INNSCOR AFRICA LIMITED

Audited Abridged Group Financial Results

FOR THE YEAR ENDED 30 JUNE 2021

INNSCOR Africa Limited

Our passion for **value creation**

Short-Form Financial Announcement

Issued in terms of Practice Note 13 of the Zimbabwe Stock Exchange

This short-form financial announcement is the responsibility of the Directors and is only a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement.

A copy of the full announcement has been shared with shareholders using the latest email addresses supplied by the shareholder, and is available upon request, and for inspection at the Company's registered office or via email to **corpserve@escrowgroup.org**. The full announcement is also available on the Zimbabwe Stock Exchange website: **www.zse.co.zw** and the Company website **www.innscorafrica.com**.

FINANCIAL HIGHLIGHTS

	INFLATION-ADJUSTED		HISTORICAL	
	Year Ended 30 June 2021 Audited ZW$'000	**% Change 2021 vs 2020**	**Year Ended 30 June 2021 Supplementary ZW$'000**	**% Change 2021 vs 2020**
Revenue	66 909 149	35%	56 485 603	406%
Operating profit	8 588 209	15%	11 379 841	234%
Profit for the year	4 397 165	(41%)	10 490 493	138%
Total assets	48 653 423	21%	33 853 591	160%
Total equity	29 207 876	9%	16 416 987	124%
Total liabilities	19 445 547	43%	17 436 604	206%
Basic earnings per share (ZW$ cents)	486.63	(44%)	1 263.36	131%
Headline earnings per share (ZW$ cents)	482.39	(44%)	1 257.42	130%
Dividend per share				
Final dividend (ZW$ cents)	180	39%	180	80%
Interim dividend per share (ZW$ cents)	117	172%	110	701%
Total dividend per share (ZW$ cents)	**297**	**72%**	**290**	**155%**

DIVIDEND ANNOUNCEMENT (stated under the historical cost convention)

Ordinary shares

The Board declared a final dividend of ZW$180 cents per share (2020: ZW$100 cents per share) in respect of all ordinary shares of the Company bringing the total dividend for the year to ZW$290 cents per share (2020: ZW$113.73 cents per share). This dividend is in respect of the financial year ended 30th June 2021 and will be payable to all the shareholders of the Company registered at the close of business on the 15th of October 2021.

The payment of this final dividend will take place on or around the 10th of November 2021. The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange up to the market day of the 12th of October 2021 and ex-dividend from the 13th of October 2021.

Non-voting class "A" ordinary shares

The Board declared a final dividend of ZW$51 000 000 (2020: ZW$28 200 000) to Innscor Africa Employee Share Trust (Private) Limited. This brings the total dividend in respect of the 2021 financial year to ZW$82 000 000 (2020: ZW$32 077 734).

AUDITOR'S STATEMENT

This short-form financial announcement should be read in conjunction with the complete set of the Group annual inflation-adjusted financial statements for the year ended 30 June 2021. The Group annual inflation-adjusted financial statements have been audited by Deloitte & Touche Chartered Accountants (Zimbabwe) who have issued a modified opinion as a result of the impact of the carry over effects from the 2019 and 2020 audit reports. The auditor's report on the Group annual inflation-adjusted financial statements, from which this short-form financial announcement is extracted, is available for inspection at the Company's registered office. The Engagement Partner responsible for the audit was Mr Brian Mabiza, PAAB Practice Certificate Number 0447.

A B C Chinake
Independent, Non-Executive Chairman
27 September 2021

DIRECTORS: *ABC Chinake (Chairman), JP Schonken (Chief Executive Officer), *MJ Fowler, G Gwainda, *Z Koudounaris, *DK Shinya, *TN Sibanda (*Non-Executive)

INNSCOR AFRICA LIMITED

Audited Abridged Group Financial Results

FOR THE YEAR ENDED 30 JUNE 2021

Our passion for **value creation**

Salient Features

	INFLATION-ADJUSTED		HISTORICAL	
		30 June 2021 audited ZW$'000		30 June 2021 unaudited ZW$'000
Revenue	35%	66 909 149	406%	56 485 603
Operating profit	15%	8 588 209	234%	11 379 841
Profit for the year	(41%)	4 397 165	138%	10 490 493
Basic earnings per share (cents)	(44%)	486.63	131%	1 263.36
Headline earnings per share (cents)	(44%)	482.39	130%	1 257.42
Cash generated from operating activities	807%	8 638 754	518%	5 865 822
Cash dividend declared per share (cents)	72%	297.18	155%	290.00

DIRECTORS' RESPONSIBILITY

The Holding Company's Directors are responsible for the preparation and fair presentation of the Group's consolidated financial statements, of which this press release represents an extract. These abridged Group financial statements are presented in accordance with the disclosure requirements of the Zimbabwe Stock Exchange ("ZSE") Listing Requirements for provisional annual financial statements (Preliminary Reports), 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. There is no impact arising from revised IFRS, which became effective for the reporting period commencing on or after the 1st of January 2020 on the Group's abridged financial statements.

CAUTIONARY STATEMENT- RELIANCE ON ALL FINANCIAL STATEMENTS PREPARED IN ZIMBABWE FROM 2019-2021

The Directors would like to advise users to exercise caution in their use of these Group abridged financial statements due to the material and pervasive impact of the technicalities brought about by the change in functional currency in February 2019 and its consequent effect on the usefulness of financial statements from 2019 through to 2020, and which have resulted in carry-over effects into the 2021 financial year reporting period.

Whilst the Directors have always exercised reasonable due care, and applied judgements that they felt were appropriate in the preparation and presentation of the Group's annual financial statements, certain distortions may arise due to various specific economic factors that may affect the relevance and reliability of the information that is presented in economies that are experiencing hyperinflation, as well as technicalities regarding the change in functional and reporting currency.

2021 FINANCIAL YEAR MODIFIED AUDIT OPINION

As disclosed in the Group's 2019 and 2020 annual reports, the Directors have always ensured compliance with IFRS, however, during these two years, were unable to do so due to the conflict between IFRS and local statutory requirements. The carry-over effects from the 2019 and 2020 financial years noted above continue to affect the current financial year opening balances, resulting in a modified audit opinion being issued for this current year under review.

IAS 29 (FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES)

As previously reported, the Public Accountants and Auditors Board ("PAAB"), having assessed the impact of hyperinflation in the economy, advised that the conditions for adopting IAS 29, were satisfied with effect from 1 July 2019.

IAS 29 requires that inflation-adjusted financial statements become the entity's primary financial statements and the Group has complied with this requirement for these abridged annual financial statements.

The PAAB have provided guidance that the Consumer Price Index ("CPI") be applied in the preparation of hyperinflation financial statements in accordance with IAS 29. The CPI increased from 1,445.21 in June 2020 to 2,986.44 in June 2021, therefore representing a 106.6% increase during the financial year under review, and this compared to the Reserve Bank of Zimbabwe ("RBZ") auction rate of exchange which increased by 48.9% during the same period.

Due to these and other disparities currently prevailing in the economy, significant distortions can occur in the preparation of inflation-adjusted financial statements in accordance with the requirements of IAS 29.

Of significance in the inflation-adjusted financial statements are fair value losses which arise mainly as a result of having to uplift the opening balances of listed equities and biological assets using the CPI and then having to immediately restate the same assets down to closing fair value through the profit and loss account despite no material change in the underlying value of the asset having occurred in the current financial year under review.

The Directors view these distortions as material and pervasive to these annual inflation-adjusted financial statements and advise users to exercise caution in their interpretation. Annual financial statements prepared under the historical cost convention are therefore also presented as supplementary information, and financial commentary has been confined to these particular financial statements.

EXTERNAL AUDITOR'S STATEMENT

These abridged Group annual inflation-adjusted financial statements should be read in conjunction with the complete set of the Group annual inflation-adjusted financial statements for the year ended 30 June 2021.

The financial statements have been audited by Messrs Deloitte & Touche Chartered Accountants (Zimbabwe) ("Deloitte"), who have issued a modified opinion as a result of the carry-over effects noted above from the 2019 and 2020 financial years, into the current financial year. The auditor's report on the Group's annual inflation-adjusted financial statements, from which these abridged Group annual financial statements are extracted, is available for inspection at the Company's registered office. The Engagement Partner responsible for the audit was Mr Brian Mabiza, PAAB Practice Certificate Number 0447.

SUSTAINABILITY REPORTING

As part of our commitment to ensuring the sustainability of our business and stakeholders, the Group is utilising ISO 26000 as guidance for Social Responsibility and continues to apply the Global Reporting Initiative ("GRI") protocol for overall sustainability. Over the years, the Group has aligned its sustainability reporting with Sustainable Development Goals ("SDGs"), demonstrating the Group's commitment and contribution to sustainable development within the environments in which it operates. The Group continues to strengthen its practices and values across its operations to ensure that long-term business success is achieved in a sustainable manner.

OPERATING ENVIRONMENT AND OVERVIEW

The year under review saw an encouraging improvement across the operating environment, supported by progressive monetary and fiscal policies such as the introduction of the foreign currency auction system and multi-currency platforms, providing convenience to the consumer. As a result, a sustained reduction in inflation was experienced as pricing models were able to be set with more certainty. Market sentiment was generally positive, with a distinct improvement in consumer confidence contributing to firm aggregate demand, despite the backdrop of the ongoing COVID-19 global pandemic.

The Group registered excellent volume recoveries across all business units, driven by firmer demand, and this allowed for a trading-oriented focus to be adopted within all operations.

An above-normal 2020/21 rainfall season also contributed to the general economic improvement, as the country emerged from an extended period of drought, giving rise to increased production and supply of key local raw materials such as maize and wheat.

The stable operating environment also gave rise to various corrections within the real cost base of our businesses. In addition to the persistently high cost of debt, pricing corrections to the fuel, power, maintenance and human capital cost lines impacted the overhead base whilst gross margin levels approached more normalised levels, as inflation-induced distortions dissipated; this was further impacted by the current global commodity price cycle and pandemic-induced supply chain disruptions, placing cost-push pressure onto a number of components within the bills of material.

Whilst the economic outlook is generally optimistic, ongoing economic stability will very much depend upon policy consistency, meaningful efforts to stabilise the local currency, and the removal of arbitrage opportunities. The operating environment remains complex and uncertain, with conflicting and unclear laws and regulations; these areas will need to continue to receive focus by our management teams.

FINANCIAL PERFORMANCE

As noted earlier in this report, commentary on the Group's annual financial results is confined to the financial statements prepared under the historical cost convention.

The Group posted revenue of ZW$56.486bn during the year under review, representing a 406% increase on the comparative year. Revenue growth was achieved on the back of volume growth across all businesses as the introduction of new products, increased capacity utilisation in existing and new categories, access to a growing informal market and a market-sensitive pricing strategy all aligned to provide a pleasing result.

As noted above, inflation-induced distortions dissipated during the course of the year, and gross profit percentages were therefore lower in the current year as measured against the comparative year under the historical cost convention; this resulted in overall gross profit growth of 293% being lower than revenue growth.

The Group's financial income continued to be dominated by exchange gains, whilst fair value adjustments on biological assets were impacted by the convergence of market and book values. Fair value adjustments on listed equities were lower by 85% against the comparative year, indicative of the extreme levels of inflation that occurred during the 2020 financial year; this contrasted against the much lower inflation levels experienced in the current year. This has the effect of constraining historical cost earnings per share growth.

The net interest charge for the year of ZW$1.284bn was a significant increase over the comparative year and was affected by higher ZW$-denominated loan values at higher interest rates. The Group's equity-accounted earnings continued to contribute positively to the overall Group result.

Consolidated profit before tax for the year under review at ZW$12.942bn was 143% ahead of the comparative year, whilst annual headline earnings per share for the year of 1,257.42 ZW$ cents showed similar growth.

The Group's Statement of Financial Position remained robust, with a strong asset base supported by fixed assets and inventory positions and minimal gearing at year-end. The Group's free cash generation was pleasing following strong operational cash flows during the latter part of the year, allowing for increased levels of expansion capital expenditure.

OPERATIONS REVIEW

MILL-BAKE

This reporting segment contains the Group's Bakery division, National Foods, and the Group's non-controlling interest in Profeeds.

Volumes within the **Bakery Division** improved by 36% against the comparative year. This was a pleasing result, and was enabled by a reliable and consistent supply of key raw materials, coupled with cost stability, and which allowed for pricing consistency. Although the volumes achieved still lagged historical norms, the division progressed well in rebuilding the volume base, and this will be supported in the coming period through further plant automations and upgrades across all manufacturing facilities, enabling capacity, quality and efficiency improvements.

At **National Foods**, volume performance on an overall basis closed 15% ahead of the comparative year, with strong growth realised within the flour, stockfeeds, groceries and snacks divisions.

The Flour Milling division recorded volume growth of 43% over the comparative year, supported by strong consumer demand, especially within the pre-pack category. A project to upgrade the Bulawayo site with a new state of the art flour mill is underway, and this line is expected to be commissioned during the latter part of the 2022 calendar year, enabling significant capacity and product quality improvements.

The Stockfeeds division delivered a 33% increase in volumes versus the comparative year, with the stronger local demand for protein products, and increased demand from small-scale poultry production, being key determinants of the overall performance. The business has commenced a 3-year phased upgrade to the Aspindale plant in Harare, which will result in a significant modernisation of the existing plant installed in the early 1990s.

Volumes within the Grocery division increased 74% against the comparative year; this substantial growth was achieved largely in the rice and salt categories enhanced by competitive pricing.

The Snacks and Treats division continued to deliver strong volume growth showing a 57% increase against the comparative year. The division continues to innovate and deepen its product offering. Investment into additional manufacturing equipment, which will enhance both capacity and capability, will continue into the new financial year.

The restructured Cereals division, comprising the "Pearlenta Nutri-Active" instant porridge range, continued to gain traction, supported by "Better Buy Soya Delights", a soya-based meat substitute, which has also shown favourable uptake within the market. Additional investment has been approved into the expansion of breakfast cereals and extruded product offerings and is set to avail an exciting and affordable range of nutritious cereals to the market from the middle of 2022.

Notwithstanding the good volume growth across the various divisions within National Foods, the year under review was exceptionally challenging for the Maize Milling division. Volumes decreased 32% against the comparative year, with the decline largely attributable to intense competition from imported maize meal.

At **Profeeds**, volume performance continued to strengthen throughout the year, with stockfeed volumes closing 31% ahead of the comparative year and day-old-chick sales volumes increasing 47% over the same period; with both categories being bolstered by improved protein demand and recovery across the poultry value chain.

The business finalised an investment into a fertiliser blending plant in October 2020, operating under the "Nutrimaster" brand. Initial volume performance within this new category has been pleasing and is expected to improve ahead of the upcoming summer cropping season. The Profeeds retail network under the "Profarmer" brand continued to expand its footprint and broadened its range of agricultural and adjacent product offerings during the year.

As previously reported, the Competition and Tariff Commission directed that the Group's non-controlling investment in Profeeds be disallowed and that the Group divest from the business. The matter is pending judgement on appeal.

PROTEIN

This reporting segment comprises the results of Colcom, Irvine's and Associated Meat Packers ("AMP"), which comprises the "Texas Meats", "Texas Chicken" and "Texas Dairy" branded store network.

The **Colcom Division**, comprising Triple C Pigs and Colcom Foods, delivered a 34% growth in aggregate volumes against the comparative year, with processed product volumes increasing by 54% and fresh product volumes increasing by 15%.
A 10% growth in overall pigs slaughtered was achieved, while production efficiencies arising through improved genetics and diet enhancements resulted in average pig mass improving by 12% over the same period. Upstream investment into a new pig production unit is in development and, together with additional manufacturing capability, will contribute to continued volume growth in the new financial year.

Irvine's delivered pleasing growth across all three of its core categories, with table egg volumes closing at record levels, and being 8% ahead of the comparative year as additional production capacity was brought online. Frozen chicken volumes saw a 21% improvement versus the comparative year, while day-old-chick volumes increased 29% over the same period as demand across the small-scale poultry market continued to recover.

The business continues to execute its long-term capacity and efficiency enhancement strategy of investing in further automated table egg production, frozen chicken capacity expansion, and additional hatchery and breeding facilities.

At **AMP**, volume growth of 6% above the comparative year was relatively muted, and impacted by COVID-19 lockdown restrictions which significantly reduced trading hours. Notwithstanding volume performance, the business continued to perform extremely well from a profitability perspective, successfully adjusting to the fluid environment.

During the year, the business successfully opened the second of its flagship "Texas Meat Market" concept stores in Masvingo, as well as an additional four new protein-specific retail outlets operating under the popular "Texas" brand, as it continued to increase coverage across the nation.

OTHER LIGHT MANUFACTURING AND SERVICES

This reporting segment comprises Natpak, Prodairy, Probottlers and the Group's non-controlling interests in Probrands.

Natpak continued with its positive growth trajectory, delivering overall volumes which were 20% ahead of the comparative year.

The Rigids division recorded a 32% increase in volumes against the comparative year, on the back of firmer demand, increased capacity utilisation, and increased productivity across its core customer base. The investment and commissioning of a new plant was finalised in the latter part of the financial year under review, following several shipping delays, resulting from the effects of the COVID-19 global pandemic. The division is now well-positioned for a significant step-change in capacity, coupled with the ability to service a broader customer base as it enters the new financial year.

The Flexibles and Corrugated divisions delivered strong volume performances, 31% and 29% ahead of the comparative year, respectively. Efforts continue around plant augmentation and deepening the product offering to the market for these divisions.

The Sacks division recorded an 8% decline in volumes against the comparative year; this was largely due to depressed, countrywide, maize milling activity relative to the abnormal demand experienced during the comparative year under the maize subsidy programs. Notwithstanding the volume performance, the outlook for the division is positive, with investments planned to unlock wider product offerings and capacity enhancements.

At **Prodairy**, volumes improved significantly, and closed 48% ahead of the comparative year, notwithstanding the nationwide acute raw milk supply shortages experienced between January and March 2021 due to incessant rainfall. Volume performance was driven within the milk and dairy blend categories representing an 11% and 116% growth respectively versus the comparative year, while favourable volume performance was also realised in the butter and cream categories. The Group continued to play its role in increasing local raw milk production; investment in the Group's dairy herd at Mafuro Farming continued, with production from this operation expected to double during the course of the new financial year. Efforts continue to expand the finished product portfolio through further enhanced, and more convenient, packaging formats.

Probottlers delivered a 43% volume growth for the year, enabled by investments into new filling lines for both the Carbonated Soft Drink and Cordial plants which were commissioned in the first half of the financial year under review. Further investment into alternative packaging formats will continue into the new financial year.

Probrands increased overall volumes by 28% against the comparative year, with notable volume gains within the rice category. The business continues to command a strong market share across much of its product portfolio with a focus to unlock further product segments through new, additional product offerings.

IMPACT OF COVID-19 ON BUSINESS CONTINUITY AND STATEMENT OF SOLVENCY

All Group businesses continue to implement and observe WHO-approved COVID-19 guidelines throughout their operations to safeguard the health and welfare of staff, customers, suppliers and all stakeholders.

The Group fully supports Government's efforts in its vaccination programme, and through ongoing, extensive in-house educational initiatives, continues to encourage its employees to get vaccinated. The Group's human capital and wellness business, Providence Human Capital, has been authorised to administer on-site vaccinations to employees and it is pleasing to see increasing numbers of fully vaccinated staff members; this has resulted in significantly lower cases of the virus now being reported across our business units.

IMPACT OF COVID-19 ON BUSINESS CONTINUITY AND STATEMENT OF SOLVENCY (continued)

Unfortunately, the Group was not spared during the second and third COVID-19 waves experienced by the country during the year under review, and regrets to advise, that the following staff members sadly passed away during those periods:

- Mr Tafadzwa Karimupfumbi (Probottlers)
- Mr George Mukarati (Prodairy)
- Mr Canaan Dagba (Capri)
- Ms Shingirai Chitauro (Providence Health and Wellness)
- Ms Sarah Mwazira (Irvine's Zimbabwe)
- Mr Adam Kupara (National Foods Limited)

The Group pays tribute to these employees and extends its deepest condolences to the bereaved families; may their dear souls rest in eternal peace.

Given the ongoing uncertainty around the impact and conclusion of COVID-19, it is not possible to assess, with absolute certainty, the full impact the pandemic will have on the Group's ongoing financial performance and solvency. At present, the financial status of the Group remains healthy, and the impact of COVID-19 has not created any issues from a solvency or liquidity perspective.

PROSPECTS

The overall performance of the Group over the past year has been extremely positive, underpinned by capacity utilisation recovery, and augmented with the benefits of lower levels of inflation, giving us a positive, yet cautious, outlook for the new financial year.

The progressive policy changes initiated during the year under review are particularly encouraging. Further gains can only be made by the country, however, through policy consistency, the removal of the remaining distortionary and arbitrage effects, and through the implementation of clear and non-conflicting laws and regulations.

Our management teams continue to adapt and optimise trading models appropriately as the environment transitions to lower inflation levels. The critical focus remains on balancing volume objectives with appropriate return levels, careful overhead cost containment, and optimal cash flow generation while preserving balance sheet value. Progress continues to be made with our local financial institution partners to avail appropriately priced borrowings to be deployed across the Group, which in turn will allow for well-priced products for our customers.

The Group remains hopeful that the positive trajectory over the past year will be sustained, and to this end, our management teams are currently executing on our short-term investment pipeline of USD70 million. Investment initiatives covering ongoing business optimisation and expansion within existing business units are now in various stages of implementation and will continue to be phased in over the coming financial year. These exciting developments will result in significant increases in production capacity and efficiency improvements, as well as entry into new products and categories, with significant job opportunities being created.

FINAL DIVIDEND

The Board is pleased to declare a final dividend of 180 ZW$ cents per share payable in respect of all ordinary shares of the Company. This final dividend brings the total dividend for the year ended 30 June 2021, to 290 ZW$ cents, and will be payable to all the shareholders of the Company registered at the close of business on 15 October 2021.

The payment of this final dividend will take place on or around 10 November 2021. The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange up to the market day of 12 October 2021 and ex-dividend from 13 October 2021.

The Board has also declared a final dividend totalling ZW$51 million to Innscor Africa Employee Share Trust (Private) Limited; bringing the total dividend paid to the employee share trust to ZW$82 million for the year ending 30 June 2021. The Innscor Africa Employee Share Trust supports all qualifying beneficiaries with dividend flow and access to various loan schemes.

APPRECIATION

I wish to firstly record my thanks to our executive management team, and in particular our human capital and wellness team, and all our frontline medical staff led by Mrs Chipo Ndudzo, who have continued with the exceptional work of managing our response to the COVID-19 global pandemic, treating affected employees, and launching our numerous in-house education and vaccination initiatives. It is testament to the work ethic, dedication and passion of this combined team that we have been able to meet the challenge of the global pandemic head-on, whilst continuing to operate the businesses.

I wish to also record my appreciation to the Executive Directors, Management and Staff for their effort during the year under review. Finally, I thank very sincerely, the Non-Executive Directors for their ongoing wise counsel and the Group's customers, suppliers and other stakeholders for their continued support and loyalty.

A.B.C. CHINAKE
Independent, Non-Executive Chairman
27 September 2021

Audited Abridged Group Statement of Profit Or Loss and Other Comprehensive Income

	Note	INFLATION-ADJUSTED		HISTORICAL	
		Year ended 30 June 2021 audited	**Year ended 30 June 2020 audited: restated**	**Year ended 30 June 2021 supplementary**	**Year ended 30 June 2020 supplementary**
		ZW$'000	**ZW$'000**	**ZW$'000**	**ZW$'000**
REVENUE		**66 909 149**	**49 467 329**	**56 485 603**	**11 159 427**
Operating profit before depreciation, amortisation and fair value adjustments		**8 588 209**	**7 486 868**	**11 379 841**	**3 409 171**
financial income	9	777 589	801 706	645 211	397 287
depreciation on property, plant and equipment and right-of-use assets		(1 141 268)	(1 081 768)	(182 305)	(82 410)
Operating profit before interest, equity accounted earnings and fair value adjustments		**8 224 530**	**7 206 806**	**11 842 747**	**3 724 048**
fair value adjustments on livestock and listed equities		(1 768 238)	282 078	502 181	979 054
Profit before interest and tax		**6 456 292**	**7 488 884**	**12 344 928**	**4 703 102**
interest expense		(1 464 144)	(958 158)	(1 283 761)	(224 869)
equity accounted earnings		2 227 327	2 296 880	1 880 571	858 414
monetary (loss)/gain		(42 339)	466 261	—	—
Profit before tax		**7 177 136**	**9 293 867**	**12 941 738**	**5 336 647**
tax expense		(2 779 971)	(1 870 808)	(2 451 245)	(920 064)
Profit for the year		**4 397 165**	**7 423 059**	**10 490 493**	**4 416 583**
Other comprehensive income - to be recycled to profit or loss net of tax exchange differences arising on the translation of foreign operations attributable to:					
equity holders of the parent		1 004 562	1 955 681	1 004 562	1 955 681
non-controlling interest		11 749	133 069	11 749	133 069
Other comprehensive income for the year recycled to profit or loss, net of tax		**1 016 311**	**2 088 750**	**1 016 311**	**2 088 750**
Total comprehensive income for the year		**5 413 476**	**9 511 809**	**11 506 804**	**6 505 333**
Profit for the year attributable to:					
equity holders of the parent		2 751 840	4 850 969	7 144 165	3 064 586
non-controlling interests		1 645 325	2 572 090	3 346 328	1 351 997
		4 397 165	**7 423 059**	**10 490 493**	**4 416 583**
Total comprehensive income for the year attributable to:					
equity holders of the parent		3 756 402	6 806 650	8 148 727	5 020 267
non-controlling interests		1 657 074	2 705 159	3 358 077	1 485 066
		5 413 476	**9 511 809**	**11 506 804**	**6 505 333**
EARNINGS PER SHARE (CENTS)					
Basic earnings per share	17	**486.63**	**865.06**	**1 263.36**	**546.50**
Headline earnings per share	17	**482.39**	**866.28**	**1 257.42**	**546.34**
Diluted basic earnings per share	17	**481.61**	**852.36**	**1 250.32**	**538.47**
Diluted headline earnings per share	17	**477.42**	**853.56**	**1 244.45**	**538.32**

Audited Abridged Group Statement of Financial Position

	Note	INFLATION-ADJUSTED		HISTORICAL	
		30 June 2021 audited	**30 June 2020 audited: restated**	**30 June 2021 supplementary**	**30 June 2020 supplementary**
		ZW$'000	**ZW$'000**	**ZW$'000**	**ZW$'000**
ASSETS					
Non-current assets					
property, plant and equipment		12 678 621	9 917 436	4 412 453	943 670
right-of-use assets		716 024	489 096	300 764	43 274
intangible assets		1 938 131	1 925 334	51 233	41 370
investments in associates		8 103 649	5 456 548	4 459 909	2 120 352
other assets		1 347 539	2 515 597	1 268 162	1 180 363
deferred tax assets		—	—	92 320	—
biological assets		242 625	215 691	225 411	104 378
		25 026 589	**20 519 702**	**10 810 252**	**4 433 407**
Current assets					
biological assets		2 022 092	2 155 704	1 672 688	561 641
inventories	10	8 477 380	8 586 963	8 331 456	3 328 048
trade and other receivables	11	8 738 326	5 596 838	8 650 159	2 555 253
cash and cash equivalents		4 389 036	3 303 632	4 389 036	2 125 956
		23 626 834	**19 643 137**	**23 043 339**	**8 570 898**
assets of disposal group classified as held for sale	15	—	65 743	—	7 648
Total assets		**48 653 423**	**40 228 582**	**33 853 591**	**13 011 953**
EQUITY AND LIABILITIES					
Capital and reserves					
ordinary share capital		261 121	261 052	5 699	5 648
share premium		873 785	843 631	25 892	20 358
other reserves		1 924 223	1 475 761	2 683 984	2 056 538
distributable reserves		17 616 451	16 309 884	9 470 981	3 575 773
attributable to equity holders of the parent		**20 675 580**	**18 890 328**	**12 186 556**	**5 658 317**
non-controlling interests		8 532 296	7 784 246	4 230 431	1 664 099
Total shareholders' equity		**29 207 876**	**26 674 574**	**16 416 987**	**7 322 416**
Non-current liabilities					
deferred tax liabilities		2 155 269	2 576 403	146 326	215 964
lease liability	12	248 208	101 338	248 208	49 040
interest-bearing borrowings	14	585 579	90 188	585 579	43 644
		2 989 056	**2 767 929**	**980 113**	**308 648**
Current liabilities					
lease liability	12	88 760	33 091	88 760	16 014
interest-bearing borrowings	14	5 973 779	2 509 663	5 973 779	1 214 485
trade and other payables	13	8 946 349	6 849 320	8 946 349	3 477 471
provisions and other liabilities		220 309	133 305	220 309	64 510
current tax liabilities		1 227 294	1 260 700	1 227 294	608 409
		16 456 491	**10 786 079**	**16 456 491**	**5 380 889**
Total liabilities		**19 445 547**	**13 554 008**	**17 436 604**	**5 689 537**
Total equity and liabilities		**48 653 423**	**40 228 582**	**33 853 591**	**13 011 953**

Audited Abridged Group Statement of Cash Flows

	INFLATION-ADJUSTED		HISTORICAL	
	Year ended 30 June 2021 audited	**Year ended 30 June 2020 audited: restated**	**Year ended 30 June 2021 supplementary**	**Year ended 30 June 2020 supplementary**
	ZW$'000	**ZW$'000**	**ZW$'000**	**ZW$'000**
Cash generated from operating activities	**8 638 754**	**951 943**	**5 865 822**	**949 422**
interest expense	(1 464 144)	(958 158)	(1 283 761)	(224 869)
tax paid	(2 596 446)	(1 218 730)	(2 034 902)	(261 329)
Total cash available from/(utilised by) operations	**4 578 164**	**(1 224 945)**	**2 547 159**	**463 224**
Investing activities	**(3 828 677)**	**(1 500 589)**	**(3 642 598)**	**(291 447)**
Net cash flows before financing activities	**749 487**	**(2 725 534)**	**(1 095 439)**	**171 777**
Financing activities	**3 638 660**	**2 515 181**	**2 652 845**	**813 931**
Net increase/(decrease) in cash and cash equivalents	**4 388 147**	**(210 353)**	**1 557 406**	**985 708**
Effects of currency translation on cash and cash equivalents - foreign operations	**(3 302 743)**	**1 113 019**	**705 674**	**994 142**
Net increase in cash and cash equivalents	**1 085 404**	**902 666**	**2 263 080**	**1 979 850**
Cash and cash equivalents at the beginning of the year	**3 303 632**	**2 400 966**	**2 125 956**	**146 106**
Cash and cash equivalents at the end of the year	**4 389 036**	**3 303 632**	**4 389 036**	**2 125 956**

Audited Abridged Group Financial Results

FOR THE YEAR ENDED 30 JUNE 2021

Audited Abridged Group Statement of Changes in Equity

		attributable to equity holders of the parent											
				Other Reserves									
	Note	Ordinary Share Capital ZW$'000	Share Premium Reserve ZW$'000	Restructure Reserve ZW$'000	Foreign Currency Translation Reserve ZW$'000	Change in Functional Currency Reserve ZW$'000	Treasury Shares Reserve ZW$'000	Share Based Payment Reserve ZW$'000	Total Other Reserves ZW$'000	Distributable Reserves ZW$'000	Total Attributable to Equity Holders of the Parent ZW$'000	Non-Controlling Interests ZW$'000	Total Shareholders' Equity ZW$'000
INFLATION-ADJUSTED (AUDITED: RESTATED)													
Balances at 30 June 2019		**260 779**	**829 846**	**(611 947)**	**111 601**	**—**	**(32 044)**	**84 076**	**(448 314)**	**11 991 381**	**12 633 692**	**5 434 028**	**18 067 720**
Issue of shares		273	13 785	—	—	—	—	(40 468)	(40 468)	—	(26 410)	—	(26 410)
Profit for the year		—	—	—	—	—	—	—	—	4 850 969	4 850 969	2 572 090	7 423 059
Other comprehensive income		—	—	—	1 955 681	—	—	—	1 955 681	—	1 955 681	133 069	2 088 750
Dividends paid		—	—	—	—	—	—	—	—	(532 466)	(532 466)	(354 742)	(887 208)
Transactions with owners in their capacity as owners	6	—	—	—	—	—	—	—	—	—	—	(199)	(199)
Share-based payment charge		—	—	—	—	—	—	8 862	8 862	—	8 862	—	8 862
Balances at 30 June 2020		**261 052**	**843 631**	**(611 947)**	**2 067 282**	**—**	**(32 044)**	**52 470**	**1 475 761**	**16 309 884**	**18 890 328**	**7 784 246**	**26 674 574**
Issue of shares		69	30 154	—	—	—	—	(25 151)	(25 151)	—	5 072	—	5 072
Profit for the year		—	—	—	—	—	—	—	—	2 751 840	2 751 840	1 645 325	4 397 165
Other comprehensive income		—	—	—	1 004 562	—	—	—	1 004 562	—	1 004 562	11 749	1 016 311
Dividends paid		—	—	—	—	—	—	—	—	(1 445 273)	(1 445 273)	(927 871)	(2 373 144)
Transactions with owners in their capacity as owners		—	—	(403 550)	—	—	(128 853)	—	(532 403)	—	(532 403)	18 847	(513 556)
Share-based payment charge		—	—	—	—	—	—	1 454	1 454	—	1 454	—	1 454
Balances at 30 June 2021		**261 121**	**873 785**	**(1 015 497)**	**3 071 844**	**—**	**(160 897)**	**28 773**	**1 924 223**	**17 616 451**	**20 675 580**	**8 532 296**	**29 207 876**
HISTORICAL													
Balances at 30 June 2019		**5 597**	**17 812**	**(13 135)**	**111 601**	**274 695**	**(688)**	**2 263**	**374 736**	**364 770**	**762 915**	**276 161**	**1 039 076**
Issue of shares		51	2 546	—	—	—	—	(1 084)	(1 084)	—	1 513	—	1 513
Profit for the year		—	—	—	—	—	—	—	—	3 064 586	3 064 586	1 351 997	4 416 583
Other comprehensive income		—	—	—	1 955 681	—	—	—	1 955 681	—	1 955 681	133 069	2 088 750
Dividends paid		—	—	—	—	—	—	—	—	(127 272)	(127 272)	(97 032)	(224 304)
Change in functional currency reserve realised		—	—	—	—	(274 695)	—	—	(274 695)	273 689	(1 006)	—	(1 006)
Transactions with owners in their capacity as owners	6	—	—	—	—	—	—	—	—	—	—	(96)	(96)
Share-based payment charge		—	—	—	—	—	—	1 900	1 900	—	1 900	—	1 900
Balances at 30 June 2020		**5 648**	**20 358**	**(13 135)**	**2 067 282**	**—**	**(688)**	**3 079**	**2 056 538**	**3 575 773**	**5 658 317**	**1 664 099**	**7 322 416**
Issue of shares		51	5 534	—	—	—	—	(1 892)	(1 892)	—	3 693	—	3 693
Profit for the year		—	—	—	—	—	—	—	—	7 144 165	7 144 165	3 346 328	10 490 493
Other comprehensive income		—	—	—	1 004 562	—	—	—	1 004 562	—	1 004 562	11 749	1 016 311
Dividends paid		—	—	—	—	—	—	—	—	(1 248 957)	(1 248 957)	(809 249)	(2 058 206)
Transactions with owners in their capacity as owners		—	—	(264 676)	—	—	(111 730)	—	(376 406)	—	(376 406)	17 504	(358 902)
Share-based payment charge		—	—	—	—	—	—	1 182	1 182	—	1 182	—	1 182
Balances at 30 June 2021		**5 699**	**25 892**	**(277 811)**	**3 071 844**	**—**	**(112 418)**	**2 369**	**2 683 984**	**9 470 981**	**12 186 556**	**4 230 431**	**16 416 987**

Supplementary Information

1 **Corporate Information**

The Company is incorporated and domiciled in Zimbabwe.

2 **Basis of Preparation**

The Group's abridged annual inflation-adjusted financial statements for the year ended 30 June 2021 have been prepared in accordance with the requirements of the Zimbabwe Stock Exchange Listing Requirements and in a manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24.31). The Listing Requirements require financial statements to be prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Group's inflation-adjusted financial statements have been prepared based on the statutory records that are maintained under the historical cost basis, except for equity investments and some biological assets that have been measured at fair value. For the purposes of fair presentation in accordance with International Accounting Standard ("IAS") 29 (Financial Reporting in Hyperinflationary Economies), the historic cost financial information has been restated for changes in the general purchasing power of the functional currency of the Group. The financial statements are presented in Zimbabwe Dollars ("ZW$"); all values are rounded to the nearest dollar, except where otherwise indicated.

The principal accounting policies applied in the preparation of the Group consolidated inflation-adjusted financial statements are in terms of IFRS and applicable amendments to IFRS and the accounting policies have been applied consistently in all material respects with those of the previous consolidated annual inflation-adjusted financial statements.

3 **IAS 21 (The Effects of Changes in Foreign Exchange Rates)**

As noted in the Group's 2019 financial statements, the Government of Zimbabwe promulgated Statutory Instrument ("SI") 33 on 22 February 2019, giving legal effect to the reintroduction of the Zimbabwe Dollar as legal tender and prescribed that for accounting and other purposes, certain assets and liabilities on the effective date would be deemed to be Zimbabwe Dollars at the rate which was at par with the United States Dollar ("US$"). Guidance issued by the Public Accountants and Auditors Board (PAAB) noted that the requirements of SI 33 were contrary to the provisions of IAS 21. The Directors have always ensured compliance with IFRS but were unable to do so in respect of the comparative financial information due to the conflict between IAS 21 and local statutory requirements.

Due to the material and pervasive impact of the technicalities discussed in the previous paragraph and the carry-over effects of these misstatements on the current year's comparative consolidated inflation-adjusted financial statements, the Directors would like to advise users to exercise caution in their use of these abridged inflation-adjusted financial statements.

In 2020, the Government also promulgated SI185/20 which permitted the use of foreign currencies for domestic transactions and in the same year a foreign currency trading system ("Foreign Exchange Auction System") was introduced through the Reserve Bank of Zimbabwe. The Group relies on both foreign currency obtained through the Foreign Exchange Auction System and through the sale of products on the domestic market in line with SI185/20 for its operations; as such the Directors have used an estimation process which is in line with IAS 21, to ascertain the spot rates used to determine the ZW$ price of goods sold in US$ on transaction date and the spot rate used to convert the foreign monetary assets and liabilities which were in existence at 30 June 2021. Foreign monetary assets and liabilities in existence at 30 June 2021 have been translated to ZW$ at the appropriate closing rates of exchange, with exchange differences having been adjusted through the Group's Statement of Profit or Loss in line with IAS 21.

4 **IAS 29 (Financial Reporting in Hyperinflationary Economies)**

In October 2019, the PAAB issued a pronouncement prescribing that the application of financial reporting in hyperinflationary economies had become effective in Zimbabwe, for reporting years on or after 1 July 2019. 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. The Group adopted the Zimbabwe Consumer Price Index ("CPI") as the general price index to restate transactions and balances. Monetary assets and liabilities and non-monetary assets and liabilities carried at fair value have not been restated as they are presented at the measuring unit current at the end of the reporting year. Items recognised in the income statement have been restated by applying the change in the general price index from dates when the transactions were initially recorded in the Group's financial records (transaction date). A net monetary adjustment was recognised in the statement of profit or loss for the year ended 30 June 2021 and the comparative year. 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 year. All items in the statement of cash flows are expressed based on the restated financial information for the year.

The CPI's and conversion factors used by the Group to adjust the historical cost figures for the year under review for inflation are as follows:

MONTH	CPI	Conversion Factor
Jun-21	2 986.44	1.00
Jun-20	1 445.21	2.07
Jun-19	172.60	14.30

The Group had previously stated comparative inflation-adjusted figures with effect from 1 July 2018, this assumed the economy was subject to IAS 29 with effect from that date, however, the PAAB then issued guidance stating that IAS 29 was to be applied from 1 October 2018. In line with this guidance, the Group's comparative financial information has been restated by applying IAS 29 with effect from 1 October 2018 and the impact of this change on the Group's inflation-adjusted numbers reduces total assets, total liabilities and total equity as shown below:

	INFLATION-ADJUSTED 30 June 2020 ZW$'000
Total assets	439 836
Total liabilities	89 964
Total equity	349 872

5 **Legacy Debts**

As reported in the comparative year financial statements, the Group has foreign legacy debts amounting to US$3 783 811 (2020: US$5 133 811), being foreign liabilities that were due and payable on 22 February 2019 when the authorities promulgated SI33/2019 which introduced the ZW$ currency. The foreign liabilities were registered and approved by the Reserve Bank of Zimbabwe, ("RBZ") and the Group transferred to the RBZ the ZW$ equivalent of the foreign liabilities based on an exchange rate of ZW$ 1 = US$ 1 in line with Exchange Control Directives RU102/2019 and RU28/2019 and as directed by the RBZ. The foreign debts have been accounted for at the closing exchange rate as at 30 June 2021 in line with IAS 21 and the deposits with the RBZ have also been accounted for as statutory assets at the same closing exchange rate, in compliance with IFRS 9.

The Board remains confident that the RBZ will settle the legacy debts in line with the Exchange Control Directives although risk remains that policies regarding the foreign liabilities may be changed. During the year the RBZ settled US$1 350 000 of the legacy debts and the RBZ has provided confirmation to the Group that the outstanding amounts will be settled.

6 **Transactions with Non-Controlling Interests**

On 1 July 2020, the Group acquired an additional effective 25.27% of the issued shares of Alpha Packaging (Private) Limited, ("Alpha"/"the Company") for ZW$424 310 337 (Historical: ZW$278 292 164). Immediately prior to the purchase, the Group had an effective controlling interest of 20.42% in the Company. The Group recognised an increase in effective controlling interest from 20.42% to 45.69% and the effect on the equity attributable to the Group during the year is summarised as follows:

	INFLATION-ADJUSTED		HISTORICAL	
	30 June 2021 audited ZW$'000	30 June 2020 audited ZW$'000	30 June 2021 supplementary ZW$'000	30 June 2020 supplementary ZW$'000
Carrying amount of non-controlling interests acquired	20 760	—	13 616	—
Consideration paid to non-controlling interests	(424 310)	—	(278 292)	—
Excess of consideration paid recognised in the Restructure Reserve within equity	(403 550)	—	(264 676)	—

7 **Disposal of Net Assets of Pangolin (Private) Limited**

On 1 July 2020 Pangolin (Private) Limited ("the Company"), a subsidiary of the Group, disposed its net assets to Probrands (Private) Limited, an associate of the Group. The Group recognised a profit of ZW$2 181 291 (Historical: ZW$12 691 140) on the disposal.

Supplementary Information (continued)

8 Operating Segments

The Group's operations comprise of the Mill-Bake, Protein, Other Light Manufacturing and Services businesses and Head Office Services Segments explained as follows:

Mill-Bake Segment - reports the results of the Group's interests in National Foods Holdings Limited, the Bakery division and non-controlling interest in Profeeds (Private) Limited.

Protein Segment - reports the results of the Group's interests in the Colcom division and Irvine's Zimbabwe (Private) Limited, Associated Meat Packers (Private) Limited (AMP), and Intercane Investments (Private) Limited.

Other Light Manufacturing and Services - reports the results of the Group's controlling interests in Natpak (Private) Limited, Prodairy (Private) Limited, Probottlers (Private) Limited and non-controlling interests in Probrands (Private) Limited, Innscor Appliance Manufacturing (Private) Limited t/a Capri, Paperhole Investments (Private) Limited and Afrigrain Trading Limited.

Head Office Services - reports the Group's shared services functions of treasury, legal, tax, audit, payroll and information technology.

	Mill-Bake ZW$'000	Protein ZW$'000	Other Light Manufacturing ZW$'000	Head Office Services ZW$'000	Inter-Segment Adjustments ZW$'000	Total ZW$'000
INFLATION-ADJUSTED						
Revenue						
30 June 2021	40 617 143	22 097 791	10 096 787	589 801	(6 492 373)	**66 909 149**
30 June 2020	32 946 423	13 883 798	7 828 792	302 634	(5 494 318)	**49 467 329**
Operating profit/(loss) before depreciation, amortisation and fair value adjustments						
30 June 2021	4 134 246	3 075 706	1 321 484	56 773	—	**8 588 209**
30 June 2020	4 809 216	1 899 827	1 108 244	(330 419)	—	**7 486 868**
Depreciation and amortisation						
30 June 2021	304 410	422 657	337 438	75 377	1 386	**1 141 268**
30 June 2020	365 281	309 505	358 119	45 956	2 907	**1 081 768**
Equity accounted earnings						
30 June 2021	758 489	194 583	75 327	1 198 928	—	**2 227 327**
30 June 2020	650 423	11 397	207 764	1 427 296	—	**2 296 880**
Profit before tax						
30 June 2021	3 337 802	2 303 969	874 362	661 003	—	**7 177 136**
30 June 2020	4 508 580	1 818 087	1 022 253	1 945 332	(385)	**9 293 867**
Segment assets						
30 June 2021	19 792 220	11 937 127	6 955 561	10 566 549	(598 034)	**48 653 423**
30 June 2020	15 576 910	6 606 277	4 679 543	13 052 190	313 662	**40 228 582**
Segment liabilities						
30 June 2021	8 465 505	5 239 214	3 697 703	2 172 404	(129 279)	**19 445 547**
30 June 2020	5 952 967	2 712 347	2 162 307	2 166 190	560 197	**13 554 008**
Capital expenditure						
30 June 2021	1 082 993	1 545 355	1 183 733	106 201	—	**3 918 282**
30 June 2020	412 015	304 126	496 451	243 058	—	**1 455 650**
Cash flow from operating activities						
30 June 2021	4 468 904	2 385 121	1 020 595	780 023	(15 889)	**8 638 754**
30 June 2020	569 699	147 785	173 341	29 548	31 570	**951 943**
Investing activities						
30 June 2021	(1 047 136)	(1 372 926)	(1 420 570)	(203 689)	215 644	**(3 828 677)**
30 June 2020	(422 043)	(350 114)	(617 017)	(218 713)	107 298	**(1 500 589)**
Financing activities						
30 June 2021	2 202 611	2 304 387	1 983 344	1 086 571	(3 938 253)	**3 638 660**
30 June 2020	655 517	738 366	575 471	666 107	(120 280)	**2 515 181**

*All 30 June 2020 numbers are restated

	Mill-Bake ZW$'000	Protein ZW$'000	Other Light Manufacturing ZW$'000	Head Office Services ZW$'000	Inter-Segment Adjustments ZW$'000	Total ZW$'000
HISTORICAL						
Revenue						
30 June 2021	34 289 538	18 655 252	8 523 843	497 918	(5 480 948)	**56 485 603**
30 June 2020	7 432 445	3 132 072	1 766 112	68 271	(1 239 473)	**11 159 427**
Operating profit/(loss) before depreciation, amortisation and fair value adjustments						
30 June 2021	5 478 099	4 075 477	1 751 038	75 227	—	**11 379 841**
30 June 2020	2 189 893	865 093	504 642	(150 457)	—	**3 409 171**
Depreciation and amortisation						
30 June 2021	48 626	67 515	53 902	12 041	221	**182 305**
30 June 2020	27 828	23 578	27 282	3 501	221	**82 410**
Equity accounted earnings						
30 June 2021	640 405	164 290	63 600	1 012 276	—	**1 880 571**
30 June 2020	243 083	4 259	77 648	533 424	—	**858 414**
Profit before tax						
30 June 2021	6 018 692	4 154 492	1 576 640	1 191 914	—	**12 941 738**
30 June 2020	2 588 879	1 043 967	586 990	1 117 032	(221)	**5 336 647**
Segment assets						
30 June 2021	13 771 646	8 305 985	4 839 756	7 352 321	(416 117)	**33 853 591**
30 June 2020	5 038 359	2 136 803	1 513 600	4 221 737	101 454	**13 011 953**
Segment liabilities						
30 June 2021	7 590 923	4 697 944	3 315 689	1 947 970	(115 922)	**17 436 604**
30 June 2020	2 498 864	1 138 556	907 667	909 297	235 153	**5 689 537**
Capital expenditure						
30 June 2021	1 019 589	1 454 880	1 114 431	99 984	—	**3 688 884**
30 June 2020	83 157	61 381	100 198	49 056	—	**293 792**
Cash flow from operating activities						
30 June 2021	3 034 442	1 619 527	692 996	529 645	(10 788)	**5 865 822**
30 June 2020	568 190	147 394	172 882	29 470	31 486	**949 422**
Investing activities						
30 June 2021	(996 244)	(1 306 200)	(1 351 528)	(193 789)	205 163	**(3 642 598)**
30 June 2020	(81 970)	(68 000)	(119 838)	(42 478)	20 839	**(291 447)**
Financing activities						
30 June 2021	1 605 861	1 680 064	1 446 001	792 188	(2 871 269)	**2 652 845**
30 June 2020	212 130	238 941	186 227	215 557	(38 924)	**813 931**

	INFLATION-ADJUSTED		HISTORICAL	
	Year ended 30 June 2021 audited ZW$'000	**Year ended 30 June 2020 audited: restated ZW$'000**	**Year ended 30 June 2021 supplementary ZW$'000**	**Year ended 30 June 2020 supplementary ZW$'000**
9 Financial income				
Exchange gains/(losses) - realised	1 152 220	(81 352)	994 772	(17 442)
Exchange (losses)/gains - unrealised	(581 619)	111 151	(581 620)	53 789
Profit/(loss) on disposal of plant and equipment	2 760	(12 683)	35 487	(1 694)
Profit on assets of disposal group classified as held for sale	125 786	—	144 620	—
Other	78 442	784 590	51 952	362 634
	777 589	**801 706**	**645 211**	**397 287**
10 Inventories				
Consumable stores	821 990	556 220	797 124	207 727
Finished products, net of allowance for obsolescence	1 856 828	1 644 448	1 831 408	711 124
Raw materials and packaging	5 690 235	6 283 517	5 594 596	2 362 774
Goods in transit	6 025	—	6 025	—
Work in progress	102 302	102 778	102 303	46 423
	8 477 380	**8 586 963**	**8 331 456**	**3 328 048**
11 Trade and other receivables				
Trade receivables	4 446 337	2 608 739	4 446 337	1 262 430
Prepayments	2 815 624	2 345 985	2 727 457	881 248
Rental deposits	—	277	—	134
VAT Receivable	310 628	136 622	310 628	66 115
Other receivables	1 233 463	588 073	1 233 463	385 423
	8 806 052	**5 679 696**	**8 717 885**	**2 595 350**
Allowance for credit losses	(67 726)	(82 858)	(67 726)	(40 097)
	8 738 326	**5 596 838**	**8 650 159**	**2 555 253**
12 Lease liability				
Analysis				
Non-current	248 208	101 338	248 208	49 040
Current	88 760	33 091	88 760	16 014
	336 968	**134 429**	**336 968**	**65 054**
Undiscounted future lease payments				
Payable within one year	347 592	69 693	347 592	33 726
Payable two to five years	1 540 163	161 612	1 540 163	78 208
Payable after five years	1 885 917	56 583	1 885 917	27 382
	3 773 672	**287 888**	**3 773 672**	**139 316**
13 Trade and other payables				
Trade payables	2 694 404	3 736 311	2 694 404	1 808 089
Accruals	1 135 442	1 113 925	1 135 442	539 055
Other payables	5 116 503	1 999 084	5 116 503	1 130 327
	8 946 349	**6 849 320**	**8 946 349**	**3 477 471**

14 Interest-Bearing Borrowings

Interest-bearing borrowings constitute bank loans from various local financial institutions which accrue interest at an average rate of 31% at the end of the year.

These facilities expire at different dates and will be reviewed and renewed as they mature.

15 Assets of disposal group classified as held for sale

Following the disposal of the National Foods Holdings Limited depot operations in October 2016, the Board identified the properties from which some of these depots operate to be non-core. The properties that had been previously categorised as assets of disposal group classified as held for sale were disposed during the year.

	INFLATION-ADJUSTED		HISTORICAL	
	Year ended 30 June 2021 audited ZW$'000	**Year ended 30 June 2020 audited ZW$'000**	**Year ended 30 June 2021 supplementary ZW$'000**	**Year ended 30 June 2020 supplementary ZW$'000**
16 Commitments for capital expenditure				
Contracts and orders placed	2 642 520	2 165 573	2 642 520	1 047 972
Authorised by Directors but not contracted	949 339	661 543	949 339	320 136
	3 591 859	**2 827 116**	**3 591 859**	**1 368 108**

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

17 Earnings per share

Basic earnings basis

The calculation of basic earnings per share is based on the profit attributable to equity holders of the parent and the weighted average number of ordinary shares in issue for the year.

Diluted earnings basis

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

The share options arising from the Group's Employee Share Trust Scheme were not dilutive as at the end of the current year.

Headline earnings basis

Headline earnings comprise of basic earnings attributable to equity holders of the parent adjusted for profits, losses and items of a capital nature that do not form part of the ordinary activities of the Group, net of their related tax effects and share of non-controlling interests as applicable.

Supplementary Information (continued)

17 Earnings per share (continued)

Headline earnings basis (continued)

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

	INFLATION-ADJUSTED		HISTORICAL	
	Year ended 30 June 2021 audited ZW$'000	Year ended 30 June 2020 audited: restated ZW$'000	Year ended 30 June 2021 supplementary ZW$'000	Year ended 30 June 2020 supplementary ZW$'000
a Net profit attributable to equity holders of the parent	**2 751 840**	**4 850 969**	**7 144 165**	**3 064 586**
b Reconciliation of basic earnings to headline earnings				
Adjustment for non-headline items (gross of tax):				
(Profit)/loss on disposal of property, plant and equipment	(2 760)	12 683	(35 487)	(1 694)
Profit on assets of disposal group classified as held for sale	(125 786)	—	(144 620)	—
Tax effect on adjustments	31 776	(3 135)	44 523	436
Non-controlling interests' share of adjustments	72 811	(2 725)	102 015	359
Net reconciling items	(23 959)	6 823	(33 569)	(899)
Headline earnings attributable to equity holders of the parent	**2 727 881**	**4 857 792**	**7 110 596**	**3 063 687**
c Reconciliation of weighted average number of ordinary shares				
	No. of shares issued	No. of shares issued	No. of shares issued	No. of shares issued
Number of shares in issue at the beginning of the year	**564 777**	**559 727**	**564 777**	**559 727**
Add: Weighted Average number of shares issued during the year	3 898	2 856	3 898	2 856
Less: Weighted Average number of Treasury Shares	(3 186)	(1 819)	(3 186)	(1 819)
Weighted Average Number of Ordinary Shares	**565 489**	**560 764**	**565 489**	**560 764**
d Reconciliation of weighted average number of ordinary shares after effects of dilution				
Number of ordinary shares for basic and headline earnings per share	**565 489**	**560 764**	**565 489**	**560 764**
Effects of dilution: Share Option Scheme	5 896	8 361	5 896	8 361
Weighted average number of ordinary shares adjusted for the effects of dilution	**571 385**	**569 125**	**571 385**	**569 125**
Basic earnings per share (cents)	486.63	865.06	1 263.36	546.50
Headline earnings per share (cents)	482.39	866.28	1 257.42	546.34
Diluted basic earnings per share (cents)	481.61	852.36	1 250.32	538.37
Diluted headline earnings per share (cents)	477.42	853.56	1 244.45	538.32

	INFLATION-ADJUSTED		HISTORICAL	
	Year ended 30 June 2021 audited ZW$'000	Year ended 30 June 2020 audited: restated ZW$'000	Year ended 30 June 2021 supplementary ZW$'000	Year ended 30 June 2020 supplementary ZW$'000
18 Contingent liabilities				
Guarantees				
The contingent liabilities relate to bank guarantees provided in respect of associate companies borrowings as at 30 June 2021	**2 968 322**	**1 881 444**	**2 968 322**	**910 475**

19 Uncertain tax positions

The significant currency changes in Zimbabwe since 2018 have created some uncertainities in the treatment of taxes due to the absence of clear guidance and transitional measures from the tax authorities. Complications have arisen from the wording of the tax legislation in relation to the currency of settlement for certain taxes which gives rise to varying interpretations within the economy. In addition, complications have arisen due to the erroneous VAT legislation on certain products from prior periods. This legislation has now been corrected but has not yet dealt with the prior periods in question.

20 Going Concern

The Directors have assessed the ability of the Group to continue as a going concern and have satified themselves that the Group is in a sound financial position and has adequate resources to continue in existence for the foreseeable future. Accordingly, they believe that the preparation of these consolidated annual inflation-adjusted financial statements on a going concern basis is appropriate.

21 Subsequent events

Subsequent to year end the Board declared a final dividend of ZW$180 cents per share payable in respect of all ordinary shares of the Company.

On the same date the Board also declared a final dividend totalling ZW$51 million to Innscor Africa Employee Share Trust (Private) Limited.

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

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS

Qualified opinion

We have audited the inflation-adjusted consolidated financial statements of Innscor Africa Limited (the "Company") and its subsidiaries (together, "the Group"), set out on pages 18 to 80, which comprise the inflation-adjusted consolidated statement of financial position as at 30 June 2021, and the inflation-adjusted consolidated statement of profit or loss and other comprehensive income, the inflation-adjusted consolidated statement of changes in equity and the inflation-adjusted consolidated statement of cash flows for the year then ended, and the notes to the inflation-adjusted consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying inflation-adjusted consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs"), and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

Basis for Qualified Opinion

Our basis for qualified opinion has been arrived at after consideration of the following matters:

1. Impact of adverse opinion on prior year audited financial statements and the carry over effects in the current year inflation-adjusted consolidated financial statements

i. Accounting for blocked funds

Included within the prior year financial assets are local funds deposits amounting to ZW$5 133 811 placed by the Company and its local subsidiaries namely National Foods Holdings Limited, Irvine's Zimbabwe (Private) Limited and Probottlers (Private) Limited, with the Reserve Bank of Zimbabwe ("RBZ") in pursuance of the registration of foreign currency denominated liabilities at the date of functional currency change on 22 February 2019 as required by policy pronouncements and undertakings by RBZ. The deposits in local currency were inappropriately recognised as a monetary financial asset in the prior period. For the year ended 30 June 2021, the Group was able to satisfy the recognition criteria of the deposits to the RBZ as a monetary statutory receivable. The deposits in local currency, held with the RBZ, were inappropriately treated as foreign denominated derivative financial asset and translated at the Group's closing ZWL/USD exchange rate in contravention of International Accounting Standard (IAS) 21 – The Effects of Changes In Exchange rates which defines foreign currency as a currency other than the functional currency of the Group. This resulted in an overstatement on the current assets and financial income by ZW$699 481 151 (2020 balance uplifted to current year).

For the year ended 30 June 2021, the Group was able to satisfy the recognition criteria of the deposits to the RBZ as a monetary statutory receivable. The statutory receivable was appropriately accounted for under the requirements of IAS 21. Due to the fact that the recognition criteria and accounting treatment was not appropriate for the year ended 30 June 2020, our opinion on the current year inflation-adjusted consolidated financial statements is modified because of the misstatement to the financial assets and financial income in the comparative financial information and the resulting carry-over impact to the movements in the financial income and monetary adjustment in the current year inflation-adjusted statement of profit or loss and other comprehensive income.

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Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Basis for Qualified Opinion (continued)

2. Incomplete application of IAS 1 (Presentation of financial statements) disclosures on restated comparative financial information

The Group applied the United States Dollar ("USD") as its functional and reporting currency for the period 1 July 2018 to 22 February 2019 and the Real Time Gross Settlement Dollar ("RTGS$") or Zimbabwe Dollar ("ZWL") for the period 23 February 2019 to 30 June 2019, in order to comply with Statutory Instrument 33 of 2019 ("SI 33/2019"), issued on 22 February 2019. In addition, to comply with SI 33/2019, the Group changed its functional and presentation currency with effect from 23 February 2019. Under IAS 21, the change in functional currency should have occurred from 1 October 2018, based on the significance of the monetary and exchange control policy changes that occurred between 2016 and 2019.

As a result of this incorrect date of change in functional currency, the inflation adjusted corresponding figures for the year ended 30 June 2019 were misstated, and opening balances for the year ended 30 June 2020 were also similarly misstated, with a consequential impact on reported financial performance and position for the year ended 30 June 2020. Furthermore, the incorrect date of change in functional currency also impacted the accuracy of the hyperinflation restatements required under IAS 29 'Financial Reporting in Hyperinflationary Economies'. This resulted in the adverse audit opinion in the prior years.

The Group resolved to correct the inconsistencies arising due to the decision to apply the requirements of IAS 21 and IAS 29 from 22 February 2019 as opposed to 1 October 2018 as would have been required to comply with International Financial Reporting Standards ("IFRS"). This was applied by restating the prior year financial statements as further described in Note 2.5. Whilst the cumulative impact from the first opening statement of financial position as of 1 July 2019 was corrected, the third statement of financial position as at 30 June 2019 was not presented as required by the IAS 1 -Presentation of Financial Statements. This results in a modification as a result of non-compliance with the presentation requirements.

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Inflation-adjusted Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Matter

The financial statements of the Group for the year ended 30 June 2020, were audited by another auditor who expressed an adverse opinion on those statements on 25 September 2020.

The adverse opinion was in part based on the Group's inability to establish observable market wide exchange rates that meet the requirements of IAS 21 at the time.

During the current year, management reassessed its ability to establish an observable market wide exchange rate for both the year ended 30 June 2020 and 30 June 2021. We reassessed the specific item as basis for the adverse audit opinion being "Exchange rates used (Non-compliance with IAS 21 by the Company and its local subsidiaries with ZW$ as their functional currency) on the 2020 financial statements and concluded that the Group was subsequently able to establish observable market wide exchange rates. Consequently there was no further impact on the audit opinion for the year ended 30 June 2021.

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Key audit matter	How the matter was addressed in the audit
1. Valuation of Biological Assets	
As disclosed in Note 5 biological assets are recognised as fair value. Biological assets of the Group include cattle, pigs, birds and hatching eggs, and fair value is determined with reference to the average theoretical life spans for the various categories of biological assets and available market prices. Valuation of biological assets was considered a key audit matter due to the judgements involved in determination of the assumptions used to come up with the fair values and the accuracy of the inputs used in the model. The related disclosures for the fair valuation of biological assets are included in note 16 of the inflation adjusted consolidated financial statements.	In addressing the key audit matter, we performed the following procedures: • Tested the design and implementation of controls around the valuation of biological assets; • Assessed the fair valuation process adopted by management for conformity with the requirements of International Financial Reporting Standards, specifically International Accounting Standard ("IAS") 41: Agriculture; • Substantively tested key data inputs underpinning the carrying amount of biological assets; • Evaluated the reasonableness of management's assumptions with reference to the economic environment, related industry norms and other relevant factors/ considerations; • Assessed the consistency of application of the valuation model compared with prior year; • Re-performed the valuation process using management's model; • Performed sensitivity analysis on key valuation inputs; and • Assessed the appropriateness of the disclosures for biological assets. We assessed the valuation methodologies applied to be appropriate. The related disclosures were also appropriate.
2. Estimation of exchange rates for use in translating foreign currency balances and transactions – Compliance with IAS 21 'The Effects of Changes in Exchange Rates	
The Group's functional currency is the Zimbabwe dollar, and the Group undertakes a number of direct and indirect foreign currency denominated transactions that subsequently also give rise to foreign currency denominated balances. The legally recognised exchange rate for the translation of these foreign currency denominated transactions and balances is the RBZ Foreign Currency Auction exchange rate. However, because the Group is unable to access its full foreign currency requirements from the RBZ Foreign Currency Auction, it is faced with a long-term lack of exchangeability.	Our testing was focused on the areas of judgement applied by management in determining the internal spot exchange rates. Procedures performed included the following: • Obtained an understanding of the Group's specific circumstances leading to a lack of exchangeability; • Obtained an understanding of the process by which the Group determines its estimates of spot exchange rates; • Evaluated the design and tested the implementation of relevant controls over the Group's processes for the estimation of its spot exchange rates; • Tested the completeness and accuracy of the model and inputs into the estimation of exchange rates; • Tested the accuracy of the application of exchange rates to the translation of foreign currency denominated transactions and balances; and • Reviewed the financial statements for adequacy of disclosures.

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS (continued)

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td colspan="2">2. Estimation of exchange rates for use in translating foreign currency balances and transactions – Compliance with IAS 21 'The Effects of Changes in Exchange Rates</td></tr>
<tr><td>Under these circumstances, the requirements of IAS 21 prescribe that the spot exchange rates be estimated based on exchange rates arising from the actual means by which the Group is practically able to access its foreign currency requirements. The determination of the spot rate has been assessed to be key audit matter due to the judgement involved.

Related disclosures are included note 2.4 of the inflation adjusted consolidated financial statements.</td><td>Overall, we concluded that the accounting treatment and disclosures made are appropriate and in accordance with the requirements of IAS 21.</td></tr>
<tr><td colspan="2">3. Accounting for Legacy Debt</td></tr>
<tr><td>The Group has an amount of ZW$5 133 181 that was deposited in the previous year as a cash cover with its bankers, in line with the Reserve Bank of Zimbabwe's ('RBZ') directives [RU 28/2019 (28 February 2019), RU 102/2019 (25 June 2019)] and circulars [Circular No. 8 of 2019 (24 July 2019)] related to the legacy debts frameworks.

The Group is yet to receive the USD equivalent amount, either in whole or in part, for the cash cover deposited, and neither does it have a specific written contractual agreement with the RBZ that is legally enforceable with respect to the RBZ honouring the arrangement. The balance outstanding for the cash cover as at 30 June 2021 was ZWL$3 783 811.

The accounting of the legacy debt has been considered a key audit matter.

Related disclosures are included note 2.6 of the inflation adjusted consolidated financial statements.</td><td>In addressing the key audit matter, we performed the following procedures:

• Reviewed the relevant Statutory Instruments and Exchange Control Directives issued by the RBZ in respect of legacy debts to establish their applicability to, and implications on the Group;
• Re-assessed our understanding of the RBZ legacy debts framework to determine the extent to which reporting entities have a legally enforceable right against the RBZ for delivery of USD against the ZW$ cash cover deposits made;
• Consulted with our technical experts regarding the appropriate accounting treatment for the Legacy Debt; and
• Assessed the Innscor Africa Limited accounting treatment for compliance with the International Financial Reporting Standards.

For the year ended 30 June 2021, the accounting of the legacy debt was assessed to be appropriate.</td></tr>
</table>

Other Information

The Directors are responsible for the other information. The other information comprises the Chairman's Statement, Directors Responsibility and Approval of Financial Statements, Report of the Directors and the historical cost consolidated financial information which we obtained prior to the date of this auditor's report and the Annual Report, which is expected to be made available to us after that date. The 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 and will not express any form of assurance conclusion thereon.

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

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

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

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Responsibilities of the Directors for the Inflation-adjusted Consolidated Financial Statements

The Directors are responsible for the preparation and fair presentation of the inflation-adjusted consolidated financial statements in accordance with IFRSs, the Companies and Other Business Entities Act (Chapter 24:31), and for such internal control as the Directors determine is necessary to enable the preparation of inflation-adjusted financial consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting processes.

Auditor's Responsibilities for the Audit of the Inflation-adjusted Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the inflation-adjusted consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the inflation-adjusted consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the 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 our audit opinion.

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

REPORT ON THE AUDIT OF THE INFLATION-ADJUSTED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Auditor's Responsibilities for the Audit of the Inflation-adjusted Consolidated Financial Statements

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

In fulfilment of the requirements of Section 193 of the Companies and Other Business Entities Act (Chapter 24:31) ("the Act"), we report to the shareholders as follows:

<u>Section 193(1)(a)</u>

Except for the matters described in the Basis for Qualified Opinion section of our report, the inflation-adjusted consolidated financial statements of the Group are properly drawn up in accordance with the Act and give a true and fair view of the state of the Group's affairs as at 30 June 2021.

<u>Section 193(2)</u>

We have no matters to report in respect of the Section 193(2) requirements of the Act.

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

Deloitte & Touche

DELOITTE & TOUCHE
CHARTERED ACCOUNTANTS (ZIMBABWE)
Per Brian Mabiza
Partner
(PAAB Practice Certificate 0447)
Harare, Zimbabwe

Date: 30 September 2021