivery to the various settlements. Your Board will be focused on consolidating the Group's resurgence in order to nurture the businesses returning to the Group's control to their former glory and beyond.

UPDATE ON COMPANY LISTING SUSPENSION

The Company has maintained efforts to engage the Zimbabwe Stock Exchange (ZSE) to resolve the outstanding issues pertaining to the suspension of trading of its shares on the stock exchange. Your Board is hopeful that the same may be resolved in due course.

DIRECTORATE

There were no Board changes during the period.

ACKNOWLEDGMENT AND APPRECIATION

In spite of the challenging circumstances that characterized this year, the past year has been a period of continued progress for the Group, driven by the dedicated staff and Management at CFI Holdings Limited. I would like to extend my sincere gratitude to our customers, staff, creditors and financiers for their enduring support of the Group turnaround and consolidations which has made the recovery in the Group's fortunes in the past three years possible. Lastly, I would also like to record my sincere thanks to my fellow Board members for their valuable contributions, guidance and stewardship.

Ms. I V Pasi
Chairperson

DIVIDEND DECLARATION

The Group's businesses require further capitalization. Accordingly, your Board will not declare a dividend for the year ended 30 September 2020 given the significant resources required to underpin this thrust.

P. Hare
COMPANY SECRETARY
BY ORDER OF THE BOARD
29 January 2021

Operations Review

FARM & CITY

Turnover growth was subdued due to the poor rains received at the onset of 2019/20 farming season. This had the effect of dampening farmers' hope for a good season resulting in reduced sales volumes of fertilizers, crop seed and agro-chemicals.

Bulawayo Fife Avenue and Harare Agrifoods Kopje branches were opened during the second half of the year. Further to this, Chinhoyi, Karoi, Harare Wynne Street and Chegutu branches were also refurbished during the year.

GLENARA ESTATES

The Estate harvested 680 tonnes of soya beans and 2 900 tonnes of maize in the 2019/20 season. Farm profitability improved on the back of a 142% increase in table potato production during the period. The Estate invested further in irrigation infrastructure and critical farming equipment to underpin horticultural activities going into the future.

PROPERTY DEVELOPMENT

SATURDAY RETREAT

An encouraging number of residents, who had initially fallen in arrears for stand payments, regularized the same during the period and duly signed the legal paperwork in preparation for the development phase of the project. The Group has since received approved town planning permits from the City Council for 80% of the estate. This progress, together with other development preliminaries pursued in the year, will assist the Group in giving impetus to the development stage of the project.

SUNCREST PARK (FORMERLY MAITLANDS ZIMBABWE)

During the period, the Group continued to collect instalment payments for the stand purchases. The Group also progressed title surveys and ensuring the completion of engineering drawings during the period.

LANGFORD ESTATES

The Extraordinary General Meeting (EGM) regarding the reversal of the Langford transaction took place on 29 May 2020. As a result, the Group secured the required resolutions enabling it to continue pursuing the reversal of the sale. The legal proceedings remain pending before the relevant tribunals. The market will be updated with further progress in due course.

MILLING OPERATIONS

AGRIFOODS

Agrifoods has made commendable progress reclaiming lost market share, leveraging on CFI Retail's extensive distribution network and targeting medium to large scale commercial farmers.

VICTORIA FOODS (UNDER JUDICIAL MANAGEMENT)

Victoria Foods resumed mealie-meal production in Gweru during the year, thus assisting in enhancing food security in the country. The Company continued to operate under care and maintenance during the period.

POULTRY DIVISION

Crest Poultry Group's units Crest Breeders, Hubbard Zimbabwe and Suncrest Chickens remained under care and maintenance during the period. Joint ventures leveraging the Group's poultry infrastructure and brands are still being pursued.

S. N. Chibanguza
Acting Group Chief Executive Officer
29 January 2021

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 30 on page 63.

AUDIT COMMITTEE

Members: S.D. Zinyemba (Chair), P. Muzani, A.S Hamilton (Alternate: R.L. Hamilton).

The Committee consists of three Non-Executive Directors, with the Acting Chief Executive Officer, and the Acting Group Finance Director attending ex-officio. An independent non-executive director chairs the Committee. The Board is satisfied with the level of competency of the Committee members. 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

Members: I.V. Pasi (Chair), A. Denenga, P. Muzani and S.N. Chibanguza

The Committee consists of three non-executive directors and the Acting Group Chief Executive Officer, with the Human Resources Manager attending ex-officio. The Board is satisfied with the level of competency of the Committee members.

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. The Committee also considers, at Board Level, remuneration levels across the Group and oversees general staff welfare issues.

FINANCE AND INVESTMENT COMMITTEE

Members: A. Denenga (Chair), S. Zinyemba, A.S. Hamilton (Alternate: R.L. Hamilton) and S.N. Chibanguza

The Committee consists of three non-executive directors and the Acting Chief Executive Officer, with the Acting Group Finance Director attending ex-officio. The Board is satisfied with the level of competency of the Committee members. 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 CFI Board. 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' RESPONSIBILITY AND APPROVAL OF FINANCIAL STATEMENTS

DIRECTORS' REPORT

DIRECTORS' RESPONSIBILITY AND APPROVAL OF FINANCIAL STATEMENTS

The Directors of the Company are required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) to maintain adequate accounting records and to prepare financial statements that present a true and fair view of the state of affairs of the Company and the Group at the end of each financial year and of the profit and cash flows for the period. In preparing the accompanying financial statements, generally accepted accounting practices have been followed. Suitable accounting policies have been used and consistently applied, and reasonable and prudent judgements and estimates have been made.

The principal accounting policies of the Group are consistent with those applied in the previous year and conform to International Financial Reporting Standards (IFRS).

The Directors have satisfied themselves that the Group is in a sound financial position and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements.

The Board recognises and acknowledges its responsibility for the Group's systems of internal financial control. The CFI Group maintains internal controls and systems that are designed to safeguard the assets of the Group, prevent and detect errors and fraud and ensure the completeness and accuracy of the Group's records. The Group's Audit Committee has met the external auditors to discuss their reports and the results of their work, which includes assessments of the relative strengths and weaknesses of key control areas. In a growing group of the size, complexity and diversity of CFI Holdings, it is not uncommon that occasional breakdowns in established control procedures may occur. Any such breakdowns have been reported to the Group's Audit Committee and ultimately, the Board.

PREPARER OF FINANCIAL STATEMENTS

These annual financial statements have been prepared under the supervision of Mr. Chesternoel Mutevhe. CA (Z), the Acting Group Financial Director, a Registered Public Accountant.

The financial statements for the year ended 30 September 2020, which appear on pages 15 to 62 have been approved by the Board of Directors and are signed on its behalf by:

I. V. Pasi
Group Chairperson
29 January 2021

S. N. Chibanguza
Acting Group Chief Executive Officer

COMPANY SECRETARY'S CERTIFICATION

I certify that, to the best of my knowledge and belief, the Company has lodged with the Registrar of Companies all such returns as are required to be lodged by the Public entity in terms of the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) of the Republic of Zimbabwe, and all such returns are true, correct and up to date.

Panganayi Hare
Group Legal Counsel and Company Secretary
29 January 2021

REPORT OF DIRECTORS

The Directors have pleasure in presenting their report, together with the audited financial statements for the year ended 30 September 2020.

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.

SHARE 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	81 671 745
Unissued at 30 September 2020	**93 179 125**

During the year the authorised share capital remained at 93 179 125 ordinary shares of (ZWL) 1 cent each. No new shares were issued during the year (2019: Nil) and the number of shares in issue was 106 820 875 (2019: 106 820 875)

DUNNET INVESTMENTS (PRIVATE) LIMITED– EMPLOYEES' WORKERS TRUST
Dunnet Investments (Private) Limited is the workers' trust vehicle established in 1996 to provide a scheme for worker participation in both the equity and profits of the Company. Through the initial donation and subsequent shares bought in the Company, the Trust acquired a 2.61% shareholding in CFI Holdings Limited. Dividends received through its shareholding are administered by a Board of Trustees for the benefit of workers.

BORROWING POWERS
In terms of the Articles of Association, the borrowing powers of the Company and its subsidiaries (excluding inter-company borrowings) are limited in aggregate to a sum not exceeding three times the aggregate of the issued share capital of the Group including capital and revenue reserves.

The level of borrowings throughout the year was adequately covered in this respect. The Directors may exercise all the power of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party.

RESERVES
Movements in reserves are shown in the statement of changes in equity in the notes to these financial statements.

PROPERTY, PLANT AND EQUIPMENT
Capital expenditure for the year to 30 September 2020 was ZWL72.5million (2019: ZWL41.3million). Budgeted capital expenditure for the year ending 30 September 2021 is ZWL168.9 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 2020.

DIRECTORATE
Ms. I V Pasi and Mr. S Zinyemba were confirmed the Group Chairperson and Deputy Group Chairperson respectively during the year. There we no changes to the Directorate during the year.

AUDITORS
Members will be asked to fix the remuneration of Baker Tilly Zimbabwe for the past audit and to confirm their appointment for the ensuing year.

ANNUAL GENERAL MEETING
The twenty fifth (25th) Annual General Meeting of the Company will be held at 11:00 am on Wednesday 31 March 2021 at the Farm & City Complex, 1st Floor – Farm & City Boardroom, 1 Wynne Street, Harare. Attendance by webinar is welcome by making appropriate arrangements through the Company Secretary's office no later than 29 March 2021.

I. V. Pasi
Group Chairperson
29 January 2021

S. N. Chibanguza
Acting Group Chief Executive Officer

Chartered Accountants
Celestial Office Park
Unit D & H Block 1
Borrowdale Road, Borrowdale,
Harare Zimbabwe

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Independent Auditor's Report

To the members of CFI Holdings Limited

Report on the Audit of the Inflation Adjusted Consolidated Financial Statements

Adverse Opinion

We have audited the inflation adjusted consolidated financial statements of CFI Holdings Limited, its subsidiaries set out on pages 15 to 20 which comprise the inflation adjusted consolidated statement of financial position as at 30 September 2020, the inflation adjusted consolidated statement of profit or loss and other comprehensive income, inflation adjusted consolidated statement of changes in equity, inflation adjusted consolidated statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes as set out on pages 21 to 63.

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the inflation adjusted consolidated financial statements do not present fairly, the statement of financial position of the Group as at 30 September 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

Basis for Adverse Opinion

Non-compliance with IAS 21 – Change in functional currency

In February 2019, an electronic currency called RTGS dollar was introduced through Statutory Instrument 33 of 2019 ("SI 33/19") with an effective date of 22 February 2019 and the currency commenced trading at a rate of 2.5 to the USD. In addition, SI 33/19 fixed the exchange rate between RTGS dollar and USD at a rate of 1:1 for periods before the effective date. The directors did not comply with IAS 21 which requires that when there is a change in an entity's functional currency, the entity shall apply the translation procedures applicable to the new functional currency prospectively from the date of the change. Foreign currency transactions shall be recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

The basis for qualification is due to misstatements contained in the opening balances from prior year which were reported as USD and translated to ZWL on the rate of 1:1 at the beginning of the 2019 financial year. Additionally, transactions between 1 October 2018 and 21 February 2019 were recorded at the rate of 1:1 in compliance with SI 33/19.

Although the evidence in the market suggested that there was no longer parity between the USD and "local currency" up to 21 February 2019, the directors maintained an exchange rate of 1:1 in compliance with SI 33/19. Had the Group applied fully the requirements of IAS 21 from 1 October 2018, many of the elements of the accompanying financial statements would have been materially different, and hence this departure from IAS 21 is considered to be pervasive. The financial effects of this departure on the inflation adjusted consolidated financial statements have not been determined and we have not been able to obtain sufficient and appropriate audit evidence to determine the impact of this departure.

Non-Compliance with IAS 21 - Exchange rates used

As outlined in Note 3.1 of the inflation adjusted consolidated financial statements for the financial year ending 30 September 2020, the group applied exchange rates other than the official bank exchange rates to translate foreign currency denominated sales and expenditure transactions to functional currency between March 2020 to June 2020. The directors are of the view that using bank exchange rates would not result in fair presentation hence a decision was taken to apply other rates which we could not verify and trace to a reliable source. We could not determine whether adjustments were necessary to amounts relating to foreign denominated transactions.

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 financial statements section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independent requirements applicable to performing audits of financial statements in Zimbabwe. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Emphasis of Matter-Interests in Unconsolidated Subsidiaries

We draw attention to Note 12.3 of the inflation adjusted consolidated financial statements which describes the effects of the interest in unconsolidated subsidiaries. Our opinion is not modified in respect of this matter.

Impact of Covid 19 Pandemic

We draw attention to Note 34 to the inflation adjusted consolidated financial statements which relates to the impact of COVID 19 pandemic on CFI Holdings Limited and measures directors have put in place in response to the pandemic. There are uncertainties in relation to further possible effects and impacts of the COVID 19 pandemic to the CFI Holdings Limited' operations in future. Our audit opinion is not modified in respect of this matter

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance to the audit of inflation adjusted consolidated financial statements of the current period.

Key Audit Matter	How our audit addressed the key audit matter
Hyperinflation Accounting (High risk area and significant judgement) Following the Public Accountants and Auditors Board (PAAB) designation of Zimbabwe as hyperinflationary economy, management also evaluated and determined the economy of Zimbabwe to be hyperinflationary. CFI Holdings Limited applied the requirements of IAS 29 – Financial reporting in Hyperinflationary Economies. Hyperinflationary accounting was determined to be a matter of most significance to the audit due to high risk and the significance of the balances and transactions, and the complexity and subjectivity relating to the application of the Standard. IAS 29 requires significant judgments to be made by management considering the guidelines provided in IAS 29 are limited. The adoption of the Standard makes this a high risk area, the accounting is prone to errors in calculations and application of the Standard.	We obtained an understanding of the CFI Holdings Limited process for identifying hyperinflationary economies and evaluated the policy in relation to hyperinflation accounting. Our audit procedures included, among others: • We assessed and tested the indicators of hyperinflation on the Zimbabwean economy by corroborating these with industry report and our own understanding of the economy; • We recomputed and tested the hyperinflation workings prepared by management by evaluating the rationale for the economic indicators included (such as the inflation rate, cumulative inflation rate, consumer price indices from various sources). • We tested the source data used by agreeing it to supporting schedules. • We assessed the reasonability of the assumptions used by comparing these to externally available industry, financial and economic data; and; • We tested restatement of statement financial position and income statement items for compliance to the requirements of IAS 29. • We assessed whether disclosures in the financial statements appropriately reflected the effects of the adoption of IAS 29. We found that the inflation adjusted consolidated financial statements have been properly restated in terms of IAS 29.

Other Information

The directors are responsible for the other information. The other information comprises the Directors Report as required by the Companies and Other Business Entities Act (Chapter 24:31), Chairman's Report, Group Chief Executive Officer's Report and the Corporate Governance Report. Other information does not include the inflation adjusted consolidated financial statements and our auditor's report thereon.

Our opinion on the inflation adjusted 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 inflation adjusted 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 inflations adjusted consolidated financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit 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 International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the 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 entity'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 the auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the inflation adjusted consolidated financial statements, including the disclosures, and whether the inflation adjusted consolidated 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 inflation adjusted consolidated financial statements.

We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for the 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 complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be brought to bear on our independence, and where applicable related safeguards.

From the matters communicated with the Directors, we determine those matters that were significant in the audit of the inflation adjusted consolidated and separate financial statements of the current period and therefore the key audit matters. We describe those 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.

Report on Other Legal and Regulatory Requirements

Zimbabwe Stock Exchange (“ZSE”) Listing Requirements

CFI Holdings Limited was suspended indefinitely from the ZSE on the 15th of August 2018 due to non-compliance with listing requirements around free float threshold, appointment of a substantive Chief Executive and Financial Director. The suspension requires that CFI continues to comply with other listing requirements while addressing areas of non-compliance. As at 30 September 2020, ZSE is yet to lift the suspension of CFI Holdings Limited.

Companies and Other Business Entities Act (Chapter 24:31)

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the accompanying inflations adjusted consolidated financial statements have not in all material respects, been properly prepared in compliance with the disclosure requirements of and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

The engagement partner on the audit resulting in the independent Auditor's report is Courage Matsa.

Partner: Courage Matsa
PAAB Practising Number: 0607
Baker Tilly Chartered Accountants (Zimbabwe)
Harare
Date: 29 January 2021

GROUP STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 September 2020

	Notes	INFLATION ADJUSTED 2020 ZWL	INFLATION ADJUSTED 2019 ZWL	HISTORICAL 2020 ZWL	HISTORICAL 2019 ZWL
Sales		**3,387,257,760**	**2,636,622,284**	**1,856,851,788**	**176,822,323**
Change in fair value of biological assets		47,936,211	4,367,869	63,472,856	575,151
REVENUE		**3,435,193,971**	**2,640,990,153**	**1,920,324,644**	**177,397,474**
Cost of sales		(2,801,633,421)	(1,947,172,558)	(1,047,519,667)	(116,024,412)
GROSS PROFIT		**633,560,550**	**693,817,595**	**872,804,977**	**61,373,062**
Other operating income	4	122,160,455	85,090,137	62,869,956	4,794,735
Selling, marketing and distribution expenses		(32,581,887)	(47,406,909)	(21,595,100)	(5,813,724)
Administration and other operating expenses		(421,493,312)	(403,615,029)	(318,785,323)	(29,165,694)
OPERATING PROFIT	5	**301,645,806**	**327,885,794**	**595,294,510**	**31,188,379**
Share of profits from joint ventures		9,479,499	21,277,254	103,609	72,205
Net financing cost	6	(318,929,356)	(317,029,521)	(193,831,878)	(41,933,643)
Monetary gain		400,029,362	305,259,556	-	-
PROFIT (LOSS) BEFORE TAX		**392,225,311**	**337,393,083**	**401,566,241**	**(10,673,059)**
Income tax expense	8	(174,094,723)	(101,516,782)	(126,046,955)	(1,496,981)
PROFIT (LOSS) FOR THE YEAR		**218,130,588**	**235,876,301**	**275,519,286**	**(12,170,040)**
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX					
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS					
Effect of changes in tax rates		4,547,457	-	597,281	-
Gain on property revaluation		-	14,189,471	1,009,448,510	98,697,455
Gain on equity investment designated as at FVTOCI		-	2,415	115,274,900	12,234,770
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**4,547,457**	**14,191,886**	**1,125,320,691**	**110,932,225**
TOTAL COMPREHENSIVE PROFIT FOR THE YEAR		**222,678,045**	**250,068,187**	**1,400,839,977**	**98,762,185**
PROFIT (LOSS) ATTRIBUTABLE TO:					
Equity holders of the parent		**218,130,588**	**235,876,301**	**275,519,286**	**(12,170,040)**
TOTAL COMPREHENSIVE PROFIT ATTRIBUTABLE TO:					
Equity holders of the parent		**222,678,045**	**250,068,187**	**1,400,839,977**	**98,762,185**
Earnings (loss) per share:					
Basic earnings (loss) per share (cents)	10	204.20	220.81	257.93	(11.39)
Diluted earnings (loss) per share (cents)	10	204.20	220.81	257.93	(11.39)

COMPANY STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 September 2020

	INFLATION ADJUSTED		HISTORICAL	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Sales	-	-	-	-
REVENUE	-	-	-	-
Cost of sales	-	-	-	-
GROSS PROFIT	-	-	-	-
Other operating income	4,480,590	4,855,393	4,439,742	550,667
Administration and other operating expenses	(30,252,835)	(21,057,536)	(16,654,547)	(1,273,909)
OPERATING LOSS	**(25,772,245)**	**(16,202,143)**	**(12,214,805)**	**(723,242)**
Net financing income	15,308,033	4,896,190	14,844,177	261,501
Monetary gain	194,543,881	730,738,378	-	-
PROFIT (LOSS) BEFORE TAX	**184,079,669**	**719,432,425**	**2,629,372**	**(461,741)**
Income tax credit	1,256,895	-	-	-
PROFIT (LOSS) FOR THE YEAR	**185,336,564**	**719,432,425**	**2,629,372**	**(461,741)**
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX				
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS				
Gain (loss) on property revaluation	-	(870,641)	1,571,583	229,731
Other comprehensive income (loss) for the year, net of income tax	**-**	**(870,641)**	**1,571,583**	**229,731**
TOTAL COMPREHENSIVE PROFIT (LOSS) FOR THE YEAR	**185,336,564**	**718,561,784**	**4,200,955**	**(232,010)**
PROFIT (LOSS) ATTRIBUTABLE TO:				
Equity holders of the parent	**185,336,564**	**719,432,425**	**2,629,372**	**(461,741)**
TOTAL COMPREHENSIVE PROFIT ATTRIBUTABLE TO:				
Equity holders of the parent	**185,336,564**	**718,561,784**	**4,200,955**	**(232,010)**
Earnings (loss) per share:				
Basic earnings (loss) per share (cents)	173.50	672.68	3.93	(0.22)
Diluted earnings (loss) per share (cents)	173.50	672.68	3.93	(0.22)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - INFLATION ADJUSTED

As at 30 September 2020

	Notes	GROUP 2020 ZWL	GROUP 2019 ZWL	COMPANY 2020 ZWL	COMPANY 2019 ZWL
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	11	1,432,876,053	1,183,514,667	2,187,500	2,533,912
Investments in subsidiaries	26	-	-	2,571,079,088	2,571,079,088
Investments in joint ventures	12.2	(281,363)	(9,760,863)	(19,972,462)	(19,972,463)
Investments in unlisted shares	12.1	139,743,000	139,743,000	526,909	526,908
Trade and other receivables	14	-	18,698,435	47,020,132	329,586
TOTAL NON-CURRENT ASSETS		1,572,337,690	1,332,195,239	2,600,841,167	2,554,497,031
CURRENT ASSETS					
Inventories and biological assets	13	1,594,898,595	1,575,681,639	-	-
Trade and other receivables	14	189,644,635	222,712,234	1,062,303	212,394,185
Investments in listed shares		8,967,339	-	-	-
Bank balances and cash		25,572,657	36,496,155	875,842	165,487
TOTAL CURRENT ASSETS		1,819,083,226	1,834,890,028	1,938,145	212,559,672
TOTAL ASSETS		3,391,420,916	3,167,085,267	2,602,779,312	2,767,056,704
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Issued share capital	15	36,775,480	36,775,480	36,775,480	36,775,481
Share premium		3,557,709	3,557,709	3,557,709	3,557,709
Share options reserve		5,370,795	5,370,795	5,370,795	5,370,795
Non-distributable reserves	16	1,935,785,223	1,498,593,367	2,506,907,212	2,506,907,212
Accumulated profits (losses)		88,422,812	321,693,838	(149,824,136)	(334,162,083)
TOTAL EQUITY		2,069,912,019	1,865,991,189	2,402,787,060	2,218,449,114
NON-CURRENT LIABILITIES					
Deferred tax liabilities	17.1	334,961,427	226,858,889	126,298,439	127,555,331
Trade and other payables	18	4,436,207	34,588,839	63,827,118	400,663,693
Long term borrowings	19	-	321,058,070	-	-
TOTAL NON-CURRENT LIABILITIES		339,397,634	582,505,798	190,125,557	528,219,024
CURRENT LIABILITIES					
Trade and other payables	18	567,976,435	332,799,814	9,809,264	19,952,417
Short term borrowings	19	293,564,951	321,058,070	-	-
Bank overdraft	19	35,874,196	1,519,118	-	-
Current tax liabilities	20	84,695,681	63,211,278	57,431	436,148
TOTAL CURRENT LIABILITIES		982,111,263	718,588,280	9,866,695	20,388,565
TOTAL EQUITY AND LIABILITIES		3,391,420,916	3,167,085,267	2,602,779,312	2,767,056,704

I. V. Pasi
Group Chairperson

S. N. Chibanguza
Acting Group Chief Executive Officer

C. Mutevhe
Acting Group Finance Director

29 January 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - HISTORICAL

As at 30 September 2020

	Notes	GROUP 2020 ZWL	GROUP 2019 ZWL	COMPANY 2020 ZWL	COMPANY 2019 ZWL
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	11	1,432,876,053	155,842,714	2,187,500	333,660
Investments in subsidiaries	26	-	-	74,681,533	74,681,533
Investments in unlisted shares	12.1	139,743,000	18,401,000	15,305	15,305
Investments in joint ventures	12.2	(725,742)	(829,352)	(580,135)	(580,135)
Trade and other receivables	14	-	2,462,167	47,020,133	27,967,579
TOTAL NON-CURRENT ASSETS		1,571,893,311	175,876,529	123,324,336	102,417,942
CURRENT ASSETS					
Inventories and biological assets	13	992,711,747	98,391,801	-	-
Trade and other receivables	14	189,644,635	29,320,573	1,062,303	43,399
Investments in listed shares		8,967,339	-	-	-
Bank balances and cash		25,572,657	4,805,730	875,842	21,791
TOTAL CURRENT ASSETS		1,216,896,378	132,518,104	1,938,145	65,190
TOTAL ASSETS		2,788,789,689	308,394,633	125,262,481	102,483,132
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Issued share capital	15	1,068,209	1,068,209	1,068,209	1,068,209
Share premium		103,340	103,340	103,340	103,340
Share options reserve		156,004	156,004	156,004	156,004
Non-distributable reserves	16	1,348,169,505	190,245,290	74,644,152	73,072,568
Accumulated profits (losses)		188,144,933	(45,873,327)	(26,851,214)	(31,065,254)
TOTAL EQUITY		1,537,641,991	145,699,516	49,120,491	43,334,867
NON-CURRENT LIABILITIES					
Deferred tax liabilities	17.1	264,600,228	21,240,307	2,448,177	3,705,070
Trade and other payables	18	4,436,207	4,554,579	63,827,118	52,758,476
Long term borrowings	19	-	42,276,190	-	-
TOTAL NON-CURRENT LIABILITIES		269,036,435	68,071,076	66,275,295	56,463,546
CURRENT LIABILITIES					
Trade and other payables	18	567,976,435	43,822,279	9,809,264	2,627,288
Short term borrowings	19	293,564,951	42,276,190	-	-
Bank overdraft	19	35,874,196	200,034	-	-
Current tax liabilities	20	84,695,681	8,325,538	57,431	57,431
TOTAL CURRENT LIABILITIES		982,111,263	94,624,041	9,866,695	2,684,719
TOTAL EQUITY AND LIABILITIES		2,788,789,689	308,394,633	125,262,481	102,483,132

I. V. Pasi
Group Chairperson

S. N. Chibanguza
Acting Group Chief Executive Officer

C. Mutevhe
Acting Group Finance Director

29 January 2021

For the year ended 30 September 2020

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT					
INFLATION ADJUSTED	Share Capital	Share Premium	Share options reserve	Non Distributable Reserves	Accumulated Profits (Losses)	Total equity
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Balance at 30 September 2018	36,775,480	3,557,709	5,370,795	2,730,530,180	(1,160,311,162)	1,615,923,002
Profit for the year	-	-	-	-	235,876,301	235,876,301
Other comprehensive income for the year	-	-	-	14,191,886	-	14,191,886
Elimination of revalutaion reserves - IAS 29	-	-	-	(1,246,128,699)	1,246,128,699	-
Balance at 30 September 2019	36,775,480	3,557,709	5,370,795	1,498,593,367	321,693,838	1,865,991,189
Acquisition of control of subsidiaries	-	-	-	432,644,399	(451,401,614)	(18,757,215)
Profit for the year	-	-	-	-	218,130,588	218,130,588
Other comprehensive income for the year	-	-	-	4,547,457	-	4,547,457
Balance at 30 September 2020	36,775,480	3,557,709	5,370,795	1,935,785,223	88,422,812	2,069,912,019
HISTORICAL						
Balance at 30 September 2018	1,068,209	103,340	156,004	79,313,072	(33,703,287)	46,937,338
Profit for the year	-	-	-	-	(12,170,040)	(12,170,040)
Other comprehensive income	-	-	-	110,932,218	-	110,932,218
Balance at 30 September 2019	1,068,209	103,340	156,004	190,245,290	(45,873,327)	145,699,516
Acquisition of control of subsidiaries			-	32,603,524	(41,501,026)	(8,897,502)
Profit for the year	-	-	-	-	275,519,286	275,519,286
Other comprehensive income	-	-	-	1,125,320,691	-	1,125,320,691
Balance at 30 September 2020	1,068,209	103,340	156,004	1,348,169,505	188,144,933	1,537,641,991

COMPANY STATEMENT OF CHANGES IN EQUITY

INFLATION ADJUSTED	Share Capital	Share Premium	Share options reserve	Non Distributable Reserves	Accumulated Profits (Losses)	Total equity
Balance at 30 September 2018	36,775,480	3,557,709	5,370,795	2,507,777,852	(1,053,594,510)	1,499,887,326
Profit for the year	-	-	-	-	718,433,811	718,433,811
Other comprehensive losses	-	-	-	(870,640)	-	(870,640)
Balance at 30 September 2019	36,775,480	3,557,709	5,370,795	2,506,907,212	(335,160,699)	2,217,450,497
Profit for the year	-	-	-	-	185,336,563	185,336,563
Balance at 30 September 2020	36,775,480	3,557,709	5,370,795	2,506,907,212	(149,824,136)	2,402,787,060
HISTORICAL						
Balance at 30 September 2018	1,068,209	103,340	156,004	72,842,839	(30,603,510)	43,566,882
Loss for the year	-	-	-	-	(461,744)	(461,744)
Other comprehensive income	-	-	-	229,729	-	229,729
Balance at 30 September 2019	1,068,209	103,340	156,004	73,072,568	(31,065,254)	43,334,867
Profit for the year	-	-	-	-	4,214,040	4,214,040
Other comprehensive income	-	-	-	1,571,583	-	1,571,583
Balance at 30 September 2020	1,068,209	103,340	156,004	74,644,152	(26,851,214)	49,120,491

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended 30 September 2020

	Notes	INFLATION ADJUSTED 2020 ZWL	INFLATION ADJUSTED 2019 ZWL	HISTORICAL 2020 ZWL	HISTORICAL 2019 ZWL
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit (loss) before tax		392,225,311	337,393,082	401,566,241	(10,673,059)
Adjustments for:-					
Impairment of property, plant and equipment		31,786,293	17,850,653	4,335,408	265,840
Depreciation expense		55,519,431	31,640,026	7,903,215	939,848
Change in fair value of biological assets		(47,936,211)	(4,367,869)	(63,472,856)	(575,151)
Share of profit in joint venture		(9,479,499)	(21,277,254)	(103,609)	(72,205)
Net interest paid		290,331,822	22,503,582	193,831,878	3,151,143
Mark-to-market losses in respect of borrowed listed shares	6	28,597,534	294,525,940	-	38,782,500
Loss on disposal of property, plant and equipment		38,600	153,116	38,600	2,992
OPERATING CASH FLOWS BEFORE WORKING CAPITAL CHANGES		**741,083,281**	**678,421,276**	**544,098,877**	**31,821,908**
Decrease (increase) in inventories		28,719,254	(687,555,768)	(830,847,093)	(72,146,338)
Decrease (increase) in trade and other receivables		51,766,034	87,745,628	(157,861,894)	(20,302,776)
Increase (decrease) in trade and other payables		204,933,353	(292,138,079)	523,752,155	29,219,830
Acquisition of control of subsidiaries previously under judicial management		(322,407,658)	-	(42,404,325)	-
CASH GENERATED FROM (UTILISED BY) OPERATING ACTIVITIES		**704,094,264**	**(213,526,943)**	**36,737,720**	**(31,407,376)**
Net interest paid		(290,331,822)	(69,098,614)	(29,298,535)	(3,151,143)
Income taxes paid		(42,793,472)	(22,503,582)	(193,831,878)	(3,705,810)
NET CASH (UTILISED BY) GENERATED FROM OPERATING ACTIVITIES		**370,968,970**	**(305,129,139)**	**(186,392,693)**	**(38,264,329)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of listed investments		(37,564,873)	-	(8,967,339)	-
Acquisition of control of subsidiaries previously under judicial management		42,334,292	-	5,574,482	-
Purchase of property, plant and equipment		(72,465,776)	(41,286,025)	(34,134,256)	(1,963,403)
Loans received from (advanced to) entity under judicial management		-	57,861,997	-	(238,334)
Proceeds from disposal of property, plant and equipment		-	94,769	-	3,500
NET CASH (UTILISED IN) GENERATED FROM INVESTING ACTIVITIES		**(67,696,357)**	**16,670,741**	**(37,527,113)**	**(2,198,237)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Net (settlement of) proceeds from long term loans		(321,058,070)	167,764,793	(42,276,190)	22,709,779
Short term loans (repaid) raised		(27,493,119)	138,912,217	251,288,761	21,871,705
NET CASH (UTILISED IN) GENERATED FROM FINANCING ACTIVITIES		**(348,551,189)**	**306,677,010**	**209,012,571**	**44,581,484**
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(45,278,576)**	**18,218,612**	**(14,907,235)**	**4,118,918**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**34,977,037**	**16,758,425**	**4,605,696**	**486,778**
CASH AND CASH EQUIVALENTS AT END OF YEAR		**(10,301,539)**	**34,977,037**	**(10,301,539)**	**4,605,696**
REPRESENTED BY:-					
Bank balances and cash		25,572,657	36,496,155	25,572,657	4,805,730
Bank overdraft		(35,874,196)	(1,519,118)	(35,874,196)	(200,034)
		(10,301,539)	**34,977,037**	**(10,301,539)**	**4,605,696**

* 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. However, the Company is currently suspended from trading its shares since 1 January 2018. The address of its registered office and its principal place of business is disclosed on page 3 of this 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, selling and the development and management of real estate.

Two entities in the Group: Victoria Foods (Private) Limited and Amtec Manufacturing (Private) Limited were placed under judicial management on 26 August 2016, and traded under judicial management during the period. Mr. Reggie Saruchera of Grant Thornton was appointed as the Judicial Manager.

1.1.2 Currency

The financial statements are presented in Zimbabwe dollars (ZWL), which is the functional currency of the Company and the Group.

1.2 ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

1.2.1 New and revised IFRSs adopted during the current year

In the current year, the Group applied the following standards:

IFRS 16 Leases (issued January 2016 and applicable to annual reporting periods beginning on or after 1 January 2019)
The Group adopted IFRS 16 (Leases) as a replacement of IAS 17 (Leases) as well as its interpretation. IFRS 16 introduces a single balance sheet accounting model for leases by lessees and eliminates the distinction between operating and finance leases. Where the Group is a lessee, it is the Group's policy to recognise the right-of-use asset, representing its rights to use the underlying assets and lease liabilities, representing its obligation to make lease payments. Lease liabilities are measured at the present value of the remaining lease payments, discounted using the Group's weighted average incremental borrowing rate. Right-of-use assets are measured at the amount equal to the lease liability, adjusted by prepaid or accrued lease payments and initial direct costs, if any, relating to the specific lease recognised on the statement of financial position. Where the Group is a Lessor, lessor accounting remains similar to previous accounting policies.

The Group, in compliance with IFRS 16 elected not to restate its comparative financial statements and, since the Group leases third party assets on substantially short-term basis, the adoption of IFRS 16 has had an immaterial impact on the Group's financial statements.

Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16
In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID- 19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
c) There is no substantive change to other terms and conditions of the lease.

In the current financial year, the application of the amendment to IFRS 16 (as issued by the IASB in May 2020) has had no significant impact on the Group's financial statements.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment (effective for periods from 1 January 2019)
The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

a) Whether an entity considers uncertain tax treatments separately;
b) The assumptions an entity makes about the examination of tax treatments by taxation authorities;
c) How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
d) How an entity considers changes in facts and circumstances.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment (effective for periods from 1 January 2019) (Continued)
An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

Since the Group operates in a single tax environment, the application of this Interpretation did not have a material impact on the consolidated financial statement.

Amendments to IFRS 9: Prepayment Features with Negative Compensation (effective for periods from 1 January 2019)
Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The application of this amendment did not have any material impact on the consolidated financial statements of the Group.

Amendments to IAS 19: Plan Amendment, Curtailment or Settlement (effective for periods from 1 January 2019)
The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

a) Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and
b) Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

Since the amendments only apply only to any future plan amendments, curtailments, or settlements the Group's adoption of this amendment did not have any material effect on the financial statements.

Amendments to IAS 28: Long-term interests in associates and joint ventures (effective for periods from 1 January 2019)
The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

Since the Group does not have such long-term interests in its associate and joint venture, the application of amendments did not have any impact on its consolidated financial statements.

Annual Improvements 2015-2017 Cycle (issued in December 2017)

IFRS 3 Business Combinations – (effective for periods from 1 January 2020)
The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including re-measuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer re-measures its entire previously held interest in the joint operation.

These amendments are currently not applicable to the Group but may apply to future business combinations of the Group.

IFRS 11 Joint Arrangements – (effective for periods from 1 January 2019)
A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. The amendments clarify that the previously held interests in that joint operation are not re-measured.

IFRS 11 Joint Arrangements – (effective for periods from 1 January 2019) (Continued)
These amendments are currently not applicable to the Group but may apply to future transactions.

IAS 12 Income Taxes – (effective for periods from 1 January 2019)
The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

When an entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period.

The Group's existing practice has been in line with these amendments, as such the application of the amendment did not have any effect on its consolidated financial statements.

IAS 23 Borrowing Costs – (effective for periods from 1 January 2019)
The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments.

Since the Group's current practice is in line with these amendments, the application of this amendment did not have any effect on its consolidated financial statements.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment- (effective for periods from 1 January 2019)
The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The Interpretation specifically addresses the following:
a) Whether an entity considers uncertain tax treatments separately
b) The assumptions an entity makes about the examination of tax treatments by taxation authorities
c) How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
d) How an entity considers changes in facts and circumstances.

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

The application of this interpretation did not have any material impact on the Group's consolidated financial statements.

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:

Amendments to IAS 1: Classification of Liabilities as Current or Non-current
In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
a) What is meant by a right to defer settlement
b) That a right to defer must exist at the end of the reporting period
c) That classification is unaffected by the likelihood that an entity will exercise its deferral right
d) That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

1.2.2 New and revised IFRSs in issue but not yet effective (Continued)

Reference to the Conceptual Framework – Amendments to IFRS 3
In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.

The Group will apply these amendments when they become effective.

1.2.2 New and revised IFRSs in issue but not yet effective (Continued)

Annual Improvements 2015-2017 Cycle (issued in December 2017)

These improvements include:

IAS 41 Agriculture
The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

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 effect of standards and interpretations adopted in current year has been disclosed per note 1.2. Full compliance with IFRS was last achieved in 2018 financial year, while partial compliance was achieved in 2019 and 2020 due to non-compliance with IAS 21.

The consolidated financial statements have been prepared in compliance with the Companies and Other Business Entities Act (Chapter 24:31), except for items stated under the Basis for Auditors Opinion.

2.2 GOING CONCERN

The Directors have satisfied themselves that based on the plans fully explained per note 3, 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 inflation adjusted financial statements.

2.3 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The consolidated financial statements have been prepared on the historical cost basis and inflation accounting as per note 3.2. 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 those, 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 CONSOLIDATON

Basis of consolidation
The consolidated financial statements incorporate the financial statements of 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.

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient 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.

Investment in Subsidiaries
The investments in subsidiaries are accounted for at cost or deemed cost in the Company's separate financial statements. These comprise of investments in shares that the directors intend to hold on a continuing basis in the Company's business. The investments are stated at cost less provision for impairment. A review for the potential impairment of an investment is carried out if events or changes in circumstances indicate that the carrying amount may not be recoverable.

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.

2.4 CONSOLIDATON (Continued)

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.

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 IFRS9. 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 venture 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.

2.4 CONSOLIDATON (Continued)

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.

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

The Group applies IFRS 15, Revenue from Contracts with Customers in terms of which revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties, such as Value Added Tax. The Group recognises revenue when it transfers control over a product or service to a customer. There are no other performance obligations related to the sale.

The Group's revenues are earned mainly from the following activities:

- Retail business sales - the Retail business of the Group principally sells goods bought from manufacturers for re-sale with little or no value addition.
- Sales of agricultural produce;
- Sales of land for residential and commercial development;
- Land development costs recoveries;
- Rentals from properties leased out to third parties;

The application of IFRS 15 requires the Group to make judgements that affect the determination of the amount and timing of revenue from contracts with customers (please see also Note 23). These include:

- determining the timing of satisfaction of performance obligations,
- determining the transaction price allocated to them,
- determining the standalone selling prices.

Products are primarily sold separately, with the stand-alone selling prices determined based on the list prices at which the Group sells the products. The below is a description of the Group's major revenue streams;

2.5 REVENUE RECOGNITION (Continued)

Products and services	Nature, timing of satisfaction of performance obligations and significant payment terms
Retail shop merchandise	Revenue is recognised when a customer takes possession of a commodity. This usually occurs after the customer has formally accepted and paid for the commodity. Almost all sales are paid for in full at the point of sale, with limited credit terms offered to very few selected customers. The amount of revenue recognised for retail sales is adjusted for expected returns, which are estimated based on the historical data for specific goods. Returned goods are exchanged only for new goods or store credit – i.e. no cash refunds are offered. 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.
Agricultural produce	Revenue is recognised when a customer has formally accepted the products and signed or paid for the sale. The amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data for specific good.
Revenue from land and related sales	Revenue arising from sales of stands under instalments by CrestBreeders (Private) Limited t/a Saturday Retreat in 2015 was recognised in FY2015 in accordance with IAS18, after discounting it at a rate of 11%, in line with the cost of the Group's long term borrowings. Recoveries from stand beneficiaries for land development costs is recognised based on formally signed agreements with customers for the service work done. Penalties charged on accounts in default of payment terms are recognised as income based on signed acceptance of the penalties by the customer.
Rental income	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.

Other income
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 is accrued based on signed contracts 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.

2.7 EMPLOYEE BENEFITS

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

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 re-measured, with any changes in fair value recognised in profit or loss for the year.

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 differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences 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.

2.9 TAXATION (Continued)

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 offset when there is a legally enforceable right to set of 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 tax authority is included as part of receivables or payables in the statement of financial position.

2.10 PROPERTY, PLANT AND EQUIPMENT

Initial recognition
Each item of property plant and equipment is initially recognised as an asset if it is 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.

2.10 PROPERTY, PLANT AND EQUIPMENT (Continued)

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 effect 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 IMPAIRMENT 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.

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.

2.12 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 stands 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.

2.12 INVENTORIES (Continued)

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 income. 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.

2.13 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.

2.14 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 off 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.

De-recognition of financial assets
A financial asset (or, where applicable a part of a financial asset or part of a Group of similar financial assets) is de-recognised when: The rights to receive cash flows from the asset have expired;
The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
(a) The Group has transferred substantially all the risks and rewards of the asset, or
(b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset.

2.14 FINANCIAL INSTRUMENTS (Continued)

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.

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.

Offsetting 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.

2.15 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.

2.15 PROVISIONS (Continued)

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 effect 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.

2.16 FOREIGN CURRENCY TRANSLATIONS

Transactions in currencies other than the Zimbabwe 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.

2.17 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.

2.18 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 Functional currency considerations and the Effect of changes in foreign exchange rates

3.1.1 Functional Currency

The Group's consolidated financial statements are presented in Zimbabwean Dollars, which was determined to be the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group applied this judgement after Government promulgated Statutory Instrument 33 of 2019 (SI 33) on 22 February 2019, giving legal effect to the reintroduction of the Zimbabwe Dollar (ZWL) as legal tender and prescribed that for accounting and other purposes, certain assets and liabilities on this effective date would be deemed to be Zimbabwe Dollars at a rate which was at par with the United States Dollar (USD).

3.1.2 Exchange Rates

The Group entered into foreign currency transactions throughout the year. Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. In determining transactional and closing exchange rates, the Group made use of the prevailing interbank rates.

From the end of March 2020 to 24 June 2020, monetary authorities fixed the official exchange rate for the US$ to ZWL at 1:25 for all transactions carried out in Zimbabwe. At the same time, foreign currency could hardly be accessed at the fixed rates resulting in intermittent loss of a credible spot reference for the market, forcing market-wide non-compliance with International Financial Reporting Standards (IFRS).

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

3.2 Hyperinflation

These financial statements have been prepared in accordance with IAS 29 together with International Financial Reporting Interpretations Committee (IFRIC) 7 (Applying the Restatement Approach under IAS 29), as if the economy had been hyperinflationary from 1 October 2018. As noted in the audited financial statements for the year ended 30 September 2019, the Group adopted the Zimbabwe Consumer Price Index ("CPI") as the general price index to restate transactions and balances. Appropriate adjustments and reclassifications, including restatements for changes in the general purchasing power of the Zimbabwe dollar and for the purposes of fair presentation in accordance with IAS 29 have been made in these financial statements to the historical cost financial information. Comparative amounts in the Group financial results have been restated to reflect the change in the general price index from 1 October 2018 to the end of the reporting period.

The following indices and the resultant conversion factors were used:

	Indices	Conversion factor
CPI as at 30 September 2020	2 205.32	1.0000
CPI as at 30 September 2019	290.39	7.5943
CPI as at 30 September 2018	64.06	34.4300

3.3 Investments in subsidiaries

Values for investments in subsidiaries are deemed costs for the investments based on net asset values of the subsidiaries as at 30 September 2018.

3.4 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 initially applied, in line with the cost of the Group's long term borrowings at that time. 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 tenure of the project, where a future value of US$24.4 million (total invoiced sales) was expected to be recovered. In the current period the net effect of the unwinding of the revenue is reflected as net interest income on mortgage debtors under other operating income (see note 4).

In 2015 the Group provided for 10% of total invoiced land sales as potentially unrecoverable debtors. However, since all unpaid mortgage accounts expired and became past-due after 31 March 2018, management has in the prior period fully provided for all mortgage accounts receivables past due as at 30 September 2019 in terms of IFRS9 under the expected credit loss model.

Stand sales were affected by Reston Developers (Private) Limited and Maitlands Zimbabwe (Private) Limited in prior periods. 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.

3.5 Joint arrangements

3.5.1 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. Activities for the joint venture operations are treated under the equity accounting method.

Both entities made losses 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.

3.6 Classification of Glenara joint arrangement as a joint operation

Glenara undertook a joint arrangement under the legal entity Glenara Estates (Private) limited trading as Glenpol Agriculture in current and prior periods. The arrangement is 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 venture are as per note 12.2.

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

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

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

In current year, the directors re-valued the net book value of its farming improvements by reference to movements in consumer price index (CPI) during the period under review. Farming improvements on agricultural land are carried at 20% of the restated depreciated cost in line with prior years directors' policy, in view of the significant underutilisation of the assets, which has remained the case as at reporting date.

The policy however excludes the PTA loan funded environment controlled poultry houses constructed at Glenara Estates in 2012, which are carried at depreciated replacement cost, with no further adjustments.

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 saw Crest Breeders being compensated for the land by an estimated 8 500 stand occupiers at a rate of US$4/m2. 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 allowed the Group to recover agreed compensation amounts due 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. Although contractually, customers should have fully paid for stands purchased by March 2018, a significant number had not yet done so. The unoccupied portion of Saturday Retreat is classified as inventory based on the 30 September 2015 EPG valuation assessment, which the Directors have re-valued at year end.

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

The Group's 19% stake in Langford Estates was valued by the Directors' based on the US$ valuation established in 2015 per Dawn Properties Valuation restated for the effects of inflation based on the applicable CPI movements during the period. At Statement of Financial Position date, this balance is classified under investments.

3.9 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.

3.10 Directors' valuation of property, plant and equipment

The Group's Directors undertook a desktop revaluation based on the 2015 Dawn Properties US$ valuations and applying the general price movements based on Consumer Price Index (CPI) taking into account applicable depreciation and impairment losses arising during the period. The Directors believe that the values carried in the Group's financial statements approximate the fair values of the Group's assets.

3.11 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.

3.12 City council rates at Saturday Retreat – (limited provisioning of arrears – (ZWL5.5 million)

In FY2016, the Group was taken to court over alleged ZWL3.5 million City Council arrears for property rates that occurred whilst the Saturday Retreat Estate land was occupied by settlers between 2002 – January 2015 (see contingent liabilities note per 21.2). Engagements with City Council are continuing from prior periods, with the Group seeking the necessity for the reversal of 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 ZWL5.5 million arrear rates on the belief and understanding that given the Group only received an administrative court order conferring control of the property in January 2015, the rates will be fully reversed.

3.13 Valuation of intergroup received and payable

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.

	INFLATION ADJUSTED		HISTORICAL	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
4. OTHER OPERATING INCOME (EXPENSES)				
Loss on disposal of property, plant and equipment	(38,600)	(152,942)	(38,600)	(2,992)
Remeasurement gain on listed investments	21,667,549	-	9,293,837	-
Dividends fees received from listed investments	4,978	-	3,262	-
(Loss) profit realised from brokerage transactions	(1,622)	44,047	(597)	1,200
Rent received	32,429,731	31,245,593	16,264,435	1,957,509
Commissions received	480	16,647	120	648
Realised exchange gain	51,465,824	11,741,221	34,509,758	1,037,837
Discounts received	2,758	958,211	47,213	124,771
Net interest income on mortgage debtors	-	9,390,838	-	504,391
Administration fees on mortgage accounts and recoveries of survey and title deeds costs	4,062,275	30,902,695	1,877,582	1,079,581
Sundry income	12,567,082	943,827	912,946	91,790
	122,160,455	**85,090,137**	**62,869,956**	**4,794,735**
5. OPERATING PROFIT				
Operating profit for the year	**301,645,806**	**327,885,794**	**595,294,510**	**31,188,379**
Operating profit is arrived at after taking into account:				
External audit fees	5,609,199	2,881,794	4,293,600	369,103
Depreciation of property, plant and equipment	55,519,431	31,640,026	7,903,215	939,848
Impairment of property, plant and equipment	31,786,293	17,850,653	4,335,408	265,840
Net leasing expenses	18,049,792	13,003,135	10,319,857	905,599
Exchange loss (gains)	51,272,877	11,741,221	(3,661,373)	1,037,837
Staff costs	199,771,877	92,268,095	133,668,073	5,281,796
Pension costs				
- National Social Security Authority	723,083	890,728	366,400	(3,830)
6. NET FINANCING COST (INCOME)				
Finance income				
-Bank and other financial institutions	-	2,426,607	-	119,953
-Cash deposits and marketable securities	1,103	2,104	442	134
-Trade receivables, staff and other loans	10,951	7,458	10,951	555
	12,054	**2,436,169**	**11,393**	**120,642**
Finance cost				
-Bank and other financial institutions	(15,712,009)	-	(9,073,296)	-
-Short term loans and acceptance credits	(274,631,867)	(24,939,750)	(184,769,975)	(3,271,785)
-Mark-to-market losses linked to listed shares	(28,597,534)	(294,525,940)	-	(38,782,500)
	(318,941,410)	**(319,465,690)**	**(193,843,271)**	**(42,054,285)**
Net financing cost	**(318,929,356)**	**(317,029,521)**	**(193,831,878)**	**(41,933,643)**
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	26,247,107	21,786,619	16,485,548	1,661,195
Pension costs (refunds)	723,083	-	366,400	-
	26,970,190	21,786,619	16,851,948	1,661,195
Non-executive directors				
Fees and disbursements	1,332,970	1,200,112	629,885	78,020
Total compensation of key management and executive directors	**28,303,160**	**22,986,731**	**17,481,833**	**1,739,215**

			INFLATION ADJUSTED		HISTORICAL	
		Notes	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
8.	**INCOME TAX**					
8.1	**Tax expense**					
	Current		85,146,408	66,960,424	86,772,418	8,817,195
	Withholding taxation on interest income		2,774	668	1,675	68
	Intermediated money transfer tax (IMTT)		39,866,512	33,443,239	20,487,990	2,287,334
	Deferred tax expense (credit) relating to current temporary differences	20.2	49,079,029	1,112,451	18,784,872	(9,607,616)
			174,094,723	**101,516,782**	**126,046,955**	**1,496,981**
8.2	**Tax rate reconciliation**		%	%	%	%
	Notional tax at statutory rates		24.72	25.75	24.72	25.75
	Income not subject to taxation		(0.29)	21.02	(0.73)	25.92
	Effect of expenses not deductible in determining taxable profit		0.58	0.23	0.49	(0.97)
	Income taxed at special rates and other reconciling items		19.38	(16.91)	6.91	(36.67)
	Effective rate		**44.39**	**30.09**	**31.39**	**14.03**

9. DIVIDENDS

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

10. EARNINGS (LOSS) PER SHARE

		INFLATION ADJUSTED 2020 ZWL	INFLATION ADJUSTED 2019 ZWL	HISTORICAL 2020 ZWL	HISTORICAL 2019 ZWL
10.1	Earnings (loss) for the year attributable to equity holders of the parent (ZWL)	218,130,588	235,876,300	275,519,286	(12,170,040)
	Number of shares used in calculating earnings per share				
10.2	Weighted average number of shares in issue shares	106,820,875	106,820,875	106,820,875	106,820,875
10.3	Basic earnings (loss) per share (ZWL cents)	204.20	220.81	257.93	(11.39)
10.4	Diluted earnings (loss) per share (ZWL cents)	204.20	220.81	257.93	(11.39)
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 (loss) per share	**106,820,875**	**106,820,875**	**106,820,875**	**106,820,875**

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.

There were no issuable equity instruments at statement of financial position date.

11. PROPERTY, PLANT AND EQUIPMENT

11.1 Movement in carrying amounts

11.1.1 INFLATION-ADJUSTED

	Milling Properties	Farm improvements	Other Properties	Plant Equipment & Vehicles	Furniture Fittings & Other	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
The Group						
Carrying amount at 30 September 2018	227,637,077	80,901,880	764,048,048	78,908,339	21,087,404	1,172,582,748
Additions	-	-	-	31,959,062	9,326,963	41,286,025
Revaluation increase	25,497,847	(3,082,060)	2,116,653	(5,340,946)	192,935	19,384,429
Impairment	-	-	2,112,911	(12,393,534)	(7,570,031)	(17,850,654)
Disposals	-	-	-	(247,863)	-	(247,863)
Depreciation expense	(6,282,066)	(6,098,982)	(6,038,600)	(10,279,333)	(2,941,037)	(31,640,018)
Carrying amount at 30 September 2019	246,852,858	71,720,838	762,239,012	82,605,725	20,096,234	1,183,514,667
Acquisition of control in subsidiaries	95,118,608	-	58,192,231	110,141,694	786,933	264,239,466
Additions	-	-	-	34,935,504	37,530,272	72,465,776
Impairment	-	-	(622,670)	(30,886,825)	(276,330)	(31,785,825)
Disposals	-			(38,600)	-	(38,600)
Depreciation expense	(11,007,372)	(9,668,177)	(16,481,073)	(13,678,734)	(4,684,074)	(55,519,431)
Carrying amount at 30 September 2020	330,964,094	62,052,660	803,327,501	183,078,763	53,453,035	1,432,876,053
The Company						
Carrying amount at 30 September 2018	-	-	826,254	2,237,770	580,820	3,644,844
Revaluation surplus (loss)	-	-	1,525	(723,938)	(148,227)	(870,640)
Disposals	-	-	-	(248,000)	-	(248,000)
Depreciation charge	-	-	-	-	(133,530)	(133,530)
Carrying amount at 30 September 2019	-	-	827,779	1,265,832	440,302	2,533,913
Disposals	-	-	-	(38,600)	-	(38,600)
Depreciation charge	-	-	-	(255,283)	(52,530)	(307,813)
Carrying amount at 30 September 2020	-	-	827,779	971,949	387,772	2,187,500

Analysis of balance as at 30 September 2020

	Milling Properties	Farm improvements	Other Properties	Plant Equipment & Vehicles	Furniture Fittings & Other	Total
The Group						
Gross carrying amount	409,535,561	71,720,584	829,257,396	335,094,717	71,415,117	1,717,023,375
Accumulated depreciation	(78,571,467)	(9,667,924)	(25,929,895)	(152,015,954)	(17,962,082)	(284,147,322)
Net carrying amount	330,964,094	62,052,660	803,327,501	183,078,763	53,453,035	1,432,876,053
The Company						
Gross carrying amount	-	-	827,779	8,042,298	3,292,971	12,163,048
Accumulated depreciation	-	-	-	(7,070,349)	(2,905,199)	(9,975,548)
Net carrying amount	-	-	827,779	971,949	387,772	2,187,500

11. PROPERTY, PLANT AND EQUIPMENT (Continued)

11.1.2 HISTORICAL	Milling Properties	Farm improvements	Other Properties	Plant Equipment & Vehicles	Furniture Fittings & Other	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
The Group						
Carrying amount at 30 September 2018	**6,612,121**	**2,349,938**	**22,193,123**	**2,292,032**	**612,551**	**34,059,765**
Additions	-	-	-	1,242,648	720,755	1,963,403
Revaluation increase	25,706,696	7,910,449	78,352,161	7,473,166	1,589,963	121,032,435
Impairment	-	-	-	(45,407)	(220,433)	(265,840)
Disposals	-	-	-	(7,200)	-	(7,200)
Depreciation expense	(182,474)	(177,156)	(175,401)	(309,734)	(95,084)	(939,849)
Carrying amount at 30 September 2019	**32,136,343**	**10,083,231**	**100,369,883**	**10,645,505**	**2,607,752**	**155,842,714**
Acquisition of control of subsidiaries	12,525,000	-	7,662,749	14,258,907	347,929	34,794,585
Additions	-	-	2,257,286	11,706,997	20,169,972	34,134,255
Revaluation surplus	284,264,617	59,136,597	698,146,077	141,869,856	36,964,576	1,220,381,722
Impairment	-	-	(1,348)	(4,233,654)	(100,407)	(4,335,409)
Disposals and transfers	-	-	-	(38,600)	-	(38,600)
Depreciation expense	(1,449,381)	(1,296,609)	(2,169,989)	(2,083,179)	(904,056)	(7,903,214)
Carrying amount at 30 September 2020	**327,476,579**	**67,923,219**	**806,264,657**	**172,125,832**	**59,085,766**	**1,432,876,053**
The Company						
Carrying amount at 30 September 2018	-	-	**24,000**	**65,000**	**16,869**	**105,869**
Additions	-	-	-	-	8,850	8,850
Revaluation increase	-	-	85,000	108,800	36,638	230,438
Disposals	-	-	-	(7,200)	-	(7,200)
Depreciation charge	-	-	-	-	(4,298)	(4,298)
Carrying amount at 30 September 2019	-	-	**109,000**	**166,600**	**58,060**	**333,660**
Revaluation increase	-	-	718,800	844,200	336,357	1,899,357
Disposals	-	-	-	(38,600)	-	(38,600)
Depreciation charge	-	-	-	-	(6,917)	(6,917)
Carrying amount at 30 September 2020	-	-	**827,800**	**972,200**	**387,500**	**2,187,500**
Analysis of balance as at 30 September 2020						
The Group						
Gross carrying amount	347,450,008	136,907,224	839,523,818	296,033,740	78,981,472	1,698,896,262
Accumulated depreciation	(19,973,429)	(68,984,005)	(33,259,161)	(123,907,908)	(19,895,706)	(266,020,209)
Net carrying amount	**327,476,579**	**67,923,219**	**806,264,657**	**172,125,832**	**59,085,766**	**1,432,876,053**
The Company						
Gross carrying amount	-	-	827,800	8,042,549	3,292,700	12,163,049
Accumulated depreciation	-	-	-	(7,070,349)	(2,905,200)	(9,975,549)
Net carrying amount	-	-	**827,800**	**972,200**	**387,500**	**2,187,500**

11.2 Consisitent with prior year, the Group carried out a directors' desktop revaluation of its property, plant and equipment by reference to movements in consumer price index (CPI) during the period to determine revaluation factors that were applied to prior year revalued amounts for purposes of determining the historical carrying amounts.

The Group's last independent valuation of its properties and 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 conformed 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.

11.3 As previously communicated, some of the Group's land belonging to Glenara Estates and Hubbard Zimbabwe 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 and Hubbard Zimbabwe. 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 to minimise interference with the Group's operations and to pursue reversal of the gazetting given the contribution the Group is making to improving food security in the country. Consequently, the financial statements have been prepared on a going concern basis.

11.4 Included in furniture, fittings and other is capital work in progress balance of ZWL7,549,226 (2019 - ZWLNil).

11. PROPERTY, PLANT AND EQUIPMENT (Continued)

11.5 As as Statement of Financial Position date, some assets were pledged as security against loans and guarantees by the Group as follows;

a) Industrial property in Bulawayo worth ZWL93,2 million was pledged as security against the ZWL20 million from IDC.
b) Industrial property in Mbare (Harare) worth ZWL234,2 million was pledged as security against the ZWL3 million loan from CABS.
c) Commercial property in Harare worth ZWL62,89 million was pledged as security against the ZWL25 million from NMB Bank.
d) Commercial property in Harare worth ZWL116,06 million was pledged as security against a guarantee given to a supplier worth ZWL35 million.

12. INVESTMENTS

	Notes	GROUP 2020 ZWL	GROUP 2019 ZWL	COMPANY 2020 ZWL	COMPANY 2019 ZWL
12.1.1 INFLATION-ADJUSTED					
Unquoted available-for-sale investments (19% Langford Estates (Private) Limited)		139,743,000	139,743,000	-	-
Loan to Maitlands Zimbabwe		-	-	526,909	526,909
		139,743,000	**139,743,000**	**526,909**	**526,909**
12.1.2 HISTORICAL					
Unquoted available-for-sale investments (19% Langford Estates (Private) Limited)		**139,743,000**	**18,401,000**	-	-
Loan to Maitlands Zimbabwe		-	-	15,305	15,305
		139,743,000	**18,401,000**	**15,305**	**15,305**

Unquoted available-for-sale investments (19% Langford Estates (Private) Limited)
The Group disposed of its 81% stake in Langford Estates in 2016. In 2017, the Company received notification from the major shareholder Group (Messina & its allies) of its intentions to have the transaction reversed citing certain disclosure deficiencies around conflict of interest by some of the shareholders and technicalities on the resolutions tabled by the Company. On 29 May 2020, the Company held an Extraordinary General Meeting (EGM) regarding the reversal of the Langford transaction. The Group secured the required resolutions enabling it to continue pursuing the reversal of the sale. The legal procedings remain pending before the relevant tribunals. The market will be updated with progress on the matter in due course.

Loan to Maitlands Zimbabwe
This is a shareholders' loan extended by the Holding Company as part of its joint venture obligations to Maitlands Zimbawe. The loan attracts no interest and has no fixed repayment terms.

12.2 JOINT OPERATIONS AND JOINT VENTURES

The Group's material joint operations and joint ventures at the end of the reporting period is 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 2020	Proportion of ownership interest and voting rights held by the Group 2019	Classification
Glenara Estates (Private) Limited t/a Glenpol Agriculture	Horticultural activities	Harare Zimbabwe	65%	70%	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).

12.2 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

INFLATION ADJUSTED	2020 ZWL Joint operations (proportionately consolidated)	2020 ZWL Joint ventures (equity accounted)	2019 ZWL Joint operations (proportionately consolidated)	2019 ZWL Joint ventures (equity accounted)
Non-current assets	-	-	30,324	-
Current assets	117,062,192	-	4,304,335	-
Non-current liabilities	(3)	-	867,953	-
Current Liabilities	59,131,545	-	5,091,895	-
The above amounts of assets and liabilities include the following:				
Cash and cash equivalents [excluding trade and other payables and provisions]	-	-	-	-
Revenue	-	-	-	-
Earnings before depreciation, interest, depreciation, tax and amortisation	**85,004,596**	**9,550,252**	(289,214)	-
Depreciation expense	-	(20,999)	-	-
Finance cost	-	22	-	-
(Loss) profit before tax	**85,004,596**	**9,529,275**	(289,214)	-
Tax (expense)/credit	(18,972,792)	(49,776)	5,400	-
(Loss) profit after tax	**66,031,804**	**9,479,499**	(283,814)	-
Dividends received from joint operations and joint ventures	-	-	-	-

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

	2020 Share of Group's interest	2020 Net assets of joint venture ZWL	2020 Carrying amount (Group's interest in JV) ZWL	2019 Net assets of joint venture ZWL	2019 Carrying amount (Group's interest in JV) ZWL
Maitlands Zimbabwe (Private) Limited	45%	(39,317,600)	(17,692,920)	(20,373,718)	(9,168,173)
Reston Developers (Private) Limited	50%	34,823,113	17,411,557	(1,185,379)	(592,690)
			(281,363)		(9,760,863)

The Company	2020	2019
Investment in Maitlands Zimbabwe (Private) Limited	(17,514,477)	(17,514,477)
Investment in Reston Developers (Private) Limited	(2,457,984)	(2,457,984)
	(19,972,462)	(19,972,462)

12.2 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

HISTORICAL	2020 ZWL Joint operations (proportionately consolidated)	2020 ZWL Joint ventures (equity accounted)	2019 ZWL Joint operations (proportionately consolidated)	2019 ZWL Joint ventures (equity accounted)
Non-current assets	-	-	3,983	-
Current assets	116,986,082	-	566,783	-
Non-current liabilities	-	-	16,409	-
Current Liabilities	59,153,192	-	670,488	-
The above amounts of assets and liabilities include the following:				
Cash and cash equivalents [excluding trade and other payables and provisions]	-	-	-	-
Revenue	-	-	-	-
Earnings before depreciation, interest, depreciation, tax and amortisation	76,823,818	166,272	(38,076)	120,837
Depreciation expense	-	(20,999)	-	(5,128)
Finance (cost) income	-	16	4	-
(Loss) profit before tax	**76,823,818**	**145,289**	**(38,072)**	**115,709**
Tax (expense)/credit	(18,990,847)	(41,680)	9,819	(43,504)
(Loss) profit after tax	**57,832,971**	**103,609**	**(28,253)**	**72,205**

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

	2020 Share of Group's interest	2020 Net assets of joint venture ZWL	2020 Carrying amount (Group's interest in JV) ZWL	2019 Net assets of joint venture ZWL	2019 Carrying amount (Group's interest in JV) ZWL
Maitlands Zimbabwe (Private) Limited	45%	(1,364,527)	(614,037)	(1,684,344)	(757,955)
Reston Developers (Private) Limited	50%	(223,410)	(111,705)	(142,793)	(71,397)
			(725,742)		(829,352)
The Company					
Investment in Maitlands Zimbabwe (Private) Limited			(508,739)		(508,739)
Investment in Reston Developers (Private) Limited			(71,397)		(71,397)
			(580,135)		(580,135)

12.3 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. The Group lost control of the aforementioned subsidiaries on the 12th of October 2016 as a result of them being placed under judicial management. Consequently, the subsidiaries were consolidated up to 30 September 2016.

The summarised information of the unconsolidated subsidiaries as at 30 September 2020 is as follows:

The inflation adjusted carrying amount of the investment in subsidiaries at date of loss of control was a negative **ZWL**219,844,148 (**ZWL**1,156,618,857 - FY2019).

Summarised Statement of Financial Position
As at 30 September 2020

	Victoria Foods P/L 2020 ZWL	Amtec Manufacturing P/L 2020 ZWL	Total Entities under JM 2020 ZWL	Total Entities under JM 2019 ZWL
INFLATION-ADJUSTED				
Non-current assets	243,060,686	65,965,422	309,026,108	568,471,009
Cash and cash equivalents	1,343,452	-	1,343,452	54,935,518
Other current assets	15,857,310	-	15,857,310	230,181,025
Non-current liabilities	(56,745,985)	(15,756,896)	(72,502,881)	(79,725,122)
Total current liabilities	(194,542,640)	58,518	(194,484,122)	(879,807,799)
Net assets	**8,972,823**	**50,267,044**	**59,239,867**	**(105,945,369)**
Summarised statement of comprehensive income				
For the year ended 30 September 2020				
Revenue	**890,983**	-	**890,983**	**408,796,005**
Cost of sales	(507,421)	-	(507,421)	(251,413,645)
Gross profit	**383,562**	-	**383,562**	**157,382,360**
Other income	28,598,636	896,951	29,495,587	(20,302,207)
Expenses	(42,875,261)	(3,572,138)	(46,447,399)	(349,770,254)
Monetary gain (loss)	236,576,129	193,345	236,769,474	1,305,179,350
Profit (Loss) before interest and tax	**222,683,066**	**(2,481,842)**	**220,201,224**	**1,092,489,249**
Net financing (cost) income	(45,010)	-	(45,010)	1,453,551
(Loss) before after tax	**222,638,056**	**(2,481,842)**	**220,156,214**	**1,093,942,800**
Tax credit (expense)	727,229	(859,745)	(132,516)	(237,231,976)
(Loss) profit after tax	**223,365,285**	**(3,341,587)**	**220,023,698**	**856,710,823**
HISTORICAL				
Non-current assets	**243,060,685**	**65,965,422**	**309,026,107**	**74,834,983**
Cash and cash equivalents	536,040	-	536,040	7,233,783
Other current assets	12,934,754	-	12,934,754	30,359,549
Non-current liabilities	(56,745,985)	(14,810,496)	(71,556,481)	(10,571,145)
Total current liabilities	(194,543,764)	44,053	(194,499,711)	(122,255,747)
Net assets	**5,241,730**	**51,198,979**	**56,440,709**	**(20,398,577)**
Summarised statement of comprehensive income				
For the year ended 30 September 2020				
Revenue	**206,792**	-	**206,792**	**28,001,832**
Cost of sales	(157,517)	-	(157,517)	(16,116,891)
Gross profit	**49,275**	-	**49,275**	**11,884,941**
Other income	14,916,344	324,000	15,240,344	2,105,306
Expenses	(148,658,898)	(599,991)	(149,258,889)	(44,816,464)
(Loss) profit before interest and tax	**(133,693,279)**	**(275,991)**	**(133,969,270)**	**(30,826,218)**
Net financing cost	(23,558)	-	(23,558)	35,101
(Loss) before after tax	**(133,716,837)**	**(275,991)**	**(133,992,828)**	**(30,791,117)**
Tax (expense)/credit	1,028,407	68,225	1,096,632	(9,159,160)
(Loss) profit after tax	**(132,688,430)**	**(207,766)**	**(132,896,196)**	**(39,950,277)**

In the current year, Crest Poultry Group (CPG) exited judicial arrangement through a scheme of management underwritten by the Group, and CPG has been under the Group's control effectively since 1 October 2019. All the legacy creditors for Victoria Foods and Amtec Manufacturing P/L were settled during the year, leaving only the foreign creditors, approximately US$2.5 million. The Group is focused on having the remaining entities exit judicial management in the first half of the financial year FY2021.

12.4 PRINCIPAL OPERATING COMPANIES

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

	% Held	Net asset value INFLATION ADJUSTED 2020 ZWL	2019 ZWL	Net asset value HISTORICAL 2020 ZWL	2019 ZWL	Principal activities
Consolidated Farming Investments Limited trading as Farm & City and Vetco	100	1,144,588,943	810,785,564	740,137,338	65,143,390	Wholesaling and retailing of consumer and hardware products
Crest Poultry Group (Private) Limited t/a: Agrifoods, (Incorporating Agrimix, Crest Breeders, Glenara Estates, Hubbard Zimbabwe and Suncrest Chickens)	100	89,928,943	(132,889,013)	73,189,676	(23,926,312)	The manufacturing of stock-feeds, provision of animal health requisites, poultry breeding, production processing and retailing of poultry products.
Honey Dew Farm (Private) Limited	100	-	-	-	-	Production and sale of fresh farm produce and retailing of consumer products.
Dormant property owning entities in the Properties and Farming divisions (leasing to Crest Poultry Group P/L)	**100**	**804,115,997**	**1,313,564,951**	**686,810,328**	**114,407,301**	Holds land for development Holds property used by CPG
Crest Breeders (Private) Limited		369,978,867	944,408,815	260,862,674	66,158,782	Holds land for development
Yorkbury Investments (Private) Limited		177,095,773	182,623,603	179,302,709	24,047,455	Holds property used by CPG t/a Agrifoods
Glenara Estates (Private) Limited		139,337,675	59,943,428	130,226,347	7,252,615	Holds property used by CPG t/a Glenara Estates
Agrifoods (Private) Limited		71,854,943	71,756,126	70,499,108	9,450,608	Holds property used by CPG t/a Agrifoods
Manicaland Farmers Coop Investments (Private) Limited		39,846,297	40,254,605	39,846,298	5,578,194	Property investment Company leased to CFI Retail
Suncrest Chickens (Private) Limited		6,002,442	14,578,375	6,073,193	1,919,647	Holds property used by CPG t/a Suncrest
Property owning dormant entities in the Properties Division (Other)	100	73,383,714	68,968,638	73,590,532	9,081,632	Renting of properties mainly to Group Companies.
Maitlands Zimbabwe (Private) Limited	45	1,518,329	1,953,732	132,465	(388,968)	Joint venture involved in property management and development.
Reston Developers (Private) Limited	50	17,411,556	12,387,937	(111,705)	(77,965)	Joint venture involved in property development
Entities under judicial management (unconsolidated subsidiaries)						
Victoria Foods (Private) Limited	100	8,972,823	(139,627,060)	5,241,730	(18,406,104)	Wheat and maize milling, wholesaling of snack foods and other food stuffs.
Amtec Manufacturing (Private) Limited	100	50,267,044	52,438,922	51,198,979	6,905,037	Property investment Company leased to Victoria Foods (Private) Limited

13. INVENTORIES AND BIOLOGICAL ASSETS

	Note	GROUP 2020 ZWL	GROUP 2019 ZWL	COMPANY 2020 ZWL	COMPANY 2019 ZWL
INFLATION ADJUSTED					
Finished goods		1,290,319,213	972,526,886	-	-
Raw materials and consumables		103,339,901	10,522,730	-	-
Goods in transit		7,699,153	8,171,786	-	-
Biological assets		67,974,202	17,001,906	-	-
Land in development	11.1	125,566,126	567,458,330	-	-
		1,594,898,595	**1,575,681,639**	-	-
HISTORICAL					
Finished goods		777,110,985	78,455,619	-	-
Raw materials and consumables		126,042,657	693,314	-	-
Goods in transit		5,125,759	708,855	-	-
Biological assets		67,898,088	2,051,184	-	-
Land in development	11.1	16,534,258	16,482,829	-	-
		992,711,747	**98,391,801**	-	-

Inventory comprises of land in development relating to occupied and unoccupied portions of Saturday Retreat Estate valued at ZWL16.5 million (2019: ZWL16.9 million) on which Government reached settlement with Crest Breeders. Crest Breeders will be proceeding with the improvement of the residential development project in the 2021 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

	GROUP 2020 ZWL	GROUP 2019 ZWL	COMPANY 2020 ZWL	COMPANY 2019 ZWL
INFLATION-ADJUSTED				
Current				
Trade receivables	11,598,319	193,247,094	-	175,998
Property related receivables	13,385,463	103,980,996	-	-
Other	177,834,533	27,856,796	1,085,478	365,667
	202,818,315	**325,084,887**	**1,085,478**	**541,665**
Allowance for doubtful debts	(13,173,680)	(102,372,652)	(23,175)	(212,078)
	189,644,635	**222,712,234**	**1,062,303**	**329,586**
Non-current				
Property related receivables	-	-	-	-
Other receivables (Including intergroup receivables - for holding company)	-	18,698,435	47,020,132	212,394,185
	-	**18,698,435**	**47,020,132**	**212,394,185**
Total	**189,644,635**	**241,410,669**	**48,082,435**	**212,723,772**
Movement in allowance for doubtful debts				
Carrying amount at the beginning of the year	(102,372,652)	(1,599,390)	(212,078)	-
Impairment losses reversed	89,198,972	(100,773,263)	188,903	(212,078)
Carrying amount at the end of the year	**(13,173,680)**	**(102,372,652)**	**(23,175)**	**(212,078)**

	GROUP 2020 ZWL	GROUP 2019 ZWL	COMPANY 2020 ZWL	COMPANY 2019 ZWL
14. TRADE AND OTHER RECEIVABLES (Continued)				
HISTORICAL				
Current				
Trade receivables	11,552,367	25,440,664	-	23,175
Property related receivables	14,883,635	13,691,979	-	-
Other	176,338,014	3,668,119	1,085,478	48,150
	202,774,016	**42,800,762**	**1,085,478**	**71,325**
Allowance for doubtful debts	(13,129,381)	(13,480,189)	(23,175)	(27,926)
	189,644,635	**29,320,573**	**1,062,303**	**43,399**
Non-current				
Property related receivables	-	-	-	-
Other receivables (Including intergroup receivables - for holding company)	-	2,462,167	47,020,133	27,967,579
	-	**2,462,167**	**47,020,133**	**27,967,579**
Total	**189,644,635**	**31,782,740**	**48,082,436**	**28,010,978**
Movement in allowance for doubtful debts				
Carrying amount at the beginning of the year	(13,480,189)	(46,457)	(27,926)	-
Impairment losses for the year	350,808	(13,433,732)	4,751	(27,926)
Carrying amount at the end of the year	**(13,129,381)**	**(13,480,189)**	**(23,175)**	**(27,926)**

The average credit period on sales of goods is 30 days, excluding that of residential stand sales. No interest is charged on trade receivables for the first 30 days from the date of the invoice.

Thereafter, interest is charged monthly at market-related interest rates on the outstanding balance. The Group has provided fully for all receivables over 90 days except for those that are adequately securitised or those with whom acceptable payments plans are in place and debtors are servicing the commitments satisfactorily in line with the agreed debt settlement plans.

As at 30 September 2020, there were no trade receivables that were past due and meeting the above described criteria that were not provided for. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts. The Group holds bank guarantees and other forms of security from customers who owe it material amounts at year-end.

Property related debtors relate to mortgage debtors extended over a 3 year time frame from 2015 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 further estimated credit losses have been considered 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.

At the Statement of Financial Position date, there were no trade receivables past due but not impaired.

	INFLATION ADJUSTED 2020 ZWL	INFLATION ADJUSTED 2019 ZWL	HISTORICAL 2020 ZWL	HISTORICAL 2019 ZWL
15. SHARE CAPITAL				
15.1 Ordinary shares of ZWL0.01 each				
Authorised - 200 000 000 shares	2,000,000	2,000,000	2,000,000	2,000,000
Issued and fully paid -106 820 875 (2019 - 106 820 875)	36,775,480	36,775,480	1,068,209	1,068,209

15.2 Share based payments

Equity-settled share option scheme

The Company's share option scheme for senior employees in the Group lapsed in 2019. Options were 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 converted into one ordinary share of CFI Holdings Limited on exercise.

No amounts were paid or payable by the recipient on receipt of the option. The vesting period varied between 1 and 3 years. If the options remain unexercised after a period of five years from the date of grant, the options would expire and lapse. The options carried 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.

9 200 000 share options were granted to the Employee Share Option Scheme by shareholders at an EGM meeting held on the 15th of September 2008. Annually, the remuneration committee would meet 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 prior reporting period:

Option series

	Number	Grant date	Expiry date	Exercise Price ZWL	Fair value at grant date ZWL
(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 expired within five years of their issue, or upon resignation of the executive or senior employee, whichever was the earlier.

Share options exercised during the year

	2020 Number of options	2020 Weighted average exercise price	2019 Number of options	2019 Weighted average exercise price
Granted on 31 March 2014	-	-	-	-
	-	-	-	-

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

Movement in outstanding shares options issued during the year

	2020 Number of options	2020 Weighted average exercise price	2019 Number of options	2019 Weighted average exercise price
Balance at beginning of year	-	-	-	-
Exercised during the year	-	-	-	-
Balance at end of year	-			-
Options available for allotment				
Opening balance	10,607,380		10,607,380	
Share options exercised during the year	-		-	
Closing	**10,607,380**		**10,607,380**	

15. SHARE CAPITAL (Continued)

There were no options outstanding at the end of the year after the last scheme lapsed in October 2019.

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

Expected volatility	-	33.3%
Expected life	-	5 years
Risk free rate	-	8%

Expected volatility for prior 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 during the period.

In prior years however, share based remuneration expense relating to equity-settled share-based payments were recognised. This cost was included as part of staff costs under administrative expenses.

	GROUP		COMPANY	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
16. NON-DISTRIBUTABLE RESERVES				
INFLATION-ADJUSTED				
Balance at beginning of year	1,498,593,367	2,730,530,180	2,506,907,212	2,507,777,852
Acquisition of control of subsidiaries	432,644,399	-	-	-
Revaluation of property, plant and equipment	-	14,191,886	-	(870,640)
Effects of changes in income tax rate	4,547,457	-	-	-
IAS 29 elimination of revaluation reserves	-	(1,246,128,699)	-	-
Balance at end of year	1,935,785,223	1,498,593,367	2,506,907,212	2,506,907,212
Comprising:	1,935,785,223	1,498,593,367	2,506,907,212	2,506,907,212
Functional currency reserves	1,917,045,880	1,484,401,481	2,507,777,852	2,507,777,852
Revaluation reserve	18,739,343	14,191,886	(870,640)	(870,640)
HISTORICAL				
Balance at beginning of year	190,245,290	79,313,072	73,072,568	72,842,839
Acquisition of control of subsidiaries	32,603,522	-	-	-
Effects of changes in income tax rate	597,281	-	-	
Revaluation of property, plant and equipment	1,009,448,512	110,932,218	1,571,583	229,729
Gain on equity investment designated as FVTOCI	115,274,900	-	-	-
Balance at end of year	1,348,169,505	190,245,290	74,644,152	73,072,568
Comprising:	1,348,169,505	190,245,290	74,644,152	73,072,568
Functional currency reserves	43,117,063	43,117,063	72,812,316	72,812,316
Revaluation reserve	1,305,052,442	147,128,227	1,831,836	260,252

			GROUP		COMPANY	
			2020	2019	2020	2019
			ZWL	ZWL	ZWL	ZWL
17.	**DEFERRED TAX LIABILITIES**					
17.1	**INFLATION ADJUSTED**					
	Deferred tax liabilities		**334,961,427**	**226,858,889**	**126,298,439**	**127,555,336**
17.1.1	**Analysis of movement during the year**					
	Balance at beginning of year		**226,858,889**	**220,555,134**	**127,555,336**	**127,555,336**
	Acquisition of control of subsidiaries		63,659,426	-	-	-
	Deferred tax from revaluation of property, plant and equipment		-	5,191,410	376,960	-
	Deferred tax charge (credit) to the statement of profit or loss and other comprehensive income	8.1	49,079,029	1,112,345	(1,633,857)	-
	Effects of changes in income tax rate		(4,547,457)	-	-	-
	Other deferred tax movements		(88,460)	-	-	-
	Balance at the end of the year		**334,961,427**	**226,858,889**	**126,298,439**	**127,555,336**
17.1.2	**Analysis of deferred tax laibilities at end of year**					
	Property, plant, equipment and vehicles		267,721,455	225,878,229	-	-
	Investments		6,987,150	6,987,136	126,298,440	127,555,336
	Short term loans		-	(75,840,446)		
	Biological assets, agricultural produce and inventory		71,421,434	5,989,541	-	-
	Assessed tax loss and unrealised exchange gains and losses		(11,927,528)	(7,408,392)	-	-
	Customer deposits and accounts receivables		1,037,619	9,662,068	-	-
	Prepaid expenses		(278,703)	61,590,753	-	-
			334,961,427	**226,858,889**	**126,298,440**	**127,555,336**
17.2	**HISTORICAL**					
	Deferred tax liabilities		**264,600,228**	**21,240,307**	**2,448,177**	**3,705,070**
17.2.1	**Analysis of movement during the year**					
	Balance at beginning of year		**21,240,307**	**6,406,414**	**3,705,070**	**3,705,070**
	Acquisition of control of subsidiaries		8,455,651	-	-	-
	Deferred tax arising from revaluation of property, plant and equipment		210,952,301	22,334,279	327,774	-
	Deferred tax (credit) charge to the statement of profit or loss and other comprehensive income	8.1	17,884,869	(9,607,616)	(1,584,668)	-
	Deferred tax arising from remeasurement changes in investments		6,067,100	2,107,230	-	-
	Balance at the end of the year		**264,600,228**	**21,240,307**	**2,448,176**	**3,705,070**
17.2.2	**Analysis of deferred tax laibilities at end of year**					
	Property, plant, equipment and vehicles		266,596,243	29,743,350	-	-
	Investments		6,987,150	920,050	2,448,176	3,705,070
	Short term loans		-	(9,986,494)	-	-
	Biological assets, agricultural produce and inventory		(137,269)	697,900	-	-
	Assessed tax loss and unrealised exchange gains and losses		(9,691,405)	(1,139,678)	-	-
	Customer deposits and accounts receivables		1,121,994	1,272,279	-	-
	Prepaid expenses		(276,485)	(267,100)	-	-
			264,600,228	**21,240,307**	**2,448,176**	**3,705,070**

	GROUP 2020 ZWL	GROUP 2019 ZWL	COMPANY 2020 ZWL	COMPANY 2019 ZWL
18. TRADE AND OTHER PAYABLES				
18.1 INFLATION ADJUSTED				
Current				
Trade payables	471,170,213	225,669,097	-	-
Accruals and other provisions	96,806,222	107,130,717	9,809,264	19,952,417
	567,976,435	**332,799,814**	**9,809,264**	**19,952,417**
Non-current				
Trade payables	4,436,207	34,588,839	-	-
Intergroup balances payable	-	-	63,827,118	400,663,693
	4,436,207	**34,588,839**	**63,827,118**	**400,663,693**
Total trade and other payables	**572,412,642**	**367,388,653**	**73,636,382**	**420,616,110**
Analysis of accruals and other provisions				
Statutory obligations	452,603	(3,773,501)	320,418	2,433,350
Utilities related obligations	2,104,668	8,469,452	-	-
Retrenchment provision	1,019,243	7,740,437	1,019,243	7,740,452
Accrued marktering expenses	67,175,246	37,518,363	-	-
Employees related obligations, excluding statutories	15,319,340	5,905,783	612,423	4,650,924
Amounts payable to unconsolidated CFI Group companies -	-	-	-	-
Other	10,735,122	51,270,183	7,857,180	5,127,694
	96,806,222	**107,130,717**	**9,809,264**	**19,952,421**
18.2 HISTORICAL				
Current				
Trade payables	471,170,213	29,715,552	-	-
Accruals and other provisions	96,806,222	14,106,727	9,809,264	2,627,288
	567,976,435	**43,822,279**	**9,809,264**	**2,627,288**
Non-current				
Trade payables	4,436,207	4,554,579	-	-
Intergroup balances payable	-	-	63,827,118	52,758,476
	4,436,207	**4,554,579**	**63,827,118**	**52,758,476**
Total trade and other payables	**572,412,642**	**48,376,858**	**73,636,382**	**55,385,764**
Analysis of accruals and other provisions				
Statutory obligations	452,603	(496,886)	320,418	320,418
Utilities related obligations	2,104,668	1,115,238	-	-
Retrenchment provision	1,019,243	1,019,243	1,019,243	1,019,244
Accrued marktering expenses	67,175,246	4,940,332	-	-
Employees related obligations, excluding statutories	15,319,340	777,660	612,423	612,423
Other	10,735,122	6,751,140	7,857,180	675,203
	96,806,222	**14,106,727**	**9,809,264**	**2,627,288**

Non-current trade and other payables for the Company relate to intergroup balances owing only. These attract no interest and have no fixed term of repayment. The average credit period on purchases of certain goods ranges from 7 to 30 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 the same manner as the compensation for the land is recovered.

	GROUP		COMPANY	
	2020	2019	2020	2019
	ZWL	ZWL	ZWL	ZWL
19. BORROWINGS				
19.1 INFLATION-ADJUSTED				
19.1.1 Long term borrowings				
Long-term portion of loan from Ayestock Investments (Pvt) Limited	-	321,058,070	-	-
	-	**321,058,070**	-	-
19.1.2 Short term borrowings				
Current portion of loan from Omani	245,563,431	-	-	-
Current portion of loan from NMB	25,001,520	-	-	-
Current portion of loan from IDC	20,000,000	-	-	-
Current portion of loan from CABS	3,000,000	-	-	-
Current portion of loan from Ayestock Investments (Pvt) Limited	-	321,058,070	-	-
	293,564,951	**321,058,070**	-	-
19.1.3 Overdraft				
Bank overdrafts (secured)	35,874,196	1,519,118	-	-
Total borrowings	**329,439,147**	**643,635,258**	-	-
19.2 HISTORICAL				
19.2.1 Long term borrowings				
Long-term portion of loan from Ayestock Investments (Pvt) Limited	-	42,276,190	-	-
	-	**42,276,190**	-	-
19.2.2 Short term borrowings				
Current portion of loan from Omani	245,563,431		-	-
Current portion of loan from NMB	25,001,520		-	
Current portion of loan from IDC	20,000,000			-
Current portion of loan from CABS	3,000,000			-
Current portion of loan from Ayestock Investments (Pvt) Limited	-	42,276,190	-	-
	293,564,951	**42,276,190**	-	-
19.2.3 Overdraft				
Bank overdrafts (secured)	35,874,196	200,034	-	-
Total borrowings	**329,439,147**	**84,752,414**	-	-

19.3 The Group repaid the loan from Ayestock denominated in Old Mutual Shares during the year. Thereafter, the Group accessed more borrowings from Omani, NMB, IDC and CABS to finance working capital requirements. The ZWL245,6 million from Omani is not secured.

As at Statement of Financial Position date, the Group pledged some of its assets as security against borrowings as follows;

a) Industrial property in Bulawayo worth ZWL93,2 million was pledged as security against the ZWL20 million from IDC.
b) Industrial property in Mbare (Harare) worth ZWL234,2 million was pledged as security against the ZWL3 million from CABS.
c) Commercial property in Harare worth ZWL62,89 million was pledged as security against the ZWL25 million from NMB Bank.

		GROUP 2020 ZWL	GROUP 2019 ZWL	COMPANY 2020 ZWL	COMPANY 2019 ZWL
20.	**CURRENT TAX LIABILITIES**				
20.1	**INFLATION-ADJUSTED**				
	Balance at beginning of year	**63,211,178**	**31,905,515**	**436,148**	**1,977,191**
	Acquisition of control of subsidiaries	(60,739,581)	-	-	-
	Current year charge	125,015,655	100,404,377	-	-
	Paid during the year	(42,793,473	(69,098,614)	(378,717)	(1,541,042)
	Balance at end of year	**84,695,681**	**63,211,178**	**57,431**	**436,148**
20.2	**HISTORICAL**				
	Balance at beginning of year	**8,325,538**	**926,752**	**57,431**	**57,431**
	Acquisition of control of subsidiaries	(1,593,402)	-	-	-
	Current year charge	107,262,083	11,104,596	-	-
	Paid during the year	(29,298,538)	(3,705,810)	-	-
	Balance at end of year	**84,695,681**	**8,325,538**	**57,431**	**57,431**
21.	**CONTINGENT LIABILITIES**				
21.1	**INFLATION-ADJUSTED**				
21.1.2	**Financial guarantees at year-end**	**35,000,000**	**5,695,725**	-	-
	Contingent liabilities relate to guarantees given to various trade creditors.				
21.1.2	**Contingent liabilities related to legal cases**				
	Langford Estates (envisaged reversal of land for debt swap)	32,000,000	243,017,600	-	-
	City of Harare rates	5,481,130	27,339,480	-	-
	Staff related provisions	1,271,276	5,203,108	-	-
		38,752,406	**275,560,188**	-	-
21.2	**HISTORICAL**				
21.2.1	**Financial guarantees at year-end**	**35,000,000**	**750,000**	-	-
	Contingent liabilities relate to guarantees given to various trade creditors:				
21.2.2	**Contingent liabilities related to legal cases**				
	Langford Estates (envisaged reversal of land for debt swap)	32,000,000	32,000,000		
	City of Harare rates	5,481,130	3,600,000	-	-
	Staff related provisions	1,271,276	685,133		
		38,752,406	**36,285,133**	-	-

Legal proceedings to reverse the Langford Estates sale transaction are ongoing since the last update to shareholders. Should this succeed, the Group will face liabilities including, ZWL32 million in respect of land for debt swap with Fidelity Life Assurance and the related costs accrued five years post the transaction. Other potential liabilities related to the reversal of the transaction cannot be easily estimated, as these will depend on the court ruling, and ultimately settlement agreed costs if applicable.

Crest Breeders is facing a claim of ZWL5.5 million from the City of Harare for rates supposedly accrued to land which was occupied by cooperatives from 2009. The Group has engaged Council for a reversal of same, and Directors believe that the prospects of succeeding are high. City Council has insisted on the land being fully planned and surveyed to faciiltate reversal. The claim has not been provided for.

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.

Town planning and survey works are yet to be completed for the occupied portion of Crest Breeders International (Private) Limited land. In this regard, recorded accounts receivables balances cannot be accurately ascertained, as some billings could have been done for land that may not be approved by town planning authorities. Stand sizes may also be changed. Eventually, the company has potential liabilities in respect of reimbursement of payments made by stand beneficiaries as well as costs of lawsuits from aggrieved victims. All these costs cannot be easily estimated.

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 2020 ZWL	GROUP 2019 ZWL	COMPANY 2020 ZWL	COMPANY 2019 ZWL
22. CAPITAL COMMITMENTS				
Authorised but not contracted for	168,900,000	35,812,630	12,500,000	-
	168,900,000	**35,812,630**	**12,500,000**	**-**

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 (income) recognised in the consolidated statement of profit or loss and other comprehensive income amounts to ZWL723,083 (2019: ZWL890,728), with historical values of ZWL366,400 (2019: ZWL3830) 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 ZWL450 460 (2019: ZWL1 782 402). The Group resumed contributions for arrears on 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 2020 ZWL	GROUP 2019 ZWL	COMPANY 2020 ZWL	COMPANY 2019 ZWL
24.1 INFLATION-ADJUSTED				
Maximum permissible year-end borrowing	6,209,736,057	5,597,973,578	7,208,361,180	(615,306,529)
Actual borrowings comprises:				
- Current borrowings (bank loans and overdrafts)	(329,439,147)	(643,635,258)	-	-
Unutilised borrowings capacity (theoretical)	**5,880,296,910**	**4,954,338,320**	**7,208,361,180**	**(615,306,529)**
24.2 HISTORICAL				
Maximum permissible year-end borrowing	4,612,925,973	437,098,548	147,361,473	(615,306,529)
Actual borrowings comprises:				
- Current borrowings (bank loans and overdrafts)	(329,439,147)	(84,752,414)	-	-
Unutilised borrowings capacity (theoretical)	**4,283,486,826**	**352,346,134**	**147,361,473**	**(615,306,529)**

The borrowing facilities negotiated by management as at 30 September 2020 amounted to ZWL329.4 million (2019: ZWL84.8 million) during the period under review. Borrowings secured as at balance sheet date have been disclosed per note 19.3.

25. 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:

	INFLATION-ADJUSTED 2020 ZWL	INFLATION-ADJUSTED 2019 ZWL	HISTORICAL 2020 ZWL	HISTORICAL 2019 ZWL	Nature of relationship with Holding Company	Transaction	Terms of trade
Tefco	7,715	2,047,574	7,506	124,992	Company related to Director of Holding	Finance cost on loan	Arm's length
Maitlands Zimbabwe	18,859	127,041	6,783	6,783	Joint venture	Rentals received by Crest	Arm's length
Transactions with entities previously or currently under judicial management							
Victoria Foods (Private) Limited (under judicial management)	13,101,944	-	-	-	Subsidiary	Purchases of maize meal	Arm's length
Crest Poultry Group (Private) Limited #	-	249,276,205	-	14,982,594	Subsidiary	Purchases of stockfeeds	Arm's length
Crest Poultry Group (Private) Limited #	-	28,448,943	-	2,383,029	Subsidiary	Sales of maize	Arm's length
Crest Poultry Group (Private) Limited #	-	5,356,867	-	286,000	Subsidiary	Interest on funding	Arm's length
Balances							
Victoria Foods (Private) Limited	15,931,925	126,735,970	15,931,925	16,688,302	Subsidiary	Intergroup balances receivable	See note below
CPG t/a Agrifoods interest-bearing loan	-	18,698,432	-	2,462,167	Subsidiary	Intergroup balances receivable	See note below
Crest Poultry Group (Private) Limited (CPG)	-	300,441,893	-	39,561,499	Subsidiary	Intergroup balances receivable	See note below
	15,931,925	**445,876,295**	**15,931,925**	**58,711,968**			
Provision on intergroup balances where control was lost	(15,931,925)	(237,993,067)	(15,931,925)	(31,338,381)			
	-	**207,883,228**	-	**27,373,587**			

- Crest Poultry Group exited judicial management effective 1 October 2019.

Notes:
The Group is not charging interest on intergroup balance receivables for entities under judicial management. Any subsequent financing support granted to the entities under judicial management however receives super-priority over existing intergroup receivables. In prior year, the only exception was a working capital loan of ZWL2,2 million advanced to CPG t/a Agrifoods at an interest rate of 12% p.a with a tenure of 18 months.

25. RELATED PARTY TRANSACTIONS (Continued)

Transactions with management

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

	INFLATION-ADJUSTED 2020 ZWL	INFLATION-ADJUSTED 2019 ZWL	HISTORICAL 2020 ZWL	HISTORICAL 2019 ZWL	Nature of relationship with Holding Company	Transaction	Terms of trade
Short-term benefits	26,970,190	21,786,619	16,851,948	1,661,195			
Directors fees	1,332,970	1,200,112	629,885	78,020			
Balances at year-end:							
Fidelity Life Assurance	100,000	759,433	100,000	100,000	ZHL related Company	Capital Gains tax (arrears)	Arm's length
Reston Developers (Private) Limited	2,254,541	95,106	2,254,541	12,523	Joint venture	Amount owing to CFIHL	Arm's length
Reston Developers (Private) Limited	(460,080)	(3,493,986)	(460,080)	(460,080)	Joint venture	Loan payable by Crest Breeders	Non-interest bearing
Loans to related parties							
Amounts receivable from staff and management	1,062,303	365,667	1,062,303	48,150	Group management staff	Short term loans	Arm's length

The Group occasionally provides short term loans to its management and staff at market-related interest rates, which mirror its cost of borrowing inclusive of administrative charges. 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.

Fidelity Life Assurance is an entity linked to a significant shareholder in ZHL after the business was acquired by ZHL in the current period.

26. INVESTMENTS IN SUBSIDIARIES

The values of investments in subsidiaries in the holding Company at the Statement of Financial Position date were follows:

		COMPANY 2020 ZWL	COMPANY 2019 ZWL
26.1	Inflation-adjusted	2,571,077,088	2,571,077,088
		2,571,077,088	2,571,077,088
26.2	Historical	74,681,533	74,681,533
		74,681,533	74,681,533

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 farming segment comprises of seed, table potatoes and cereals production (maize, soya beans) together with poultry related activities. The milling segment comprises of stockfeeds milling, the production of vitamins and material supplements. Properties and Head office segment comprises the Group's head office operations and property development activities including the letting of properties and the management of real estate. Victoria Foods' operations in the milling sector are under the control of the judicial manager as per Note 1 and these have been deconsolidated since the financial year ended 30 September 2016, and accordingly, no figures are provided hereunder.

27.2 Business segments

27.2.1 INFLATION-ADJUSTED

	Retail		Farming		Properties & Head Office		Group	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Revenue	3,328,520,650	2,587,733,788	104,902,199	52,578,597	1,771,122	677,768	3,435,193,971	2,636,622,284
Segment result								
Profit (Loss) before depreciation, amortisation and net interest	292,198,190	366,824,816	89,830,727	37,446,923	16,402,113	(30,841,837)	398,431,030	373,429,902
Depreciation expense	(20,516,031)	(14,699,984)	(11,414,272)	(7,480,977)	(23,589,128)	(2,085,901)	(55,519,431)	(24,266,862)
Impairment charge	(31,786,293)	-	-		-		(31,786,293)	-
Net financing (cost) income	(288,995,839)	(320,210,151)	(7,715)	(2,047,575)	(29,925,802)	5,228,205	(318,929,356)	(317,029,521)
Monetary gain	-	-	-	-	-	-	400,029,362	305,259,563
Profit (loss) before taxation	**(49,099,973)**	**31,914,681**	**78,408,740**	**27,918,371**	**(37,112,817)**	**(27,699,533)**	**392,225,311**	**337,393,082**
Income tax expense							(174,094,723)	(101,516,782)
Profit attributable to equity holders of parent							**218,130,588**	**235,876,299**
Other information								
Segment assets	2,326,974,977	1,892,560,394	220,787,698	114,524,489	843,687,000	1,160,000,087	3,391,449,675	3,167,084,970
Segment liabilities	1,134,229,033	1,072,290,896	62,555,726	29,493,041	138,132,922	199,309,875	1,334,917,681	1,301,093,812
Capital expenditure	59,209,532	39,807,430	12,403,344	-	852,900	1,478,595	72,465,776	41,286,025
Number of permanent employees	608	436	215	121	31	27	854	584

27.2.2 HISTORICAL

	Retail		Farming		Properties & Head Office		Group	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
Revenue	1,830,339,113	174,763,258	85,347,809	2,593,323	4,637,721	40,893	1,920,324,643	177,397,474
Segment profit (loss)								
Profit before depreciation and net financing costs	518,476,113	36,689,235	98,728,448	2,388,106	(9,567,819)	(6,876,909)	607,636,741	32,200,432
Depreciation expense	(3,408,832)	(447,376)	(1,500,416)	(217,805)	(2,993,967)	(274,667)	(7,903,215)	(939,848)
Impairment charge	(4,335,409)	-					(4,335,409)	-
Net financing (cost) income	(194,110,372)	(42,094,786)	(7,506)	(124,858)	286,001	286,000	(193,831,877)	(41,933,644)
Profit (loss) before taxation	**316,621,499**	**(5,852,927)**	**97,220,526**	**2,045,443**	**(12,275,785)**	**(6,865,576)**	**401,566,240**	**(10,673,060)**
Income tax expense							(126,046,954)	(1,496,980)
Profit (loss) attributable to equity holders of parent				-			**275,519,286**	**(12,170,040)**
Other information								
Segment assets	1,842,862,616	199,206,118	211,714,666	14,224,974	734,212,408	94,963,538	2,788,789,690	308,394,630
Segment liabilities	1,060,592,531	132,819,576	54,171,074	3,670,849	136,384,095	26,204,693	1,251,147,700	162,695,118
Capital expenditure	25,459,151	1,915,702	8,476,494	-	198,611	47,701	34,134,256	1,963,403
Number of permanent employees	608	436	215	121	31	27	854	584

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

28. 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 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.

	INFLATION ADJUSTED		HISTORICAL	
	2020 ZWL	2019 ZWL	2020 ZWL	2019 ZWL
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	21,667,549	294,525,940	124,568,737	38,782,500
Financial instruments held by the Group measured at fair value (level 2)				
Investments	139,743,000	139,742,714	139,743,000	18,401,000
Property related receivables	13,385,463	103,980,996	14,883,635	13,691,979
Net interest income on mortgage debtors debited to the statement of profit or loss and other comprehensive income	-	9,390,838	-	504,391

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

The Group undertook a Directors' valuation as at statement of financial position date.

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 (restated using the average CPIs since dollarisation to SOFP date) on the occupied area (adjusted by normal planning loss and anticipated recovery factors), and US$3/m2 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.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

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:

	Level 1 ZWL		Level 2 ZWL		Level 3 ZWL		Total carrying amount ZWL	Total carrying amount ZWL
INFLATION ADJUSTED	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Inventory – land in development	-	-	125,566,126	217,074,528	-	-	125,566,126	217,074,528
HISTORICAL								
Inventory – land in development	-	-	16,534,258	16,482,829	-	-	16,534,258	16,482,829

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.

	INFLATION ADJUSTED		HISTORICAL	
	2020 ZWL	**2019 ZWL**	**2020 ZWL**	**2019 ZWL**
Effect on loss before tax				
Increase of 5%	(16,471,957)	(32,181,763)	(16,471,957)	(4,237,621)
Decrease of 5%	16,471,957	32,181,763	16,471,957	4,237,621

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 South Africa mainly and other countries, exposing the Group to movements in foreign currency exchange rates. The Group also has transactional currency exposures through US$ loan drawdowns and direct purchases in US$. 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 Zimbabwe 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. Most of the Group's transactions are on a cash basis, thus mitigating this risk.

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	
	2020	2019	2020	2019	2020	2019	2020	2019
INFLATION-ADJUSTED	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Liabilities								
Accounts payable	567,976,435	43,822,275	-	-	4,436,207	4,554,579	572,412,642	367,388,342
Borrowings	293,564,951	42,276,190	-	-	-	42,276,190	293,564,951	642,116,139
Bank overdraft	35,874,196	200,034	-	-	-	-	35,874,196	1,519,118
TOTAL	**897,415,582**	**86,298,499**	-	-	**4,436,207**	**46,830,769**	**901,851,789**	**1,011,023,600**
Assets								
Trade and other receivables	189,644,635	29,326,236	-	-	-	-	189,644,635	222,712,234
Bank balances and cash	25,572,657	4,805,730	-	-	-	-	25,572,657	36,496,155
TOTAL	**215,217,292**	**34,131,966**	-	-	-	-	**215,217,292**	**259,208,389**
Liquidity gap on financial instruments only	682,198,290	52,166,533	-	-	4,436,207	46,830,769	686,634,497	-
Less: inventory and biological assets	(1,594,898,595)	(207,482,143)	-	-	-	-	(1,594,898,595)	-
Net (surplus) unfunded gap	(912,700,305)	(155,315,610)	-	-	4,436,207	46,830,769	(908,264,098)	-
HISTORICAL								
Liabilities								
Accounts payable	567,976,435	43,822,279	-	-	4,436,207	4,554,579	572,412,642	48,376,858
Borrowings	293,564,951	42,276,190	-	-	-	42,276,190	293,564,951	84,552,380
Bank overdraft	35,874,196	200,034	-	-	-	-	35,874,196	200,034
TOTAL	**897,415,582**	**86,298,503**	-	-	**4,436,207**	**46,830,769**	**901,851,789**	**133,129,272**
Assets								
Trade and other receivables	189,644,635	29,320,573	-	-	-	-	189,644,635	29,320,573
Bank balances and cash	25,572,657	4,805,730	-	-	-	-	25,572,657	4,805,730
TOTAL	**215,217,292**	**34,126,303**	-	-	-	-	**215,217,292**	**34,126,303**
Liquidity gap on financial instruments only	682,198,290	52,172,200	-	-	4,436,207	46,830,769	686,634,497	99,002,969
Less: inventory and biological assets	(992,711,747)	(98,391,801)	-	-	-	-	(992,711,747)	(98,391,801)
Net (surplus) unfunded gap	**(310,513,457)**	**(46,219,601)**	-	-	**4,436,207**	**46,830,769**	**(306,077,250)**	**611,168**

29. 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 Zimbabwe Dollar (ZWL) exchange rates against the following currencies, with all other variables held constant.

		2020		2019	
	Change in Rate ZWL	Effect on equity ZWL	Effect on profit ZWL	Effect on equity ZWL	Effect on profit ZWL
United States dollars	10%	(1,123,554)	(1,123,554)	-	-
	-10%	1,123,554	1,123,554	-	-
South African Rands	10%	1,306,910	1,306,910	-	-
	-10%	(1,306,910)	(1,306,910)	-	-

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.

29. FOREIGN CURRENCY SENSITIVITY ANALYSIS (Continued)

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 cattle, horticultural crops and cereal crops (maize and soyas).

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.

30. 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 2019.

	2020			2019		
	Carrying amount	Carrying amount	Fair value	Carrying amount	Carrying amount	Fair value
	INFLATION ADJUSTED	HISTORICAL		INFLATION ADJUSTED	HISTORICAL	
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Financial assets						
Investments in listed shares	8,967,339	8,967,339	8,967,339	-	-	-
Trade and other receivables	189,644,635	189,644,635	189,644,635	222,712,234	29,320,573	29,326,236
Bank balances and cash	25,572,657	25,572,657	768,214	36,496,155	4,805,730	768,214
	224,184,631	**224,184,631**	**199,380,188**	**259,208,389**	**34,126,303**	**30,094,450**
Financial liabilities						
Interest-bearing overdrafts and borrowings	329,439,147	329,439,147	329,439,147	643,635,258	84,752,414	84,752,414
Trade and accounts payable	572,412,642	572,412,642	572,412,642	367,388,342	48,376,858	48,376,854
	901,851,789	**901,851,789**	**901,851,789**	**1,011,023,600**	**133,129,272**	**133,129,268**

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

31. 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 2020.

	GROUP		COMPANY	
	2020	2019	2020	2019
INFLATION-ADJUSTED	ZWL	ZWL	ZWL	ZWL
Total Liabilities	1,321,508,897	1,301,093,789	199,992,252	421,052,256
Total Equity	2,069,912,019	1,865,991,193	2,402,787,060	(205,102,176)
Financial leverage	64%	70%	8%	(205%)

32. GOING CONCERN

The directors have no reason to believe that the Group's operations will not continue as a going concern in the year ahead. Victoria Foods (Private) Limited and Amtec Manufacturing (Private) Limited were however placed under provisional judicial management on the 3rdof August 2016, with final judicial management being confirmed on the 12thof October 2016. With this measure came the consequent lossof control of the aforementioned subsidiaries. The subsidiaries aforementioned have been deconsolidated from the Group since 30 September2016, and remained so during the year under review. The local creditors were settled in full in the current year, leaving a residual balance on the foreign amounts due and payable ofapproximately US$2.5 million. Subsequent to year-end, the Group raised the funding required to expunge the foreign debt and now awaits remittance of the funds raised and completion of legal proceedings required to exit the two entities from judicial management, hopefully before the end of the first half of the FY2021 financial year.

Directors are confident that the entities remaining under the Group's control are able to continue as going concerns. The entities in which the Group lost control however still require recapitalisation for their going concern to be assured. Once the entities exit judicial management, the Group plans to further recapitalisethe entities and capacitate them for operational and financial sustainability going forward.

The Board believes that the businesses under the Group's control are sustainable and the plans explained above together with complimentary business restructure initiatives being implemented are adequate to mitigate the going concern challenges on hand for entities outside the Group's control.

33. EVENTS AFTER REPORTING DATE

There has been no significant events after the reporting date.

34. IMPACT OF COVID-19 PANDEMIC

The current Corona virus (COVID-19) pandemic has weighed down on business performance since April 2020. The downturn primarily stems from the local economy's significant imports dependance for supplies of most raw materials and consumables, combined with reduced human traffic circulation. Until an effective vaccine has been availed to the population, the pandemic is projected to continue weighing down on the company's business outlook as a result of falling aggregate demand for some of its products. The full impact is however largely uncertain. The Board and management will closely monitor the situation and profer appropriate measures in response. In particular, the Group will keep prioritizing the safety of its employees, consumers and products in the face of the ongoing pandemic.

35. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorised for issue on 1 March 2021.

NOTICE OF ANNUAL GENERAL MEETING (AGM)

NOTICE is hereby given that the twenty fifth (25th) 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 Wednesday 31 March 2021 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 2020, 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. Mr A. Denenga and Mr A.Hamilton (with R.L. Hamilton as alternate) retire from the Board by rotation as per Article 68 and 69, and being eligible, they offer themselves for re-election. (Each Director will be appointed through a separate resolution).
3. To confirm directors' fees for the year ended 30 September 2020.
4. To approve the remuneration of the auditors for the year ended 30 September 2020 and to appoint auditors for the ensuing year. Baker Tilly Zimbabwe has audited three (3) financial periods for the Group to date.

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 (Group Chairman), Messrs S. N. Chibanguza (Acting Group Chief Executive Officer), S. D. Zinyemba (Deputy Chairman), A. Denenga, A. S. Hamilton (Alternate: R. L. Hamilton) and Ms. P. Muzani.

Notes

1. In terms of the Companies& Other Business Entities Act (Chapter 24.31) 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
8 March 2021

ATTENDANCE AT ANNUAL GENERAL MEETING BY WEBINAR

In the interest of health and safety considerations given Corona Virus (COVID 19), shareholders who prefer to attend the meeting by webinar are welcome to do so and can be availed the electronic link from the Company Secretary on pangayi@cfi.co.zw and / or clivech@farmandcity.co.zw no later than 29 March 2021, 10:00 am.

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 Wednesday, 31 March 2021 and at any adjournment thereof.

Signed this.. day of March 2021
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 11:00am, Monday 29 March 2021.
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	2020 % of Holders	2020 Shares Held	2020 % of Total	2019 Number	2019 Shares Held	2019 % of Total
COMPANY (LOCAL)	1,302	64,303,658	60.20	1,306	64,331,228	60.22
ESTATE LATE/DECEASED ESTATE	46	84,824	0.08	47	85,024	0.08
EXTERNAL/FOREIGN COMPANIES	15	21,933,247	20.53	14	21,922,641	20.52
FUND MANAGERS	13	20,318	0.02	14	20,518	0.02
GOVERNMENT	3	8,859	0.01	3	8,859	0.01
INSURANCE COMPANIES	16	103,266	0.10	16	103,266	0.10
INVESTMENTS,TRUSTS & PROPERTY	40	112,483	0.11	41	115,323	0.11
LOCAL RESIDENTS	3,855	6,183,023	5.79	3,858	6,210,573	5.81
NOMINEES LOCAL	59	5,159,008	4.83	56	5,124,001	4.80
NON RESIDENTS	5	7,618,560	7.13	4	7,608,513	7.12
NON RESIDENT INDIVIDUAL	42	1,153,885	1.08	41	1,151,351	1.08
OTHER CORPORATE HOLDINGS	8	8,448	0.01	8	8,448	0.01
PENSION FUND	15	131,296	0.12	15	131,130	0.12
TOTALS	**5,419**	**106,820,875**	**100.00**	**5,423**	**106,820,875**	**100.00**

TOP TEN SHAREHOLDERS

	2020 Number	2020 % of Total	2019 Number	2019 % of Total
STALAP INVESTMENTS PVT LTD	41,566,933	38.91	41,566,933	38.91
MESSINA INVESTMENTS LIMITED	19,820,814	18.56	19,820,814	18.56
E.F.E. SECURITIES NOMINEES (PVT) LTD-NNR	12,348,368	11.56	12,348,368	11.56
WILLOUGHBY'S CONSOLIDATED PLC.	10,854,359	10.16	10,854,359	10.16
HAMILITON AND HAMILTON TRUSTEES	2,793,263	2.61	2,793,263	2.61
DUNNET INVESTMENTS (PRIVATE) LIMITED	2,000,517	1.87	2,000,517	1.87
MR. R. L. HAMILTON	1,867,841	1.75	1,867,841	1.75
CATESBURY TRADING (PVT) LTD	1,450,113	1.36	1,450,113	1.36
ENITA MATASVA	1,420,734	1.33	1,420,734	1.33
DATVEST NOMINEES (PVT) LTD	1,157,238	1.08	1,157,238	1.08
TOP TEN MAJOR SHAREHOLDERS	**95,280,180**	**89.20**	**95,280,180**	**89.20**
REMAINING SHAREHOLDERS	**11,540,695**	**10.80**	**11,540,695**	**10.80**
TOTAL SHAREHOLDERS	**106,820,875**	**100.00**	**106,820,875**	**100.00**

SPREAD IN SHAREHOLDING

Range	2020 Holders	2020 % of Holders	2020 Shares	2020 % of Shares	2019 Holders	2019 % of Holders	2019 Shares	2019 % of Shares
0 - 100	1,142	21.07	56,769	0.05	1,142	21	56,769	0.05
101 - 200	672	12.40	107,237	0.10	673	12	107,343	0.10
201 - 500	1,128	20.82	390,780	0.37	1,129	21	391,025	0.37
501 - 1,000	778	14.36	585,489	0.55	779	14	586,138	0.55
1,001 - 5,000	1,219	22.49	3,232,977	3.03	1,221	23	3,239,592	3.03
5,001 - 10,000	347	6.40	2,340,332	2.19	346	6	2,332,717	2.18
10,001 - 50,000	104	1.92	1,670,391	1.56	104	2	1,670,391	1.56
50,001 - 500,000	11	0.20	1,985,280	1.86	11	0	1,985,280	1.86
500,001 - 1,000,000	3	0.06	1,918,863	1.80	3	0	1,918,863	1.80
1,000,001 - 10,000,000	13	0.24	40,047,414	37.49	13	0	40,047,414	37.49
10,000,001 -	2	0.04	54,485,343	51.01	2	0	54,485,343	51.01
Total	5,419	100.00	106,820,875	100.00	5,423	100	106,820,875	100.00

SHAREHOLDERS' CALENDAR

	2020	2019
Twenty fifth Annual General Meeting	March 2021	March 2020
Financial Year end	30 Sept 2020	30 Sept 2019
Interim Reports		
3 months to 31 December	February 2021	February 2020
6 months to 31 March	May 2021	May 2020
9 months to 30 June	August 2021	August 2020
12 months to 30 September	December 2021	December 2020
Annual Report Published	March 2021	February 2020

CFI HOLDINGS LIMITED

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